



Middle East Bank
(Public Joint Stock Company)

Independent Auditor's Report
And Consolidated Financial Statements

For the Financial Year Ended
20 March 2022

Independent Auditor's Report
to the Shareholders
Middle East Bank (Public Joint Stock Company)

Qualified Opinion

We have audited the accompanying consolidated financial statements of Middle East Bank ("the Bank") and its subsidiaries ("the Group") which comprise the consolidated statement of financial position as at 20 March, 2022, the consolidated statements of profit or loss, comprehensive income, cash flows and changes in equity for the financial year then ended and a summary of significant accounting policies and other explanatory notes.

In our opinion, except for the effects of the matters described in the *Basis for Qualified Opinion* section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as of 20 March, 2022 and of its performance and cash flows for the year then ended in conformity with the Iranian Accounting Standards.

Basis for Qualified Opinion

- 1- As disclosed in Note 7-11 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 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. 00/376983 dated 15 March, 2022 (Rials 220,000 to EUR, Rials 200,000 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 postings.

The above translation policy has resulted in an exchange gain of Rials 2,532 bn. shown in the statement of income as well as Rials 458 bn. gain in respect of foreign operations which, in accordance with the Accounting Standards, is classified as other reserves in the shareholders equity.

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.

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.

Middle East Bank (Public Joint Stock Company)

- 2- Investments in shares and other securities as disclosed in Note 12 to the consolidated financial statements include Rls 1,043 bn investments in the market maker funds, of which Rls 926 bn was allocated for purchase of the Bank's own shares. According to the Accounting Standards, the substance of such investments are the Bank's shares being acquired by its own and should have been classified as a contra balance in equity in the financial statements. However, according to the enquiry made by the Bank from the Securities and Exchange Organization ("SEO"), such investment is not considered as "treasury shares".
- 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 exempt income, disallowing of the interests paid to the customer's deposits above the rates instructed by CBI as well as calculation of exchange gain at the prevailing rates higher than those instructed by CBI. The matter of dispute has also been reported to CBI and the Association of Private Banks for their follow-up with the tax authorities. Furthermore, the provision for income tax of the financial year under review has been provided on the basis of declared income and taking into account of zero tax rate on part of the current year's profit which is planned to be used for the purpose of share capital increase in the subsequent financial year (subject to Clause "F" of Note 2 of the subsequent year's Budget Act) which is yet to be assessed by the STO. Qualifying for such exemption is dependent on the approval of the capital increase and registering it with the Company's Registrar within the subsequent financial year.

The Bank has provided additional tax provisions in the accounts 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 rulings being issued by the competent authorities.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Bank in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Middle East Bank (Public Joint Stock Company)

Responsibilities of the Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Iranian Accounting Standards and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so. Management is responsible for overseeing the entity's financial reporting process.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.



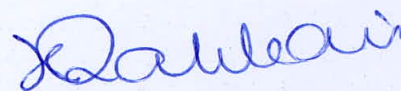
Middle East Bank (Public Joint Stock Company)

- Conclude on the appropriateness of the management' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosure are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements including disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the consolidated financial information of the business activities within the entity to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the entity audit. We remain solely responsible for our audit opinion.

We communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide management with a statement that we have complied with relevant ethical requirements regarding independence and to communicate to them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, related safe guards.

From the matters communicated to management, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such a communication.

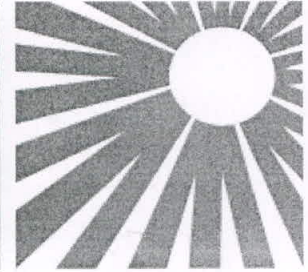


Bayat Rayan
Chartered Accountants

Tehran: 27 June, 2022



بانك خاورميانه
Middle East Bank



Middle East Bank

(Public Joint stock Company)

**Consolidated Financial statements of the
Group and Middle East Bank**

(Audited)

Year ended 20 Mar. 2022

Middle East Bank (PJkC)
Consolidated statement of financial position
As at 20 March 2022

Description	Note	20 Mar. 2022	20 Mar. 2021
Assets:		IRR million	IRR million
Cash	9	40,179,385	40,785,040
Due from banks and financial institutions	10	38,444,732	42,279,997
Credit facilities granted	11	354,698,618	239,669,890
Investments	12	46,514,260	49,359,635
Due from subsidiaries and associates	13	1,889	1,893
Other accounts receivable	14	10,951,229	4,810,393
Fixed assets	15	5,645,318	3,939,727
Intangible assets	16	281,049	304,420
Statutory deposit	17	27,154,220	21,340,048
Other assets	18	3,424,642	2,774,605
Total assets		527,295,342	405,265,648
Liabilities:			
Due to banks and financial institutions	19	50,528,563	13,020,497
Customers' deposits	20	104,476,334	82,845,223
Dividends payable	21	54,376	47,109
Income tax provision	22	1,654,453	3,517,922
Other liabilities and accruals	23	16,422,244	13,020,379
Staff termination benefits	24	363,908	247,994
Total liabilities before benefits of investment deposit holders		173,499,878	112,699,124
Benefits of investment deposit holders	25	295,990,943	252,469,628
Total liabilities		469,490,821	365,168,752
Shareholders' equity:			
Share capital	26	25,000,000	15,000,000
Legal reserve	27	9,067,581	5,969,152
Other reserves	28	90,560	121,323
Foreign exchange translation differences for foreign operations	29	2,090,564	1,632,111
Retained earnings		21,214,381	17,115,498
Total equity attributable to equity holders of the Bank		57,463,086	39,838,084
Non-controlling interests		341,435	258,812
Total shareholders' equity		57,804,521	40,096,896
Total liabilities and shareholders' equity		527,295,342	405,265,648
Letters of credit	45-1	3,066,333	1,144,390
Issued guarantees	45-2	124,570,656	92,753,012
Other commitments	45-3	6,410,005	3,457,017
Managed funds	45-4	-	10,474,848

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



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A. Gharani Far

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Gharani Far

Middle East Bank (PJkC)
Consolidated statement of profit or loss
Year ended 20 March 2022

Description	Note	year ended 20 Mar. 2022	Year ended 20 Mar. 2021
		IRR million	IRR million
Interest income on credit facilities granted and deposits	30	53,373,757	35,862,324
Interest expense	32	(35,468,512)	(22,409,338)
Net interest income on credit facilities granted and deposits		17,905,245	13,452,986
Fees and commission income	34	3,735,687	2,724,506
Fees and commission expense	35	(374,320)	(272,686)
Net fees and commission income		3,361,367	2,451,820
Net income (loss) from investments	31	104,137	340,663
Net foreign exchange transactions income	36	6,337,340	10,644,355
Other operating income	37	(255,050)	(195,982)
Total operating income		27,453,039	26,693,842
Other income	38	11,018	50,676
executive and general expenses	39	(4,231,175)	(3,310,406)
Provision for bad and doubtful debts	40	(2,033,802)	(2,094,421)
Financial expenses	41	-	(198)
Depreciation and amortization	42	(509,121)	(364,033)
Profit before tax		20,689,959	20,975,460
Income tax for the year / period	22	(479,505)	(2,236,960)
Income tax for the prior years/period	22	-	(576,886)
Net Profit		20,210,454	18,161,614
Profit attributable to:			
Shareholders of the parent company		20,132,339	17,980,594
Non-controlling interests		78,115	181,020
		20,210,454	18,161,614
EPS (Rials)	47		
Basic EPS (Rials)		805	719

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



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A. Ghavami Ror

Middle East Bank (PJkC)
Consolidated statement of comprehensive income
Year ended 20 March 2022

Description	Note	year ended 20 Mar. 2022	Year ended 20 Mar. 2021
		IRR million	IRR million
Net Profit		20,210,454	18,161,614
Foreign exchange translation differences for foreign operations	29	458,453	1,578,843
Comprehensive income of reporting financial period		20,668,907	19,740,457
Total comprehensive income attributable to:			
Shareholders of the parent company		20,590,792	19,559,437
Non-controlling interests		78,115	181,020
		20,668,907	19,740,457

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



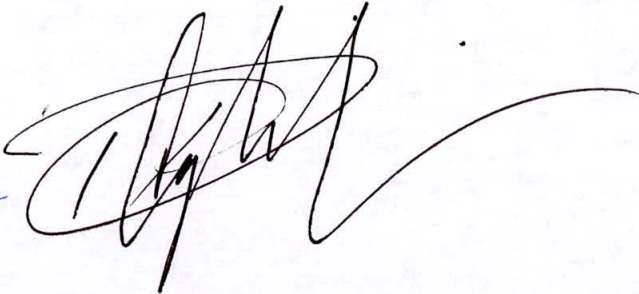
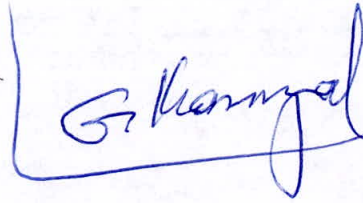

A. Ghavamifard



Middle East Bank (PJKC)
Consolidated statement of changes in equity
Year ended 20 March 2022

		year ended 20 Mar. 2022											
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 March, 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									20,132,339		20,132,339	78,115	20,210,454
Prior years adjustments (correction of error)									-		-	-	-
Other comprehensive Income (net of tax)													
Revaluation of assets							-				-	-	-
Foreign exchange translation differences for foreign operations	29							458,453			458,453	-	458,453
Tax on other comprehensive income								-			-	-	-
Total other comprehensive income								458,453			458,453	-	458,453
Total comprehensive income								458,453	20,132,339		20,590,792	78,115	20,668,907
Capital increase													
Share capital increase-Registered		10,000,000	-						(10,000,000)		-	212,500	212,500
Share capital in progress		-	-						-		-	-	-
Treasury share													
Purchase of treasury share											-	-	-
Sale of treasury share											-	-	-
Parent's shares owned by subsidiaries													
Distribution													
Legal reserve	27				3,098,429				(3,098,429)		-	-	-
Other reserves	28					(30,763)			64,973		34,210	(32,992)	1,218
Dividends	21								(3,000,000)		(3,000,000)	(175,000)	(3,175,000)
Total		10,000,000	-	-	3,098,429	(30,763)	-	-	(16,033,456)	-	(2,965,790)	4,508	(2,961,282)
Balance at 20 Mar. 2022		25,000,000	-	-	9,067,581	90,560	-	2,090,564	21,214,381	-	57,463,086	341,435	57,804,521

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

A. Ghanamifaz  



Middle East Bank (PJKC)
Consolidated statement of changes in equity
Year ended 20 March 2022

continued

Description	Note	Year ended 20 Mar. 2021												
		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 comprehensive Income (net of tax)														
Revaluation of assets										-		-	-	-
Foreign exchange translation differences for foreign operations	29								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	27				2,510,005					(2,510,005)		-	-	-
Other reserves	28						121,323			(161,765)		(40,442)	40,442	-
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.



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Middle East Bank (PJkC)
Consolidated statement of cash flows
Year ended 20 March 2022

Description	Note	year ended 20 Mar. 2022	Year ended 20 Mar. 2021
		IRR million	IRR million
Operating activities:			
Cash inflows(outflows)from operating activities	43	4,059,358	5,769,988
Paid tax		(2,353,453)	(1,295,250)
Net Cash inflows(outflows)from operating activities		1,705,905	4,474,738
Investing activities:			
Acquisition of fixed assets		(2,125,151)	(295,327)
Disposal of fixed assets		-	2,987
Acquisition of intangible assets		(168,859)	(143,827)
Net cash inflow from investing activities		(2,294,010)	(436,167)
Net cash inflow before financing activities		(588,105)	4,038,571
Financing activities:			
Dividends paid		(2,992,733)	(1,988,920)
Capital increase		45,090	-
Net cash inflow(outflow) from financing activities		(2,947,643)	(1,988,920)
Net increase (decrease) in cash		(3,535,748)	2,049,651
Cash at beginning of the year / period		40,785,040	24,882,356
Effect of exchange rate fluctuations on cash		2,930,093	13,853,033
Cash at end of the year / period		40,179,385	40,785,040
Non-cash transactions	44	327,541	-

Operating activities:

Cash inflows:

Loans' interest and penalty	28,356,593	16,083,153
Interest from debt securities	9,335,364	4,818,955
Fees and commission	3,772,813	3,239,636
Deposits interest	5,288,192	3,058,116
Investments income	104,197	340,663
Other operating income	(255,050)	(195,982)
Other income	11,018	47,688

Cash outflows:

Deposits interest	(39,241,096)	(18,668,959)
Fees and commission	(374,320)	(272,686)
Finance expenses	-	(198)
Other operating expenses	(3,907,213)	(3,586,588)
Paid tax	(2,353,453)	(1,295,250)

Cash inflows(outflows)from operating activities before changes in operating assets and liabilities:

737,046

3,568,548

Cash flows from changes in operating assets and liabilities:

Net increase (decrease) in liabilities and deposits:

Due to Banks and financial institutions	37,508,066	11,473,207
Customers' deposits	21,631,110	42,532,972
Provisions and other liabilities-operating	3,204,294	5,442,281
Customers' investment deposits	47,293,899	113,940,449

Net increase (decrease) in assets:

Due from Banks and financial institutions	3,835,264	(23,530,971)
Loans to customers-principal	(107,073,652)	(115,432,514)
Investment in shares and other securities	2,845,376	(21,553,499)
Due from subsidiaries and associates	928	(17,489)
Other accounts receivable	(5,767,586)	721,958
Statutory deposit	(5,814,172)	(10,292,133)
Other assets-operating	3,305,332	(2,378,071)

Cash flows from changes in operating assets and liabilities

968,860

906,190

Net cash inflow(outflow)from operating activities

1,705,905

4,474,738



J. Ghannam

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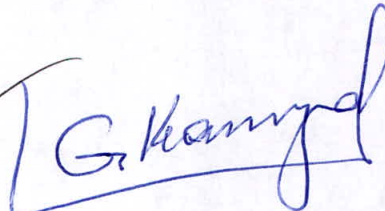
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Middle East Bank (PJkC)
Statement of financial position
As at 20 March 2022

Description	Note	20 Mar. 2022	20 Mar. 2021
Assets:		IRR million	IRR million
Cash	9	33,490,443	35,327,130
Due from banks and financial institutions	10	38,444,733	42,279,997
Credit facilities granted	11	355,437,367	239,995,924
Investments	12	46,228,567	49,211,785
Due from subsidiaries and associates	13	1,773,799	1,380,008
Other accounts receivable	14	13,042,036	6,573,914
Fixed assets	15	5,557,561	3,856,980
Intangible assets	16	278,503	300,652
Statutory deposit	17	27,154,220	21,340,048
Other assets	18	3,381,808	2,724,583
Total assets		524,789,037	402,991,021
Liabilities and shareholders' equity			
Liabilities:			
Due to banks and financial institutions	19	50,528,563	13,020,497
Customers' deposits	20	105,449,232	84,033,744
Dividends payable	21	54,376	47,109
Income tax provision	22	1,224,048	2,843,205
Other liabilities and accruals	23	15,653,473	11,380,040
Staff termination benefits	24	327,607	227,439
Total liabilities before benefits of investment deposit holders		173,237,299	111,552,034
Benefits of investment deposit holders	25	295,686,092	253,609,869
Total liabilities		468,923,391	365,161,903
Shareholders' equity:			
Share capital	26	25,000,000	15,000,000
Legal reserve	27	9,024,756	5,938,045
Foreign exchange translation differences for foreign operations	29	2,090,564	1,632,111
Retained earnings		19,750,326	15,258,962
Total shareholders' equity		55,865,646	37,829,118
Total liabilities and shareholders' equity		524,789,037	402,991,021
Letters of credit	45-1	3,066,333	1,144,390
Issued guarantees	45-2	124,570,656	92,753,012
Other commitments	45-3	6,410,005	3,457,017
Managed funds	45-4	-	10,474,848

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



Middle East Bank (PJkC)
Statement of profit or loss
Year ended 20 March 2022

Description	Note	year ended 20 Mar. 2022	Year ended 20 Mar. 2021
		IRR million	IRR million
Interest income on credit facilities granted and deposits	30	53,291,045	35,862,240
Interest expense	32	(35,226,702)	(22,416,790)
Net interest income on credit facilities granted and deposits		18,064,343	13,445,450
Fees and commission income	34	2,953,555	1,748,992
Fees and commission expense	35	(374,320)	(272,686)
Net fees and commission income		2,579,235	1,476,306
Net income (loss) from investment	31	1,837,632	1,412,767
Net foreign exchange transactions income	36	4,480,846	7,681,925
other operating income	37	(255,050)	(195,982)
Total operating income		26,707,006	23,820,466
Other income	38	11,018	12,873
executive and general expenses	39	(3,597,952)	(2,673,858)
Provision for bad and doubtful debts	40	(2,046,084)	(2,115,498)
Financial expenses	41	-	(198)
Depreciation and amortization	42	(495,913)	(353,125)
Profit before tax		20,578,075	18,690,660
Income tax for the year / period	22	-	(1,563,959)
Income tax for the prior years / periods	22	-	(500,000)
Net Profit		20,578,075	16,626,701
EPS (Rials)	47		
Basic EPS (Rials)		823	665

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

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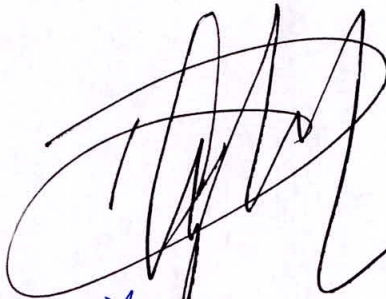


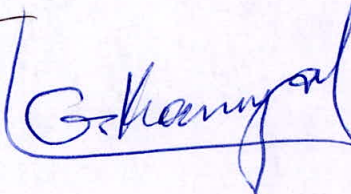



Middle East Bank (PJkC)
Statement of comprehensive income
Year ended 20 March 2022

Description	Note	year ended 20 Mar. 2022	Year ended 20 Mar. 2021
		IRR million	IRR million
Net Profit		20,578,075	16,626,701
Foreign exchange translation differences for foreign operations	29	458,453	1,578,843
Comprehensive income of reporting financial year		21,036,528	18,205,544

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


 A. Chahromipour


 G. Karimzadeh



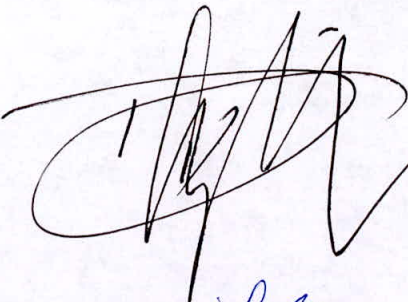
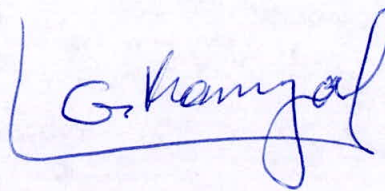
Middle East Bank (PJKC)
Statement of changes in equity
Year ended 20 March 2022

year ended 20 Mar. 2022

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 March, 2021		15,000,000	-	-	5,938,045	-	-	1,632,111	15,258,962	-	37,829,118
Net profit									20,578,075		20,578,075
Prior years adjustments (correction of error)									-		-
Other comprehensive Income (net of tax)											
Revaluation of assets							-				-
Foreign exchange translation differences for foreign operations	29							458,453			458,453
Tax on other comprehensive income							-	-			-
Total other comprehensive income							-	458,453	-		458,453
Total comprehensive income							-	458,453	20,578,075		21,036,528
Capital increase											
Share Capital increase-Registered		10,000,000	-						(10,000,000)		-
Share Capital increase in progress				-					-		-
Treasury share											
Purchase of treasury share										-	-
Sale of treasury share										-	-
Distribution											
Legal reserve	27				3,086,711				(3,086,711)		-
Dividends	21								(3,000,000)		(3,000,000)
Total		10,000,000	-	-	3,086,711	-	-	-	(16,086,711)	-	(3,000,000)
Balance at 20 Mar. 2022		25,000,000	-	-	9,024,756	-	-	2,090,564	19,750,326	-	55,865,646

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





 A. Gharani

Middle East Bank (PJkC)
Statement of changes in equity
Year ended 20 March 2022


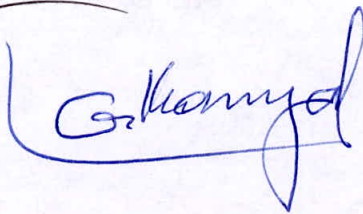
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Year ended 20 Mar. 2021

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	29							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											
Share Capital increase-Registered		5,000,000	-	-					(5,000,000)		-
Share Capital increase in progress									-		-
Treasury share											
Purchase of treasury share											-
Sale of treasury share											-
Distribution											
Legal reserve	27				2,494,005				(2,494,005)		-
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.





