Disclosure report in accordance with the EU Capital Requirements Regulation (CRR) as at 31 December 2023

1. Preamble

In this report as at 31 December 2023, we, as another non-listed company, disclose the qualitative and quantitative information of Bank Melli Iran, Hamburg, required in accordance with Article 433C (2) CRR (Capital Requirements Regulation) in conjunction with Implementing Regulation (EU) 2021/637 as at this reporting date.

The disclosure report contains information on key regulatory parameters, capital requirements, credit and market price risks and the liquidity coverage ratio. The quantitative information in this report is based on the corresponding provisions of the German Commercial Code (HGB) and the German Accounting Ordinance for Banks (RechKredV), on the basis of which we prepared the regulatory reports in accordance with the CRR as at the balance sheet date.

2. Risk management objectives and policy, including a concise risk statement (Article 435 CRR)

In this section, we have summarised the general qualitative disclosures on credit risk in accordance with the EU CRA table and described our risk management objectives and policies. We have explained the relationship between our bank's business model and the components of our bank's credit risk profile (concise risk statement in accordance with Article 435(1)(f) CRR). Furthermore, as part of the discussion of our strategies and procedures for managing credit risk and the strategies for hedging and mitigating credit risk in accordance with Article 435 (1) (a) and (d) CRR, we explained the criteria and approach for determining the principles for credit risk management and for setting credit risk limits.

2.1 Strategies and procedures for managing risks

The Bank only accepts risks that are in line with the business and risk strategy. All risks must be evaluated in terms of their economic and legal risk and must be economically viable. The risks should be reduced to an acceptable minimum. The Bank is aware that certain risks must be taken in order to operate profitably. The Executive Board is responsible for drawing up the business and risk strategy. The overall bank strategy is reviewed at least once a year by the Executive Board and the department heads as part of a strategy process. Based on the current risk potential and the business and budget figures, the Executive Board then defines the business strategy and the consistent risk strategy, including the risk coverage potential provided for the coming financial year. The Bank's strategic objectives are communicated to employees via the Bank's intranet. Within the framework of the cornerstones of a strategic orientation, the achievement of success, taking into account the risks to be taken, is the key benchmark. On the basis of the overall risk profile, the Bank ensures that the Bank's material risks are covered on an ongoing basis by the risk coverage potential - taking into account interactions where necessary - and that the risk-bearing capacity is therefore ensured. Decisions on the management of the lending and deposit business are made by the Executive Board with the involvement of the specialist departments in various committees, primarily the Asset/Liability Committee and the Risk Committee.

2.2 Structure and organisation of the risk management Function

The identification, inventory, evaluation, monitoring and communication of risks is carried out by the Risk Controlling department. This staff department reports directly to Business Performance. The Risk Controlling department therefore fulfils the function in accordance with AT 4.4.1. of the Minimum Requirements for Risk Management (MaRisk). Regular or event-driven communication takes place directly with the Executive Board and the specialised departments. The Risk Controlling department is granted all necessary authorisations and unrestricted access to all risk-relevant information. Without prejudice to the overall responsibility of the Executive Board, the Risk Controlling department is organisationally assigned to the Head of Back Office.

2.3 Adequacy of risk management procedures

The management of Bank Melli Iran, Hamburg, hereby declares that it is pursuing the goal of achieving a sustainable, appropriate and risk-adequate return on equity. The Bank makes targeted use of the opportunities arising in its markets. To this end, it is prepared to take risks consciously and to an economically acceptable extent. The bank's focus is on supporting, structuring and processing foreign trade between Iran and predominantly European companies, while maintaining its operating activities. We cover this through medium-term lending business, letters of credit and payment transactions. The organisation of the bank's risk management system is determined by its business and risk strategy. The Executive Board is responsible for developing and implementing this strategy. The risk strategy is derived from the Bank's sustainable business strategy. It defines rules for dealing with risks that arise directly or indirectly from the Bank's business activities. In particular, the risk strategy comprises the risk management objectives of the main business activities and is an instrument geared towards market activities and internal management, which is reviewed annually and adjusted if necessary. Risk sub-strategies are defined and documented for specific risk types. Risks may only be taken within the scope of the risk-bearing capacity. Instructions, control measures, communication and, if necessary, sanctions support the necessary risk awareness. The risk management process comprises all activities for the systematic handling of risks. This includes identifying, analysing, assessing, controlling, monitoring, documenting and communicating risks within the company, operational monitoring of the success of the control measures and monitoring the effectiveness and appropriateness of the risk management measures. Bank Melli Iran, Hamburg assumes that the methods, models and processes implemented are suitable at all times for ensuring a risk management system that is aligned with the strategy and the overall risk profile.

