

## **INDEPENDENT AUDITOR'S REPORT ON REVIEW OF UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS**

### **Introduction**

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of Bank-e-Millie Afghan ("the Bank") as at 29 Hoot 1402 (March 19, 2024) and the related unconsolidated condensed interim statement of profit or loss and other comprehensive income, unconsolidated condensed interim statement of changes in equity and unconsolidated condensed interim statement of cash flows, and the notes to the unconsolidated condensed interim financial statements for the three months then ended (here-in-after referred to as the "unconsolidated condensed interim financial statements"). Management is responsible for the preparation and fair presentation of these unconsolidated condensed interim financial statements in accordance with the International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), the requirements of the Law of Banking in Afghanistan and directives issued by Da Afghanistan Bank. Our responsibility is to express a conclusion on these unconsolidated condensed interim financial statements based on our review.

### **Scope of Review**

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

### **Basis for Qualified Conclusion**

- a) The Bank has an investment in a wholly owned subsidiary "Afghan American Trading Co. Inc." (AATC) which is carried at a cost of AFN 150.392 million (USD 2.2 million). Due to non-availability of the financial information of this subsidiary, the Bank has not prepared the consolidated financial statements as required under the Banking Law of Afghanistan and IFRS 10. Further, for the reasons disclosed in note 6.1.1 to the unconsolidated condensed interim financial statements, we have not been able to obtain sufficient and appropriate evidence regarding the existence and recoverability of the above-referred investment.
- b) The Bank has a Nostro account balance amounting to AFN 2,051.84 million (USD 28.5 million) with Citibank New York, as at 29 Hoot 1402 (March 19, 2024). During our review, we were unable to verify the existence of the said account balance.
- c) During the last year, the bank has implemented Islamic Core Banking accounting module and made it live. This migration has resulted in unreconciled balance of AFN 41.24 million comprising of difference of AFN 210.29 million and AFN 169.06 million in assets and liabilities respectively for Murahaba loans. Further the system shows the suspense accounts balance amounting to AFN 58.35 million. During our review, we could not verify the completeness of these balances due the limitations in the information management system.

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### Qualified Conclusion

Based on our review, except for the possible effects of the matters described in under the "Basis for Qualified Conclusion" nothing has come to our attention that causes us to believe that the accompanying unconsolidated condensed interim financial statements do not give a true and fair view of the financial position of the Bank as at 29 Hoot 1402 (March 19, 2024), and of its financial performance and its cash flows for the three months period then ended in accordance International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) and the requirements of the Law of Banking in Afghanistan and directives issued by the Da Afghanistan Bank.

### Other Matters

(i) The financial statements for the year ended 30 Qaws 1402 (21 December 2023) were audited by another auditor who has expressed qualified audit opinion dated on March 16, 2024 with respect to a, b and c matters explained above in Basis for Qualified Conclusion.

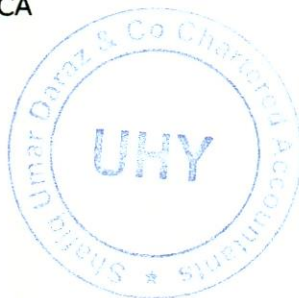
(ii) Subsequent to the date of authorization of the financial statements for issue by the board of supervisors, management has reclassified "Required reserves with Da Afghanistan Bank" in these financial statements and a fresh copy of the financial statements has been approved by the board of supervisors date July 13, 2024. The reclassification does not impact the financial position of the Bank as of March 19, 2024, and its financial performance and its cash flows for the period then ended. These financial statements and our audit report thereon supersede the earlier issuance of financial statements dated May 18, 2024.