 A. Ghassemi

Middle East Bank (PJkC)
Statement of cash flows
Year ended 20 March 2022

Description	Note	year ended 20 Mar. 2022	Year ended 20 Mar. 2021
		IRR million	IRR million
Operating activities:			
Cash inflows(outflows)from operating activities	43	2,019,456	3,011,395
Paid tax		(1,619,158)	(1,032,491)
Net Cash inflows(outflows)from operating activities		400,298	1,978,904
Investing activities:			
Acquisition of tangible assets		(2,108,419)	(327,197)
Disposal of tangible assets		-	987
Acquisition of intangible assets		(65,926)	(137,745)
Net cash inflow(outflow) from investing activities		(2,174,345)	(463,955)
Net cash inflow(outflow) before financing activities		(1,774,047)	1,514,949
Financing activities:			
Dividends paid		(2,992,733)	(1,972,170)
Net cash inflow(outflow) from financing activities		(2,992,733)	(1,972,170)
Net increase (decrease) in cash		(4,766,780)	(457,221)
Cash at beginning of the year / period		35,327,130	21,931,318
Effect of exchange rate fluctuations on cash		2,930,093	13,853,033
Cash at end of the period		33,490,443	35,327,130
Non-cash transactions	44	119,550	-

Operating activities:

Cash inflows:

Loans' interest and penalty	28,356,593	16,083,153
Interest from debt securities	6,857,353	4,889,865
Fees and commission	2,973,298	2,258,595
Deposits interest	5,288,078	3,084,479
Investments income	1,437,688	363,016
Other operating income	(255,050)	(195,982)
Other income	11,018	11,886

Cash outflows:

Deposits interest	(38,999,286)	(18,702,859)
Fees and commission	(374,320)	(272,686)
Finance expenses	-	(198)
Other operating expenses	(3,297,621)	(2,518,812)
Paid tax	(1,619,158)	(1,032,491)

Cash inflows(outflows)from operating activities before changes in operating assets and liabilities:

378,593

3,967,966

Cash flows from changes in operating assets and liabilities:

Net increase (decrease) in liabilities and deposits:

Due to Banks and financial institutions	37,508,066	11,473,207
Customers' deposits	21,415,488	43,533,020
Provisions and other liabilities-operating	6,359,597	6,917,398
Customers' investment deposits	45,848,807	115,117,598

Net increase (decrease) in assets

3,835,264

(23,530,971)

Due from Banks and financial institutions

(107,492,652)

(115,779,625)

Loans to customers-principal

2,983,218

(21,242,969)

Investment in shares and other securities

(398,863)

(1,072,525)

Due from subsidiaries and associates

(5,568,397)

(1,335,588)

Other accounts receivable

(5,814,172)

(10,292,133)

Statutory deposit

1,345,349

(5,776,474)

Other assets-operating

21,705

(1,989,062)

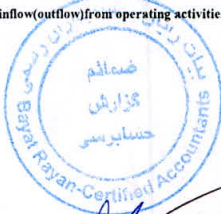
Cash flows from changes in operating assets and liabilities

400,298

1,978,904

Net cash inflow(outflow)from operating activities

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



12

A. Ghannem *[Signature]* *[Signature]*

Middle East Bank (PJkC)
Notes to the financial statements
Year ended 20 March 2022

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 is 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:

	20 Mar. 2022		20 Mar. 2021	
	End of the year	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 (PJkC)
Notes to the financial statements
Year ended 20 March 2022

1-4- Employees

The number of employees is as follows:

	20 Mar. 2022		20 Mar. 2021	
	End of the year	Average	End of the year	Average
Head office	416	396	375	352
Tehran branches	136	132	127	124
Other provinces'branches	50	50	50	49
Overseas Branches	8	9	10	11
	610	587	562	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 Aftab 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 (PJkC)
Notes to the financial statements
Year ended 20 March 2022

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 short term & long term investments in shares	when dividend is approved in the annual general meeting of the investee(until the date of approval of the Statement of financial position date)	when dividend is approved in the annual general meeting of the investee(until the date of approval of the Statement of financial position date)
Investment in other securities	When the interest is realized	When the interest is realized



Middle East Bank (PJkC)
Notes to the financial statements
Year ended 20 March 2022

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 years	Straight line
Elevator	15%	Reducing balance
Installations	6,8&10 years	Straight line
Electrical and mechanical installation	12% and 20%	Reducing balance
Office furniture	3,5,6,8&10 years	Straight line
Computer hardware	3,5,6,8&10 years	Straight line
Motor vehicles	6 years	Straight line
Leaschold 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 recoverable amount of the asset is compared with its 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 an 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 (PJkC)
Notes to the financial statements
Year ended 20 March 2022

<u>Loan's interest, fee and penalty</u>	<u>Revenue recognition</u>
Interest (Mosharekat Madani)	
Current loans	Due Date
Past due loans	Due Date
Outstanding and Doubtful debt	Due Date
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

All of the granted Mosharekat Madani facilities(civil partnership contracts) are related to before released CBI regulations No. 97/69643 dated 06/17/2018 .

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 (PJKC)
Notes to the financial statements
Year ended 20 March 2022

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%

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



Middle East Bank (PJkC)
Notes to the financial statements
Year ended 20 March 2022

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).

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 into 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 Statement of financial position date and other monetary items at the rate stated in the circular No. 00/376983 dated 15/03/2022 (200,000 Rials per USD & 220,000 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. 00/376983 dated 03/15/2122, (220,000 Rials per Euro and 200,000 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 Statement of financial position. 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 (P.JkC)
Notes to the financial statements
Year ended 20 March 2022

9- Cash

	Note	Consolidated		Parent Co.	
		20 Mar. 2022	20 Mar. 2021	20 Mar. 2022	20 Mar. 2021
		IRR million	IRR million	IRR million	IRR million
Cash in hand-LCY		168,397	129,417	168,397	129,345
Cash in hand- FCY		1,915,753	2,321,306	1,911,059	2,319,082
Unrestricted current deposits with CBI	9-3	28,645,293	26,684,593	28,645,293	26,684,593
Unrestricted balances with other banks	9-4	9,449,942	11,649,724	2,765,694	6,194,110
		40,179,385	40,785,040	33,490,443	35,327,130

9-1- Local and foreign cash in hand in the Bank's branches up to IRR 2,459,760 million are insured against theft and fire.

9-2- Cash in hand-FCY included USD 2,761,653 , EUR 5,954,037 , AED 889,340 , INR 6,500 , TRY 35,100 , CNY 3,540 and CHF 4.

9-3- Unrestricted balances with CBI

	Consolidated and Parent Co.	
	20 Mar. 2022	20 Mar. 2021
	IRR million	IRR million
Unrestricted current deposits with CBI-LCY	15,121	38,937
Unrestricted current deposits with CBI-FCY	56,311	43,994
Unrestricted current deposits with other countries' central banks	28,573,861	26,601,662
	28,645,293	26,684,593

9-4- Unrestricted balances with other banks

		Consolidated		Parent Co.	
		20 Mar. 2022	20 Mar. 2021	20 Mar. 2022	20 Mar. 2021
		IRR million	IRR million	IRR million	IRR million
Unrestricted current deposits with other local banks-LCY		313,422	176,431	13,989	25,496
Unrestricted current deposits with other local banks-FCY	9-4-1	8,039,822	7,903,412	1,656,091	2,599,835
Unrestricted term deposits with other local banks-LCY		24,819	1,838	23,735	736
Unrestricted term deposits with other local banks-FCY		-	129,801	-	129,801
Unrestricted current deposits with foreign banks-FCY		1,071,879	3,438,242	1,071,879	3,438,242
		9,449,942	11,649,724	2,765,694	6,194,110

9-4-1 At group level, Middle East Exchange Company Found which is kept in trust on behalf of customers has been offsetted against customers debts.

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



Middle East Bank (PJKC)
Notes to the financial statements
Year ended 20 March 2022

10- Due from banks and financial institutions

Note	Consolidated		Parent Co.	
	20 Mar. 2022	20 Mar. 2021	20 Mar. 2022	20 Mar. 2021
	IRR million	IRR million	IRR million	IRR million
Due from CBI	83	802,315	83	802,315
Due from other banks and financial institutions	38,444,649	41,477,682	38,444,650	41,477,682
Total	38,444,732	42,279,997	38,444,733	42,279,997

10-1- Unrestricted balances are classified as cash.

10-2- Due from CBI

Note	Consolidated and Parent Co.	
	20 Mar. 2022	20 Mar. 2021
	IRR million	IRR million
Restricted current deposits with CBI-LCY	-	1,172
Restricted current deposits with CBI-FCY	83	72
Restricted current deposits with other countries' central banks	1,443,385	13,994,824
Less: CBI's balance in our accounts (Note 19)	(1,443,385)	(13,994,824)
Restricted specific deposits with CBI-LCY	-	800,000
Receivable interest from statutory deposit	-	-
Others	-	1,071
	83	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.	
	20 Mar. 2022	20 Mar. 2021	20 Mar. 2022	20 Mar. 2021
	IRR million	IRR million	IRR million	IRR million
Restricted current deposits with other local banks-LCY	-	-	-	-
Restricted current deposits with other local banks-FCY	2,392,275	3,164,678	2,392,275	3,164,678
Restricted term deposits with other local banks-LCY	19,425,000	16,450,000	19,425,000	16,450,000
Restricted term deposits with other local banks-FCY	-	-	-	-
Restricted current deposits with foreign banks-FCY	36,739,713	38,217,583	36,739,713	38,217,583
Restricted term deposits with foreign banks-FCY	-	-	-	-
Less: CBI balance in our accounts (Note 19)	(20,135,515)	(16,382,289)	(20,135,515)	(16,382,289)
Other banks checks	12,545	567	12,545	567
Other	10,631	27,143	10,632	27,143
	38,444,649	41,477,682	38,444,650	41,477,682

10-3-1 Restricted term deposits with other local banks is related to interbank deposits that maturity date of 12.425 billion is 03/26/2022 and maturity date of rest of it is 04/04/2022.

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



Middle East Bank (PJkC)
Notes to the financial statements
Year ended 20 March 2022

11- Credit facilities granted

	Consolidated								20 Mar. 2021	
	20 Mar. 2022									
	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	53,793,106	820,808	6,567	-	(4,861,845)	(5,880)	49,752,756	(746,345)	49,006,411	30,690,827
Wakala	24,917,497	292,376	1,470	-	(1,232,808)	(320)	23,978,215	(359,673)	23,618,542	14,843,646
Mudaraba	796,961	77,004	88,063	-	-	(77,004)	885,024	(34,683)	850,341	986,986
Mosharekat Madani (civil partnership contracts)	(136,337)	42,041	79,733	-	-	(42,041)	(56,604)	(322,437)	(379,041)	1,450,894
Debt purchase	3,957,098	142,362	-	-	(432,306)	-	3,667,154	(55,007)	3,612,147	4,874
Murabaha	161,834,725	3,747,126	56,216	-	(12,355,629)	(48,652)	153,233,786	(2,299,588)	150,934,198	96,179,501
Gardh-Ul Hasan	579,916	-	-	-	(64,979)	-	514,937	(7,724)	507,213	444,123
Foreign currency facilities	122,794,835	14,878,016	21,929	-	(9,135,328)	-	128,559,452	(2,495,858)	126,063,594	94,880,285
Debtors for paid L/Cs	284,527	-	2,400	-	-	-	286,927	(4,304)	282,623	-
Debtors for paid guarantees	56,355	-	1,462	-	-	-	57,817	(4,568)	53,249	60,087
Debtors for paid credit cards	163,130	892	19	-	(12,299)	(24)	151,718	(2,377)	149,341	128,667
	369,041,813	20,000,625	257,859	-	(28,095,194)	(173,921)	361,031,182	(6,332,564)	354,698,618	239,669,890

	Parent Co.								20 Mar. 2021	
	20 Mar. 2022									
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
	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million
Installment sales	53,793,106	820,808	6,567	-	(4,861,845)	(5,880)	49,752,756	(746,345)	49,006,411	30,690,827
Wakala	24,917,497	292,376	1,470	-	(1,232,808)	(320)	23,978,215	(359,673)	23,618,542	14,843,646
Mudaraba	796,961	77,004	88,063	-	-	(77,004)	885,024	(34,683)	850,341	986,986
Mosharekat Madani (civil partnership contracts)	613,662	42,041	79,733	-	-	(42,041)	693,395	(333,687)	359,708	1,776,929
Debt purchase	3,957,098	142,362	-	-	(432,306)	-	3,667,154	(55,007)	3,612,147	4,874
Murabaha	161,834,725	3,747,126	56,216	-	(12,355,629)	(48,652)	153,233,786	(2,299,588)	150,934,198	96,179,501
Gardh-Ul Hasan	579,916	-	-	-	(64,979)	-	514,937	(7,724)	507,213	444,123
Foreign currency facilities	122,794,835	14,878,016	21,929	-	(9,135,328)	-	128,559,452	(2,495,858)	126,063,594	94,880,284
Debtors for paid L/Cs	284,527	-	2,400	-	-	-	286,927	(4,304)	282,623	-
Debtors for paid guarantees	56,355	-	1,462	-	-	-	57,817	(4,568)	53,249	60,087
Debtors for paid credit cards	163,130	892	19	-	(12,299)	(24)	151,718	(2,377)	149,341	128,667
	369,791,812	20,000,625	257,859	-	(28,095,194)	(173,921)	361,781,181	(6,343,814)	355,437,367	239,995,924

In previous years based on the country budget law, \$500 million 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 facilities in the previous year and \$ 40 million in the current year were settled and at the end of 20 Mar. 2022, the balance of these facilities is equivalent to \$410 million. 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.



Middle East Bank (PJkC)
Notes to the financial statements
Year ended 20 March 2022

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

	Parent Co.				
	20 Mar. 2022				
	Current loans	Past due loans	Outstanding loans	Doubtful loans	Total
	IRR million	IRR million	IRR million	IRR million	IRR million
Installment sales	54,591,562	21,257	-	7,662	54,620,481
Wakala	24,871,066	340,277	-	-	25,211,343
Mudaraba	-	-	-	962,028	962,028
Mosharekat Madani (civil partnership contracts)	-	-	-	735,436	735,436
Debt purchase	4,099,460	-	-	-	4,099,460
Murabaha	164,948,415	368,641	20,745	300,266	165,638,067
Gardh-Ul Hasan	579,588	74	254	-	579,916
Foreign currency facilities	134,411,169	-	-	3,283,611	137,694,780
Debtors for paid L/Cs	286,927	-	-	-	286,927
Debtors for paid guarantees	11,096	-	-	46,721	57,817
Debtors for paid credit cards	163,745	35	65	196	164,041
	383,963,028	730,284	21,064	5,335,920	390,050,296
Less					
Future interests	(27,876,753)	-	-	(218,441)	(28,095,194)
Deferred fee and interest	-	(33,205)	(53)	(140,663)	(173,921)
Mudaraba received fund	-	-	-	-	-
Mosharekat Madani received fund	-	-	-	-	-
Net loans before deduction of provision for bad and doubtful loans	356,086,275	697,079	21,011	4,976,816	361,781,181
General provision for bad and doubtful loans	(5,341,293)	(10,440)	(310)	(22,181)	(5,374,224)
Specific provision for bad and doubtful loans	-	(111)	(62)	(969,417)	(969,590)
Balance at 20 Mar. 2022	350,744,982	686,528	20,639	3,985,218	355,437,367
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.



Middle East Bank (P.JkC)
Notes to the financial statements
Year ended 20 March 2022

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

	Parent Co.					
	20 Mar. 2022			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	1,723,046	300,684	2,023,730	1,883,157	264,713	2,147,870
Closing balance	5,374,224	969,590	6,343,814	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.					
	20 Mar. 2022					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	19,230,166	-	-	-	19,230,166	10,614,809
National development fund	104,381,702	-	-	2,451,726	106,833,428	84,265,475
	123,611,868	-	-	-	126,063,594	94,880,284

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

	Parent Co.							
	20 Mar. 2022							20 Mar. 2021
	24% and more	21-24%	18-21%	15-18%	12-15%	12% and less	Total	Total
	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million
20 Mar. 2022 and before	518,660	925,006	1,361,172	390,303	-	5,016,880	8,212,021	5,400,460
2022	-	-	8,188,142	5,258,008	-	112,748,345	126,194,495	223,675,715
2023	24,303	61,798	202,856,795	1,801,352	1,260,598	996,538	207,001,384	1,861,002
2024 and after	991	45,609	1,200,338	1,745,802	205,998	10,830,729	14,029,467	9,058,747
	543,954	1,032,413	213,606,447	9,195,465	1,466,596	129,592,492	355,437,367	239,995,924
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 collaterals is as below:

	Parent Co.	
	20 Mar. 2022	20 Mar. 2021
	IRR million	IRR million
Deposits	6,911,361	6,430,858
participation bonds and other securities guaranteed by government and CBI	12,750	8,026
Participation bonds and other securities guaranteed by other banks	217,796	38,775
Listed shares	12,846,922	9,607,270
Land and building	21,120,283	13,422,447
Machinery	1,086,494	-
Check and promissory notes	313,092,801	210,488,548
Total	355,288,407	239,995,924
Without collateral	148,960	-
	355,437,367	239,995,924



Middle East Bank (PJKC)
Notes to the financial statements
Year ended 20 March 2022

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	82,075,115	361,425,608	224,571	2,662,979	6,313,301	269,054,823	169,989	38,671,551	1,114,903	904,932	658,752	763,276,524
Decrease during the year	(63,745,011)	(352,588,040)	(336,798)	(4,249,614)	(2,793,457)	(215,169,130)	(105,949)	(38,287,546)	(830,376)	(911,469)	(637,974)	(679,655,364)
Foreign exchange effect	-	-	-	-	-	-	-	23,871,492	-	-	-	23,871,492
Balance at 20 Mar. 2022	48,925,381	23,684,369	719,957	571,621	3,524,792	149,430,444	514,937	113,659,507	284,527	56,355	150,807	341,522,697
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	392,771	1,248,803	-	94,980	142,394	2,154,360	-	8,847,977	8,932	7,450	2,230	12,899,897
Decrease during the year	(131,347)	(1,177,847)	(26,499)	(250,710)	(32)	(455,159)	-	(4,169,164)	(6,532)	(7,855)	(2,212)	(6,227,357)
Foreign exchange effect	-	-	-	-	-	-	-	3,299,981	-	-	-	3,299,981
Balance at 20 Mar. 2022	827,375	293,846	165,067	121,774	142,362	3,803,342	-	14,899,945	2,400	1,462	911	20,258,484
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	(275,944)	(133,628)	2,081	325,145	(54,933)	(830,197)	(951)	(1,050,981)	(4,304)	104	(122)	(2,023,730)
Balance at 20 Mar. 2022	(746,345)	(359,673)	(34,683)	(333,687)	(55,007)	(2,299,588)	(7,724)	(2,495,858)	(4,304)	(4,568)	(2,377)	(6,343,814)
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 20 Mar. 2022	49,006,411	23,618,542	850,341	359,708	3,612,147	150,934,198	507,213	126,063,594	282,623	53,249	149,341	355,437,367

*This amount includes Interest of granted facilities and delay penalty

Penalties and interest of loans after outstanding and doubtful classes have not been taken into accounts, 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.



