



Bank Keshavarzi
2022- 2023 Financial Statement



Bank Keshavarzi

Financial Statements

2022 – 2023



Excerpt of Auditors' Report

Independent Auditors' Report to the Ordinary General Assembly of Shareholders:

Bank Keshavarzi consolidated financial statements, including Balance Sheet as at 20th of March 2023, Income Statement, Comprehensive Income Statement, Statement of Changes in Shareholders' Equity, and Cash Flow Statement for the fiscal year ending on the afore-said date and the Explanatory Notes 1-64, have been audited by State Audit Organization (SAO).

Board of Directors' Responsibility

Subject to the accounting standards, the bank's Board of Directors shall be responsible for preparation of financial statements. The responsibility includes design, implementation and maintenance of internal controls relevant to the preparation of financial statements so that they would be free of any material misstatements, whether due to fraud or errors.

Auditors' Responsibility

SAO's responsibility is to comment and express an independent opinion on the afore-said financial statements in accordance with the auditing standards, which require SAO to observe the code of professional conduct and plan and execute the auditing in a way to be assured of no material misstatements and distortion in the financial statements.

We, the auditors, shall also be responsible to express an independent opinion on the afore-said financial statements based on the performed audit and to report cases of non-compliance with the legal requirements of the Amended Commercial Code, Banking and Monetary laws, Usury-free Banking Operations Law and the Banks' Articles of Association.

We hereby report our opinion as to whether the financial statements provide a true and fair view and whether the financial statements have been properly prepared in accordance with the above-mentioned legal references. In addition, we report if, in our opinion, the bank does not keep proper accounting records, if we are not provided with all information we require to conduct the audit, or in case the information regarding any transaction is not disclosed.

We planned and performed our audit to obtain all the information and explanations, which we consider necessary in order to provide us with sufficient evidences to give reasonable assurance that the financial statements to be audited are free from any significant distortion, material misstatement, irregularity or error. The audit included random checks of evidences and documents supporting the figures in the financial statements. It also encompassed evaluation of accounting policies and conventions used, assessments made by the board of directors and inspection of the overall accounts presented. SAO believes that the performed audit produced a reasonable base of opinion on the financial statements. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.



In our opinion:

- The report does not contain any material misstatement that would render the financials misleading.
- The Financial Statements fairly present in all material respects the financial condition and results of operations, in accordance with the Amended Commercial Code, Banking and Monetary laws, Usury-free Banking Operations Law and the Banks' Articles of Association.
- The financial statements have been properly prepared in accordance with the above-mentioned laws, regulation and standards.
- We have examined the Board of Directors' report, prepared for presentation to the General Assembly. In the course of audit, we have not noticed any material difference between the content of said report and the documents provided by the Board of Directors.
- The report on compliance of BK's operations with approved budget for the year ending March 20, 2022 has been audited and examined by SAO. No significant discrepancy has been detected regarding the compliance of the Board of Directors' Report with the approved budget and the presented financial records.
- We have not found any evidence for non-compliance of the transactions with prevailing business procedures in operations of the Bank.
- Bank Keshavarzi AML Program has been found to comply with the national and international AML laws, regulations and standards.

The assistance provided by BK's employees and management during the conduct of our audit is highly appreciated.

Aug. 09, 2023

State Audit Organization



Bank Keshavarzi
2022- 2023 Annual Report

Corporate Outline

Bank Keshavarzi
(Agriculture Bank of Iran)

Date of Establishment:
June 11, 1933

Number of Branches (By Year-end 2022-2023):
1,741

Number of Forex Branches:
50

Number of Employees:
14,723 (by March 20, 2023)
18,105 (including private sector employees)
23,066 (including employees of associated companies)

Chairman:
Mr. Vahab Motaghinia

Managing Director:
Dr. Farshid Farokh Nejad

Board Members:
Mr. Mohsen Safdari, Mr. Seyed Hamid Seyed, Mr. Naser Seifollahi

Address:
No.247, Patrice Lumumba St., Jalal-al-Ahmad Exp. Way, Tehran 1445994316, I.R. Iran
P.O. Box 14155-6395

Public Relations & International Cooperation Department:
Tel: (+98 21) 88245010, 84893535
Fax: (+98 21) 88245009
Email: icd@agri-bank.com

Website:
www.bki.ir/en



1. History

1.1. General

Bank Keshavarzi, bearing National Corporate ID No. 10100830184, was established through merger of Iran Agricultural Cooperation Bank and Iran Agricultural Development Bank on September 13, 1980 and was registered under number 37596 in Companies Registration Organization subject to resolution of Banks' General Assembly dated December 20, 1979. The Bank's Headquarters is based in Tehran.

1.2. Scope of Business

The Bank is administered subject to the statutory bill approved by the Islamic Revolution Council on September 25, 1979, as well as the Banking and Monetary Rules and Regulations, and the Bank's Articles of Association. According to Paragraph 18, Article 5 of the Articles of Association, activity in other fields of the banking industry is permitted.

1.3. Branches

The following table displays the number of branches in the report year and the year before:

	2022-2023		2021-2022	
	By Year-end	Average	By Year-end	Average
Tehran Province Branches	145	145	145	145
Other Provinces Branches	1,556	1,567	1,577	1,585
Free-trade Zones Branches	19	19	19	19
Overseas Branches	0	0	0	0
Total	1,720	1,731	1,741	1,749

1.4. Employment

The average number of employees in 2017/18 and the preceding year is as follows:

	2022-2023		2021-2022	
	By Year-end	Average	By Year-end	Average
Main Company				
Headquarters and Provincial Directorates	3,156	3,119	3,082	3,044
Tehran Province Branches	1,262	1,275	1,287	1,296
Other Provinces Branches	10,186	10,220	10,254	10,375
Free-trade Zones Branches	119	121	123	124
Overseas Branches	0	0	0	0
Total	14,723	14,735	14,746	14,839
Private Sector Employees	3,382	3,536	3,689	3,668
Total	18,105	18,271	18,435	18,507
Subsidiaries				
Contractual Employees	4,961	4,961	5,148	5,148
Total	23,066	23,232	23,583	23,655

2. Basis for Preparation

The financial statements have been prepared in accordance with the prevailing generally accepted accounting principles, along with CBI monetary and banking regulations. The details of accounting procedures, including changes made within the report year, have been presented in Notes 5 and 6.