2.4 Risk profile of the Bank

In accordance with MaRisk, material risks include

-Default risk (individual risk / country risk)

- Market price risks (foreign currency risk / interest rate risk)

- Liquidity risks
- Operational risks

We have also defined the following risks as material:
- Concentration risks
- Other risks

As part of the risk inventory, it was determined that foreign currency risks, liquidity risks and other risks do not currently represent any significant risks for our bank.

Counterparty default risks
All borrowers are categorised for the purposes of risk assessment and portfolio management. The management of credit risks is the responsibility of the organisationally separate "Front Office" and "Back Office" divisions, which vote on all risk-relevant exposures. The Bank has three risk classification systems:

- For the assessment of creditworthiness in the corporate customer business, a risk classification procedure is available, in which borrowers are categorised in the Risk classes A to H are categorised.

- For the assessment of the creditworthiness of national and international banks, the external ratings are used and reconciled to risk levels A to H. If there are If these banks do not provide external ratings, the rating procedure for Iranian banks.

- An internal rating procedure is used to assess the creditworthiness of Iranian banks. is used, according to which the respective bank is also categorised in risk classes from A to H.

The result of the respective risk classification procedure is transferred to a risk classification of the entire credit portfolio and the utilisation of the individual credit rating classes is presented in the quarterly risk report. The data for the risk report is prepared by the accounting department. Risk monitoring tasks are carried out by the back office. Risk is managed by setting individual limits for individual borrowers and group limits for customer groups. The maximum limit is generally the individual large loan limit. Collateral provided by the borrower (commodity documents and own deposits) is mainly used to limit risk.

In view of the major importance of the lending business, maximum partial loss limits for counterparty default risk are derived in three stages. The utilisation of the partial loss ceiling for counterparty default risks is derived from the probabilities of default and volumes, which are used to calculate unexpected losses using a simplified procedure. Similarly, country risks are calculated using the country rating. The amount exceeding the counterparty risks constitutes the country risk. The country risk is categorised at least once a year and on an ad hoc basis using the plausible Euler Hermes Country Risk Rating. The categories of the short-term rating are assigned to the bank's internal risk classes in conjunction with the medium-term rating. The country limits are proposed and voted on by the back office and approved by both managing directors. Compliance with limits is monitored by the back office. The bank currently considers counterparty default risks to be a significant risk.

Market price risks
- Foreign currency risk

The Bank is a non-trading book institution and conducts foreign exchange transactions on behalf of customers and to cover positions arising from customer business. Open foreign currency positions are valued at the middle rate. Foreign currency risks are managed by means of a fixed overall limit for open positions, counterparty limits and the granting of an upper loss limit. According to the current assessment, this risk is not material for the bank.

- Interest rate risk

The bank's asset and liability structure is characterised by transactions with predominantly short fixed-interest periods. This allows the bank to react very quickly to changes in interest rates on the capital market. Fixed interest rates and balance sheet items with a term of more than one year play a subordinate role. Interest rate risks are calculated using the net present value method. Measurement is based on the Basel II ratio, which must be kept below the observation value of 20%. With regard to the BaFin Circular 06/2019, the early warning level of 15% including further scenarios is defined and mapped via Navision. The present value effects of a sudden and unexpected change in interest rates are determined in order to check whether solid risk coverage is guaranteed. The Bank reclassified the interest rate risk as "material" in 2020. Although interest rate risks have not been quantitatively assessed as material in the past, the Bank still considered this risk to be a material risk in qualitative terms, as the planning always envisaged and continues to envisage the expansion of interest-bearing business.