Middle East Bank (PJkC)

Notes to the financial statements

Year ended 20 March 2022

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	260,070	1,099,896	-	70,315	142,362	1,661,703	8,599,083	-	-	2,141	11,835,570
Decrease during the year	(4)	(1,029,289)	(12,649)	(158,565)	-	(414)	(3,930,241)	-	-	(2,138)	(5,133,300)
Foreign exchange effect	-	-	-	-	-	-	3,294,624	-	-	-	3,294,624
Balance at 20 Mar. 2022	820,808	292,376	77,004	42,041	142,362	3,747,126	14,878,016	-	-	892	20,000,625
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	132,700	148,906	-	24,665	-	492,684	248,895	8,932	7,449	89	1,064,320
Decrease during the year	(131,342)	(148,557)	(13,850)	(92,145)	-	(454,772)	(238,924)	(6,532)	(7,854)	(74)	(1,094,050)
Foreign exchange effect	-	-	-	-	-	-	5,357	-	-	-	5,357
Balance at 20 Mar. 2022	6,567	1,470	88,063	79,733	-	56,216	21,929	2,400	1,462	19	257,859
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 20 Mar. 2022	827,375	293,846	165,067	121,774	142,362	3,803,342	14,899,945	2,400	1,462	911	20,258,484

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.



Middle East Bank (PJkC)
Notes to the financial statements
Year ended 20 March 2022

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

	Parent Co.					
	20 Mar. 2022			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	6,323,279	(108,343)	6,214,936	5,205,415	(91,551)	5,113,864
Corporate customers	354,390,613	(6,219,360)	348,171,253	238,380,460	(4,217,292)	234,163,168
Staff	1,067,289	(16,111)	1,051,178	730,133	(11,241)	718,892
	361,781,181	(6,343,814)	355,437,367	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	20 Mar. 2022				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	756,756	-	(11,351)	745,405	328,211



Middle East Bank (PJSC)
Notes to the financial statements
Year ended 20 March 2022

12- Investments

Note	Consolidated						Parent Co.						
	20 Mar. 2022			20 Mar. 2021			20 Mar. 2022			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	1,043,141	-	1,043,141	556,350	-	556,350	1,043,141	-	1,043,141	529,508	-	529,508
Investment in unlisted shares	12-2	-	786,343	786,343	-	746,110	746,110	-	1,166,629	1,166,629	-	628,102	628,102
Investment in securities with fixed income	12-3	1,160	44,683,616	44,684,776	1,160	48,056,015	48,057,175	1,160	44,017,637	44,018,797	1,160	48,053,015	48,054,175
		1,044,301	45,469,959	46,514,260	557,510	48,802,125	49,359,635	1,044,301	45,184,266	46,228,567	530,668	48,681,117	49,211,785

12-1- The balance is related to MEB share investment fund and is according to the letter dated 09/10/2020 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 1,070,827 million Rials. According to Audit organization and Central bank, the balance should be classified as treasury shares. However, the Securities and Exchange Organization believes this type of shares can not be recognized as treasury shares. According to the law, Securities and Exchange Organization has been identified as the setter of regulations in this regard, Middle East Bank has classified the mentioned shares as investment due to the response received from SEO.

12-2- Investment in unlisted shares

Note	Consolidated						20 Mar. 2021	
	20 Mar. 2022							
	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.	12-2-2	240,000,000	20%	531,212	-	531,212	1,071,400	500,937
INSTEX		220,000	11%	2,200	-	2,200	-	2,200
Others				252,930	-	252,929	-	242,973
				786,342	-	786,341	-	746,110

Note	Parent Co.						20 Mar. 2021	
	20 Mar. 2022							
	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 Bank Brokerage Co.	12-2-1	749,999,000	75%	665,930	-	665,930	-	127,403
Dadeh Pardazan Simaye Aflab Co.		30,000,000	100%	10,500	-	10,500	-	10,500
Middle East Currency Exchange Co.		199,999,000	100%	247,999	-	247,999	-	247,999
Middle East Life Insurance Co.		440,000,000	20%	240,000	-	240,000	1,071,400	240,000
INSTEX		220,000	11%	2,200	-	2,200	-	2,200
				1,166,629	-	1,166,629	-	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 Statement of financial position date 35% of investment in Dadeh Pardazan Simaye Aflab Co. has been paid.

	Consolidated	
	20 Mar. 2022	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	54,275	228,371
Profit receivable / received during the year	(24,000)	(26,400)
Balance at end of the year	531,212	500,937

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

	Consolidated			
	20 Mar. 2022		20 Mar. 2021	
	Total assets	Total liabilities	Total income	Net Profit
	6,793,061	4,245,607	3,198,354	271,375

	Consolidated			
	20 Mar. 2022		20 Mar. 2021	
	Total assets	Total liabilities	Total income	Net Profit
	3,626,511	1,225,382	1,878,843	1,135,223



Middle East Bank (PJkC)
Notes to the financial statements
Year ended 20 March 2022

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

Issuer	Note	Type of bond	Interest rate	Consolidated		Parent Co.	
				20 Mar. 2022	20 Mar. 2021	20 Mar. 2022	20 Mar. 2021
				IRR million	IRR million	IRR million	IRR million
Governmental							
Ministry of Economic Affairs and Finance		Participation	15% and 17%	-	11,963	-	11,963
Fourth Shahrivar intermediary		Manfaat	20%	-	995,000	-	995,000
Ministry of Economic Affairs and Finance	12-3-1	Islamic treasury bonds		7,595,404	16,281,645	7,595,403	16,281,645
Ministry of Economic Affairs and Finance		Murabaha	15% , 16% , 18%	25,972,686	20,647,934	25,972,686	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		408,532	352,823	408,532	352,823
Non-governmental							
Investment of Munich branch in other countries' non-governmental bonds		Participation		2,034,016	1,756,650	2,034,016	1,756,650
Middle East Bank Ofogh mutual fund	12-3-2	Preferred Investment units	15%	531,075	10,000	7,000	7,000
Middle East Ofogh roshan mutual fund		Preferred Investment units		143,063	1,160	1,160	1,160
				44,684,776	48,057,175	44,018,797	48,054,175

* For investment in fixed income securities, no reliable market is available.

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
	20 Mar. 2022				20 Mar. 2022			
	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	-	-	-	-	1,799,285	(27,375)	1,771,910	
Associates	1,918	(29)	1,889	1,893	1,918	(29)	1,889	
	1,918	(29)	1,889	1,893	1,801,203	(27,404)	1,773,799	
Gross balance of the previous year				2,846			1,402,339	



Middle East Bank (PJKC)
Notes to the financial statements
Year ended 20 March 2022

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

Name of company	Parent Co.										
	20 Mar. 2022										
	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.	-	-	(217)	-	-	-	-	-	-	(504)	(721)
Middle East Life Insurance Co.	-	-	890	-	-	1,027	-	-	-	-	1,917
Middle East Currency Exchange Co.	-	-	-	-	-	-	-	1,680,007	-	-	1,680,007
Middle East Bank Brokerage Co.	-	-	-	-	-	-	-	120,000	-	-	120,000
	-	-	673	-	-	1,027	-	1,800,007	-	(504)	1,801,203
Net Profit	77,229										

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-UI 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	-										

13-1-1 The profit and loss of transactions with subsidiaries and associates are disclosed separately (note 51-3)

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

	Parent Co.				
	20 Mar. 2022				
	Current	Past due	Outstanding	Doubtful debt	Total
	IRR million	IRR million	IRR million	IRR million	IRR million
Due from subsidiaries	1,799,285	-	-	-	1,799,285
Due from associates	1,918	-	-	-	1,918
Due from subsidiaries and associates before deduction of provision of doubtful debts	1,801,203	-	-	-	1,801,203
General provision for bad and doubtful debts	(27,404)	-	-	-	(27,404)
Specific provision for bad and doubtful debts	-	-	-	-	-
Balance at 20 Mar. 2022	1,773,799	-	-	-	1,773,799
Balance at 20 Mar. 2021	1,379,101	-	-	907	1,380,008



Middle East Bank (P.JkC)
Notes to the financial statements
Year ended 20 March 2022

14- Other accounts receivable

Note	Consolidated				Parent Co.				
	20 Mar. 2022			20 Mar. 2021	20 Mar. 2022			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	14-1	-	-	60	-	-	-	60	
Participation bonds interest		1,433,349	(29,260)	1,404,089	966,490	1,433,348	(29,260)	1,404,088	848,482
Receivable from staff		73,070	(242)	72,828	48,754	16,129	(242)	15,887	13,156
Temporary debtors	14-2	9,774,569	(300,257)	9,474,312	3,795,089	11,922,318	(300,257)	11,622,061	5,712,216
		11,280,988	(329,759)	10,951,229	4,810,393	13,371,795	(329,759)	13,042,036	6,573,914

14-1- Dividends receivable (except dividends from subsidiaries and associate) are as follows:

	Consolidated and Parent Co.	
	20 Mar. 2022	20 Mar. 2021
	IRR million	IRR million
TSE and OTC companies		
Mazandaran Cement	-	61
Total	-	61
Provision of bad and doubtful debts	-	(1)
	-	60

14-2- Temporary debtors are as follow:

Note	Consolidated		Parent Co.		
	20 Mar. 2022	20 Mar. 2021	20 Mar. 2022	20 Mar. 2021	
	IRR million	IRR million	IRR million	IRR million	
Related to loans					
Loans related costs	99,788	120,530	99,788	120,530	
Not related to loans					
Murabaha securities of Ministry of Agriculture-Jahad	40,000	40,000	40,000	40,000	
Guarantee issuance fee	32,253	65,702	32,253	65,702	
Remittance commission	1,834	2,816	1,834	2,816	
Unrealized share of employees bonus cost	-	-	-	-	
Middle East Bank Brokerage Co. clients	2,954,103	1,762,603	-	-	
Corporate debtors	14-2-1	6,312,481	1,837,763	11,427,812	5,518,765
Natural person debtors		305,773	95,512	305,773	95,512
Others		28,337	29,413	14,858	28,141
Total	9,774,569	3,954,339	11,922,318	5,871,466	
Provision of bad and doubtful debts	(300,257)	(159,250)	(300,257)	(159,250)	
Net	9,474,312	3,795,089	11,622,061	5,712,216	

14-2-1- Included within receivable from corporate customer is IRR5,115,332 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.				
	20 Mar. 2022				
	Current	Past due	Outstanding	Doubtful debt	Total
	IRR million	IRR million	IRR million	IRR million	IRR million
Dividends receivable	-	-	-	-	-
Participation bonds interest	1,417,348	-	-	16,000	1,433,348
Receivable from staff	16,129	-	-	-	16,129
Temporary debtors	11,509,213	9,058	21,226	382,821	11,922,318
Other accounts receivable before deduction of bad and doubtful debts provision	12,942,690	9,058	21,226	398,821	13,371,795
General provision for bad and doubtful debts	(75,965)	-	-	(117)	(76,082)
Specific provision for bad and doubtful debts	-	(906)	(4,245)	(248,526)	(253,677)
Balance at 20 Mar. 2022	12,866,725	8,152	16,981	150,178	13,042,036
Balance at 20 Mar. 2021	6,487,168	5,436	39,186	42,124	6,573,914



Middle East Bank (PJkC)
Notes to the financial statements
Year ended 20 March 2022

15- Fixed assets

Consolidated

Cost

Balance at 20 Mar. 2020

Additions

Increase (decrease) from revaluation

Disposals

Adjustments

Balance at 20 Mar. 2021

Additions

Increase (decrease) from revaluation

Disposals

Adjustments

Balance at 20 Mar. 2022

Accumulated depreciation

Balance at 20 Mar. 2020

Depreciation

Disposals

Adjustments

Balance at 20 Mar. 2021

Depreciation

Disposals

Adjustments

Balance at 20 Mar. 2022

Book value

Balance at 20 Mar. 2020

Balance at 20 Mar. 2021

Balance at 20 Mar. 2022

	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
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	-	-	489,936	-	51,700	-	287,318	1,296,198	2,125,152
Increase (decrease) from revaluation	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Adjustments	584,105	25,500	21,846	-	10,983	-	-	(642,434)	-
Balance at 20 Mar. 2022	2,172,115	1,262,774	1,471,165	43,103	287,902	77,834	618,614	993,182	6,926,689
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		99,643	275,367	5,936	32,790	5,825			419,561
Disposals		-	-	-	-	-			-
Adjustments		-	-	-	-	-			-
Balance at 20 Mar. 2022		385,900	653,035	19,233	150,233	72,970			1,281,371
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 20 Mar. 2022	2,172,115	876,874	818,130	23,870	137,669	4,864	618,614	993,182	5,645,318



Middle East Bank (PJkC)
Notes to the financial statements
Year ended 20 March 2022

continued

	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	-	-	481,708	-	44,975	-	287,318	1,296,198	2,110,199
Increase (decrease) from revaluation	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Adjustments	584,105	25,500	21,846	-	10,983	-	-	(642,434)	-
Balance at 20 Mar. 2022	2,140,774	1,214,573	1,449,385	39,881	259,478	77,835	618,614	993,182	6,793,722
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		97,689	271,195	5,576	29,334	5,824			409,618
Disposals		-	-	-	-	-			-
Adjustments		-	-	-	-	-			-
Balance at 20 Mar. 2022		368,502	642,256	16,949	135,485	72,969			1,236,161
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 20 Mar. 2022	2,140,774	846,071	807,129	22,932	123,993	4,866	618,614	993,182	5,557,561

15-1- Fixed assets up to IRR8,768,680 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.



Middle East Bank (PJkC)
Notes on the financial statements
Year ended 20 March 2022

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	119,290	49,537	34	168,861
Internal development	-	-	-	-
Increase (decrease) from revaluation	-	-	-	-
Disposals	-	-	-	-
Adjustments	5,539	(5,539)	-	-
Balance at 20 Mar. 2022	652,748	320,881	8,793	982,422
<u>Accumulated amortization</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
Amortization	1,257	158,189		159,446
Impairment loss	-	-		-
Disposals	-	-		-
Adjustments	-	32,786		32,786
Balance at 20 Mar. 2022	366,201	335,172	-	701,373
<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 20 Mar. 2022	286,547	(14,291)	8,793	281,049



Middle East Bank (PJkC)
Notes on the financial statements
Year ended 20 March 2022

continued

	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	119,289	49,537	-	168,826
Internal development	-	-	-	-
Increase (decrease) from revaluation	-	-	-	-
Disposals	-	-	-	-
Adjustments	5,539	(5,539)	-	-
Balance at 20 Mar. 2022	645,581	320,883	8,620	975,084
<u>Accumulated amortization</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
Amortization	-	158,189	-	158,189
Impairment loss	-	-	-	-
Disposals	-	-	-	-
Adjustments	-	32,786	-	32,786
Balance at 20 Mar. 2022	361,409	335,172	-	696,581
<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 20 Mar. 2022	284,172	(14,289)	8,620	278,503



Middle East Bank (PJkC)
Notes on the financial statements
Year ended 20 March 2022

17- Statutory deposit

	Consolidated and Parent Co.	
	20 Mar. 2022	20 Mar. 2021
	IRR million	IRR million
Statutory deposit	27,154,220	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.	
		20 Mar. 2022	20 Mar. 2021	20 Mar. 2022	20 Mar. 2021
		IRR million	IRR million	IRR million	IRR million
LCs and collections debtors-net	18-1	2,094,868	1,659,331	2,094,868	1,659,331
Collateral in possession	18-2	607,550	488,000	607,550	488,000
Rental deposits		353,649	231,700	353,648	231,700
Consumables		50,946	29,645	50,946	29,645
Tax stamps		639	619	639	619
Acquisition goodwill (net)		32,883	34,894	-	-
Others (4 items)		284,107	330,416	274,157	315,288
		3,424,642	2,774,605	3,381,808	2,724,583

18-1- LCs and collections debtors-net

	Note	Consolidated and Parent Co.	
		20 Mar. 2022	20 Mar. 2021
		IRR million	IRR million
Debtors for term letters of credit-LCY		2,155,659	1,992,876
Debtors for term letters of credit-FCY		9,437	-
Debtors for current letters of credit		-	90,299
		2,165,096	2,083,175
Less:			
Term letters of credit advance-LCY		(38,326)	(398,575)
General provision for bad and doubtful debts	18-1-2	(31,902)	(25,269)
		2,094,868	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.	
	20 Mar. 2022	20 Mar. 2021
	IRR million	IRR million
Opening balance	25,269	16,089
Recoveries	(25,269)	(16,089)
Increase (decrease) during the year	31,902	25,269
Closing balance	31,902	25,269



Middle East Bank (PJKC)
Notes on the financial statements
Year ended 20 March 2022

18-2- Collateral in possession

	Consolidated and Parent Co.			20 Mar. 2022
	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	119,550	-	607,550
	488,000	119,550	-	607,550
Accumulated impairment loss	-			-
	488,000			607,550
Gain/loss on sale	-			-

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

	20 Mar. 2022	20 Mar. 2021
	IRR million	IRR million
Less than one year from possession	119,550	-
1-2 years from possession	-	466,000
More than 2 years from possession	488,000	22,000
	607,550	488,000



Middle East Bank (PJkC)
Notes on the financial statements
Year ended 20 March 2022

19- Due to banks and financial institutions

Note	Consolidated		Parent Co.	
	20 Mar. 2022	20 Mar. 2021	20 Mar. 2022	20 Mar. 2021
	IRR million	IRR million	IRR million	IRR million
Due to the CBI				
Current deposit-FCY	17,722,113	27,266,294	17,722,113	27,266,294
Term deposit-FCY	3,856,787	3,110,819	3,856,787	3,110,819
Due for purchasing foreign currency	-	1,447,507	-	1,447,507
Due for repurchase agreement	19-1 40,217,092	-	40,217,092	-
Less: CBI's balance in our accounts (Note 10)	(21,578,900)	(30,377,113)	(21,578,900)	(30,377,113)
	40,217,092	1,447,507	40,217,092	1,447,507
Due to other internal banks				
Current deposits-FCY	10,244,718	11,519,162	10,244,718	11,519,162
Paya payments order	4,352	25,274	4,352	25,274
SHETAB transactions	62,401	28,554	62,401	28,554
	10,311,471	11,572,990	10,311,471	11,572,990
	50,528,563	13,020,497	50,528,563	13,020,497

19-1 Following the CBI circular No. 99/321265 dated 12/29/2020, repurchase agreement was allowed for the banking sector.