3. Basis for Consolidation

3-1 Consolidated financial statements of the banks have been prepared by consolidating the financial statements of the bank and those of the Subsidiaries, subject to consolidation, after omission of inner-groups transactions and balances as well as the unrealized profit and loss resulted by inner-groups trades.

3-2 Regarding the subsidiaries acquired within the report year, the results of their operations have been included in the Consolidated Income Statement as at the date in which the effective control has been



transferred to the Main Company. The results of disposed subsidiaries' operations have been included in the Consolidated Income Statement since the disposal date.

3-3 The fiscal year of the Main Company differs from those of the group companies. Thus, the items included in the consolidated financial statements belong to different periods with different duration. Summaries and duration of fiscal years, and financial statements used in the present financial statements are as follows:

Companies	Fiscal Year Ended on	Financial Statements Included in Consolidation	Status of Financial Statements Used	Number of Companies
A. Subsidiaries				
Mehr 78 Logistics Services ¹ Company	December	December 21, 2022	Audited	1
Agricultural Lands Development Company (Land Bank)	December	December 21, 2022	Unaudited	1
Bank Keshavarzi Brokerage Company	December	December 21, 2022	Audited	1
Karun Agro-industry Company	December	December 21, 2022	Audited	1
Mehr Exchange Company	December	December 21, 2022	Audited	1
Karun Cattle Feed Company	June	June 21, 2022	Audited	1
Novin Hi-tech Solutions Company	December	December 21, 2022	Audited	2
Hami Mehr Pishgam Company	December	December 21, 2022	Audited	1
Simorgh Company	December	December 21, 2022	Audited	5
B. Associated				14
Isfahan Shir Livestock and Agricultural Company	September	March 20, 2023	Audited	1
Kowsar Lands Restoration Company	March	March 19, 2020	Audited	1
Iraq Development Cooperation Bank	January	December 30, 2022	Audited	1
Basir Andish Mehr Management Services Company	March	March 20, 2023	Audited	1
Mehr Keshavarzi Leasing Company	March	March 20, 2023	Audited	1
				5

3-4 Consolidated Financial Statements are prepared using uniform accounting procedures regarding the transactions and similar events under similar conditions.

4. Monetary Unit of Operations and Reporting

All items of the financial statements have been measured by the currency of the primary economic environment in which the bank operates. The figures have been presented in million Rials for better understanding unless stipulated otherwise in financial statements and the notes to the financial statements.

5. Judgments and Estimates

In preparation of the financial statements, the bank management has made judgments, estimates and assumptions to determine the most significant effect on the amounts recognized in the financial statements. Real results may differ from the estimates. The judgments and estimates are based on historical events and are regularly reviewed through comparison with the real ones by the management. The main areas for which the judgements and estimates have been used are as follows:

- 5.1. Retirement Benefits Obligations
- 5.2. Contingent Liabilities and Reserves
- 5.3. Control on investee companies

6. Measurement Basis

Except from the following significant items, the financial statements have been prepared in terms of historical cost basis.

- 6.1. Investment in Stocks and other securities in exchange stock
- 6.2. Investment in subsidiary companies
- 6.2. Foreign currency assets and liabilities

¹ With associated companies subject to consolidation



7. Summary of Significant Accounting Policies

7.1. Investments

	Group Consolidated	Bank (Main Company)
Measurement Methods:		
Long-term Investments:		
Investment in Subsidiaries subject to Consolidation	Subject to Consolidation	Cost Price (less Accumulated Impairment Losses)
Investment in Associates	Equity Method	Cost Price (less Accumulated Impairment Losses)
Other Long-term Investments	Cost Price (less Accumulated Impairment Loss of Each investment)	Cost Price (less Accumulated Impairment Loss of Each investment)
Investment in Real Estates	Cost Price (less Accumulated Impairment Loss of Each investment)	Cost Price (less Accumulated Impairment Loss of Each investment)
Current Investments:		
Marketable Investments	Market Value	Market Value
Other Current Investments	Lower of Cost and Net Selling Price of Each Investment	Lower of Cost and Net Selling Price of Each Investment
Income Recognition Method:		
Investment in Subsidiaries	Subject to Consolidation	On Dividend Approval Date by General Assembly of Investee Company Shareholders (as of Financial Statements Approval Date)
Investment in Associates	Equity Method	On Dividend Approval Date by General Assembly of Investee Company Shareholders (as of Financial Statements Approval Date)
Other Long-term and Current Investments in Companies' Shares	On Dividend Approval Date by General Assembly of Investee Company Shareholders (as of Balance Sheet Date)	On Dividend Approval Date by General Assembly of Investee Company Shareholders (as of Balance Sheet Date)
Investment in Other Securities	Upon Realization of Guaranteed Profit	Upon Realization of Guaranteed Profit

7.2. Equity Method for Investment in Associated Companies

Accounting of investment in associated companies is done through equity method in consolidated financial statements.

7.3. Non-productive Biological Assets

Non-productive biological assets are recognized at fair value less estimated expenses. Estimated expenses to sell include selling commissions, tax and charges. Increases and decreases resulted from recognition of non-productive biological assets at fair value less estimated expenses to sell are considered in profit and loss of incurring period. In case there has been no access to reliable fair value, non-productive biological assets have been calculated at cost price less any impairment.

7.4 Non-current Assets Held for Sale (Real Estates)

Non-current assets, whose book values are mainly recovered through selling not continued use, are categorized as "Held for Sale".

7.5. Productive Biological Assets

Productive biological assets (Layer Chicken, Broiler Layer Chicken, and fruit tress) are recognized at cost price. Production expenses, related to productive biological assets, are included at cost price by the time they reach the productivity stage.