*UHY Shafiq Umar Daraz & Co*  
**Chartered Accountants**

Engagement Partner: Umar Daraz, FCA

Location: Kabul, Afghanistan

Date: July 14, 2024



**BANK-E-MILLIE AFGHAN**  
**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT 29 HOOT 1402 (19 MARCH 2024)**

		19 March 2024 29 Hoot 1402 Un-Audited AFN	21 December 2023 30 Qaws 1402 Audited AFN
<b>Assets</b>	<b>Note</b>		
Cash and cash equivalents	3	23,021,190,781	23,731,119,507
Short-term investments	4	778,638,964	730,534,194
Loans and advances to customers - net	5	1,372,401,228	1,382,179,406
Long term investments	6	986,076,167	978,178,167
Property and equipment	7	1,246,552,935	1,263,829,956
Intangible assets	8	2,884,157	2,649,586
Investment properties		6,123,023,798	6,122,431,274
Other assets	9	3,793,643,954	3,616,386,283
<b>Total assets</b>		<b>37,324,411,984</b>	<b>37,827,308,373</b>
<b>Liabilities</b>			
Deposits from bank and customers	10	29,951,366,051	30,645,457,926
Lease liabilities	11	17,611,355	21,829,428
Deferred tax liability		685,039,374	685,039,373
Current tax liability		33,783,444	-
Other liabilities	12	515,479,802	526,548,745
<b>Total liabilities</b>		<b>31,203,280,026</b>	<b>31,878,875,473</b>
<b>Equity</b>			
Share capital	13	1,000,000,000	1,000,000,000
Retained earnings		4,300,640,815	4,127,941,757
Surplus on revaluations - net		792,247,503	792,247,503
Exchange translation reserves		18,930,624	18,930,624
General reserve		9,313,016	9,313,016
<b>Total equity</b>		<b>6,121,131,958</b>	<b>5,948,432,900</b>
<b>Total liabilities and equity</b>		<b>37,324,411,984</b>	<b>37,827,308,373</b>

**Contingencies and Commitments** 14

*The annexed notes from 1 to 24 form an integral parts of these financial statements.*

Chief Executive Officer

Chief Financial Officer

Chairman BOS



**BANK-E-MILLIE AFGHAN**  
**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Un-Audited)**  
**FOR THE THREE MONTHS PERIOD ENDED ON 29 HOOT 1402 (19 MARCH 2024)**

		Three months ended on	
		19 March 2024 29 Hoot 1402 Un-Audited AFN	20 March 2023 29 Hoot 1401 Un-Audited AFN
Note			
<b>Interest income and expenses</b>			
	Interest income	15 34,872,291	64,547,444
	Interest expense	15 (2,977,123)	(1,824,502)
	Net interest income	31,895,168	62,722,942
<b>Commission income and expenses</b>			
	Commission income	16 46,209,962	52,073,785
	Commission expense	16 (423,941)	(273,987)
	Net commission income	45,786,022	51,799,798
<b>Other income</b>			
	Realized exchange gain	3,906,239	2,391,908
	Unrealized exchange losses	37,565,284	(43,703,487)
	Other operating income	17 173,174,115	21,470,182
	Total other income	214,645,637	(19,841,397)
	Total operating income	292,326,827	94,681,343
<b>Operating expenses</b>			
	(Reversal) / provision on loans and advances	5.1 (9,523,927)	(2,345,100)
	(Reversal) / provision on other assets	9.4 (6,353,152)	(1,000)
	Personnel expenses	18 55,117,283	57,350,584
	Finance cost on lease liability	11 350,000	308,366
	Depreciation	7.1 11,036,862	9,899,219
	Amortization	8 143,186	1,138,053
	Other expenses	19 35,074,073	38,812,958
	Total operating expenses	85,844,325	105,163,080
	Total operating profit / (loss)	206,482,502	(10,481,737)
<b>Profit/ (Loss) before taxation</b>		206,482,502	(10,481,737)
	Taxation	(33,783,444)	-
<b>Profit / (Loss) for the period</b>		172,699,058	(10,481,737)
<b>Other comprehensive income / (loss)</b>			
<i>Items that may be classified to profit or loss subsequently</i>			
	Exchange differences on translation of investment in Afghan American Trading Company - Subsidiary	-	-
	Related deferred tax	-	-
	Other comprehensive loss, net of tax	-	-
<b>Total comprehensive income / (loss) for the period</b>		172,699,058	(10,481,737)

The annexed notes from 1 to 24 form an integral parts of these financial statements.