Middle East Bank (PJkC)
Notes on the financial statements
Year ended 20 March 2022

20- Customers' deposits

	Note	Consolidated		Parent Co.	
		20 Mar. 2022	20 Mar. 2021	20 Mar. 2022	20 Mar. 2021
		IRR million	IRR million	IRR million	IRR million
Natural persons					
Current deposits	20-1	20,436,079	19,459,795	20,436,079	19,459,795
Saving deposits	20-2	350,073	373,685	350,073	373,684
Other deposits and advances	20-3	20,061	15,808	20,061	15,809
		20,806,213	19,849,288	20,806,213	19,849,288
Corporate customers					
Current deposits	20-1	57,373,606	40,110,907	57,708,056	40,260,931
Saving deposits	20-2	19,543,327	17,906,680	20,179,644	18,943,191
Other deposits and advances	20-3	6,753,188	4,978,348	6,755,319	4,980,334
		83,670,121	62,995,935	84,643,019	64,184,456
		104,476,334	82,845,223	105,449,232	84,033,744

20-1- Current deposits

	Consolidated		Parent Co.	
	20 Mar. 2022	20 Mar. 2021	20 Mar. 2022	20 Mar. 2021
	IRR million	IRR million	IRR million	IRR million
Current deposits-LCY	47,458,764	38,581,418	47,793,175	38,731,474
Current deposits-FCY	21,992,826	18,031,880	21,992,826	18,031,880
Bank checks	473,157	394,976	473,157	394,976
Remittance-FCY	7,706,828	2,400,213	7,706,828	2,400,213
Others-FCY	1,573	48,269	1,573	48,269
Others-LCY	176,537	113,946	176,576	113,914
	77,809,685	59,570,702	78,144,135	59,720,726

20-2- Saving deposits

	Consolidated		Parent Co.	
	20 Mar. 2022	20 Mar. 2021	20 Mar. 2022	20 Mar. 2021
	IRR million	IRR million	IRR million	IRR million
Non interest bearing deposits-FCY	19,893,400	18,280,365	20,529,717	19,316,875



Middle East Bank (PJkC)
Notes on the financial statements
Year ended 20 March 2022

20-3- Other deposits and advances

	Consolidated		Parent Co.	
	20 Mar. 2022	20 Mar. 2021	20 Mar. 2022	20 Mar. 2021
	IRR million	IRR million	IRR million	IRR million
Guarantee issuing deposits -LCY	6,174,946	4,546,851	6,177,077	4,548,838
Guarantee issuing deposits -FCY	354,269	331,968	354,269	331,968
LCs' advances-LCY	244,034	6,627	244,034	6,627
LCs' advances-FCY	-	108,710	-	108,710
Total	6,773,249	4,994,156	6,775,380	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 20 Mar. 2022
	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	(7)	-	397
Year ended 19 Mar. 2016	250	1,000,000	1,339	(13)	-	1,326
Year ended 20 Mar. 2017	100	500,000	1,594	(152)	-	1,442
Year ended 20 Mar. 2018	150	900,000	2,737	(322)	-	2,415
Year ended 20 Mar. 2019	200	1,400,000	11,000	(940)	-	10,060
Year ended 19 Mar. 2020	200	2,000,000	29,700	(18,144)	-	11,556
Year ended 20 Mar. 2021	300	3,000,000	-	(2,959,891)	(13,264)	26,845
Total			47,109	(2,979,469)	(13,264)	54,376



Middle East Bank (PJkC)
Notes on the financial statements
Year ended 20 March 2022

22- Income tax provision	Consolidated		Parent Co.	
	20 Mar. 2022	20 Mar. 2021	20 Mar. 2022	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	479,505	2,236,960	-	1,563,959
Extra precautionary provision	7,979	506,886	-	500,000
Paid during the year	(2,350,953)	(1,295,249)	(1,619,157)	(1,032,491)
	1,654,453	3,517,922	1,224,048	2,843,205
Prepayments	-	-	-	-
Closing balance	1,654,453	3,517,922	1,224,048	2,843,205

22-1- The Bank's tax position for the years 2016 to 2022 is as follows:

Fiscal year	20 march. 2022 - 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	1,619,158	4,016,051	-	1,563,959	-	1,563,959	Assessment the Books
20 Mar. 2022	20,578,076	9,050,078	-	-	-	-	-	-	Assessment the Books
Extra precautionary provision						55,198	1,224,048	1,279,246	
Provision before deduction of tax prepayments							1,224,048	2,843,205	
Tax prepayments							-	-	
							1,224,048	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 2020 and it's protest against assessment of tax dispute committees is in progress.

22-4- The major difference between declared and assessed tax of years 2016 to 2020 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.
- paid interest to depositors is being investigated and followed up by executive Justice Court

22-5- According to paragraph 2, note 2 of the budget act, the bank's proposed capital increase from the undivided profit of 2021 has been considered as a tax exemption and is subject to zero tax rate.

22-6- The total difference among the tax assessments during 2016 to 2020 and declared taxes is 6,103,528 million Rials, which was adjusted to 5,541,771 million Rials due to banks protest.



Middle East Bank (PJkC)
Notes on the financial statements
Year ended 20 March 2022

23- Other liabilities and accruals

Note	Consolidated		Parent Co.		
	20 Mar. 2022	20 Mar. 2021	20 Mar. 2022	20 Mar. 2021	
	IRR million	IRR million	IRR million	IRR million	
Received loans from National Development Fund	23-1	11,264,431	6,554,301	11,264,431	6,554,301
Debts for long term LCs-LCY	23-2	2,491,383	1,992,877	2,491,383	1,992,877
Debts for short term LCs-FCY		9,437	90,299	9,437	90,299
Customers' prepayments for LCs and BGs fees and commission		135,729	894,840	135,729	894,840
Contractors performance deposit		34,332	25,805	34,332	25,805
Social security		99,972	56,886	90,062	54,825
Payable Membership fee of Deposit Guarantee Fund		41,085	31,025	41,085	31,025
Withholding tax payable		274,464	292,646	19,100	19,366
Provision of employee benefits		111,871	67,403	106,094	65,480
Brokerage customers		422,708	186,589	-	-
Exchange customers		64,601	747,631	-	-
Others		1,472,230	2,080,077	1,461,820	1,651,222
		16,422,244	13,020,379	15,653,473	11,380,040

23-1- Received loans from the National Development Fund at the Statement of financial position date are as follows:

Consolidated and Parent Co.								
Amounts received	Currency	Receipt date	Due date	No. installment	interest rate	Balance-currency	Balance-million IRR	
1,218,368	USD	1395/12/24	1405/01/19	9	4	1,218,368	243,674	
1,233,036	USD	1396/06/24	1405/01/19	9	4	1,233,036	246,607	
1,071,974	USD	1396/06/31	1405/01/19	9	4	1,071,974	214,395	
410,904	USD	1396/08/05	1405/01/19	9	4	410,904	82,181	
2,063,104	USD	1396/08/12	1405/01/19	9	4	2,063,104	412,621	
2,078,874	USD	1396/08/26	1405/01/19	9	4	2,078,874	415,775	
480,383	USD	1396/09/08	1405/01/19	9	4	480,383	96,077	
1,067,672	USD	1396/09/17	1405/01/19	9	4	1,067,672	213,534	
561,310	USD	1396/11/13	1405/01/19	9	4	561,310	112,262	
3,988,989	USD	1396/12/03	1405/01/19	9	4	3,988,989	797,798	
1,997,247	USD	1396/12/18	1405/01/19	9	4	1,997,247	399,449	
1,803,051	USD	1397/02/07	1405/01/19	9	4	1,803,051	360,610	
475,922	USD	1397/02/28	1405/01/19	9	4	475,922	95,184	
945,070	USD	1397/03/04	1405/01/19	9	4	945,070	189,014	
1,680,568	USD	1397/06/16	1405/01/19	9	4	1,680,568	336,114	
578,140	USD	1397/07/06	1405/01/19	9	4	578,140	115,628	
607,634	USD	1397/08/07	1405/01/19	9	4	607,634	121,527	
3,438,118	USD	1400/07/19	1405/01/19	9	4	3,438,118	687,624	
13,729,441	USD	1396/10/01	1403/09/27	7	2	9,734,164	1,946,833	
554,390	USD	1398/09/27	1403/09/27	7	2	554,390	110,878	
16,240	USD	1399/12/06	1408/06/27	12	3.5	16,240	3,248	
158,317	USD	1399/12/06	1408/06/27	12	3.5	158,317	31,663	
41,537	USD	1399/12/24	1408/06/27	12	3.5	41,537	8,307	
467,221	USD	1399/12/24	1408/06/27	12	3.5	467,221	93,444	
19,649,922	USD	1400/01/28	1408/06/27	12	3.5	19,649,922	3,929,984	
						56,322,155	11,264,431	

23-2- Debts for LCs amounted to IRR 2,491 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.



Middle East Bank (PJkC)
Notes on the financial statements
Year ended 20 March 2022

24- Staff termination benefits

	Consolidated		Parent Co.	
	20 Mar. 2022	20 Mar. 2021	20 Mar. 2022	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	(68,058)	(20,179)	(65,104)	(16,175)
Provision for the period	183,972	100,176	165,272	90,433
Closing balance	363,908	247,994	327,607	227,439

25- Customers investment deposits

Note	Consolidated		Parent Co.		
	20 Mar. 2022	20 Mar. 2021	20 Mar. 2022	20 Mar. 2021	
	IRR million	IRR million	IRR million	IRR million	
Long-term deposits					
Long-term investment deposits	25-1	185,548,271	181,584,974	185,548,271	181,584,974
Short-term investment deposits	25-1	94,222,212	63,611,577	95,867,361	65,251,818
Special short-term investment deposits	25-1	13,289,169	2,019,203	13,289,169	2,019,203
Interbank deposits	25-1	1,950,000	500,000	-	-
		295,009,652	247,715,754	294,704,801	248,855,995
Investment deposits' interest payable					
Long-term investment deposits	25-2	961,389	4,559,551	961,389	4,559,551
Short-term investment deposits	25-2	19,842	194,263	19,842	194,263
Special short-term investment deposits	25-2	60	60	60	60
		981,291	4,753,874	981,291	4,753,874
		295,990,943	252,469,628	295,686,092	253,609,869

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

	Consolidated					
	20 Mar. 2022			20 Mar. 2021		
	IRR	FCY	Total	IRR	FCY	Total
IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	
Interbank deposits	1,950,000	-	1,950,000	500,000	-	500,000
Short-term investment deposits	94,222,212	-	94,222,212	63,611,577	-	63,611,577
Special short-term investment deposits						
Three-month deposit	-	13,265,203	13,265,203	22,287	1,960,644	1,982,931
Three-month to six-month deposit	318	23,648	23,966	15,300	20,972	36,272
Long-term investment deposits						
One year deposits and general deposit certificate	17,914,890	6,227,564	24,142,454	103,964,997	5,811,272	109,776,269
Two-year deposit	79,405,817	-	79,405,817	258,705	-	258,705
Three-year deposit	-	82,000,000	82,000,000	-	71,550,000	71,550,000
	193,493,237	101,516,415	295,009,652	168,372,866	79,342,888	247,715,754
	Parent Co.					
	20 Mar. 2022			20 Mar. 2021		
	IRR	FCY	Total	IRR	FCY	Total
IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	
Short-term investment deposits	95,867,361	-	95,867,361	65,251,818	-	65,251,818
Special short-term investment deposits						
Three-month deposit	-	13,265,203	13,265,203	22,287	1,960,644	1,982,931
Three-month to six-month deposit	318	23,648	23,966	15,300	20,972	36,272
Long-term investment deposits						
One-year deposits and general deposit certificate	17,914,890	6,227,564	24,142,454	103,964,997	5,811,272	109,776,269
Two-year deposit	79,405,817	-	79,405,817	258,705	-	258,705
Three-year deposit	-	82,000,000	82,000,000	-	71,550,000	71,550,000
	193,188,386	101,516,415	294,704,801	169,513,107	79,342,888	248,855,995



Middle East Bank (PJkC)
Notes on the financial statements
Year ended 20 March 2022

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

	Consolidated							20 Mar. 2021
	20 Mar. 2022							
	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	-	-	29,673,704	14,055,189	1,925,340	50,517,979	96,172,212	64,111,578
2021-22	-	1,719,229	4,287,155	2,352,389	-	102,516,415	110,875,188	107,495,471
2022-23	-	34,196,220	44,966,032	1,000,000	-	1,000,000	81,162,252	71,808,705
2023-24	-	-	-	600,000	-	-	600,000	-
2024-25	-	-	-	1,500,000	-	200,000	1,700,000	600,000
2025 and after that	-	-	3,500,000	1,000,000	-	-	4,500,000	3,700,000
	-	35,915,449	82,426,891	20,507,578	1,925,340	154,234,394	295,009,652	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.							20 Mar. 2021
	20 Mar. 2022							
	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	-	-	31,318,854	14,055,189	1,925,340	48,567,978	95,867,361	65,251,819
2021-22	-	1,719,229	4,287,155	2,352,389	-	102,516,415	110,875,188	107,495,471
2022-23	-	34,196,220	44,966,032	1,000,000	-	1,000,000	81,162,252	71,808,705
2023-24	-	-	-	600,000	-	-	600,000	-
2024-25	-	-	-	1,500,000	-	200,000	1,700,000	600,000
2025 and after that	-	-	3,500,000	1,000,000	-	-	4,500,000	3,700,000
	-	35,915,449	84,072,041	20,507,578	1,925,340	152,284,393	294,704,801	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 20 Mar. 2022	Balance at 20 Mar. 2021	New Deposits	Principal repayment	Balance at 20 Mar. 2022
	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	13,912,530	99,962,637	17,914,890	103,964,997	13,912,530	99,962,637	17,914,890
Two-year deposits	258,705	108,979,098	29,831,986	79,405,817	258,705	108,979,098	29,831,986	79,405,817
Short-term deposits	63,611,577	2,450,481,044	2,419,870,409	94,222,212	65,251,818	2,450,485,952	2,419,870,409	95,867,361
Special short-term deposits	37,587	138,918	176,187	318	37,587	138,918	176,187	318
Interbank deposits	500,000	1,950,000	500,000	1,950,000	-	-	-	-
	168,372,866	2,575,461,590	2,550,341,219	193,493,237	169,513,107	2,573,516,498	2,549,841,219	193,188,386



Middle East Bank (PJkC)
Notes on the financial statements
Year ended 20 March 2022

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

	Consolidated and Parent Co.					
	Balance at 20 Mar. 2021	New Deposits	Principal repayment	Balance at 20 Mar. 2022	Balance at 20 Mar. 2022	Balance at 20 Mar. 2021
	Currency amount	Currency amount	Currency amount	Currency amount	IRR million	IRR million
Long-term deposits						
USD	452,100,904	578,700	40,818,300	411,861,304	82,372,261	71,884,044
EUR	834,438	106,170	67,870	872,738	192,002	158,543
AED	122,927,058	27,100	18,546,122	104,408,036	5,663,301	5,318,685
Ordinary & Special short-term deposits						
USD	137,547	4,900	25,000	117,447	23,489	21,870
EUR	10,314,450	100,220,900	50,238,250	60,297,100	13,265,362	1,959,746
					101,516,415	79,342,888

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

	Parent Co.			
	20 Mar. 2022		20 Mar. 2021	
	No.	Amount	No.	Amount
	Investor	IRR million	Investor	IRR million
Deposits-LCY				
Entities Investors	3,310	128,827,535	3,095	118,884,402
Natural person	228,280	64,360,851	51,911	50,628,705
	231,590	193,188,386	55,006	169,513,107
Deposits-FCY				
Entities Investors	10	100,912,035	8	78,822,069
Natural person	173	604,380	183	520,819
	183	101,516,415	191	79,342,888
	231,773	294,704,801	55,197	248,855,995



Middle East Bank (PJkC)
Notes on the financial statements
Year ended 20 March 2022

25-2- Investment deposits' interest payable

	Consolidated				
	Balance at 20 Mar. 2021	On account advance interest	The difference between final interest and on account advance interest	Interest paid during the year	Balance at 20 Mar. 2022
	IRR million	IRR million	IRR million	IRR million	IRR million
Short-term deposits	31,552	8,480,306	18,962	(8,510,975)	19,845
Special short-term deposits	16	7,587	13	(7,600)	16
One- year deposits and general deposit certificate	443,115	13,479,947	13,697	(13,825,143)	111,616
Two-year deposits	600	5,070,184	5,806	(4,799,964)	276,626
Five-year deposits	8	-	-	-	8
Interbank deposits	-	413,653	-	(413,653)	-
Foreign currency deposits	4,278,583	5,121,860	-	(8,827,263)	573,180
	4,753,874	32,573,537	38,478	(36,384,598)	981,291

	Parent Co.				
	Balance at 20 Mar. 2021	On account advance interest	The difference between final interest and on account advance interest	Interest paid during the year	Balance at 20 Mar. 2022
	IRR million	IRR million	IRR million	IRR million	IRR million
Short-term deposits	31,552	8,515,124	18,962	(8,545,793)	19,845
Special short-term deposits	16	7,587	13	(7,600)	16
One- year deposits and general deposit certificate	443,115	13,479,947	13,697	(13,825,143)	111,616
Two-year deposits	600	5,070,184	5,806	(4,799,964)	276,626
Five-year deposits	8	-	-	-	8
Interbank deposit	-	137,025	-	(137,025)	-
Foreign currency deposits	4,278,583	5,121,860	-	(8,827,263)	573,180
	4,753,874	32,331,727	38,478	(36,142,788)	981,291

25-2-1 According to the Circular No. 94/69383 dated 06/10/2015, the procedure for allocating difference between final interest and on account interest to each type of investment deposits, approved in the Board of Directors meeting No. 297 dated 04/14/2019. The mentioned procedure is as follows and it is applied in the above tables.

	Proportion of the difference between final and on account interest	Average interest rate on account during the period	The difference of allocated and definite rate	Definite rate
	percent	percent	percent	percent
Short-term deposits	49.28%	9.31%	0.02%	9.34%
Special short-term deposits	0.04%	12.07%	0.02%	12.10%
One year deposits and general deposit certificate	35.60%	19.04%	0.02%	19.06%
Two-year deposits	15.09%	17.53%	0.02%	17.56%
	100%			



Middle East Bank (PJkC)
Notes on the financial statements
Year ended 20 March 2022

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 25,000,000 million Rials (including 25,000 million shares with a nominal value of 1,000 Rials per share) at the end of 20 Mar. 2022 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		4,000,000		
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	50.0	5,000,000	15,000,000	Retained earnings
29-Nov-21	66.66	10,000,000	25,000,000	Retained earnings

26-1- Composition of shareholders at Statement of financial position date is as follows:

	20 Mar. 2022			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)	1,179,614,882	4.7%	Natural person	490,979,997	3.3%
Atiyeh maskan Co. (Private Joint Stock)	895,113,662	3.6%	Atiyeh maskan Co. (Private Joint Stock)	424,717,880	2.8%
Natural person	624,999,992	2.5%	Natural person	374,999,997	2.5%
Middle East bank's Ofogh brokerage mutual fund	547,797,726	2.2%	Middle East bank's Ofogh brokerage mutual fund	320,665,715	2.1%
Pars Tousheh Investment Co.(PJSC)	377,451,523	1.5%	Pars Tousheh Investment Co.(PJSC)	226,470,915	1.5%
Sepahan Industry Group (PJSC)	359,999,998	1.4%	Sepahan Industry Group (PJSC)	216,000,000	1.4%
Natural person	328,892,907	1.3%	Natural person	208,123,499	1.4%
Natural person	321,949,995	1.3%	Natural person	193,169,998	1.3%
Natural person	303,962,495	1.2%	Natural person	182,377,498	1.2%
Natural person	298,999,998	1.2%	Natural person	181,124,998	1.2%
Iran Insurance Co (Private Joint Stock)	275,571,938	1.1%	Natural person	179,400,000	1.2%
Sam Group Co. (Private Joint Stock)	268,749,995	1.1%	Sam Group Co. (Private Joint Stock)	161,249,998	1.1%
Natural person	263,489,573	1.1%	Natural person	160,293,745	1.1%
Radis electronic Co. (Private Joint Stock)	260,415,836	1.0%	Natural person	155,000,000	1.0%
Natural person	258,339,998	1.0%	Radis electronic Co. (Private Joint Stock)	154,590,000	1.0%
Iran national investment Co.(PJSC)	252,475,792	1.0%	Saman bank(PJSC)	151,499,995	1.0%
Rama electronic Co. (Private Joint Stock)	250,999,998	1.0%	Iran national investment Co.(PJSC)	151,336,971	1.0%
			Natural person	150,000,000	1.0%
			Natural person	150,000,000	1.0%
			Natural person	150,000,000	1.0%
			Rama electronic Co. (Private Joint Stock)	150,000,000	1.0%
Others (less than 1%)			Others (less than 1%)		
Entities (397 shareholders)	5,503,374,850	22.0%	Entities (401 shareholders)	2,988,924,609	20%
Natural persons (23,529 shareholders)	12,427,798,842	49.7%	Natural persons (25,652 shareholders)	7,479,074,185	50%
	25,000,000,000	100%		15,000,000,000	100%



Middle East Bank (PJkC)
Notes on the financial statements
Year ended 20 March 2022

27- Legal reserve

	Consolidated		Parent Co.	
	20 Mar. 2022	20 Mar. 2021	20 Mar. 2022	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	3,098,429	2,510,005	3,086,711	2,494,005
Closing balance	9,067,581	5,969,152	9,024,756	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.