Asset	Depreciation Rate	Depreciation Method
Layer Chickens	Based on the Flock Age	Declining
Pistachio Tree	99 years	Straight



7.6. Balance of Completed and In-process Projects

Balance of completed and in-process projects are evaluated at lower of cost and net selling price of every item.

7.7. Projects Expenses

Projects expenses include primary studies of penology and topography, renting and land purchase price, contractors', plants and installations purchase and equipment, workshops supervision commissions, as well as interest and baking charges of financial facilities

7.8. Financing Expenses

Financing expenses are recognized as cost during the occurrence period except for those expenses which are directly attributed to acquisition of qualified assets.

7.9. Tangible Fixed Assets

Tangible fixed assets are recorded at cost in accounts. Substantial repairs and renovation expenses, which significantly increase the capacity or service life of fixed assets or improve their outcome quality, are considered as capital expenses, to be depreciated over the remaining service life. Maintenance and minor repairs expenses, executed in compliance with the standards of primary evaluated performance and incurred aimed at preservation and improvement of expected economic interests of the bank, are considered as current expenses and are displayed under profit and loss account of the report year.

7.9.1. Subject to Article 151 of the Direct Taxation Code, depreciation of fixed assets are calculated based on the following table:

Depreciation Calculation Method		
Asset	Depreciation Rate	Depreciation Method
Building	15 & 25 Years	Straight
Plants and Installations	10 & 15 Years	Straight
Machinery	5, 6 & 10 Years	Straight
Administrative Furniture and Fittings	3, 4, 5, 6 & 10 Years	Straight
Computer Equipment (pc)	3 Years	Straight
Motor Vehicles	4 & 6 Years	Straight
Tools	1 & 4 Years	Straight
Software	5 years	Straight

7.9.2. Depreciation of fixed assets, acquired and used during the month, is calculated from the beginning of the month and is included in the accounts. For any of the depreciable assets, which are not used for a period of time due to interruption of the business or any other reasons, the depreciation is calculated as 30 percent of the rate displayed in the above table.

7.10. Intangible Assets

Intangible assets, except for goodwill, are recorded at cost. Goodwill is depreciated and the impairment testing is carried out at the end of the fiscal year and necessary reserve is considered if needed. Administrative and operation software are depreciated through straight method.

7.11. Recognition of Income from Financial Facilities Granted, Bank Fees and Penalty Funds

Subject to the approval of Monetary and Credit Council, the profit of facilities granted is recognized through accrual method of accounting. No accrual income has been recognized for Doubtful Debts. The following table displays the methods for recognition of incomes.

Facilities Granted, Bank Fees and Penalty Funds	Recognition Method
Profit of Facilities Granted	
Current	Accrual
Past Due	Accrual
Overdue	Cash/Accrual



Doubtful	Cash
Late Payment Penalties	
Current	Cash
Past Due	Cash
Overdue	Cash
Doubtful	Cash
Banking Charges	
Issued L/Gs	Cash
Other Bank Services	Cash
Qard-al-Hassanah Facilities	Cash

7.12. Basis for Share of Depositors from Operating Income

In compliance with Usury-free Banking Operations Law and the executive regulations as well as CBI circulars, the operating income, use of operating resources and the share of depositors from operating income are calculated and reported in the statement of investment deposits.

7.13. Classification of Financial Facilities Granted

Based on the regulation for Classification of Credit institutions Assets, approved by the Monetary and Credit Council, financial facilities are categorized based on the duration of default and repayment delay, customer financial status and the of business condition, as follows:

- **Current** (At most 2 months past the maturity or repayment interruption date)
- **Past Due** (Between 2 to 6 months past the maturity or repayment interruption date)
- **Past Due** (Between 6 to 18 months past the maturity or repayment interruption date)
- **Doubtful** (more than 18 months past the maturity or repayment interruption date)

7.14. Accumulated Impairment of Doubtful Debts

In compliance with the approval of Monetary and Credit Council and CBI circulars, impairment is calculated and displayed as follows:

- General Accumulated Impairment is calculated and recorded equalling 1.5 percent of the total facility balance at the end of the year, excluding the balances of financial facilities, for which specific reserves have been included.
- Allocated Accumulated Impairment to the balance of past due, Overdue and doubtful classes less updated value of collaterals of each case and applying the following:

Class	Index
Past Due	10%
Overdue	20%
Doubtful	50-100%

- For facilities with more than 5 years past the maturity date of principal and the profit, the allocated impairment is considered equalling 100 percent.

7.15. Reserve for Employment Termination Benefits

Reserve for employment termination benefits is calculated based on the latest monthly salary of each employee as well as their constant benefits for each year of employment.

7.16. Employees' pension Benefits Obligation

BK employees are covered by the Banks Retirement Fund and their retirement pension and annuity are paid by the fund. Subject to Article 34 of the Fund's Articles of Association, the fund's deficit will be provided by the member banks.



7.17. Foreign Currency Translation

7.17.1. Domestic Accounts

Foreign currency monetary items, on the balance sheet date (CBI Inter-bank Reference Rate) and non-monetary items (included to the value of historical cost based on FX rate), are translated at the official FX rate on the exchange date. Differences from settlement or translation of foreign currency monetary items are recognized as income or cost of the recognition period and are recorded under Income (Profit or Loss) Statement. According to Article 136 of State Supreme Audit Court, loss and profit incurred due to translation of foreign currency debts and assets of state companies are not considered income or cost. The difference, caused by translation of assets and foreign currency debts, must be included in the provision of foreign currency debts and assets. In case the balance of provision account is indebted, the amount will be included in the Income Statement.

7.17.2. Account of Foreign Operations

The bank does not run any overseas branches. In addition, translation differences of monetary items, which consist parts of the net value of investment in foreign operations, are recognized in the Comprehensive Income (Profit or Loss) and are classified as Shareholders' Equity in the balance sheet by the time they are disposed.