Liquidity risks

The bank is integrated into the liquidity management of the head office, which provides the branch with refinancing funds via the clearing balance. Due to the geographical and business focus, liquidity risks are little affected by macroeconomic developments.

Ensuring the Bank's permanent solvency by drawing on cash investments, utilising loan commitments or fulfilling trading transactions is guaranteed by maintaining adequate liquidity reserves, primarily in the form of credit balances at the Deutsche Bundesbank. Operational liquidity planning is primarily focussed on the regulatory liquidity coverage ratio (LCR). In addition, the worst-case scenario of a complete withdrawal of deposits ("bank run") is taken into account in daily liquidity management. This scenario includes all conceivable stress scenarios. The Bank currently assesses liquidity risks as a non-material risk.

Operational risks

For the Bank, operational risk refers to the risk of direct and indirect losses caused by the inappropriateness or failure of internal processes, people and systems or by external events. Operational risks include legal risks. To measure operational risk and calculate the utilisation of the limit, the Bank has chosen the basic indicator approach in accordance with CRR, Articles 315 and 316 CRR, supplemented by an expert estimate (loss database). The risk types occurring in the area of operational risk are divided into the categories of people, processes, technologies, external influences and legal risks, the risk assessment of which is presented using a traffic light system. Operational risks in business processes are limited by technical systems and clear rules that are constantly adapted to requirements. Measures in the IT area, for which detailed emergency plans are in place, are a focal point. Accumulated losses are listed monthly in the risk report according to amount and frequency. As these risks cannot be quantified, a buffer is maintained as a precautionary measure. The bank currently considers operational risk to be a significant risk for it, particularly due to the reactivation of all Iran sanctions by the USA. In the 2021 financial year, the above-mentioned emergency plans were expanded to include the "pandemic" emergency.

Concentration risks

Concentration risks are analysed separately. Due to the fact that concentration risks arise on the one hand from the high portfolio at the Bundesbank and on the other hand from lending to customers based in Iran or to customers based in Germany who have a connection to Iran, we reclassified this risk in 2020 and have since considered it to be material. As a precautionary measure, a further deduction is made from the risk coverage potential for any concentration risks. The buffer is determined by comparing the counterparty risks according to the Gordy model with and without granularity adjustment using the Herfindahl-Hirschman index and is reviewed at least once a year.

Other risks
Other risks include the risk of asset losses. The Bank categorises these risks as including both strategic risk and reputational risk. After evaluation, the Bank categorises other risks as not material. As a precautionary measure, a buffer is maintained for possible defaults.

Risk-bearing capacity
On the basis of the overall risk profile, the Bank ensures that the material risks of the credit institution, defined as counterparty default risks, including country risks, interest rate risks and operational risk, are covered by the risk coverage potential on an ongoing basis, taking into account interactions where necessary, and that the risk-bearing capacity is therefore ensured. Since 1 January 2023, we have switched to new software with which risk is managed using the normative economic method so that the Bank's risk-bearing capacity is guaranteed at all times.

Clear limits are allocated to the individual risk types on the basis of risk-bearing capacity and compliance with these limits is ensured by appropriate risk management and monitoring systems. Buffers are maintained for non-quantifiable risks as a deduction from the risk coverage potential.

Various analyses and reports are prepared daily or on certain key dates - or ad hoc - to provide the management with comprehensive information and to monitor and manage risks

The Bank pursues a balance sheet and profit and loss-orientated risk management approach.
To determine the risk-bearing capacity, the bank sets the cover funds in three stages. The burden for the bank increases, while the corresponding cover assets decrease from level to level.

The steering committees are defined as follows:

Steering committee	Definition of
I	Normal case (currently US sanction)
II	Deteriorating economic or political framework data in Iran, rising inflation, falling oil prices and outflow of foreign exchange reserves, falling GDP
III	EU sanctions against the Bank or Iran

The risk coverage potential is made up of equity, plus any reserves, plus any fund for general banking risks, less intangible assets, less any offsetting balance, less any loss and less any buffer for unquantifiable risks.

The Bank follows a regulatory approach when determining the risk coverage potential (RDP). When defining internal capital, the Bank uses the regulatory own funds in accordance with COREP. It is derived from the balance sheet in accordance with HGB.