28- Other reserve

Other reserves in the consolidated Statement of financial position 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.

29- Foreign exchange translation differences for foreign operations

	Consolidated and parent Co.	
	20 Mar. 2022	20 Mar. 2021
	IRR million	IRR million
Foreign exchange translation differences for foreign operations in Germany	2,090,564	1,632,111

30- Interest income on credit facilities granted and deposits

Note	Consolidated					
	year ended 20 Mar. 2022			Year ended 20 Mar. 2021		
	Mutual	Non-mutual	Total	Mutual	Non-mutual	Total
	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million
Loans interest income	30,356,401	7,972,713	38,329,114	19,401,417	5,291,201	24,692,618
Deposits interest income	14,025,903	1,018,740	15,044,643	10,478,141	691,565	11,169,706
Total	44,382,304	8,991,453	53,373,757	29,879,558	5,982,766	35,862,324

	Parent Co.					
	year ended 20 Mar. 2022			Year ended 20 Mar. 2021		
	Mutual	Non-mutual	Total	Mutual	Non-mutual	Total
	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million
Loans interest income	30,356,401	7,972,713	38,329,114	19,401,417	5,291,201	24,692,618
Deposits interest income	13,943,191	1,018,740	14,961,931	10,478,056	691,566	11,169,622
Total	44,299,592	8,991,453	53,291,045	29,879,473	5,982,767	35,862,240



Middle East Bank (P.JkC)
Notes on the financial statements
Year ended 20 March 2022

30-1- Loans interest income

		Consolidated and Parent Co.									
		year ended 20 Mar. 2022			Year ended 20 Mar. 2021						
Note	LCY			FCY	Total	LCY			FCY	Total	
	Mutual	Non-mutual	Total	(Non-mutual)		Mutual	Non-mutual	Total	(Non-mutual)		
		IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	
Wakafa	30-1-1	2,971,321	-	2,971,321	6,352,380	9,323,701	1,935,554	-	1,935,554	4,742,055	6,677,609
Installment sales		6,183,021	-	6,183,021	242,440	6,425,461	4,132,093	-	4,132,093	220,422	4,352,515
Mosharekat Madani (civil partnership contracts)		70,315	-	70,315	180,319	250,634	513,208	-	513,208	-	513,208
Murabaha		19,642,641	-	19,642,641	829,801	20,472,442	11,532,645	-	11,532,645	81,757	11,614,402
Debt purchase		257,622	-	257,622	-	257,622	2,772	-	2,772	-	2,772
Penalty		1,229,303	-	1,229,303	275,021	1,504,324	1,280,977	-	1,280,977	14,591	1,295,568
Paid credit cards		2,178	-	2,178	-	2,178	4,168	-	4,168	-	4,168
Penalty from paid LCs		-	11,130	11,130	-	11,130	-	162,327	162,327	-	162,327
Penalty from paid guarantees		-	16,010	16,010	-	16,010	-	20,703	20,703	-	20,703
Other		-	65,612	65,612	-	65,612	-	49,346	49,346	-	49,346
		30,356,401	92,752	30,449,153	7,879,961	38,329,114	19,401,417	232,376	19,633,793	5,058,825	24,692,618

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

30-1-1- Loans income-FCY amounted IRR 6.540.555 million is related to the loans paid from National Development Fund of Iran deposits.

30-2- Deposits Income

		Consolidated									
		year ended 20 Mar. 2022			Year ended 20 Mar. 2021						
		LCY			FCY	Total	LCY			FCY	Total
		Mutual	Non-mutual	Total	(Non-mutual)		Mutual	Non-mutual	Total	(Non-mutual)	
		IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	
Income from statutory deposit		-	253,439	253,439	-	253,439	-	182,999	182,999	-	182,999
Income from term deposits		5,015,302	-	5,015,302	2,939	5,018,241	2,900,986	-	2,900,986	21,220	2,922,206
Income from participation bonds and fixed income securities		9,009,194	762,362	9,771,556	-	9,771,556	7,575,260	484,937	8,060,197	247	8,060,444
Income from fixed income mutual funds		1,407	-	1,407	-	1,407	1,895	-	1,895	-	1,895
		14,025,903	1,015,801	15,041,704	2,939	15,044,643	10,478,141	667,936	11,146,077	21,467	11,167,544

		Parent Co.									
		year ended 20 Mar. 2022			Year ended 20 Mar. 2021						
		LCY			FCY	Total	LCY			FCY	Total
		Mutual	Non-mutual	Total	(Non-mutual)		Mutual	Non-mutual	Total	(Non-mutual)	
		IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	
Income from statutory deposit		-	253,439	253,439	-	253,439	-	182,999	182,999	-	182,999
Income from term deposits		5,015,189	-	5,015,189	2,939	5,018,128	2,900,901	-	2,900,901	21,221	2,922,122
Income from participation bonds and fixed income securities		8,926,595	762,362	9,688,957	-	9,688,957	7,575,260	487,346	8,062,606	-	8,062,606
Income from fixed income mutual funds		1,407	-	1,407	-	1,407	1,895	-	1,895	-	1,895
		13,943,191	1,015,801	14,958,992	2,939	14,961,931	10,478,056	670,345	11,148,401	21,221	11,169,622



Middle East Bank (PJkC)
Notes to the financial statements
Year ended 20 March 2022

31- Net income (loss) from investments

	Note	Consolidated		Parent Co.	
		year ended 20 Mar. 2022	Year ended 20 Mar. 2021	year ended 20 Mar. 2022	Year ended 20 Mar. 2021
		LCY (mutual) IRR million	LCY (mutual) IRR million	LCY (mutual) IRR million	LCY (mutual) IRR million
Realized income (loss) from investments					
Dividends	31-1	57,576	230,717	1,824,000	1,426,399
Income (loss) from sale of investments		32,930	123,578	-	-
Total		90,506	354,295	1,824,000	1,426,399
Income (loss) from increase (decrease) in value of investments					
Net income (loss) from increase (decrease) in value of investments	31-2	13,631	(13,632)	13,632	(13,632)
Net income (loss) from investments		104,137	340,663	1,837,632	1,412,767

31-1- Dividends are as follow :

	Consolidated		Parent Co.	
	year ended 20 Mar. 2022	Year ended 20 Mar. 2021	year ended 20 Mar. 2022	Year ended 20 Mar. 2021
	LCY (mutual) IRR million	LCY (mutual) IRR million	LCY (mutual) IRR million	LCY (mutual) IRR million
Middle East Life Insurance Co.	54,275	228,371	24,000	26,400
Middle East Currency Exchange Co.	-	-	1,680,000	875,000
Middle East Bank Brokerage Co.	-	-	120,000	524,999
Dividends from investments in unlisted shares	54,275	228,371	1,824,000	1,426,399
Other companies	3,301	2,346	-	-
Dividend from investment in listed shares	3,301	2,346	-	-
Total	57,576	230,717	1,824,000	1,426,399

31-2 Net income (loss) from increase (decrease) in value of investments

income (loss) from increase (decrease) in value of investments-LCY (mutual)

Investment in listed shares

income (loss) from increase (decrease) in value of investments-LCY (mutual)
trading fund

Consolidated and parent co.			
year ended 20 Mar. 2022			Year ended 20 Mar. 2021
book value	market value	profit(loss)	profit(loss)
LCY (mutual)	LCY (mutual)	LCY (mutual)	LCY (mutual)
		13,632	(13,632)
1,043,141	1,070,827	13,632	(13,632)
1,043,141	1,070,827	13,632	(13,632)



Middle East Bank (PJkC)
Notes to the financial statements
Year ended 20 March 2022

32- Interest expense

Description	Note	Consolidated			Parent Co.		
		year ended 20 Mar. 2022		Year ended 20 Mar. 2021	year ended 20 Mar. 2022		Year ended 20 Mar. 2021
		IRR million	IRR million	IRR million	IRR million	IRR million	IRR million
Mutual income							
Loans' interest income	30	30,356,401		19,401,417	30,356,401		19,401,417
Deposits interest income	30	13,943,191		10,478,056	13,943,191		10,478,056
Net income (loss) from investments	31	1,837,632		1,412,767	1,837,632		1,412,767
Total of mutual income			46,137,224	31,292,240		46,137,224	31,292,240
Bank's share of mutual income	32-1		(14,977,244)	(8,583,870)		(14,977,244)	(8,583,870)
Depositors' share of mutual income before deduction of the bank's charges			31,159,980	22,708,370		31,159,980	22,708,370
Bank's charges	32-2		(4,114,753)	(3,864,754)		(4,114,753)	(3,864,754)
Depositors' share of mutual income			27,045,227	18,843,617		27,045,227	18,843,617
Income from statutory deposit of investment deposits	32-3		203,118	142,692		203,118	142,692
Depositors' interest income			27,248,345	18,986,309		27,248,345	18,986,309
Interest from currency deposit			5,121,860	3,430,481		5,121,860	3,430,481
Open market operations(repurchase agreement)			2,856,497	-		2,856,497	-
Net paid Interest expense by subsidiaries to outside the group and Interest expense in the group			241,810	(7,452)		-	-
Interest expense			35,468,512	22,409,338		35,226,702	22,416,790
Interest payable (overpaid) to depositors			38,478	28,945		38,478	28,945



Middle East Bank (PJKC)
Notes to the financial statements
Year ended 20 March 2022

32-1- Bank's share of mutual income

Bank's share of mutual income is as follows:

32-1-1- Bank's share of mutual income

Year	Bank's resource to mutual usages(32-1-2)	Mutual income	Share of Bank Resources from mutual incomes
	Percentage	IRR million	IRR million
20 Mar. 2022	32.46%	46,137,224	14,977,244
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.

32-1-2- Distribution of mutual resources and mutual usages between bank and depositors

Description	Year ended 20 Mar. 2022	Year ended 20 Mar. 2021	Notes
	IRR million	IRR million	
Average of mutual usages(32-1-2-1)	253,855,646	177,521,610	Weekly average
Average of depositors' term deposits(32-1-2-2)	191,925,365	143,437,162	Weekly average
less: statutory deposit of term deposits	(20,477,323)	(14,612,046)	Weekly average
Free resources of term deposits	171,448,042	128,825,116	
Bank's share of mutual usages (Additional free resources from term deposits)	82,407,604	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.

32-1-2-1- Average of mutual usages

Mutual usages items	Year ended 20 Mar. 2022	Year ended 20 Mar. 2021
	Amount(average)	Amount(average)
	IRR million	IRR million
Net usages related to loans	177,012,116	112,237,730
Net usages related to participation bonds	49,203,245	43,489,850
Net usages related to term deposit in other banks	25,743,619	21,007,317
Net usages related to investments	1,896,666	786,713
Total usages related to mutual operation	253,855,646	177,521,610



Middle East Bank (PJkC)
Notes to the financial statements
Year ended 20 March 2022

32-1-2-2- Average of term deposits:

	Year ended 20 Mar. 2022	Year ended 20 Mar. 2021
	Amount(average)	Amount(average)
Term deposits	IRR million	IRR million
One -year deposits	70,808,785	68,421,152
Two- year deposits	28,921,303	114,151
Short term deposits	91,450,439	69,948,004
Interbank deposit	681,981	4,933,285
Special short term deposits	62,857	20,570
Average of term deposits	191,925,365	143,437,162

32-2- The Bank's charge

The Bank's charge rate was published in public newspaper, as 2.4 percent for the fiscal year ended 20 Mar. 2022 and the amount is calculated as below:

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

$$4,114,753 = 171,448,042 * 2.4 \%$$

32-2-1 Declared and applied bank's charge

	Declared bank's charge		Applied bank's charge	
	Rate	IRR million	Rate	IRR million
One- year deposits	2.4%	1,515,883	2.4%	1,515,883
Tow- year deposits	2.4%	621,062	2.4%	621,062
Five- year deposits	2.4%	0	2.4%	0
Short term deposits	2.4%	1,960,096	2.4%	1,960,096
Interbank deposit	2.4%	16,368	2.4%	16,368
Special short term deposits	2.4%	1,345	2.4%	1,345
		4,114,753		4,114,753

32-3 Interest from statutory deposit of term deposits

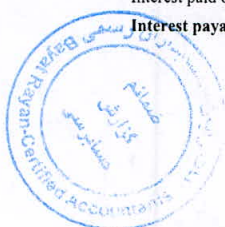
Description	Year ended 20 Mar. 2022	Year ended 20 Mar. 2021
	IRR million	IRR million
Average of statutory deposit of term deposits	20,477,323	14,612,046
Statutory deposit's interest	203,118	142,692

32-4 Interest paid on account to investment deposits-LCY

Description	Consolidated		Parent Co.	
	Year ended 20 Mar. 2022	Year ended 20 Mar. 2021	Year ended 20 Mar. 2022	Year ended 20 Mar. 2021
Short term deposits	IRR million	IRR million	IRR million	IRR million
Short term	8,480,306	5,477,128	8,515,124	5,484,579
Special short term	7,587	2,551	7,587	2,551
Long term deposits				
One year deposit and general deposit certificate	13,479,947	12,461,251	13,479,947	12,461,251
tow years	5,070,184	19,934	5,070,184	19,934
Interbank deposit	413,653	989,048	137,025	989,048
	27,451,677	18,949,912	27,209,867	18,957,363

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

Description	Note	Parent Co.	
		Year ended 20 Mar. 2022	Year ended 20 Mar. 2021
		IRR million	IRR million
Final interest to depositors		27,248,345	18,986,308
Interest paid on account	32-4	(27,209,867)	(18,957,363)
Interest payable (overpaid) to depositors		38,478	28,945



Middle East Bank (PJKC)
Notes to the financial statements
Year ended 20 March 2022

34- Fees and commission income

Note	Consolidated		Parent Co.	
	Year ended 20 Mar. 2022	Year ended 20 Mar. 2021	Year ended 20 Mar. 2022	Year ended 20 Mar. 2021
	IRR million	IRR million	IRR million	IRR million
Net commission of Gardh-UI Hasan (Non interest bearing) loans	21,568	17,665	21,568	17,665
On L/Cs issuance	26,771	40,858	26,771	40,858
On guarantees issuance	1,629,888	1,183,075	1,629,888	1,183,075
Managed funds	2,495	12,060	2,495	12,060
Review of customers credit files	1,110,871	431,811	1,110,871	431,811
Participation and guarantee fee	7,756	-	7,756	-
SHETAB (inter bank ATM settlement)	21,080	11,655	21,080	11,655
Oversight commission received from the National Development Fund	13,782	1,763	13,782	1,763
On share trading	782,133	975,514	-	-
Other services	119,343	50,105	119,344	50,105
	3,735,687	2,724,506	2,953,555	1,748,992

34-1- Net commission of Gardh-UI Hasan loans

	Consolidated and Parent Co.	
	Year ended 20 Mar. 2022	Year ended 20 Mar. 2021
	IRR million	IRR million
Commission of Gardh-UI Hasan loans	21,568	17,665
Net commission of Gardh-UI Hasan loans	21,568	17,665



Middle East Bank (PJkC)
Notes to the financial statements
Year ended 20 March 2022

35- Fees and commission expenses

	Consolidated and Parent Co.	
	Year ended 20 Mar. 2022	Year ended 20 Mar. 2021
	IRR million	IRR million
SHETAB (inter bank ATM settlement) commission	7,428	3,356
POS transaction commission	303,388	225,110
Paid commission to brokerages	45,175	37,986
other	18,329	6,234
	374,320	272,686

36- Net foreign exchange transactions income

Note	Consolidated		Parent Co.	
	Year ended 20 Mar. 2022	Year ended 20 Mar. 2021	Year ended 20 Mar. 2022	Year ended 20 Mar. 2021
	IRR million	IRR million	IRR million	IRR million
Income (loss) from foreign currency transactions	1,481,415	980,191	1,012,567	769,692
Income (loss) from foreign exchange difference	3,435,785	6,912,396	3,468,279	6,912,233
Income from foreign exchange operations	36-1 99,942,688	87,948,751	-	-
Cost of currency foreign operations	36-1 (98,522,548)	(85,196,983)	-	-
	6,337,340	10,644,355	4,480,846	7,681,925

36-1- Income and cost of foreign exchange operation is related to purchase and sale 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.

37- Other operating income

	Consolidated and Parent Co.	
	Year ended 20 Mar. 2022	Year ended 20 Mar. 2021
	IRR million	IRR million
profit(Loss) of foreign country's branch	(255,050)	(195,982)
	(255,050)	(195,982)

38- Other income

	Consolidated		Parent Co.	
	Year ended 20 Mar. 2022	Year ended 20 Mar. 2021	Year ended 20 Mar. 2022	Year ended 20 Mar. 2021
	IRR million	IRR million	IRR million	IRR million
Gain and loss from disposal of fixed and intangible assets	-	2,987	-	987
Others	11,018	47,689	11,018	11,886
	11,018	50,676	11,018	12,873



Middle East Bank (PJkC)
Notes to the financial statements
Year ended 20 March 2022

39- executive and general expenses

	Note	Consolidated		Parent Co.	
		Year ended 20 Mar. 2022	Year ended 20 Mar. 2021	Year ended 20 Mar. 2022	Year ended 20 Mar. 2021
		IRR million	IRR million	IRR million	IRR million
Personnel expenses	39-1	2,881,622	2,189,235	2,620,901	1,977,704
Other executive expenses	39-2	1,349,553	1,121,171	977,051	696,154
		4,231,175	3,310,406	3,597,952	2,673,858

39-1- The details of personnel expenses are as follows:

	Consolidated		Parent Co.	
	Year ended 20 Mar. 2022	Year ended 20 Mar. 2021	Year ended 20 Mar. 2022	Year ended 20 Mar. 2021
	IRR million	IRR million	IRR million	IRR million
Wages, salaries and allowances	2,431,784	1,921,713	2,224,144	1,739,772
Insurance employer contribution	249,278	160,643	219,935	142,687
Staff termination benefits	191,458	104,185	167,720	92,795
Travel and mission	9,102	2,694	9,102	2,450
	2,881,622	2,189,235	2,620,901	1,977,704

39-2- The details of other executive expenses are as follows:

	Consolidated		Parent Co.	
	Year ended 20 Mar. 2022	Year ended 20 Mar. 2021	Year ended 20 Mar. 2022	Year ended 20 Mar. 2021
	IRR million	IRR million	IRR million	IRR million
Rent	68,851	67,603	57,792	58,151
Training and research	4,978	1,059	4,978	1,059
Communications	50,144	17,046	50,144	17,046
Insurance costs	10,840	9,517	8,553	8,225
Audit fee	9,183	5,114	7,488	3,389
Consulting fee	59,919	45,629	51,082	42,295
Transportation	11,455	8,519	6,771	6,055
Power and Water	33,666	18,333	33,049	17,857
Repair and maintenance of fixed assets	182,077	88,420	181,665	118,720
Consumable items	100,187	101,744	95,939	73,969
Board of directors bonus	37,500	48,000	30,000	42,000
Contractors' fee payment	338,424	218,870	331,364	217,137
Membership fee in Deposit Guarantee Fund	41,085	31,026	41,085	31,026
Membership fee in associations	4,787	3,015	3,765	2,170
Others	396,457	457,276	73,376	57,055
	1,349,553	1,121,171	977,051	696,154



Middle East Bank (PJkC)
Notes on the financial statement
Year ended 20 March 2022