Bank Keshavarzi 2022-2023 Financial Statements¹ for the fiscal year ending on March 20, 2023 include the following:

Consolidated Financial Statements

- Consolidated Statement of Income
- Consolidated Statement of Comprehensive Income
- Consolidated Balance Sheet
- Consolidated Statement of Changes in Shareholders' Equity
- Consolidated Statement of Cash Flow

Bank Keshavarzi Financial Statements

- Standalone Statement of Income
- Standalone Statement of Comprehensive Income
- Standalone Balance Sheet
- Standalone Statement of Changes in Shareholders' Equity
- Standalone Statement of Cash Flow

¹ The Financial statements have been translated from the statutory financial statements prepared in accordance with generally accepted accounting principles applicable to enterprises established in the Islamic Republic of Iran. In the event of any difference in interpreting the financial statements, the Farsi version shall prevail.

Consolidated Statement of Income

For the Fiscal Year Ended on as at March 20, 2023

	Note	March 20, 2023 Mil. IRR	March 20, 2022 Mil. IRR
Operation In-progress			
Income from Financial Facilities Granted	9	382,662,845	256,016,127
Income from Deposits in Other Banks and Non-bank Credit Institutions	10	4,958,877	4,264,731
Income from Investment in Debt Securities	11	6,044,826	5,144,968
Profit (Loss) of Investment in Stocks and Other Securities	12	538,605	318,021
Reserve Requirement Bonus	13	418,797	1,748,298
Operating Income		394,623,951	267,492,145
Cost of Deposits Interest	14	(216,556,707)	(167,638,383)
Gross Profit		178,067,244	99,853,762
Sale of Products and Income from Services	15	149,137,113	68,211,676
Cost of Products Sold and Services Offered	16	(130,661,669)	(52,192,311)
		18,475,444	16,019,365
		196,542,688	115,873,127
Fee Income	17	27,221,963	20,473,523
Fee Expenses	18	(6,364,795)	(6,364,795)
Foreign Exchange Transactions Profit	19	12,137,134	8,926,123
Administrative and General Expenses	20	(136,443,057)	(86,377,138)
Doubtful Debts Expenses	21	(28,570,256)	(37,142,952)
Other Incomes and Operating Expenses	22	0	0
		(132,849,618)	(100,485,239)
Operating Income		63,693,070	15,387,888
Profit (Loss) of Investment Related to Non-banking Activities	23	0	0
Financial Expenses	24	(58,284,961)	(17,027,232)
Other Non-operating Income and Expenses	25	7,121,311	1,797,416
Profit before Accounting Group's Share from Associates' Profit		12,529,420	158,072
Group's Share from Associates' Profit		893,511	577,621
Pre-tax Profit (Loss) of In-progress Operation		13,422,931	735,693
Income Tax Cost	45	(1,030,210)	(21,223,901)
Net Profit (Loss) of In-progress Operation		12,392,721	(20,488,208)
Stopped Operation			
Net Profit (Loss) of Stopped Operation	26	0	0
Net Profit (Loss)		12,392,721	(20,488,208)
Net Profit (Loss) Attributable to:			
Main Company Shareholders		8,760,246	(24,027,826)
Non-controlling Benefits		3,632,475	3,539,618
		12,392,721	(20,488,208)
Earnings (Loss) Per Share:			
Operating		263	(46)
Non-operating		(224)	(72)
From Operation In-progress (Rials)		39	(118)
From Stopped Operation (Rials)			
Earnings (Loss) Per Share (Rials)	27	39	(118)

"The notes to the financial statements are an integral part of the financial statements."



Consolidated Statement of Comprehensive Income

For the Fiscal Year Ended on as at March 20, 2023

	Note	March 20, 2023 Mil. IRR	March 20, 2022 Mil. IRR
Net Profit (Loss)		<u>12,392,721</u>	<u>(20,488,208)</u>
Other Items of Comprehensive Income (Profit & Loss)			
Assets Revaluation Surplus	53	0	0
Foreign Operations – Foreign Currency Translation Differences	54	1,891,511	5,954,973
Tax Related to Other Items of Comprehensive Income	45	0	0
Comprehensive Profit (Loss) of Fiscal Year		<u>14,284,232</u>	<u>(14,533,235)</u>
Attributable to:			
Main Company Shareholders		10,651,757	(18,072,853)
Non-controlling Benefits		<u>3,632,475</u>	<u>3,539,618</u>
		<u>14,284,232</u>	<u>(14,533,235)</u>

"The notes to the financial statements are an integral part of the financial statements."



Consolidated Balance Sheet

as at March 20, 2023

	Note	March 20, 2023 ¹ Mil. IRR ²	March 20, 2022 Mil. IRR (Restated) ³
ASSETS			
Cash	28	148,211,561	162,270,440
Due From Banks and Other Credit Institutions	29	23,077,610	33,792,818
Due From Government	30	589,526,684	471,288,621
Credit Granted and Due from Public Sector	31	498,317,200	270,442,065
Credit Granted and Due from Non-public Sector	32	2,100,809,253	1,289,740,605
Investment in Stocks and Other Securities	35	102,537,704	46,546,240
Due from Subsidiary and Associated Companies	33	89,364	1,735,028
Other Receivable Accounts	34	79,933,504	54,250,449
Non-current Assets Held for Sale	36	16,429,231	15,436,698
Tangible Fixed Assets	37	34,219,171	31,040,703
Intangible Assets	28	841,619	793,426
Reserve Requirement	29	255,036,566	194,428,264
Deferred Tax Account	45	0	0
Other Assets	40	29,831,862	19,831,415
Total Assets		3,878,850,329	2,591,566,772
LIABILITIES & SHAREHOLDERS' EQUITY			
LIABILITIES			
Customers' Deposits	41	2,762,447,292	2,097,279,583
Due to Banks and Credit Institutions	42	814,109,620	280,806,612
Payable Dividends	43	75,419	229,049
Debt Securities	44	0	0
Payable Tax	45	3,257,443	21,749,651
Income Tax Provision	45	0	0
Provisions and Other Liabilities	46	158,759,427	107,161,349
Liabilities Related to Non-current Assets Held for Sale	36	0	0
Deferred Tax Account	45	0	0
Retirement Fund	47	38,470,549	31,245,304
Total Liabilities		3,777,119,751	2,538,471,548
SHAREHOLDERS' EQUITY			
Capital	48	259,898,359	224,898,359
Adjustment of Shareholders' Equity due to Reevaluation of Assets	48-4	(88,877,475)	(88,877,475)
Capital Increase In-process	49	5,470,261	5,470,261
Transactions Effect with Non-controlling Interests		(9)	0
Stocks Premium Reserve	50	0	0
Legal Reserve	51	1,036,466	1,034,216
Other Reserves	52	1,502,151	1,566,941
Revaluation Surplus	53	0	0
Foreign Currency Translation Differences	54	8,902,062	7,010,552
Retained Earnings (Loss)		(96,924,832)	(106,322,506)
Treasury Stocks	55	0	0
Treasury Stocks Premium	56	0	0
Total Main Shareholders' Equity		91,006,984	44,780,348
Non-controlling Shareholders' Equity	57	10,723,594	8,314,876
Total Shareholders' Equity		101,730,578	53,095,224
Total Liabilities & Shareholders' Equity		3,878,850,329	2,591,566,772