Approach to assessing the adequacy of internal capital	We base our internal capital on our regulatory own funds in accordance with COREP. We consider the amount of this internal capital to be more than sufficient and therefore appropriate (see also page 12 Table 2 EU OVI).

Risk coverage potential as at 31 December 2023
The RDP is calculated as follows for control areas I-III as at the balance sheet date (kEUR):

RDP (amounts in kEUR)	Control circuits		
	I	II	III
Core capital	178,754	178,754	178,754
- Management buffer in the amount of the equity requirement	-47,297	-47,297	-47,297
- Administrative costs	-16,405	-16,405	-16,405
- Silent loads	0	0	0
-Operational risks	-6,575	-8,219	-9,863
-Other risks / immaterial risks	-1,545	-3,090	-4,635
- Loss or planned loss	0	0	0
cancelled items _without prov._H1	-2,794	-8,383	-11,177
cancelled item _without prov._H1a	-4,050	-12,150	-16,199
Risk coverage potential	100,087	83,210	73,178

The current utilisation of RDP as at the balance sheet date is as follows (kEUR):

RDP - Risk limits (kEUR)	Control circuits					
	I	Utilisation	II	Utilisation	III	Utilisation
Country risk incl. concentration risk	10,000	6,401	15,000	8,215	0	10,158
Individual address risk incl. concentration risk (with HHI)	40,000	23,975	50,000	39,746	60,000	49,494
Interest rate risk	2,500	2,077	2,500	2,077	2,500	2,077
Total	**52,500**	**32,454**	**67,500**	**50,038**	**62,500**	**61,729**
Buffer to the RDP	47,587	67,634	15,710	33,172	10,678	11,449
Total	**100,087**	**100,087**	**83,210**	**83,210**	**73,178**	**73,178**

2.5 Stress testing

The defined stress test scenarios are focussed on the Bank's material risks and reflect the business model. The results of the stress tests are mapped in management groups II and III. The use of control cycles reflects the Bank's particular business model and implicitly maps the relevant stress tests (economic downturn = control cycle II) up to the most severe case of an embargo (control cycle III). When calculating these stress scenarios, the parameters are generally increased (e.g. increase in LGD, PD, etc.) or a multiplier approach is used. The economic, legal or political risk factors that could influence the business model or the risk position are also continuously monitored so that these parameters can be adjusted if necessary. The results of the stress tests help to assess the amount of the free buffer between the sum of the limits for risks and the total amount of the risk coverage potential. Inverse stress tests are also carried out at least once a quarter. These stress tests simulate scenarios that would jeopardise the Bank's ability to survive. The results are calculated and communicated to the Executive Board at least once a quarter. Due to its good capitalisation, the bank has proven to be particularly resilient.

2.6 Disclosures on intra-group transactions and on Transactions with related parties and Persons who have a material impact on the risk profile could have an impact on the consolidated group

BMI Hamburg is a dependent company that does not have any subsidiaries or equity investments. Related parties as at 31 December 2023 are the two managing directors, Mr Dehghan and Mr Ferchland, as well as Melli Bank plc, London, Melli Bank plc, Hong Kong, MIR Business Bank, Moscow, and Denarius Vermögenverwaltungsgesellschaft AG, Hamburg. In the 2023 financial year, the above-mentioned related parties/companies only held balances of a comparatively small amount with us. These transactions therefore do not have a material impact on our bank's risk profile.