40- Provision for bad and doubtful debts

Note	Consolidated		Parent Co.	
	Year ended 20 Mar. 2022	Year ended 20 Mar. 2021	Year ended 20 Mar. 2022	Year ended 20 Mar. 2021
	IRR million	IRR million	IRR million	IRR million
Specific provision for bad and doubtful debts	254,480	220,826	254,480	220,826
General provision for bad and doubtful debts	1,779,322	1,873,595	1,791,604	1,894,672
	2,033,802	2,094,421	2,046,084	2,115,498

40-1- Specific provision for bad and doubtful debts is calculated as follows:

	Consolidated and Parent Co.					Year ended 20 Mar. 2021
	Year ended 20 Mar. 2022					
	Past due	Outstanding	Doubtful debt before 5 years	Doubtful debt after 5 years	Total	
	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million
Credit facilities granted-non governmental (note 11-1)	697,079	21,011	4,428,928	547,888	5,694,906	3,209,321
Balance of Other accounts receivable at the year ended						
Due from subsidiaries and associates (note13)	-	-	-	-	-	1,814
Other accounts receivables (note14)	9,058	21,226	280,468	118,353	429,105	385,784
Total before deduction of collaterals' value	706,137	42,237	4,709,396	666,241	6,124,011	3,596,919
Less : adjusted collaterals' value						
Investment deposits	-	-	-	-	-	(673)
Listed shares	-	-	-	-	-	-
Real states	(695,972)	(20,700)	(3,195,193)	(205,401)	(4,117,266)	(2,261,765)
	(695,972)	(20,700)	(3,195,193)	(205,401)	(4,117,266)	(2,262,438)
Basis of specific provision calculation	10,165	21,537	1,514,203	460,840		
Specific provision calculation factor of-%	10%	20%	50%	100%		
Specific provision of bad and doubtful debts	1,018	4,307	757,102	460,840	1,223,267	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)
Specific provision of bad and doubtful debts expense	(8,601)	(5,374)	709,946	(441,491)	254,480	220,826

40-2- General provision for bad and doubtful debts is calculated as follows:

	Parent Co.	
	Year ended 20 Mar. 2022	Year ended 20 Mar. 2021
	IRR million	IRR million
Loan balance (note 11)	361,781,182	244,316,009
Debtors related to loans (note 14)	99,788	120,530
Debtors for letters of credit (note 18)	2,126,770	1,684,600
Other accounts receivable	5,393,690	1,603,498
Due from subsidiaries and associates (note 13)	1,826,896	1,430,093
Less:		
Balance of loans that specific provision has calculated for	(3,920,859)	(1,287,524)
Basis of general provision calculation	367,307,467	247,867,206
General provision calculation factor-%	1/5	1/5
General provision for bad and doubtful debts	5,509,612	3,718,008
Less: general provision for bad and doubtful debts at 20 Mar. 2021	(3,718,008)	(1,823,336)
General provision for bad and doubtful debts expense	1,791,604	1,894,672



Middle East Bank (PJkC)
Notes on the financial statement
Year ended 20 March 2022

41- Financial expenses

Consolidated and Parent Co.

	Year ended 20 Mar. 2022	Year ended 20 Mar. 2021
	IRR million	IRR million
Overdraft penalty	-	198

42- Depreciation and amortization

Consolidated

Parent Co.

	Year ended 20 Mar. 2022	Year ended 20 Mar. 2021	Year ended 20 Mar. 2022	Year ended 20 Mar. 2021
	IRR million	IRR million	IRR million	IRR million
Fixed assets depreciation	417,778	295,067	407,838	287,688
Intangible assets amortization	91,343	68,966	88,075	65,437
	509,121	364,033	495,913	353,125



Middle East Bank (P)kC
Notes to the financial statements
Year ended 20 March 2022

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

	Consolidated		Parent Co.	
	Year ended 20 Mar. 2022	Year ended 20 Mar. 2021	Year ended 20 Mar. 2022	Year ended 20 Mar. 2021
	IRR million	IRR million	IRR million	IRR million
Profit before tax	20,210,454	18,161,614	20,578,075	16,626,701
Adjustment				
Depreciation and amortization	509,121	364,033	495,913	353,125
Payable tax	479,505	2,813,846	-	2,063,959
Provision for bad and doubtful debts	2,033,802	2,094,421	2,046,084	2,115,498
Net increase (decrease) in provision of staff termination benefits	115,914	79,997	100,168	74,258
(Profit) or loss from disposal of tangible and intangible assets	-	(2,987)	-	(987)
Effect of exchange rate fluctuation on cash	(2,930,093)	(12,274,190)	(2,930,093)	(12,274,190)
	20,418,703	11,236,734	20,290,147	8,958,364
Net increase (decrease) in operating liabilities				
Due to banks and financial institutions	37,508,066	11,473,207	37,508,066	11,473,207
Customers' deposits	21,631,111	42,532,971	21,415,488	43,533,020
Other liabilities and provisions-operating portion	3,412,344	2,367,950	4,273,433	3,844,354
Benefits of investment deposit holders	43,521,315	117,654,382	42,076,223	118,831,530
	106,072,836	174,028,510	105,273,210	177,682,111
Net increase (decrease) in operating assets				
Due from banks and financial institutions	3,835,265	(23,530,972)	3,835,264	(23,530,972)
Credit facilities granted	(117,046,173)	(124,044,142)	(117,465,173)	(124,391,254)
Investment	2,845,375	(21,553,497)	2,983,218	(21,242,968)
Due from Subsidiaries and associates	928	(17,489)	(398,863)	(1,072,525)
Other accounts receivable	(6,151,487)	615,212	(6,478,772)	(2,421,175)
Statutory deposit	(5,814,172)	(10,292,133)	(5,814,172)	(10,292,133)
Other assets-operating portion	(101,916)	(672,235)	(205,404)	(678,053)
	(122,432,181)	(179,495,256)	(123,543,901)	(183,629,080)
Net cash inflow(used in) from operating activities	4,059,358	5,769,988	2,019,456	3,011,395

44- Non-cash transactions

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

	Consolidated		Parent Co.	
	Year ended 20 Mar. 2022	Year ended 20 Mar. 2021	Year ended 20 Mar. 2022	Year ended 20 Mar. 2021
	IRR million	IRR million	IRR million	IRR million
Possession of asset against granted loans	119,550	-	119,550	-
Capital increase from payable to shareholders'	207,991	-	-	-
	327,541	-	119,550	-

44-1 In the reported financial year, the following Collateral in possession were acquired by the bank

Type of acquired Collateral in possession	Customer relationship	debt at the time of acquisition	appraised value of acquired property	amount of paid/waived	Debt balance after acquisition	debt after possession of asset
Residential property of Novin Aban Fanavar	irrelated customer	3,180,643	105,750	-	-	3,074,893
Residential property of Ali Nasajpour	irrelated customer	42,280	13,800	-	-	28,480
		3,222,922	119,550	-	-	3,103,372



Middle East Bank (PJkC)
Notes to the financial statements
Year ended 20 March 2022

45. Off-Statement of financial position 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(canceled) 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	(3)	(24,776,500)	(1,671,607)	(197,626)	-	-	-
			<u>1,087,098</u>			<u>782,135</u>			<u>(1,671,607)</u>	<u>(197,626)</u>			<u>-</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	7	3,683,271	(7)	(3,556,939)	2	143,937
Term	4	39,687	46	6,677,194	(31)	(3,794,485)	19	2,922,396
Total		<u>57,292</u>		<u>10,360,465</u>		<u>(7,351,424)</u>		<u>3,066,333</u>



Middle East Bank (PJkC)
Notes to the financial statements
Year ended 20 March 2022

45-2- Issued guarantees commitments
45-2-1- Guarantees-FCY

	Consolidated and Parent Co.			
	20 Mar. 2022		20 Mar. 2021	
	FCY	IRR million	FCY	IRR million
EUR	81,655,433	17,964,195	98,413,361	18,698,538
AED	1,445,169	78,389	1,445,169	62,528
USD	15,205,603	3,041,121	17,028,041	2,707,459
INR	37,000,000	97,051	20,000,000	43,880
CNY	-	-	4,990,143	122,084
		21,180,756		21,634,489

45-2-2- Guarantees-LCY

	Consolidated and Parent Co.	
	20 Mar. 2022	20 Mar. 2021
	IRR million	IRR million
Commitments for issued guarantees-LCY	103,389,900	71,118,523

45-3- Other commitments

	Consolidated and Parent Co.	
	20 Mar. 2022	20 Mar. 2021
	IRR million	IRR million
Commitments for bonds guarantee	4,564,913	2,100,033
Commitments for credit cards	1,832,819	1,346,885
Others	12,273	10,099
	6,410,005	3,457,017

45-4- Managed funds and other

	Consolidated and Parent Co.	
	20 Mar. 2022	20 Mar. 2021
	IRR million	IRR million
Loans paid from managed funds	-	5,298,848
managed funds not spent	-	5,176,000
total of Managed funds and other	-	10,474,848

45-4-1- Managed funds related to customers have been fully settled during the current year.



Middle East Bank (PJkC)

Notes to the financial statements

Year ended 20 March 2022

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

Type of collaterals	20 Mar. 2022	20 Mar. 2021
	IRR million	IRR million
Deposits	1,916,657	1,391,516
Participation bonds and other securities with guaranties of other banks	74,249	38,975
Listed shares	485,186	473,408
Land and building	3,625,414	2,195,379
Checks and promissory notes	117,346,339	89,798,124
	123,447,845	93,897,402
Without collateral	4,189,144	-
Total	127,636,989	93,897,402

46- Capital commitments and contingent liabilities

46-1- Contingent liabilities

Social Security Organization (SSO) debt not has been raised for the fiscal year ended 19th March 2020 of IRR 18.5 billion which has been protested and referred to the dispute settlement Board, however the final result has not been determined yet. The amount for the fiscal year ended 20th March 2021 is currently under examination and for the current year has not been examined yet. Also, bank's books have not been examined for the Value Added Tax regulations for 2022.

Description	20 Mar. 2022
	IRR million
Due to Social Security Organization	18,586

46-2- Capital commitments

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

Description	20 Mar. 2022
	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- Events after the reporting date

From the date of financial position to the date of approval of the financial statements, no 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 occurred.



Middle East Bank (PJkC)
Notes to the financial statements
Year ended 20 March 2022

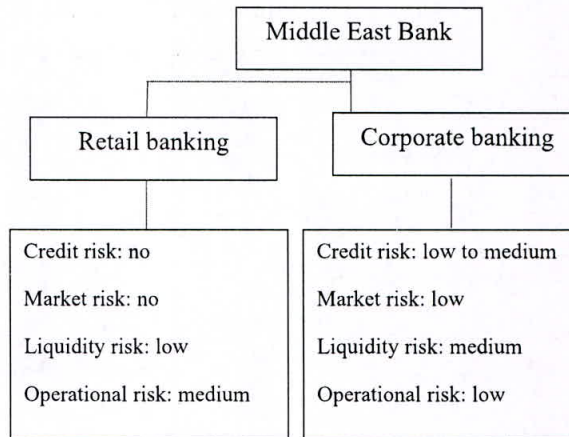
49- Bank risks

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.

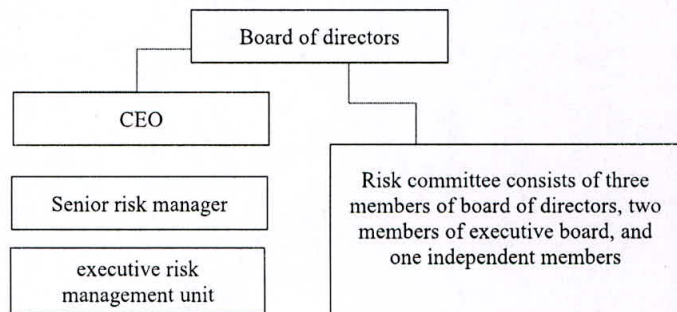


49-2- Risk management structure is as follows:

Risk Management in MEB consists of Risk Committee (RC) and risk management 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



Middle East Bank (PJkC)
Notes to the financial statements
Year ended 20 March 2022

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 general principles of Middle East Bank for credit rating:

- 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.



Middle East Bank (PJkC)
Notes to the financial statements
Year ended 20 March 2022

- 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- Executive units of risk department

The risk management department is an executive 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.



Middle East Bank (PJKC)

Notes to the financial statements

Year ended 20 March 2022

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 usage 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. Their tax declaration is the base of risk management department analysis.

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



Middle East Bank (PJkC)
Notes to the financial statements
Year ended 20 March 2022

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 B to AAA. 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 CCC- to B- risk score. Level 3 loans (high risk) are those who have C to CC credit rate and paid back their debts totally. Level 4 loans (nearly doubtful) are those which have been "doubtful" in 20 March. 2022

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	
	20 Mar. 2022	20 Mar. 2021	20 Mar. 2022	20 Mar. 2021	20 Mar. 2022	20 Mar. 2021
	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million
level 1 - low risk	309,508,420	165,739,756	2,209,770	1,157,610	96,049,197	24,555,915
level 2 - medium risk	45,045,107	71,706,769	-	-	30,373,933	55,804,715
level 3 - high risk	2,268,870	4,580,695	-	-	1,213,859	13,536,772
level 4 - nearly doubtful	4,958,784	2,288,788	-	-	-	-
Total gross amount	361,781,181	244,316,008	2,209,770	1,157,610	127,636,989	93,897,402
Provision for bad and doubtful loans	(6,343,814)	(4,320,084)	-	-		
Book value	355,437,367	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	
	20 Mar. 2022	20 Mar. 2021	20 Mar. 2022	20 Mar. 2021
	IRR million	IRR million	IRR million	IRR million
Current	356,086,275	241,106,687	127,636,989	93,897,402
Past due	697,079	140,438	-	-
Outstanding	21,011	749,564	-	-
Doubtful	4,976,816	2,319,319	-	-
Total gross amount	361,781,181	244,316,008	127,636,989	93,897,402
Provision for bad and doubtful loans	(6,343,814)	(4,320,084)	-	-
Book value	355,437,367	239,995,924	127,636,989	93,897,402



Middle East Bank (PJkC)
Notes to the financial statements
Year ended 20 March 2022

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

Analysis of credit quality

	20 Mar. 2022	20 Mar. 2021
	IRR million	IRR million
Governmental		
Islamic treasury bonds	7,595,404	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	-	590
Government Contribution 10- Eshad 10	-	11,372
Government Murabaha 2- Erad 24	4,000,000	4,000,000
Government Murabaha 3 - Erad 36	4,336,807	-
Government Murabaha 3 - Erad 37	-	8,111,306
Government Murabaha 3 - Erad 38	2,109,547	2,078,696
Government Murabaha 4 - Erad 41	-	2,470,395
Government Murabaha 4 - Erad 44	-	2,019,314
Government Murabaha 4 - Erad 47	-	1,968,224
Government Murabaha 8 - Erad 85	15,526,331	-
Investment of Munich branch in other countries' governmental bonds	408,532	352,823
	41,976,621	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	2,034,016	1,756,650
	2,042,176	1,764,810
	44,018,797	48,054,175



Middle East Bank (PJkC)
Notes to the financial statements
Year ended 20 March 2022

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

<u>Collaterals' type</u>	<u>20 Mar. 2022</u>	<u>20 Mar. 2021</u>
	IRR million	IRR million
Collaterals from natural persons' loans		
Participation bonds\sukuk	19,453	21,575
Listed shares	356,180	-
Deposit	133,077	135,667
Land and real estates	7,164,886	7,243,977
Checks	14,174,649	10,531,021
Promissory notes	968,788	737,551
Machinery	12,000	12,000
Stand-alone legally binding contract	7,487,761	3,520,117
	30,316,794	22,201,908
Collaterals from corporate customers' loans		
Participation bonds\sukuk	1,675,982	347,110
listed shares	107,307,222	112,523,007
Deposit	15,679,091	9,697,930
Land and real estates	100,679,572	67,615,546
Checks	1,255,103,959	850,595,968
Promissory notes	17,497,081	22,173,491
Stand-alone legally binding contract	306,207,322	196,105,590
Machinery	11,269,990	3,165,309
	1,815,420,219	1,262,223,951
	<u>1,845,737,013</u>	<u>1,284,425,859</u>

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



Middle East Bank (P.JkC)
Notes to the financial statements
Year ended 20 March 2022

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

Description	20 Mar. 2022	20 Mar. 2021
	IRR million	IRR million
Loans to natural persons		
Less than 50%	6,347,551	5,161,244
51-70%	30,949	3,349
71-90%	31,187	3,316
91-100%	1,705	664,847
More than 100%	854,722	-
	7,266,114	5,832,756
Loans to corporate customers		
Less than 50%	236,308,108	143,829,357
51-70%	1,656,562	798,705
71-90%	7,442,524	-
91-100%	-	76,894,460
More than 100%	102,764,059	12,640,646
	348,171,253	234,163,168
	355,437,367	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, usage 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 appetite 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.



Middle East Bank (PJkC)
Notes to the financial statements
Year ended 20 March 2022

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

Description	Note	Loans		Investment in shares		Commitments of guaranties and L/Cs	
		20 Mar. 2022	20 Mar. 2021	20 Mar. 2022	20 Mar. 2021	20 Mar. 2022	20 Mar. 2021
		IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Book value		355,437,367	239,995,924	2,209,770	1,157,610	127,636,989	93,897,402
Amount of loans based on economic sectors							
Industrial	49-3-8-1-1	253,086,043	174,786,435	-	-	23,668,436	21,664,272
Housing		5,059,713	3,931,632	-	-	20,660,957	31,002,611
Commercial		57,215,632	33,905,860	-	-	16,469,200	13,975,372
Services		33,898,956	23,234,260	2,209,770	1,157,610	22,609,879	21,926,054
Agriculture		1,210,996	230,734	-	-	625	1,260
Mining		3,803,121	278,810	-	-	1,746,330	5,199,037
Other		1,162,906	3,628,193	-	-	42,481,562	128,796
		355,437,367	239,995,924	2,209,770	1,157,610	127,636,989	93,897,402
Amount of loans/commitments inside/outside of the country							
Inside the country		355,435,609	239,994,775	2,209,770	1,157,610	127,636,989	93,897,402
Outside the country		1,758	1,149	-	-	-	-
		355,437,367	239,995,924	2,209,770	1,157,610	127,636,989	93,897,402

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

Description	20 Mar. 2022	20 Mar. 2021
	IRR Million	IRR Million
Loans		
Automobile and parts	13,671,854	5,772,811
Mineral and metal industries	16,826,512	10,131,160
Chemical and petrochemical industries	119,028,442	92,455,055
Food and Drug	65,100,871	39,707,903
Energy	449,574	330,597
Contracting	449,889	182,219
Telecommunications, Computers and related industries	1,563,998	2,388,729
Other	35,994,903	23,817,961
Subtotal	253,086,043	174,786,435
Commitments		
Automobile and parts	1,176,435	-
Mineral and metal industries	6,848,249	894,897
Chemical and petrochemical industries	8,277,744	7,930,273
Food and Drug	394,178	416,537
Energy	4,388,497	1,903,195
Contracting	1,244,701	5,375,175
Telecommunications, Computers and related industries	331,304	305,891
Other	1,007,328	4,838,304
Subtotal	23,668,436	21,664,272
Total	276,754,479	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 Statement of financial position date	
		Amount	% of total	Amount	% of total
		IRR Million	Percentage	IRR Million	Percentage
Trading contracts	Natural persons	22,826,743	3.0%	7,226,046	2.1%
	Corporate customers	728,769,711	97.0%	342,436,338	97.9%
		751,596,454		349,662,384	
Profit sharing contracts	Natural persons	120,287	1.0%	40,068	0.7%
	Corporate customers	11,559,783	99.0%	5,734,915	99.3%
		11,680,070		5,774,983	
		763,276,524		355,437,367	



Middle East Bank (PJkC)
Notes to the financial statements
Year ended 20 March 2022

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	20 Mar. 2022				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	15,193,229	1,019,652	2,837,334	19,050,215	16,676,244	3,219,041	1,309,597	21,204,882
Settled during the year								
By cash	(11,949,945)	(1,025,881)	(2,855,075)	(15,830,901)	(16,729,170)	(3,149,218)	(1,240,197)	(21,118,585)
By asset possession	(84,057)	(12,419)	(9,273)	(105,749)	-	-	-	-
Roll over	(582,755)	-	-	(582,755)	-	-	-	-
waived of penalties	-	-	(45,225)	(45,225)	-	-	(129,292)	(129,292)
Closing Balance	5,284,721	225,097	185,088	5,694,906	2,708,249	243,745	257,327	3,209,321

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

Distribution of non performing loans	Balance of non-performing loans		Specific provision		Net balance of non-performing loans	
	20 Mar. 2022	20 Mar. 2021	20 Mar. 2022	20 Mar. 2021	20 Mar. 2022	20 Mar. 2021
	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million
Industry	3,380,615	900,366	(619,369)	(16,081)	2,761,246	884,285
Housing	526,709	186,699	-	(105)	526,709	186,594
commercial	1,336,499	1,660,922	(336,384)	(525,374)	1,000,115	1,135,548
Services	39,866	130,168	-	(8,963)	39,866	121,205
Agriculture	1,018	107,088	-	(104,390)	1,018	2,698
other	410,199	224,078	(13,837)	(13,993)	396,362	210,085
Total	5,694,906	3,209,321	(969,590)	(668,906)	4,725,316	2,540,415

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

Description	20 Mar. 2022	20 Mar. 2021
Residential real estates	607,550	488,000



Middle East Bank (PJkC)
Notes on the financial statements
Year ended 20 March 2022

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

The amount of capital needed to cover the credit risk of the assets is IRR27,296,576 million and its calculations presented in table 49-3-10-1. Compared with base capital at the Statement of financial position date (note 49-7-1), Bank has IRR30,598,427 million surplus in order to cover credit risk.