"The notes to the financial statements are an integral part of the financial statements."

¹ BK's fiscal year (1401 Persian Calendar) corresponds to the period of March 21, 2022 to March 20, 2023.

² Rial amounts can be converted to USD at CBI reference rate (http://cbi.ir/ExRates/rates_en.aspx) on the last day of Iranian fiscal year (March 20, 2023).

³ All comparative figures in financial statements have been restated to present a true and fair view of the bank's financial position. Thus, there may be cases of mismatch with figures presented in the preceding year annual report (2021/22).



Consolidated Statement of Changes in Shareholders' Equity

For the Fiscal Year Ended on March 20, 2023

2022-2023

Note	Capital	Adjustment of Main Company Shareholders' Equity from Revaluation	Capital Increase In-process	Stocks Premium Reserve	Legal Reserve	Other Reserves	Assets Revaluation Surplus	Foreign Operations - FC Translation Differences	Effects of Transactions with Non-controlling Benefits	Retained Loss	Treasury Stock	Main Company Shareholders' Equity	Non-controlling Benefits	Total Shareholders' Equity
Balance as of March 21, 2022	224,898,359	(88,877,475)	5,470,261	0	1,034,216	1,566,941	0	7,010,552	0	(106,322,506)		4,975,390	8,214,876	53,095,224
Net Profit (Loss) in 2022-2023										8,760,246		8,760,246	2,622,475	12,292,721
Other Comprehensive Income Items	58													
Assets Revaluation Surplus	52											0		
Foreign Currency Translation Differences	54							1,891,511				1,891,511		1,891,511
Tax Effects of Other Comprehensive Income Items														0
Comprehensive Profit 2022-2023	0		0	0				1,891,511		8,760,246		10,651,757	2,622,475	14,284,222
Capital Increase														
Adjustment of Main Company Shareholders' Equity from Revaluation														0
Registered Capital Increase	48	35,000,000										35,000,000		35,000,000
Capital Increase In-progress	49		83,834									0		
Treasury Stock														
Purchase of Treasury Stock	55													
Disposal of Treasury Stock	55													
Profit from Disposal of Treasury Stock														
Transfer from Other Items of Shareholders' Equity to Retained Profit (Loss)														
Allocation to Legal Reserve	51				2,250					(5,567)		(3,317)	3,317	
Allocation to Other Reserves	52					(64,790)				(115,659)		(180,449)	180,449	
Dividends												0		
Approved Dividends	42									(22,063)		(22,063)	(626,077)	(648,140)
0.5% Declared Profit – Housing Act														
Changes of Non-controlling Shareholders' Equity									(9)	780,717		780,717	(781,446)	(728)
Other Changes in Retained Earnings														
Total Changes in Shareholders' Equity		35,000,000			2,350	(64,790)			(9)	637,428		35,574,879	(1,222,757)	34,251,122
Balance as of March 20, 2023		259,898,259	(88,877,475)	5,470,261	1,036,466	1,502,151		8,902,063	(9)	(96,924,832)	0	91,006,984	10,723,594	101,720,578

To Be Continued

"The notes to the financial statements are an integral part of the financial statements."



Bank Keshavarzi
2022- 2023 Annual Report

Consolidated Statement of Changes in Shareholders' Equity

For the Fiscal Year Ended on March 20, 2021

2021-2022

	Note	Capital	Adjustment of Main Company Shareholders' Equity from Revaluation	Capital Increase In-process	Stocks Premium Reserve	Legal Reserve	Other Reserves	Assets Revaluation Surplus	Foreign Operations - FC Translation Differences	Retained Loss	Treasury Stock	Main Company Shareholders' Equity	Non-controlling Benefits	Total Shareholders' Equity
Balance as of March 21, 2021		199,898,359	(88,877,475)	5,386,427	0	1,032,517	1,405,417	0	1,055,579	(78,436,728)	0	41,465,096	4,975,390	46,440,486
Errors Correction	58						0	0	0	(3,529,047)	0	(3,529,047)	0	(3,529,047)
Restated Balance on Mar. 21, 2021		199,898,359	(88,877,475)	5,386,427	0	1,033,517	1,405,417		1,055,579	(81,965,775)		37,936,049	4,975,390	42,911,439
Changes in Shareholders' Equity, 2021-2022														
Reported Net Profit (Loss) in 2021-2022										8,138,763		8,138,763	3,529,618	11,678,381
Errors Correction	58	0	0	0						(32,166,589)		(32,166,589)		(323,166,589)
Assets Revaluation Surplus	53											0		0
Foreign Currency Translation Differences	54								5,954,973			5,954,973		5,954,972
Tax Effects of Other Comprehensive Income Items												0		
Comprehensive Profit 2021-2022									5,954,973	(24,027,826)		(18,072,852)	3,529,618	(14,523,235)
Capital Increase														0
Adjustment of Main Company Shareholders' Equity from Revaluation														
Registered Capital Increase	48	25,000,000										25,000,000	(2)	24,991,998
Capital Increase In-progress	49			83,834								83,834	0	83,834
Treasury Stock														
Purchase of Treasury Stock	55													
Disposal of Treasury Stock	55													
Profit from Disposal of Treasury Stock														
Transfer from Other Items of Shareholders' Equity to Retained profit (Loss)														
Allocation to Legal Reserve	51					699				(6,648)		(5,949)	5,949	
Allocation to Other Reserves	52						161,524			(374,744)		(213,220)	(1,929)	(215,159)
Approved Dividends	42									(318,650)		(318,650)		(318,650)
0.5% Declared Profit – Housing Act														
Changes of Non-controlling Shareholders' Equity										204,140		204,140	(204,140)	0
Other Changes in Retained Earnings										166,997		166,997		166,997
Total Changes in Shareholders' Equity		25,000,000		83,834		699	161,524			(328,905)		24,917,152	(200,132)	24,717,020
Balance as of March 20, 2022		224,898,259	(88,877,475)	5,470,261		1,024,216	1,566,941		7,010,552	(106,222,506)		44,780,348	8,314,876	53,095,224