Chief Executive Officer

Chief Financial Officer

Chairman BOS

**BANK-E-MILLIE AFGHAN**  
**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Un-Audited)**  
**FOR THE THREE MONTHS PERIOD ENDED ON 29 HOOT 1402 (19 MARCH 2024)**

	Share capital	Retained earnings	Revaluation surplus	Exchange translation reserve	General reserve	Total
Balance as at 30 Qaws 1401 (21 December 2022) - Audited (Loss) / Profit for the period	1,000,000,000	7,059,040,849 (10,481,738)	792,247,503	55,785,024	8,843,502	8,915,916,878 (10,481,738)
Balance as at 29 Hoot 1401 (20 March 2023) - Unaudited	1,000,000,000	7,048,559,111	792,247,503	55,785,024	8,843,502	8,905,435,140
<b>Balance as at 30 Qaws 1402 (21 December 2023) - Audited</b>	<b>1,000,000,000</b>	<b>4,127,941,757</b>	<b>792,247,503</b>	<b>18,930,624</b>	<b>9,313,016</b>	<b>5,948,432,900</b>
<b>Profit / (Loss) for the period</b>		<b>172,699,058</b>				<b>172,699,058</b>
<b>Balance as at 29 Hoot 1402 (19 March 2024) - Un-Audited</b>	<b>1,000,000,000</b>	<b>4,300,640,815</b>	<b>792,247,503</b>	<b>18,930,624</b>	<b>9,313,016</b>	<b>6,121,131,958</b>

The annexed notes from 1 to 24 form an integral parts of these financial statements.

Chief Executive Officer

Chief Financial Officer

Chairman BOS



**BANK-E-MILLIE AFGHAN**  
**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (Un-Audited)**  
**FOR THE THREE MONTHS PERIOD ENDED ON 29 HOOT 1402 (19 MARCH 2024)**

		19 March 2024 29 Hoot 1402 (Un-Audited) AFN	20 March 2023 29 Hoot 1401 (Un-Audited) AFN
<b>Operating activities</b>	<b>Note</b>		
Profit / (Loss) before taxation		206,482,502	(10,481,738)
<b>Adjustments for:</b>			
Depreciation	7.1	11,036,862	9,899,219
Amortization	8	143,186	1,138,053
Impairment loss on loans and advances	5.1	(9,523,927)	(2,345,099)
Finance cost on lease liability	11	350,000	308,366
		<u>2,006,121</u>	<u>9,000,539</u>
<b>Adjustments for changes in operating assets and liabilities:</b>			
Loans and advances to customers		19,302,106	17,605,094
Other assets		(175,382,616)	11,776,861
Deposits from banks and customers		(694,091,875)	(51,178,482)
Lease liabilities		4,218,073	4,581,118
Other liabilities		(11,068,943)	259,662,689
		<u>(857,023,255)</u>	<u>242,447,280</u>
<b>Net cash flow used in operating activities</b>		<u>(648,534,632)</u>	<u>240,966,082</u>
<b>Investing activities</b>			
Long term Investments		(7,898,000)	5,004,999
Placements with Banks		(48,104,770)	13,329,481
Purchase of intangible assets	8	-	(1,569,084)
Purchase of property and equipment	7	(1,906,520)	(1,061,107)
<b>Net cash flow (used in) / from investing activities</b>		<u>(57,909,290)</u>	<u>15,704,289</u>
<b>Cash flows from financing activities</b>			
Repayment of lease obligations		(3,484,804)	(4,581,118)
<b>Net cash used in financing activities</b>		<u>(3,484,804)</u>	<u>(4,581,118)</u>
<b>Net decrease in cash and cash equivalents</b>		<u>(709,928,726)</u>	<u>252,089,252</u>
<b>Cash and cash equivalents at beginning of year</b>		<u>23,731,119,507</u>	<u>26,671,853,840</u>
<b>Cash and cash equivalents at end of year</b>		<u>23,021,190,781</u>	<u>26,923,943,092</u>

The annexed notes from 1 to 24 form an integral parts of these financial statements.