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

		20 Mar. 2022	20 Mar. 2021
		IRR million	IRR million
Credit risk weighted assets	49-7-2-1	341,207,205	247,260,136
Risk factor-%		8%	8%
Needed capital to cover credit risk		27,296,576	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 20 Mar. 2022, bank's short-term loans portfolio (before impairment loss deduction) comprised 68% of its total asset. Major part of this portfolio (45% 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 20% 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 9% 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 amount deposits.



Middle East Bank (PJkC)

Notes on the financial statements

Year ended 20 March 2022

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

MEB's risk management department has one executive 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.



Middle East Bank (PJKC)
Notes on the financial statements
Year ended 20 March 2022

49-4-5-1- Liquidity reserves

Description	20 Mar. 2022	20 Mar. 2021
	IRR million	IRR million
Due from CBI	28,645,293	26,684,593
Cash and due from banks and financial institutions	4,845,150	8,642,537
Governmental bonds	41,976,621	46,289,365
Non-governmental bonds	2,042,176	1,764,810
Investments in listed shares	1,043,141	529,508
Total	78,552,381	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%	18%	22%	15%	15%
Cash and cash equivalent to total deposits	25%	22%	26%	19%	20%
Net cash equivalents to total deposits *	22%	15%	23%	7%	7%
Loans to total deposits	72%	75%	89%	67%	89%
Loans to long-term deposits	132%	159%	192%	131%	192%
Non-maturity deposits to total deposits**	42%	44%	47%	41%	47%

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.



Middle East Bank (PJkC)

Notes on the financial statements

Year ended 20 March 2022

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:

	20 Mar. 2022							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 5Years	Non-specific maturity	
	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	
Assets:								
Cash	33,490,443	33,490,443	-	-	-	-	-	33,490,443
Due from banks and financial institutions	38,444,733	38,444,733	-	-	-	-	-	38,444,733
Credit facilities granted	355,437,367	51,924,906	182,284,112	109,231,132	11,297,277	698,190	1,750	361,781,182
Investments	46,228,567	1,044,301	2,385,528	33,562,093	8,063,016	1,166,629	7,000	46,228,567
Due from subsidiaries and associates	1,773,799	-	-	1,773,799	-	-	-	1,768,022
Other accounts receivable	13,042,036	10,914,137	1,011,901	388,009	710,250	-	17,739	13,371,795
Fixed assets	5,557,561	-	-	-	-	-	5,557,561	5,557,561
Intangible assets	278,503	-	-	-	-	-	278,503	278,503
Statutory deposit	27,154,220	842,650	1,370,439	4,379,004	13,263,753	7,292,134	6,240	27,154,220
Other assets	3,381,808	2,072,031	23,218	51,445	961,715	-	273,399	3,413,710
Total assets	524,789,037	138,733,201	187,075,198	149,385,482	34,296,011	9,156,953	6,142,192	531,488,736
Liabilities:								
Due to banks and financial institutions	(50,528,563)	(50,528,563)	-	-	-	-	-	(50,528,563)
Customers' deposits	(105,449,232)	(35,319,791)	(16,806,533)	(15,999,469)	(14,370,377)	(22,896,064)	(56,998)	(105,449,232)
Dividends payable	(54,376)	(54,376)	-	-	-	-	-	(54,376)
Income tax provision	(1,224,048)	-	-	-	-	-	(1,224,048)	(3,041,547)
Other liabilities and provisions	(15,653,473)	(5,203,057)	(52,392)	(801,994)	(124,992)	(8,188,567)	(1,282,471)	(15,626,698)
Staff termination benefits	(327,607)	-	-	-	-	-	(327,607)	(327,607)
Benefits of investment deposits holders	(295,686,092)	(6,036,913)	(106,708,308)	(31,810,879)	(107,412,786)	(43,717,206)	-	(295,678,000)
Total liabilities	(468,923,391)	(97,142,700)	(123,567,233)	(48,612,342)	(121,908,155)	(74,801,837)	(2,891,124)	(470,706,023)
Total shareholders' equity	(55,865,646)	-	-	-	-	-	(55,865,646)	(54,049,835)
Total liabilities and shareholders' equity	(524,789,037)	(97,142,700)	(123,567,233)	(48,612,342)	(121,908,155)	(74,801,837)	(58,756,770)	(524,755,858)
Gap		41,590,501	63,507,965	100,773,140	(87,612,144)	(65,644,884)	(52,614,578)	
Accumulated gap		41,590,501	105,098,466	205,871,606	118,259,462	52,614,578	-	
Gap to base capital		72%	110%	174%	-151%	-113%	-91%	
Accumulated gap to base capital		72%	182%	356%	204%	91%	0%	
Gap to CBI base capital		113%	173%	274%	-238%	-178%	-143%	
Accumulated gap to CBI base capital		113%	286%	560%	321%	143%	0%	



Middle East Bank (PJkC)

Notes on the financial statements

Year ended 20 March 2022

continued

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	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%	



Middle East Bank (PJkC)

Notes on the financial statements

Year ended 20 March 2022

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

	20 Mar. 2022						
	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	(50,528,563)	(50,528,563)	-	-	-	-	-
Customers' deposits	(105,449,232)	(22,594,577)	(1,493,677)	(4,628,446)	(335)	-	(76,732,197)
Received loans from NDF	(11,264,431)	(2,566,299)	-	(523,153)	-	(8,174,979)	-
Customers' investment deposits	(295,686,093)	(2,119,872)	(100,817,060)	(8,787,238)	(83,594,562)	(4,500,000)	(95,867,361)
Total	(462,928,319)	(77,809,311)	(102,310,737)	(13,938,837)	(83,594,897)	(12,674,979)	(172,599,558)
	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)	(31,658,344)	(1,086,710)	(12,556,756)	(460)	-	(38,731,474)
Received loans from NDF	(6,554,301)	-	-	-	(6,554,301)	-	-
Customers' investment deposits	(253,609,870)	(1,492,888)	(84,564,661)	(96,741,798)	(3,558,705)	(2,000,000)	(65,251,818)
Total	(357,218,412)	(46,171,729)	(85,651,371)	(109,298,554)	(10,113,466)	(2,000,000)	(103,983,292)



Middle East Bank (PJkC)
Notes on the financial statements
Year ended 20 March 2022

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

	20 Mar. 2022						
	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	(10,244,718)	(10,244,718)	-	-	-	-	-
Customers' deposits	(50,585,213)	(22,010,343)	(50,821)	(287,504)	-	-	(28,236,545)
Received loans from NDF	(11,264,431)	(2,566,299)	-	(523,153)	-	(8,174,979)	-
Customers' investment deposits	(102,089,595)	(216,621)	(97,545,095)	(4,195,569)	(132,310)	-	-
Total	(174,183,957)	(35,037,981)	(97,595,916)	(5,006,226)	(132,310)	(8,174,979)	(28,236,545)

	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)	(18,262,839)	(126,048)	(131,939)	-	-	(21,717,089)
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)	(29,993,042)	(79,347,409)	(4,321,008)	(6,554,301)	-	(21,717,089)



Middle East Bank (PJkC)
Notes on the financial statements
Year ended 20 March 2022

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

Middle East Bank, according to special circumstances of Iran economics during 2022 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 IRR105,098,466 million which is 182% of the bank's capital. This indicates the liquidity status of bank for less than 3 months is in good position.

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 20 Mar. 2022 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 20 Mar 2022, as last year.

Foreign exchange rate risk in MEB arises from the off-Statement of financial position 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.



Middle East Bank (PJkC)
Notes on the financial statements
Year ended 20 March 2022

49-5-2- executive 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 Statement of financial position 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 20 March. 2022, VAR does not calculated for the reporting period.



Middle East Bank (PJkC)
Notes on the financial statements
Year ended 20 March 2022

49-5-5- Foreign Currency VaR Analysis

	20 Mar. 2022						
	Dollar	Euro	Emirates AED	Swiss Franc	Japanese Yen	Chinese Yuan	Other currency
Cash	2,768,964	15,749,594	25,366,538	35,851	580,653	-	-
Due from banks and financial institutions	-	89,340,974	6,838,887	16,229	-	-	-
Due from government	-	-	-	-	-	-	-
Credit facilities granted to governmental parties	-	-	-	-	-	-	-
Credit facilities granted to non-governmental parties	544,865,843	62,928,445	104,659,987	-	-	-	-
Investments	-	-	-	-	-	-	-
Due from subsidiaries and associates	-	-	4,669	-	-	-	-
Other accounts receivable	-	24,296,820	102,147,325	-	-	-	-
Fixed assets	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-
Statutory deposit	-	-	-	-	-	-	-
Other assets	-	208,610	-	-	-	-	-
Total assets-FCY	547,634,807	192,524,442	239,017,406	52,080	580,653	-	-
Customers' letters of credit commitments	-	-	-	-	-	-	-
Customers' Issued guarantees commitments	15,205,603	80,360,220	1,445,169	-	-	-	-
Customers' other commitments	-	-	-	-	-	-	-
Total of customers' commitments-FCY	15,205,603	80,360,220	1,445,169	-	-	-	-
Total of assets and customers' commitments	562,840,409	272,884,662	240,462,574	52,080	580,653	-	-
Total of assets and customers' commitments-IRR equivalent	112,631,354	59,838,696	13,062,579	11,104	970	-	4,090,092
Due to banks and financial institutions	-	(35,074,990)	(727,534)	(0)	-	-	-
Customers' deposits	(48,437,091)	(64,210,983)	(78,952,794)	(16,229)	-	-	-
Dividends payable	-	-	-	-	-	-	-
Debt securities	-	-	-	-	-	-	-
Income tax provision	-	-	-	-	-	-	-
Other liabilities and accruals	(56,322,155)	(795,656)	(275,760)	-	-	-	-
Staff termination benefits	-	-	-	-	-	-	-
Customers investment deposits	(414,221,088)	(61,587,301)	(105,014,034)	(0)	-	-	-
Total liabilities-FCY	(518,980,335)	(161,668,931)	(184,970,122)	(16,229)	-	-	-
Bank's letters of credit commitments	-	-	-	-	-	-	-
Bank's Issued guarantees commitments	(15,205,603)	(81,655,433)	(1,445,169)	-	-	-	-
Bank's other commitments	-	-	-	-	-	-	-
Total of Bank's commitments-FCY	(15,205,603)	(81,655,433)	(1,445,169)	-	-	-	-
Total of liabilities and Bank's commitments	(534,185,937)	(243,324,364)	(186,415,290)	(16,229)	-	-	-
Total of liabilities and Bank's commitments-IRR equivalent	(106,837,187)	(53,496,038)	(10,111,538)	(3,460)	-	-	(3,078,343)
Foreign currency open position at 20 Mar. 2022	28,654,472	29,560,298	54,047,284	35,851	580,653	-	-
Foreign currency open position at 20 Mar. 2022- IRR equivalent	5,794,167	6,342,658	2,951,041	7,644	970	-	1,011,749
Foreign currency open position to base capital at 20 Mar. 2022	10%	11%	5%	0%	0%	0%	2%
Foreign currency open position to regulatory capital (base of other prudential ratios) at 20 Mar. 2022	16%	17%	8%	0%	0%	0%	3%



Middle East Bank (PJkC)
Notes on the financial statements
Year ended 20 March 2022

Continued

	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-FCY	(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%



Middle East Bank (PJkC)
Notes on the financial statements
Year ended 20 March 2022

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

	20 Mar. 2022	20 Mar. 2021
Positive open position of all foreign currencies-IRR equivalent	16,108,229	18,281,197
Open position of all foreign currencies-IRR equivalent	16,108,229	18,281,197
Open position of all foreign currencies to base capital-percent	28%	46%
Open position of all foreign currencies to regulatory capital (base of other prudential ratios)-percent	44%	88%

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

Method 1: Single asset VaR

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.

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

Currency Type	20 Mar. 2022		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)	381,542	USD	(-3,3)	202,561
CHF	(-10,10)	1,838	CHF	(-10,10)	1,483
EUR	(-9,9)	1,263,767	EUR	(-9,9)	2,178,620
JPY	(-9,9)	192	JPY	(-9,9)	202
AED	(-4,4)	298,183	AED	(-4,4)	203,920
CNY	(-9,9)	-	CNY	(-9,9)	-
Others	(-6,6)	135,046	Others	(-6,6)	300,613
		2,080,568			2,887,399



Middle East Bank (PJkC)
Notes on the financial statements
Year ended 20 March 2022

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	20 Mar. 2022		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)	381,542	USD	(-3,3)	202,561
CHF	(-10,10)	1,838	CHF	(-10,10)	1,483
EUR	(-9,9)	1,263,767	EUR	(-9,9)	2,178,620
JPY	(-9,9)	192	JPY	(-9,9)	202
AED	(-4,4)	298,183	AED	(-4,4)	203,920
CNY	(-9,9)	-	CNY	(-9,9)	-
Others	(-6,6)	135,046	Others	(-6,6)	300,613
Total		2,080,568	Total		2,887,399
Diversification effect		(603,107)	Diversification effect		(393,909)
		1,477,461			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	-	-	2,080,568	8,322,273	8,322,273

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	
Normal Var model	-	-	1,477,462	5,909,847	5,909,847

*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.



Middle East Bank (PJkC)

Notes on the financial statements

Year ended 20 March 2022

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

	20 Mar. 2022						
	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	33,490,443	-	-	-	-	-	33,490,443
Due from banks and financial institutions	38,444,733	38,444,733	-	-	-	-	-
Credit facilities granted	355,437,367	51,924,906	182,284,112	109,231,132	11,297,277	698,190	1,750
Investments	46,228,567	1,044,301	2,385,528	33,562,093	8,063,016	1,166,629	7,000
Due from subsidiaries and associates	1,773,799	-	-	-	-	-	1,773,799
Other accounts receivable	13,042,036	-	-	-	-	-	13,042,036
Fixed assets	5,557,561	-	-	-	-	-	5,557,561
Intangible assets	278,503	-	-	-	-	-	278,503
Statutory deposit	27,154,220	779,166	1,213,226	3,906,172	13,271,767	7,296,560	687,329
Other assets	3,381,808	-	-	-	-	-	3,381,808
Total assets	524,789,037	92,193,106	185,882,866	146,699,397	32,632,060	9,161,379	58,220,229
Liabilities							
Due to banks and financial institutions	(50,528,563)	(50,528,563)	-	-	-	-	-
Customers' deposits	(105,449,232)	(35,319,791)	(16,806,533)	(15,999,469)	(14,370,377)	(22,896,064)	(56,998)
Dividends payable	(54,376)	-	-	-	-	-	(54,376)
Income tax provision	(1,224,048)	-	-	-	-	-	(1,224,048)
Other liabilities and accruals	(15,653,473)	-	-	-	(11,264,431)	-	(4,389,042)
Staff termination benefits	(327,607)	-	-	-	-	-	(327,607)
Benefits of investment deposits holders	(295,686,092)	(6,036,914)	(106,708,308)	(31,810,878)	(107,412,786)	(43,717,206)	-
Total liabilities	(468,923,391)	(91,885,268)	(123,514,841)	(47,810,347)	(133,047,594)	(66,613,270)	(6,052,071)
Shareholders' equity	(55,865,646)	-	-	-	-	-	(55,865,646)
Total liabilities and shareholders' equity	(524,789,037)	(91,885,268)	(123,514,841)	(47,810,347)	(133,047,594)	(66,613,270)	(61,917,717)
Liquidity gap		307,838	62,368,025	98,889,050	(100,415,534)	(57,451,891)	(3,697,488)
Cumulative liquidity gap		307,838	62,675,863	161,564,913	61,149,379	3,697,488	-



Middle East Bank (PJkC)
Notes on the financial statements
Year ended 20 March 2022

20 Mar. 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	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)	-



Middle East Bank (PJkC)
Notes on the financial statements
Year ended 20 March 2022

49-6- Operational risk

49-6-1- Operational risk definition

Potential losses due from internal bank processes which are not well defined or are not carried out completely .
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- executive units for operational risk management

Middle East Bank risk management has an executive 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.



Middle East Bank (PJkC)
Notes on the financial statements
Year ended 20 March 2022

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 3,169,791



Middle East Bank (PJkC)
Notes on the financial statements
Year ended 20 March 2022

49-7- Capital management

49-7-1- Basic capital

Basic capital at Statement of financial position date is IRR57,895,003 million and presented as follows:

Description	20 Mar. 2022	20 Mar. 2021
	IRR million	IRR million
Tier I		
Capital after deduction of its increase from revaluation surplus	25,000,000	15,000,000
Share premium	-	-
Retained earnings	19,750,326	15,258,962
Legal reserve	9,024,756	5,938,045
Other reserves	2,090,564	1,632,111
	55,865,646	37,829,118
Less: Regulatory adjustments		
Intangible assets	(278,503)	(300,652)
The minimum cost of mutual investments in shares of credit institutions or non-subsidiary financial institutions	(201,447)	(586,257)
Net book value of investments more than limits 50%	(356,321)	(118,850)
Other adjustments at the discretion of the Central Bank	(1,043,141)	-
Total Regulatory adjustments	(1,879,412)	(1,005,759)
Tier I capital after regulatory adjustments	53,986,234	36,823,359
Tier II		
General provision for bad and doubtful debts up to 1.25% of risk weighted assets	4,265,090	3,090,752
Total of Tier II	4,265,090	3,090,752
Less: Regulatory adjustments		
Book value of investments more than limits 50%	(356,321)	(118,850)
Tier II capital after regulatory adjustments	3,908,769	2,971,902
Less: An increase in Tier II capital over Tier I capital	-	-
Total regulatory capital	57,895,003	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



Middle East Bank (PJKC)
Notes on the financial statements
Year ended 20 March 2022

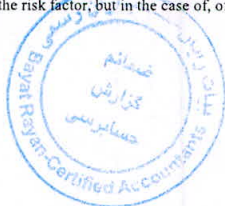
49-7-2- Capital allocation

49-7-2-1 Total Credit risk weighted assets at the Statement of financial position date equals to IRR341.207.205 million.