"The notes to the financial statements are an integral part of the financial statements."

Consolidated Cash Flow Statement

For the Fiscal Year Ended on March 20, 2023

	Note	March 20, 2023 Mil. IRR	March 20, 2022 Mil. IRR
Cash Flow from Operating Activities			
Cash Received for Operation	59	31,849,378	(60,433,262)
Cash Payment for Income Tax		(19,522,417)	(2,552,938)
Net Cash Inflow from Operating Activities		<u>12,326,961</u>	<u>(62,986,200)</u>
Cash Flow from Investment Activities			
Cash Payment for Acquisition of Fixed Tangible Assets		(5,537,164)	(10,157,239)
Cash Received for Disposal of Fixed Tangible Assets		174,421	570,381
Cash Payment for Acquisition of Intangible Assets		(107,065)	(175,648)
Cash Received for Disposal of Intangible Assets		0	0
Cash Received for Disposal of Investments Related to Non-banking Activities		0	0
Cash Payment for Acquisition of Investments Related to Non-banking Activities		0	0
Cash Received for Disposal of Non-current Assets Held for Sale		3,471,002	2,047,504
Cash Payment for Acquisition of Non-current Assets Held for Sale		0	0
Cash Received for Dividends Related to Non-banking Activities		0	0
Cash Received for Profit of Other Investments Related to Non-banking Activities		0	0
Net Cash Inflow (Outflow) for Investment Activities		<u>(1,998,806)</u>	<u>(7,715,002)</u>
Net Cash Inflow (Outflow) Before Financing Activities		<u>10,328,155</u>	<u>(70,701,202)</u>
Cash Flow from Financing Activities			
Cash Received for Capital Increase		0	0
Cash Received for Sale of Treasury Stocks		0	0
Cash Payments for Purchase of Treasury Stocks		0	0
Cash Received for Stocks Premium		0	0
Cash Payments for Stock Dividend		0	0
Cash from Principal of Facilities Received from CBI and Other Banks and Non-bank Credit Inst.		0	87,500,000
Cash Payments for Principal of Facilities Received from CBI and Other Banks and Non-bank Credit Inst.		(12,617,320)	(40,966,645)
Cash for other Received Facilities		0	0
Cash Payments for Principal of other Received Facilities		0	0
Cash Payments for Interest of other Received Facilities		0	0
Cash Payments for Interest of Facilities Received from CBI, other Banks and Non-bank Credit Inst.		0	0
Cash Received for Issue of Securities except Stocks		0	0
Cash Payments for Principal of Securities except Stocks		0	0
Cash Payments for Interest of Securities except Stocks		0	0
Cash Payments for Principal of Installment of Capital Lease		0	0
Cash Payments for Interest of Installment of Capital Lease		0	0
Net Cash Inflow (Outflow) from Financing Activities		<u>(12,617,320)</u>	<u>46,533,355</u>
Net (Decrease) in Cash		(2,289,165)	(24,167,847)
Cash at the Beginning of the Year		162,270,440	252,548,049
Effects of Exchange Rate Changes on Cash		(11,769,714)	(26,731,439)
Cash at the End of the Year		<u>148,211,561</u>	<u>162,270,440</u>
Non-cash Transactions			
		<u>80,122,466</u>	<u>280,251,767</u>
Further Information on Cash Inflow (Outflow) from Interest of Facilities Granted, Investment Deposits and Dividends			
Cash Received for Facilities Granted		163,080,000	0
Cash Received for Investment Deposits Interest		3,363,000	3,933,000
Cash Payments for Investment Deposits Interest		217,496,122	168,966,695
Cash Payments for Facilities Received Interest		0	0
Cash Received for Dividends		423,593	1,249,229

"The notes to the financial statements are an integral part of the financial statements."