Chief Executive Officer

Chief Financial Officer

Chairman BOS



## **BANK-E-MILLIE AFGHAN**

### **NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS PERIOD ENDED ON 29 HOOT 1402 (19 MARCH 2024)**

#### **1 Status and nature of operations**

Bank-e-Millie Afghan (the Bank) is domiciled in The Islamic Republic of Afghanistan. The Bank was incorporated in 1933 and it has been granted license for commercial banking by Da Afghanistan Bank (DAB) on 26 June 2004. The Bank also obtained a private investment license on 08 November 2004 under the Law of Domestic and Foreign Investment and is primarily engaged in the business of banking as mentioned in Law of Banking in Afghanistan. Ministry of Finance is the majority shareholder of the Bank having shareholding of 96.75%. The Bank has 39 branches (2023:39 branches) in operation.

The registered office of the Bank is at Ibn-e-Sina Watt, Kabul, Afghanistan.

#### **2 Basis of preparation**

##### **2.1 Statement of compliance**

These unconsolidated condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board (IASB) and the Law of Banking in Afghanistan and the directives issued by DAB. Whenever the requirement of the Law of Banking in Afghanistan differs with the requirements of the IFRS, the requirement of the Law of Banking in Afghanistan takes precedence.

Bank-e-Millie Afghan holds one wholly owned subsidiaries namely 'Afghan American Trading Co. Inc.'. As per International Financial Reporting Standard (IFRS) 10 'Consolidated Financial Statements', being a parent, Bank-e-Millie Afghan is required to prepare consolidated financial statements, but the same cannot be prepared by the management, due to non-availability of latest audited financial statements of the subsidiaries for the reasons disclosed in note 'Long term investments'.

##### **2.2 Mandatory Departure**

Mandatory departure of International Financial reporting Standards (IFRS) - 9 "Financial Instruments", based on the decision of Da Afghanistan Bank until further notice.

##### **2.3 Basis of measurement**

The unconsolidated condensed interim financial statements have been prepared on the historical cost basis except for investment property, land and building which are measured at revalued amount.

##### **2.4 Functional and presentation currency**

These unconsolidated condensed interim financial statements are presented in Afghani, which is the Bank's functional currency. The amounts in these financial statements have been rounded to the nearest Afghani.

##### **2.5 Use of estimates and judgments**

The Bank makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates and judgments will, by definition, rarely equal the related actual results. The material estimates, assumptions and judgments used to measure and classify the carrying amounts of assets and liabilities are outlined below:

##### **2.6 Material Accounting Policies Informations**

The material accounting policies (priorly: Significant accountitng policies) adopted in preparation of these unconsolidated condensed interim financial information are consistent with those followed in the preparation of the annual financial statements of the Bank for the year ended 30 Oaws 1402 (21 December 2023).

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**BANK-E-MILLIE AFGHAN**
**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE MONTHS PERIOD ENDED ON 29 HOOT 1402 (19 MARCH 2024)**