2.7 Corporate governance regulations

The managing directors within the meaning of Section 1 (2) KWG were Mr Mehran Dehghan, Hamburg, and Mr Christian Ferchland, Kiel. Mr Dehghan was not a member of any supervisory boards or other supervisory bodies within the meaning of Section 125 (1) sentence 5 AktG in the reporting period. Mr Ferchland is a member of the Supervisory Board of Diakonisches Werk Altholstein GmbH, Am Alten Kirchhof 16, 24534 Neumünster (since 1 April 2022). Our strategy for selecting members of the Executive Board is based strictly on the requirements of the BaFin bulletin on managing directors in accordance with the KWG, ZAG and KAGB (current version dated 29 December 2020). We ensure their knowledge, skills and experience on the basis of CVs, references from previous employers and as part of our recruitment interviews. Furthermore, potential new managing directors naturally undergo the professional suitability and authorisation procedure by BaFin and Deutsche Bundesbank. In accordance with our diversity strategy, which is in line with the German General Equal Opportunities Act (AGG), we address all people regardless of their age, degree of disability, gender, ethnic origin, religion/belief and sexual identity when offering positions, provided they can prove to us that they are fundamentally suitable as managers based on their knowledge, skills and experience. In accordance with our business and risk strategy, the targets set for the Executive Board are core business, new customers, network, annual result, growth, proprietary trading and personnel, with the respective degree of target achievement measured on a scale of 1 to 10 (10 being full target achievement). The parameters for measuring the aforementioned targets are firmly defined in our business and risk strategy. The degrees of target achievement are redefined annually and analysed and measured at the end of the year.

3. Own funds (Article 437 CRR)

The Bank's own funds consist solely of common equity tier 1 capital. The Bank does not currently have any items from additional Tier 1 capital or supplementary capital. The following calculation provides an overview of the capital structure of Bank Melli Iran, Hamburg as at 31 December 2023 and is valid from the date of adoption of the annual financial statements as at 31 December 2023.

Common equity tier 1 capital (CET 1): Instruments and reserves		Amount in kEUR	Regulation (EU) No 575/2013 Reference to Article
1a	Capital instruments and the premium associated with them (corresponds to equity according to the annual financial statements under commercial law)	154,500	26 (1), 27, 28, 29
1a	Retained earnings (allocation of kEUR 3,000 becomes a component as of the date of determination)	8,900	26 (1) (c)
3a	Fund for general banking risks (addition of kEUR 4.500 becomes a component with the date of determination)	18,400	26 (1) (f)
6	Common equity tier 1 capital (CET1) before regulatory adjustments (corresponds to equity according to the annual financial statements under commercial law plus fund for general banking risks)	181,800	
8	Intangible assets (reduced by corresponding tax liabilities) (negative amount)	-46	36 (1) (b), 37
25a	Losses for the current financial year	0	36 (1) (a)
26	Regulatory adjustments to Common Equity Tier 1 capital, which are added to the deductions under the transitional provisions	0	
27	Amount of items to be deducted from Additional Tier 1 capital items that exceeds the institution's Additional Tier 1 capital (negative amount)	0	36 (1) (j)
28	Regulatory adjustments to common equity tier 1 capital (CET1) in total	-46	
29	Common equity tier 1 capital (CET1)	181,754	

Table 1

A breakdown between the balance sheet under commercial law and the allocation of the equity structure in the calculation of Common Equity Tier 1 capital (CET1) is shown in Table 2.

Balance sheet in published financial statements as at 31 December 2023	kEUR	Reference to equity structure
Assets		
Intangible assets	-46	8
Clearing balance BMI Tehran	0	27
Loss for the current financial year	0	0
Regulatory adjustments to Common Equity Tier 1 capital, which are added to the deductions under the transitional provisions	0	26
Liabilities		
Capital instruments and the premium associated with them	154,500	1
Retained earnings	5,900	1
Fund for general banking risks	13,900	3a

Table 2

4. Own funds requirements (Article 437 CRR)

Table 2 shows the data relevant to our company, i.e. the total risk amount and capital requirements from operational risks. The reasons for the increase in the total risk amount compared to the previous year have already been explained in section 3. The Bank uses the standardised approach to credit risk in accordance with Part 3 Title II Chapter 2 of the CRR to calculate counterparty default risk, operational risk is calculated using the basic indicator approach in accordance with Part 3 Title III of the CRR and market risk is calculated using the standard methods in Part 3 Title IV of the CRR. The total risk amount for operational risk increases due to higher interest and commission income. The adequacy of internal capital is assessed using the risk-bearing capacity concept described in the risk report of the management report.