Standalone Statement of Income

For the Fiscal Year Ended on as at March 20, 2023

	Note	March 20, 2023 Mil. IRR	March 20, 2022 Mil. IRR
Operation In-progress			
Income from Financial Facilities Granted	9	382,350,296	255,935,876
Income from Deposits in Other Banks and Non-bank Credit Institutions	10	4,049,220	3,982,427
Income from Investment in Debt Securities	11	6,044,826	5,144,968
Profit (Loss) of Investment in Stocks and Other Securities	12	540,680	1,256,314
Reserve Requirement Bonus	13	418,798	1,748,298
Operating Income		393,403,820	268,067,883
Cost of Deposits Interest	14	(217,496,122)	(168,966,695)
Gross Profit		175,907,698	99,101,188
Fee Income	17	27,221,963	20,473,523
Fee Expenses	18	(7,195,402)	(6,364,795)
Foreign Exchange Transactions Profit	19	12,137,134	8,926,123
Administrative and General Expenses	20	(132,806,875)	(84,135,563)
Doubtful Debts Expenses	21	(28,602,505)	(37,075,627)
Other Incomes and Operating Expenses	22	0	0
		(129,245,685)	(98,176,339)
Operating Income		46,662,013	924,849
Profit (Loss) of Investment Related to Non-banking Activities	23	0	0
Financial Expenses	24	(51,333,259)	(13,753,995)
Other Non-operating Income and Expenses	25	4,715,372	1,818,004
Pre-tax Profit (Loss) of In-progress Operation		44,126	(11,011,142)
Income Tax Cost	45	0	(20,667,052)
Net Profit (Loss) of In-progress Operation		44,126	(31,678,194)
Stopped Operation			
Net Profit (Loss) of Stopped Operation	26	0	0
Net Profit (Loss)		44,126	(31,678,194)
Earnings (Loss) Per Share:			
Operating		208	(97)
Non-operating		(207)	(58)
From Operation In-progress (Rials)		1	(155)
From Stopped Operation (Rials)		0	
Earnings (Loss) Per Share (Rials)	27	1	(155)

"The notes to the financial statements are an integral part of the financial statements."



Standalone Statement of Comprehensive Income

For the Fiscal Year Ended on as at March 20, 2023

	Note	March 20, 2023 Mil. IRR	March 20, 2022 Mil. IRR
Net Profit (Loss)		44,126	(31,678,194)
Other Items of Comprehensive Income (Profit & Loss)			
Assets Revaluation Surplus	53	0	0
Foreign Operations – Foreign Currency Translation Differences	54	0	0
Tax Related to Other Items of Comprehensive Income	45	0	0
Other Items of Comprehensive Income – after Tax		0	0
Comprehensive Profit (Loss) of Fiscal Year		44,126	(31,678,194)

"The notes to the financial statements are an integral part of the financial statements."



Standalone Balance Sheet

as at March 20, 2023

	Note	March 20, 2023 Mil. IRR	(Restated) March 20, 2022 Mil. IRR
<u>ASSETS</u>			
Cash	28	142,966,273	157,617,413
Due From Banks and Other Credit Institutions	29	23,077,610	33,792,818
Due From Government	30	589,526,684	471,288,621
Credit Granted and Due from Public Sector	31	498,317,200	270,442,065
Credit Granted and Due from Non-public Sector	32	2,129,948,553	1,305,920,708
Due from Subsidiaries and Associates	33	18,245,263	16,098,194
Other Receivable Accounts	34	49,048,091	39,663,939
Investment in Stocks and Other Securities	35	81,182,914	29,390,170
Non-current Assets Held for Sale	36	12,435,508	11,543,042
Tangible Fixed Assets	37	121,599,079	119,493,392
Intangible Assets	38	566,753	543,745
Required Reserve	39	255,036,566	194,428,264
Deferred Tax Account	45	0	0
Other Assets	40	3,289,408	2,291,288
Total Assets		<u>3,925,229,902</u>	<u>2,652,513,659</u>
<u>LIABILITIES & SHAREHOLDERS' EQUITY</u>			
<u>LIABILITIES</u>			
Customers' Deposits	41	2,767,773,768	2,103,152,747
Due to Banks and Credit Institutions	42	813,844,139	279,484,432
Payable Dividends	43	0	0
Debt Securities	44	0	0
Payable Tax	45	1,996,089	20,840,256
Provisions and Other Liabilities	46	147,921,737	96,726,115
Liabilities Related to Non-current Assets Held for Sale	36	0	0
Deferred Tax Account	45	0	0
Retirement Fund	47	36,981,980	30,609,983
Total Liabilities		<u>2,768,517,713</u>	<u>2,520,813,523</u>
<u>SHAREHOLDERS' EQUITY</u>			
Capital	48	259,898,359	224,898,359
Capital Increase In-process	49	5,470,261	5,470,261
Stocks Premium Reserve	50	0	0
Legal Reserve	51	770,317	770,317
Other Reserves	52	0	0
Revaluation Surplus	53	8,698,909	8,698,909
Foreign Currency Translation Differences	54	0	0
Retained Earnings/Loss		(118,115,657)	(118,137,720)
Treasury Stocks	56	0	0
Total Shareholders' Equity		<u>156,722,189</u>	<u>121,700,126</u>
Total Liabilities & Shareholders' Equity		<u>3,925,239,902</u>	<u>2,652,513,659</u>

"The notes to the financial statements are an integral part of the financial statements."



Standalone Statement of Changes in Shareholders' Equity

For the Fiscal Year Ended on March 20, 2023

2022-2023

	Note	Capital	Capital Increase In-process	Stocks/ Treasury Stocks Premium	Legal Reserve	Other Reserves	Assets Revaluation Surplus	Foreign Operations - FC Translation Differences	Retained Profit (Loss)	Treasury Stock	Total Shareholders' Equity
Balance as of March 21, 2022		224,898,359	5,470,261	0	770,317	0	8,698,909	0	(118,137,720)	0	121,700,126
Net Profit (Loss) in 2022-2023									44,126		44,126
Other Comprehensive Income Items							0				0
Assets Revaluation Surplus	53										0
Foreign Currency Translation Differences	54							0			0
Tax Effects of Other Comprehensive Income Items							0	0	0		0
Comprehensive Profit 2022-2023							0	0	44,126		44,126
Registered Capital Increase	48	35,000,000	0			0	0		0		35,000,000
Capital Increase In-progress	49		0	0							0
Treasury Stock											
Purchase of Treasury Stock	55									0	0
Disposal of Treasury Stock	55			0					0	0	0
Profit from Disposal of Treasury Stock	56			0							
Transfer from Other Items of Shareholders' Equity to Retained Profit (Loss)											
Allocation to Legal Reserve	51										0
Allocation to Other Reserves	52										0
Approved Dividends	46-3								(22,063)		(22,063)
Total Changes in Shareholders' Equity		35,000,000	0	0	0	0	0	0	22,063	0	(22,063)
Balance as of March 20, 2023		259,898,359	5,470,261	0	770,317	0	8,698,909	0	(118,115,657)	0	156,722,189

To Be Continued

"The notes to the financial statements are an integral part of the financial statements."