		19 March 2024	21 December 2023
		29 Hoot 1402	30 Qaws 1402
		Un-Audited	Audited
		AFN	AFN
<b>3</b>	<b>Cash and cash equivalents</b>		
	Cash in hand	<b>3.1</b> 5,840,168,210	6,046,915,401
	Balances with Da Afghanistan Bank	<b>3.2</b> 14,693,409,516	15,460,721,614
	Nostro accounts & balances with domestic banks	<b>3.3</b> 2,421,850,603	2,157,720,040
	Gold and silver at bank vault	<b>3.4</b> 65,762,452	65,762,452
		<b>23,021,190,781</b>	<b>23,731,119,507</b>
<b>3.1</b>	<b>Cash in hand</b>		
	Local currency	<b>3.1.1</b> 2,276,374,961	2,728,118,470
	Foreign currency	3,523,696,749	3,286,619,331
	Cash in ATMs	40,096,500	32,177,600
		<b>5,840,168,210</b>	<b>6,046,915,401</b>
<b>3.1.1</b>	This represents cash at vaults in the branches of the bank.		
		19 March 2024	21 December 2023
		29 Hoot 1402	30 Qaws 1402
		Un-Audited	Audited
		AFN	AFN
<b>3.2</b>	<b>Balances with Da Afghanistan Bank</b>		
	Local currency	11,232,364,019	10,913,837,411
	Foreign currency	3,461,045,497	4,546,884,203
		<b>14,693,409,516</b>	<b>15,460,721,614</b>
		19 March 2024	21 December 2023
		29 Hoot 1402	30 Qaws 1402
		Un-Audited	Audited
		AFN	AFN
<b>3.3</b>	<b>Nostro accounts &amp; balances with domestic banks</b>		
	Nostro accounts balances	<b>3.3.1</b> 2,266,561,349	2,156,432,424
	Balances with domestic banks - Local currency	<b>3.3.2</b> 137,427	137,427
	Balances with domestic banks - Foreign currency	<b>3.3.3</b> 155,151,827	1,150,189
		<b>2,421,850,603</b>	<b>2,157,720,040</b>

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**BANK-E-MILLIE AFGHAN**
**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE MONTHS PERIOD ENDED ON 29 HOOT 1402 (19 MARCH 2024)**

		19 March 2024	21 December 2023
		29 Hoot 1402	30 Qaws 1402
		Un-Audited	Audited
		AFN	AFN
<b>3.3.1</b>	<b>Nostro accounts balances with banks</b>		
	Citi Bank New York	2,051,846,279	1,949,467,848
	Canara Bank	675,531	641,825
	Habib Bank - Pakistan	12,076,911	11,596,534
	Bank of Africa - Europe	201,962,628	194,726,217
		<u>2,266,561,349</u>	<u>2,156,432,424</u>
<b>3.3.2</b>	<b>Local currency</b>		
	Pashtany Bank	127,827	127,827
	Azizi Bank	9,600	9,600
		<u>137,427</u>	<u>137,427</u>
<b>3.3.3</b>	<b>Foreign Currency</b>		
	Pashtany Bank	277,223	266,988
	New Kabul Bank	276,712	263,589
	Azizi Bank	14,630	14,583
	Ghazanfar Bank	154,583,262	605,029
		<u>155,151,827</u>	<u>1,150,189</u>
<b>3.4</b>	This represents gold and silver coins located at bank's main vault, acquired in the early years after inception of BMA in Afghanistan. However, these gold coins were revalued on 14 December 2022, resulting in revaluation gain, the impact was accordingly taken in the financial statements, approved by the BoS of the bank.		
		19 March 2024	21 December 2023
		29 Hoot 1402	30 Qaws 1402
		Un-Audited	Audited
		AFN	AFN
<b>4</b>	<b>Short-term investments</b>		
	Placements in other banks	4.1	778,638,964
			<u>730,534,194</u>
			<u>778,638,964</u>
<b>4.1</b>	<b>Placements in other banks (Foreign Banks)</b>		
	Murabaha Deposit in RAK Bank - by IBW	137,397,530	130,541,976
	First Abu Dhabi Bank	4.1.1	774,210,480
			<u>698,741,456</u>
			<u>911,608,010</u>
	Accrued Interest		4,428,484
			<u>31,792,738</u>
			<u>916,036,494</u>
			<u>861,076,170</u>
	Less: Provision-Loss RAK bank placement	4.2	(137,397,530)
			<u>(130,541,976)</u>
			<u>778,638,964</u>
			<u>730,534,194</u>
<b>4.1.1</b>	This represent USD denominated fixed term placement with First Abu Dhabi Bank up to a maximum period of 365 days (2023: 184 days) and carry interest at rate of 5.20% (21 December 2023: 3.36%) per annum.		
		19 March 2024	21 December 2023
		29 Hoot 1402	30 Qaws 1402
		Un-Audited	Audited
		AFN	AFN
<b>4.2</b>	<b>Placements provisioning movement during the year on RAK Bank</b>		
	Balance at the beginning of the year	130,541,976	170,529,527
	Exchange rate differences	6,855,554	(39,987,551)
	Balance at the end of year	<u>137,397,530</u>	<u>130,541,976</u>