Description	20 Mar. 2022					
	Amount	Conversion factor	Adjusted amount	Risk factor	Risk weighted commitments and assets	Needed capital
	IRR million	%	IRR million	%	IRR million	IRR million
Cash	2,079,457		2,079,457	-	-	-
Statutory deposit	27,154,220		27,154,220	-	-	-
Due from CBI	71,515		71,515	-	-	-
Due from banks and financial institutions (in form of deposits, loans and securities purchases)	23,399,439		23,399,439	50	11,699,720	935,978
Claims from governmental institutions and companies and non-governmental public institutions (in the form of loans and purchase of securities)	96,034,077		96,034,077	50	48,017,039	3,841,363
Principal amount of partnership contracts loans(Mosharekat Madani, Mudaraba, Mozareh, Mosaghat) of other natural and corporate persons	9,550,532		7,721,020	150	11,581,530	926,522
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	575,229		178,867	50	89,434	7,155
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	1,779,652		1,339,309	75	1,004,482	80,359
The balance of principal and interest on other facilities (current) granted to natural and legal persons that are not included in the above paragraphs	247,567,237		161,384,972	100	161,384,972	12,910,798
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	4,720,181		4,720,181	150	7,080,272	566,422
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	278		278	100	278	22
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	4,858		4,858	50	2,429	194
Due from subsidiaries and associates	1,801,202		1,801,202	100	1,801,202	144,096
Other current accounts receivable	12,942,690		12,942,690	100	12,942,690	1,035,415
Net of fixed assets	5,557,561		5,557,561	100	5,557,561	444,605
Other on Statement of financial position items	4,168,686		4,168,686	100	4,168,686	333,495
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	28,573,861		28,573,861	-	-	-
Claims including deposits and facilities granted or the purchase of securities from development banks	8,397		8,397	-	-	-
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	9,345		9,345	20	1,869	150
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	97,412		97,412	50	48,706	3,896
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	9,396,294		9,396,294	100	9,396,294	751,704
Claims including deposits and facilities granted or the purchase of securities from credit institutions and financial institutions of other countries without credit rating	8,299,456		8,299,456	100	8,299,456	663,956
Issued letter of credit Commitments with collaterals other than commodity after deduction of advances	2,822,299	50	810,197	100	810,197	64,816
Issued guarantees Commitments after deduction of cash deposits	118,039,310	50	52,671,443	100	52,671,443	4,213,715
Commitments of transaction contracts and guarantee bonds	4,564,913	50	2,282,457	100	2,282,457	182,597
Other commitments	1,845,092	100	1,845,092	100	1,845,092	147,607
					341,207,205	27,296,576

*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 Statement of financial position 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 Statement of financial positions items, at first the amounts are adjusted by the conversion factor.



Middle East Bank (PJkC)
Notes on the financial statements
Year ended 20 March 2022

Continued:

Description	20 Mar. 2021					
	Amount	Conversion factor	Adjusted amount	Risk factor	Risk weighted commitments and assets	Needed capital
	IRR million	%	IRR million	%	IRR million	IRR million
Cash	2,448,428		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 Statement of financial position 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



Middle East Bank (PJkC)
Notes on the financial statements
Year ended 20 March 2022

49-7-2-2 Total of market risk weighted assets at the Statement of financial position date equals to IRR 47,669,676 million.

Description	20 Mar. 2022			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	44,010,637	5	2,200,532	48,046,014	5	2,402,301
Trading debt securities-general risk-mature till one month or less	-	-	-	-	0	-
Trading debt securities-general risk-mature till 1 to 3 month	2,385,528	0.2	4,771	341,444	0.2	683
Trading debt securities-general risk-mature till 3 to 6 month	11,504,154	0.4	46,017	16,193,754	0.4	64,775
Trading debt securities-general risk-mature till 6 to 12 month	22,057,939	0.7	154,406	10,796,665	0.7	75,577
Trading debt securities-general risk-mature till 1 to 2 year	6,533,643	1.25	81,671	12,697,452	1.25	158,718
Trading debt securities-general risk-mature till 2 to 3 year	240,585	1.75	4,210	6,462,494	1.75	113,094
Trading debt securities-general risk-mature till 3 to 4 year	477,567	2.25	10,745	460,527	2.25	10,361.86
Trading debt securities-general risk-mature till 4 to 5 year	811,222	2.75	22,309	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	16,108,229	8	1,288,658	18,281,197	8	1,462,496
Total of capital needed to cover credit risk			3,813,318			4,327,994
Factor			12.5			12.5
Market risk weighted assets			47,666,476			54,099,930

49-7-2-3 Total of operational risk-weighted assets at the Statement of financial position date equals to IRR39,622,391 million.

Description	20 Mar. 2022			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	21,131,942	15	3,169,791	14,974,049	15	2,246,107
Factor			12.5			12.5
Operational risk weighted assets			39,622,391			28,076,342



Middle East Bank (PJkC)
Notes on the financial statements
Year ended 20 March 2022

49-7-3- Capital adequacy ratio

Capital adequacy ratio at 20 Mar. 2022 is 13.5% .

	20 Mar. 2022	20 Mar. 2021
	IRR million	IRR million
Base capital	57,895,003	39,795,261
Credit risk weighted assets	341,207,205	247,260,136
Market risk weighted assets	47,666,476	54,099,930
Operational risk weighted assets	39,622,391	28,076,342
Risk weighted assets	428,496,071	329,436,407
Tier I capital to risk weighted assets- ratio	12.6%	11.2%
Capital adequacy ratio	13.5%	12.1%

49-7-4- Leverage ratio

leverage ratio is total assets to shareholders' equity and for the financial year ended 20 Mar. 2022 is 10.6%.

	20 Mar. 2022	20 Mar. 2021
	IRR million	IRR million
Total assets	55,865,646	37,829,118
Total shareholders' equity	524,789,037	402,991,021
Leverage ratio	10.6%	9.4%



Middle East Bank (PJkC)
Notes on the financial statements
Year ended 20 March 2022

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	45,397,014	7,894,031	53,291,045
Interest expense	(30,104,842)	(5,121,860)	(35,226,702)
Net interest income on credit facilities granted and deposits	15,292,172	2,772,171	18,064,343
Fees and commission income	2,620,796	332,759	2,953,555
Fees and commission expense	(329,145)	(45,175)	(374,320)
Net fees and commission income	2,291,651	287,584	2,579,235
Net income (loss) from investment	1,837,632	-	1,837,632
Net foreign exchange transactions income	-	4,480,846	4,480,846
Total other operating income	-	(255,050)	(255,050)
	1,837,632	4,225,796	6,063,428
Net income earned from outside of the bank	19,421,455	7,285,551	26,707,006
Net income between different parts of the bank	5,714	(5,714)	-
Total income of operational parts of the bank	19,427,169	7,279,837	26,707,006
Doubtful debts of operational parts expenses	(984,167)	(1,061,917)	(2,046,084)
Other expenses attributable to operational parts	(2,208,259)	(46,564)	(2,254,823)
Profit(loss) of every parts before non-attributable general expenses	16,234,743	6,171,356	22,406,099
Non attributable General expenses to segments			(1,828,024)
Profit before tax			20,578,075



Middle East Bank (PJkC)
Notes on the financial statements
Year ended 20 March 2022

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

	20 Mar. 2022							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	5,362,663	27,065,247	8,720	54,847	148,574	585,383	265,009	33,490,443
Due from banks and financial institutions	32,899,996	(4,236,540)	1,201,546	1,260,766	-	6,717,228	601,737	38,444,733
Credit facilities granted	355,435,582	1,785	-	-	-	-	-	355,437,367
Investments	43,786,019	2,442,548	-	-	-	-	-	46,228,567
Due from subsidiaries and associates	1,773,799	-	-	-	-	-	-	1,773,799
Other accounts receivable	10,172,294	-	-	-	310,847	2,097,834	461,061	13,042,036
Fixed assets	5,551,952	5,609	-	-	-	-	-	5,557,561
Intangible assets	205,163	73,340	-	-	-	-	-	278,503
Statutory deposit	27,154,220	-	-	-	-	-	-	27,154,220
Other assets	3,115,199	266,609	-	-	-	-	-	3,381,808
Total	485,456,887	25,618,598	1,210,266	1,315,613	459,421	9,400,445	1,327,807	524,789,037
Liabilities								
Due to banks and financial institutions	(50,528,563)	-	-	-	-	-	-	(50,528,563)
Customers' deposits	(83,456,406)	(21,992,826)	-	-	-	-	-	(105,449,232)
Dividends payable	(54,376)	-	-	-	-	-	-	(54,376)
Income tax provision	(1,224,048)	-	-	-	-	-	-	(1,224,048)
Other liabilities and accruals	(15,393,701)	(259,772)	-	-	-	-	-	(15,653,473)
Staff termination benefits	(327,607)	-	-	-	-	-	-	(327,607)
Benefits of investment deposits holders	(295,686,092)	-	-	-	-	-	-	(295,686,092)
Total	(446,670,793)	(22,252,598)	-	-	-	-	-	(468,923,391)
Total operating income	26,962,056	(255,050)	-	-	-	-	-	26,707,006
Total other income and expenses	11,018	-	-	-	-	-	-	11,018

	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	(195,982)	-	-	-	-	-	23,820,466
Total other income and expenses	83,762	-	-	-	-	-	-	83,762



Middle East Bank (PJKC)
Notes on the financial statements
Year ended 20 March 2022

51- Transactions with related parties:

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

During the financial period ended 22 Mar. 2022, 5 natural persons and an entity by selling 490,979,997, 181,124,998, 150,000,000, 150,000,000, 150,000,000 and 98,500,004 shares exited from the group of more than one percent shareholders, also, Kia Asa Tejarat Toos Co., Rama electronic Co. and Iran Insurance Co (Private Joint Stock), with purchase of 483,134,922, 217,999,998 and 121,297,539 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	Deposit	(16,249)	(134,917)	(19,536)		-	(200)
Board members/Non-executive		Credit Card	1,901	1,140	1,140		2,000	323
	Bank	Deposit	(16,471)	(73,695)	(21,320)		-	(452)
Managing Directors (excluding Board Members)	Bank	Mortgages	-	1,451	1,435		-	864
		Other Loans	35,510	35,827	-	84,000	1,065	
		Deposit	37,476	(120,547)	(7,356)	-	(1,472)	
		Mortgages	7,000	10,324	10,218	-	8,850	
Members of committees related to the board of directors (excluding board members)	Bank	Car loan	-	343	343		-	85
		Credit Card	1,065	1,540	814	2,320	174	
		Other Loans	39,502	45,363	15,490	156,514	7,573	
		Deposit	(374)	(85,196)	(14,707)	-	(2,129)	
		Net	89,360	(318,367)	(33,479)	244,834	14,681	



Middle East Bank (PJKC)
Notes on the financial statements
Year ended 20 March 2022

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

20 Mar. 2022								
Group	Related party	Relationship	Transaction subject	Is it subject to Article 129 of Trade Act?	Pricing method	Transaction amount	Gross profit (loss)	Balance at 20 Mar. 2021
						IRR million	IRR million	IRR million
Subsidiaries	Dadeh Pardazan Simaye Aftab Co.	Subsidiaries	Prepayments for the development of the Bank Automation Project	✓	Bank's BOD	-	-	(720)
	Middle East Bank Brokerage Co.	Subsidiaries	Commission of stock trading in TSE	✓	Bank's BOD	924	-	-
			Wakala	✓	Bank's BOD	6,318,000	76,903	756,756
			Issued Guarantees	✓	Bank's BOD	1,443	326	14,481
	Middle East Bank Currency Exchange Co.	Subsidiaries	Payments for foreign currency transactions	✓	Bank's BOD	18,881,923	-	-
			Commission of trading	✓	Bank's BOD	467	-	-
			other	✓	Bank's BOD	36,082	-	-
Associate company	Middle East Life Insurance Co.	Associate company / Joint board member	Wakala	✓	Bank's BOD	2,686	-	890
other	Iran Industry Investment Co.	Joint board member / Shareholder above 5%	Wakala	✓	Bank's BOD	977,200	43,974	215,559
			Issued Guarantees	✓	Bank's BOD	8,106	150	7,296
	Rahnamoun information technology	Joint board member	Murabaha Loans	✓	Bank's BOD	19,500	2,242	10,786
			Issued Guarantees	✓	Bank's BOD	18,522	974	27,149
	Marvdasht Co.	Shareholder above 5%	Issued Guarantees	✗	Bank's BOD	-	44	1,953
			Murabaha Loans	✗	Bank's BOD	600,000	33,896	-
	Lamiran	Shareholder above 5%	Issued Guarantees	✗	Bank's BOD	707	6	-
	Boursiran Brokerage	Shareholder above 5%	Wakala	✗	Bank's BOD	3,860,000	29,682	401,313
			Issued Guarantees	✗	Bank's BOD	-	6,750	450,000
	Natural person	Shareholder above 5%	Murabaha Loans	✗	Bank's BOD	-	17	3,380
Shimi Sanat Farzan	Shareholder above 5%	Issued Guarantees	✗	Bank's BOD	950	3	-	



Middle East Bank(PJSC)
Notes on the financial statements
year ended 20 March 2022

52- Retained earning at the year-end

Allocation of the closing of the retained earning is subject to approval of the annual general meeting:

Legal

10% of net profit of the year ended 20 Mar. 2021 according to commercial law

Amount
IRR million
2,057,808
17,724,822

Following the CBI circular No. 00/376983 dated 03/15/2022, profit or loss on foreign currency items exchange with the rate of 200,000 Rials per USD & 220,000 Rials per EUR (159,000 Rials per USD & 190,000 Rials per EUR for the previous year) can not be considered as dividend and is only transferable to the capital account. This amount for reporting year equal to IRR 2.531.880 million, deducted from retained earning in calculation of the most attributable profit.

Propose dividend by the board

propose dividend by the board

Amount
IRR
200



Middle East Bank (PJkC)
Notes on the financial statements
Year ended 20 March 2022

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

53-1- Balance of recourses and usage of Gardh-UI Hasan Saving deposits

Recourses from Gardh-UI Hasan Saving deposits

	20 Mar. 2022	20 Mar. 2021
	IRR million	IRR million
Gardh-UI Hasan Savings Deposits - Rials	-	-
Gardh-UI Hasan Current Deposits - Rials	47,793,175	38,731,474
Total resources	47,793,175	38,731,474
Gardh-UI Hasan usages		
Credit facilities granted (before deduction of provision)	514,937	450,896
Total of Gardh-UI Hasan usages 11	514,937	450,896
Statutory deposit of Gardh-UI Hasan Savings Deposits	-	-
Liquidity provision of Gardh-UI Hasan Savings Deposits	-	-
Surplus (deficit) of resources to usages	47,278,238	38,280,578

53-2- Net fee of Gardh-UI Hasan operations

	20 Mar. 2022	20 Mar. 2021
	IRR million	IRR million
Received fee of Gardh-UI Hasan credit facilities 36-1	21,568	17,665
Net fee of Gardh-UI Hasan operations	21,568	17,665

53-3- Classification of Gardh-UI Hasan credit facilities granted by subject of facilities

	20 Mar. 2022	20 Mar. 2021
	IRR million	IRR million
Marriage	514,937	450,896
	514,937	450,896

53-4- Classification of Gardh-UI Hasan credit facilities granted based on customers type

	20 Mar. 2022	20 Mar. 2021
	IRR million	IRR million
Natural persons	514,937	450,896
	514,937	450,896



Middle East Bank (PJSC)
Consolidated statement of profit or loss
year ended 20 March 2022

Continued

No	Name	Examples of related parties according to the second chapter of the regulations										Lands/debt										Total balance of net of loans and commitments and stock price					Collaterals' situation					
		1-2		3-2		4-2		5-2		6-2		7-2		8-2		9-2		Paid amount- principal	Balances (after deduction of cash received from Member and Member's Net-asset)		Type of debt or contract	Duration of contract (day)	Breaching period	Rate of interest /remission	Gross commitments	Received cash advance	Net commitments adjusted with conversion ratio	Total net of loans and commitments	Collateral type	collateral amount		
		1-1	2-1	3-1	2-2	4-1	2-3	5-1	2-4	6-1	2-5	7-1	2-6	8-1	2-7	9-1	2-8		2-9	2-10											2-11	2-12
10	Selwa Mijal																1,140			Member's loan-credit note of staff	24		15							1,140	Stand-alone legally-binding contract	2,000
	Subtotal																1,140				24		15						1,140		2,000	
11	Noor Mohammed Mijal																1,435			Institution sale loan-borrowing from staff	194		7						1,435			
	Subtotal																1,435				194		7						1,435			
12	Rasoolah Huan																															
	Subtotal																															
13	Kawer Maryam																10,794			Wakala -housing part	6		18		3,380			3,380				
	Subtotal																10,794				6		18		3,380			3,380				
	Subtotal																10,794			Temporary debits	6		0						10,794			
	Total																3,226,573				6		18		559,440			55,182		252,179	3,478,702	4,083,521



Middle East Bank (PJSC)
Consolidated statement of profit or loss
year ended 20 March 2022

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	3,754,879	-			3,754,879	Checks /real state/Stand-alone legally binding contract	11,492,063
2	3,813,316	-			3,813,316	Checks/Stand-alone legally binding contract	7,961,108
3	3,819,776	-	4,224	1,901	3,821,677	Checks /real state/Stand-alone legally binding contract	10,111,747
4	3,988,611	-	45,996	20,598	4,009,209	Checks /real state	12,057,921
5	-	-	8,383,253	4,106,164	4,106,164	Checks /deposit	6,357,405
6	125,323	-	8,877,067	4,380,521	4,505,844	Checks /deposit/Promissory note	12,724,984
7	4,443,891	-	737,428	333,388	4,777,278	Checks /stock /Stand-alone legally binding contract /deposit	19,455,074
8	5,060,748	-	87,788	41,699	5,102,447	Checks /Stand-alone legally binding contract /deposit	11,189,397
9	5,200,107	-	-	-	5,200,107	Checks /real state/Stand-alone legally binding contract	17,720,739
10	5,255,074	-	-	-	5,255,074	Checks /real state/Stand-alone legally binding contract	16,643,364
11	5,336,561	-	48,526	(2,426)	5,334,135	Checks/Stand-alone legally binding contract	18,095,209
12	5,434,475	-	-	-	5,434,475	Checks /stock /Stand-alone legally binding contract	15,660,956
13	5,676,967	-	-	-	5,676,967	deposit	6,627,589
14	248,203	-	-	-	248,203	Checks /real state/Stand-alone legally binding contract	4,159,847
15	828,901	-	10,545,482	5,157,124	5,986,025	Checks /deposit	7,787,766
16	5,761,797	-	-	-	5,761,797	Checks /real state/Stand-alone legally binding contract	20,271,904
17	1,645,149	-	10,755,398	4,841,429	6,486,578	Checks /Stand-alone legally binding contract	20,993,149
18	6,659,235	-	52,318	23,543	6,682,778	Checks /real state/Stand-alone legally binding contract	25,746,096
19	6,242,047	-	984,913	492,457	6,734,503	Checks /stock /Stand-alone legally binding contract	20,090,486
20	6,421,546	-	379,221	179,964	6,601,511	Checks /stock /Stand-alone legally binding contract	16,125,769
21	94,247	-	14,650,798	6,980,005	7,074,251	Checks /real state/Stand-alone legally binding contract/Promissory note/deposit	17,477,338
22	5,647,786	-	3,649,429	1,536,993	7,184,779	Checks /real state/Stand-alone legally binding contract	32,758,676
23	10,381,764	-	-	-	10,381,764	Checks /Stand-alone legally binding contract	15,587,681
Total	95,840,401	-	59,201,841	28,093,359	123,933,759		347,096,264