Standalone Statement of Changes in Shareholders' Equity

For the Fiscal Year Ended on March 20, 2021

2021-2022

	Note	Capital	Capital Increase In-process	Stocks/ Treasury Stocks Premium	Legal Reserve	Other Reserves	Assets Revaluation Surplus	Foreign Operations - FC Translation Differences	Retained Loss	Treasury Stock	Total Shareholders' Equity
Balance as of March 21, 2021		199,898,359	5,386,427	0	770,317	0	8,698,909	0	(82,781,855)	0	131,972,157
Errors Correction	58								(3,562,242)	0	(3,562,242)
Restated Balance on Mar. 21, 2021		199,898,359	5,386,427	0	770,317	0	8,698,909	0	(86,344,097)	0	128,409,915
Changes in Shareholders' Equity – 2021-2022											
Reported Net Profit in 2021-2022 Financial Statement									230,858		230,858
Errors Correction	58								(31,909,052)		(31,909,052)
Changes in Accounting Procedures	58										0
Restated Net Profit in 2021-2022									(31,678,194)		(31,678,194)
Other Items of Comprehensive Profit (Loss)											
Assets Revaluation Surplus											0
Foreign Currency Translation Differences											
Tax Effects of Other Comprehensive Profit (Loss)											
Comprehensive Profit 2021-2022		0	0	0	0	0	0	0	(31,678,194)		(31,678,194)
Capital Increase											
Registered Capital Increase	48	25,000,000									25,000,000
Capital Increase In-progress	49		83,834								83,834
Treasury Stock											
Purchase of Treasury Stock	55									0	0
Disposal of Treasury Stock	55									0	0
Profit from Disposal of Treasury Stock	56										
Allocation to Legal Reserve	51								0		0
Allocation to Other Reserves	52										0
Approved Dividends	43								(115,429)		(115,429)
Total Changes in Shareholders' Equity		25,000,000	83,834	0	0	0	0	0	(31,793,623)	0	(6,709,789)
Restated Balance as of March 20, 2021		224,898,359	5,470,261	0	770,317	0	8,698,909	0	(118,137,720)	0	121,700,126

"The notes to the financial statements are an integral part of the financial statements."



Standalone Cash Flow Statement

For the Fiscal Year Ended on March 20, 2023

	Note	March 20, 2023 Mil. IRR	March 20, 2022 Mil. IRR
<u>Cash Flow from Operating Activities</u>			
Cash Received for Operation	59	9,394,102	(43,497,408)
Cash Payment for Income Tax		0	(20,667,052)
Net Cash Inflow from Operating Activities		9,394,102	(64,164,460)
<u>Cash Flow from Investment Activities</u>			
Cash Payment for Acquisition of Fixed Tangible Assets	(4,241,160)		(6,638,574)
Cash Received for Disposal of Fixed Tangible Assets	43,121		482,573
Cash Payment for Acquisition of Intangible Assets	(78,686)		(44,004)
Cash Received for Disposal of Intangible Assets	0		0
Cash Received for Disposal of Investments Related to Non-banking Activities	0		0
Cash Payment for Acquisition of Investments Related to Non-banking Activities	0		0
Cash Received for Disposal of Non-current Assets Held for Sale	3,471,002		2,047,504
Cash Payment for Acquisition of Non-current Assets Held for Sale	0		0
Cash Received for Dividends Related to Non-banking Activities	90,816		175,128
Cash Received for Profit of Other Investments Related to Non-banking Activities	0		0
Net Cash Inflow (Outflow) for Investment Activities		(714,907)	(3,977,373)
Net Cash Inflow (Outflow) Before Financing Activities		8,679,195	(68,141,833)
<u>Cash Flow from Financing Activities</u>			
Cash Received for Capital Increase		0	0
Cash Received for Sale of Treasury Stocks		0	0
Cash Payments for Purchase of Treasury Stocks		0	0
Cash Received for Stocks Premium		0	0
Cash Payments for Stock Dividend		0	0
Cash from Principal of Facilities Received from CBI and Other Banks and Non-bank Credit Inst.		0	87,500,000
Cash Payments for Principal of Facilities Received from CBI and Other Banks and Non-bank Credit Inst.	(11,560,621)		(46,907,382)
Cash for other Received Facilities		0	0
Cash Payments for Principal of other Received Facilities		0	0
Cash Payments for Interest of other Received Facilities		0	0
Cash Payments for Interest of Facilities Received from CBI, other Banks and Non-bank Credit Inst.		0	0
Cash Received for Issue of Securities except Stocks		0	0
Cash Payments for Principal of Securities except Stocks		0	0
Cash Payments for Interest of Securities except Stocks		0	0
Cash Payments for Principal of Installment of Capital Lease		0	0
Cash Payments for Interest of Installment of Capital Lease		0	0
Net Cash Inflow (Outflow) from Financing Activities		(11,560,621)	40,592,618
Net (Decrease) in Cash		(2,881,426)	(27,549,215)
Cash at the Beginning of the Year		157,617,413	211,898,067
Effects of Exchange Rate Changes on Cash		(11,769,714)	(26,731,439)
Cash at the End of the Year		142,966,373	157,617,413
Non-cash Transactions		80,122,466	280,251,767
Further Information on Cash Inflow (Outflow) from Interest of Facilities Granted, Investment Deposits and Dividends			
Cash Received for Facilities Granted		163,080,000	0
Cash Received for Investment Deposits Interest		3,363,000	3,933,000
Cash Payments for Investment Deposits Interest		217,496,122	168,966,695
Cash Payments for Facilities Received Interest		0	0
Cash Received for Dividends		423,592	1,249,229

"The notes to the financial statements are an integral part of the financial statements."