**BANK-E-MILLIE AFGHAN**
**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE MONTHS PERIOD ENDED ON 29 HOOT 1402 (19 MARCH 2024)**

		19 March 2024	21 December 2023
	Note	29 Hoot 1402 Un-Audited AFN	30 Qaws 1402 Audited AFN
<b>5</b>	<b>Loans and advances to customers - net</b>		
Conventional Loans		776,236,270	2,261,443,356
Islamic Loans		1,676,690,556	1,680,244,993
		2,452,926,826	3,941,688,349
<b>Impairment</b>			
Conventional		(538,975,257)	(2,036,020,690)
Islamic		(507,078,561)	(490,736,469)
General provision		(34,471,779)	(32,751,783)
	5.1	(1,080,525,598)	(2,559,508,943)
		1,372,401,228	1,382,179,406
<b>5.1</b>	<b>Provision / impairment - summary</b>		
Balance at the beginning of the year		2,526,757,164	613,817,119
Charge for the period		14,539,384	2,068,582,158
Reversals during the period		(24,063,312)	(75,611,245)
Net reversal / (charge) for the period		(9,523,927)	1,992,970,913
Charged off	5.1.1	1,517,458,833	-
Exchange rate differences		80,751,194	(80,030,869)
		1,080,525,598	2,526,757,164
<b>5.1.1</b>	In accordance with the regulatory guidelines established by Da Afghanistan Bank, it is mandatory to allocate a 100% provision for loans categorized as Loss. Furthermore, if a loan remains classified as Loss for a period of one year, it is to be charged off from the balance sheet, ensuring full compliance with the regulatory framework. Therefore, in line with these requirements, these loans have been charged off from the balance sheet.		
		19 March 2024	21 December 2023
	Note	29 Hoot 1402 Un-Audited AFN	30 Qaws 1402 Audited AFN
<b>6</b>	<b>Long term investments</b>		
Afghan American Trading Co. Inc. (100% owned Subsidiary)	6.1	158,290,000	150,392,000
Pashtany Bank (28.77 % - Associate)		635,551,284	635,551,284
Investment in equity instruments		192,234,883	192,234,883
		986,076,167	978,178,167
<b>6.1</b>	<b>Afghan American Trading Co. Inc. (100% owned Subsidiary)</b>		
Opening balance (Cost USD 2,200,000)	6.1.1	150,392,000	196,460,000
Share of Profit / (Loss)		-	-
Exchange rate differences		7,898,000	(46,068,000)
Closing balance		158,290,000	150,392,000
<b>6.1.1</b>	Afghan American Trading Co. Inc. is wholly owned subsidiary of the bank wherein investment cost is USD 2.2 million. Previously there was a dispute with the management of Afghan American Trading Co (AATC) and the bank launched an investigation into the affairs of the AATC by appointing its legal representative in US. The latest audited financial statements of AATC are not available and the bank cannot assess the recoverability of its investment in AATC.		

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**BANK-E-MILLIE AFGHAN**
**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE MONTHS PERIOD ENDED ON 29 HOOT 1402 (19 MARCH 2024)**