EU OV1 - Overview of the total risk amounts

		Total amount at risk (kEUR)			Total own funds requirements
		31/12/2023	31/12/2022	31/12/2021	31/12/2023
1	Credit risk without counterparty default risk	207,556	166,393	188,029	16,604
2	of which: standardised approach			168,154	
3	Not applicable				
4	Not applicable				
EU 4a	Not applicable				

5	Not applicable				
6	Counterparty default risiko - CCR	0	0	0	
7	of which: standardised approach	0	0	0	
8	Not applicable				
EU 8a	Not applicable				
EU 8b	Not applicable				
9	Not applicable				
10	Not applicable				
11	Not applicable				
12	Not applicable				
13	Not applicable				
14	Not applicable				
15	Settlement risk	-	-	-	-
16	Not applicable				
17	Not applicable				
18	Not applicable				
19	Not applicable				
EU 19a	Not applicable				
20	Position, currency and commodity risks (market risk)		-	-	-
21	of which: standardised approach		-	-	-
22	thereof: IMA standardised approach		-	-	-
EU 22a	Large loans		-	-	-
23	Operational risk	24,250	22,113	19,875	1,590
EU 23a	of which: basic indicator approach	24,250	22,113	19,875	1,590
EU 23b	of which: standardised approach	0	0	0	0
EU 23c	of which: Advanced measurement approach		-	-	-
24	Amounts below the deduction thresholds	0	0	0	0

	(with a risk weight of 250%)				
25	Not applicable				
26	Not applicable				
27	Not applicable				
28	Not applicable				

Capital requirements for operational risk and risk-weighted exposure amounts

	Capital requirements	Risk position amount	Capital requirements	Risk position amount
	2023	**2023**	**2022**	**2022**
Banking activities for which the basic indicator approach is used	3% of subscribed equity + basic indicator approach (15%)	kEUR 24,250	3% of subscribed equity + basic indicator approach (15%)	kEUR 24,250
Banking activities for which the standardised approach (SA)/the alternative standardised approach (ASA) is used	0	0	0	0
Application of the standardised approach	0	0	0	0
Application of the alternative standardised approach	0	0	0	0
Banking activities that use advanced measurement approaches (AMA)	0	0	0	0

5. Key parameters (Article 447 CRR)

The following table contains an overview of the key regulatory parameters required in accordance with Article 438 CRR and Article 447 CRR.

Compared to the previous year, the Common Equity Tier 1 capital ratio, the Tier 1 capital ratio and the total capital ratio have decreased, but are still well above the required minimum ratios. The reason for the reduction was the increase in the total risk amount due to significant new business in the area of forfaiting and increases in capital charges in the corporate customer lending business.

Further data on the total risk amount can be found in Table 2.

In the case of the leverage ratio, the reduction in total assets in particular leads to a reduction in the overall risk position indicator.

Information on the liquidity coverage ratio (LCR) can be found in Table 3.

We clearly exceed the minimum net stable funding ratio (NSFR).

EU KM1 - Key parameters

		31/12/2023	31/12/2022	31/12/2021	31/12/2020
	Available equity (kEUR)				
1	Common equity tier 1 capital (CET1)	174,254	167,389	167,460	167,521
2	Core capital (T1)	174,254	167,389	167,460	167,521
3	Total capital	174,254	167,389	167,460	167,521
	Risk-weighted position contributions (kEUR)				
4	Total amount at risk	207,556	166,393	188,029	168,087
	Capital ratios (in% of the risk-weighted exposure contribution)				
5	Common equity tier 1 ratio (CET1-ratio)	83.95	100.6	89.06	99.66
6	Core capital ratio	83.95	100.6	89.06	99.66
7	Total capital ratio	83.95	100.6	89.06	99.66
	Additional own funds requirements for risks other than the risk of excessive leverage (as a % of the risk-weighted exposure contribution)				
EU 7a	Additional capital requirements for risk other than the risk of excessive indebtedness	2.59	2.50	2.50	2.50
EU 7b	of which: to be held in form of CET 1	1.46	1.41	1.41	1.41
EU 7c	of which: to be held in the form of T1	1.95	1.88	1.88	1.88
EU 7d	SREP total capital requirement	13.00	13.00	13.00	13.00
	Combined capital buffer and total capital requirement (in % of the risk-weighted exposure contribution)				
8	Capital conservation buffer	2.59	2.50	2.50	2.50
EU 8a	Capital conservation buffer due to macro-prudential risks or systemic risks at the level of a member state	0.00	0.00	0.00	0.00
9	Institution-specific countercyclical capital buffer	0.00	0.00	0.00	0.00
EU 9a	Systemic risk buffer	0.00	0.00	0.00	0.00
10	Not applicable				
EU 10a	Buffer for other systemically important institutions	0.00	0.00	0.00	0.00
11	Combined capital buffer requirment	2.59	2.50	2.50	2.50
EU 11a	Total capital requirement	15.59	15.50	15.50	15.50
12	CET1 available after fulfilment of the SREP total capital requirement (%)	73.54	90.10	78.56	89.16
	Debt ratio				
13	Total exposure measure (kEUR)	533,036	644,190	744,058	820,203
14	Debt ratio (%)	32.69	25.98	22.00	20.00
	Additional own funds requirements for the risk of excessive leverage (as a % of the total exposure measure)				
EU 14a	Additional capital requirements for the risk of excessive debt	0.00	0.00	0.00	0,000
EU 14b	of which: to be held in the form of CET1	0.00	0.00	0.00	0,000
EU 14c	SREP total debt ratio	3.00	3.00	3.00	3.00
	Requirement for the leverage ratio buffer and total leverage ratio (as a % of the total exposure measure)				
EU 14d	Buffer for the debt ratio	0.00	0.00	0.00	0,000
EU 14e	Total debt ratio	32.69	25.98	22.00	20.00
	Liquidity coverage ratio (values in kEUR or %)				
15	Total high-quality liquid assets (HQLA) (weighted value-average)	334,294	517,715	552,681	605,120
EU 16a	Cash outflows - weighted total value	379,169	426,276	444,475	473,788
EU 16b	Cash inflows - weighted total value	77,643	39,402	27,526	74,330
16	Total net cash outflows	301,526	386,875	416,949	466,355
17	Liquidity coverage ratio (%)	130,44	133,06	133,47	129,755
	Structutal liquidity ratio (values in kEUR or %)				
18	Total available stable refinancing	185,507	197,490	238,284	n.a.
19	Total required stable refinancing	129,263	93,115	124,595	n.a.
20	Structural liquidity ratio (NSFR in%)	143.51	212.09	191.25	n.a.

6. Remuneration policy (Article 450 CRR)

Our Bank's remuneration policy is based on the current version of the "Remuneration Ordinance of Bank Melli Iran". This states that all employees of our bank receive fixed remuneration and that there are currently no contracts for performance/ success-based remuneration. The bank therefore does not pay any variable remuneration. The Head Office in Tehran decides on the remuneration of the management bodies and the remuneration of Iranian civil servants. Remuneration for all other employees is determined by the management. Collective labour agreements are in place. The employment contracts for non-tariff employees are individualised, but are generally based on the applicable collective agreement for the private banking industry and public banks. In principle, the main body responsible for overseeing remuneration is the Executive Board, which, however, does not have to be involved in determining variable salary components due to the purely fixed remuneration described above. We have identified our Executive Board and seven other employees as having a significant influence on the risk profile of our bank. Personnel expenses in the 2023 financial year totalled kEUR 4,054 for an average of 38 employees (including 9 part-time employees) and two managing directors. No employee received an annual salary of kEUR 1.000 or more. We do not pay any variable remuneration in accordance with Section 10 para. 2 InstitutsVergV or Section 87 para. 1 sentence 3 AktG and have not retained any remuneration. No severance payments were made in the 2023 financial year. We have therefore not completed tables EU REM 2 and EU REM3. We have published the information required in accordance with table EU REMA above. In accordance with table EU REM1, we identified two employees as members of the management body with a management function who received fixed monetary remuneration totalling kEUR 410 in the financial year 2023 (previous year: kEUR 448). We also identified seven other employees with a significant influence on the risk profile of our bank who received fixed monetary remuneration totalling kEUR 717 in the 2023 financial year (previous year: kEUR 647). Other data contained in table EU REM1 is not relevant to our bank. We have therefore not published them.

Hamburg, 23/04/2024

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