		19 March 2024	21 December 2023
	Note	29 Hoot 1402 Un-Audited AFN	30 Qaws 1402 Audited AFN
<b>7</b>	<b>Property and equipment</b>		
	<b>Cost</b>		
	Balance at beginning of the year	1,681,366,834	1,624,553,445
	Adjustment on transition to IFRS 16	-	15,987,508
	Additions during the period / year	1,906,520	41,014,706
	Write offs during the period / year	(167,121,188)	-
	Derecognition / Reclassification	-	(188,825)
	<b>Balance at end 31 Hoot 1402</b>	<b>1,516,152,166</b>	<b>1,681,366,834</b>
<b>7.1</b>	This balance represents the write-off of the fixed assets in accordance with the Stable Consultancy Services Co. fixed assets verification reports.		
	<b>Accumulated depreciation</b>		
	Balance at beginning of the year	417,536,878	376,774,926
	Depreciation on right of use assets period / year	3,484,804	-
	Charge for the period / year	7,552,059	41,431,613
	Derecognition / Reclassification	-	(669,661)
	Write offs during the period / year	(158,974,509)	-
	<b>Balance at end 31 Hoot 1402</b>	<b>269,599,232</b>	<b>417,536,878</b>
	<b>Carrying amount</b>	<b>1,246,552,935</b>	<b>1,263,829,956</b>
		<b>19 March 2024</b>	<b>21 December 2023</b>
		<b>29 Hoot 1402</b>	<b>30 Qaws 1402</b>
		<b>Un-Audited</b>	<b>Audited</b>
		<b>AFN</b>	<b>AFN</b>
<b>8</b>	<b>Intangibles Assets</b>		
	<b>Cost</b>		
	Balance at beginning of the year	81,739,578	80,135,496
	Additions	-	1,604,082
	Write offs during the period / year	(54,431,296)	-
	<b>Balance at end of the year</b>	<b>27,308,283</b>	<b>81,739,578</b>
	<b>Amortization</b>		
	Balance at beginning of the year	79,089,992	75,749,092
	Charge for the year	143,186	3,340,900
	Write offs during the period / year	(54,809,052)	-
	<b>Balance at end of the year</b>	<b>24,424,126</b>	<b>79,089,992</b>
	<b>Carrying amount</b>	<b>2,884,157</b>	<b>2,649,586</b>
<b>8.1</b>	This represents write-off of the intangible assets including cyberroom license , aniti-virus ,oracle support software certificate etc.		
<b>8.2</b>	Intangibles are amortized at the rates ranging from 20% to 33% per annum.		

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		19 March 2024	21 December 2023	
		29 Hoot 1402	30 Qaws 1402	
		Un-Audited	Audited	
		AFN	AFN	
9	Other assets	Note		
	Required reserve account with Da Afghanistan Bank	9.1	2,731,345,673	2,635,204,075
	Receivable from subsidiaries	9.2	23,539,090	22,364,589
	Advance salaries		1,235,509	9,702,953
	Prepaid expenses		15,221,148	9,155,769
	Advance tax to MoF	9.3	597,520,785	597,965,939
	Rent receivable against investment properties		25,151,653	25,010,722
	Accrued interest on loans and advances - Conventional		75,321,080	71,930,890
	Accrued profit on loans and advances - Islamic		210,299,528	213,533,898
	Security deposits with Pashtany Bank		40,000,000	40,000,000
	Security deposit with Western union		8,634,000	8,203,200
	Receivabe from Western union inbound / outbound		160,845,557	84,723,834
	Other receivables		48,073,202	39,666,785
			3,937,187,225	3,757,462,654
	Provision held against other assets	9.4	(143,543,271)	(141,076,371)
			3,793,643,954	3,616,386,283

**9.1 Required reserve account with Da Afghanistan Bank**

Local currency	<b>1,535,902,755</b>	1,513,619,399
Foreign currency	<b>1,195,442,918</b>	1,121,584,676
<b>9.1.1</b>	<b>2,731,345,673</b>	2,635,204,075

**9.1.1** This represents required reserve amount being maintained with DAB in order to meet minimum reserve requirement of Article 64 "Required Reserves Regulation" of the Da Afghanistan Bank Banking law with the percentage set as per Circular No.7530/8679 dated 3/6/1444 of DAB, Required reserves are not available for use in the Bank's day-to-day operations. It is calculated by applying 8% to deposits denominated in AFN and 10% to deposits denominated in foreign currency, credited by the by the DAB from the respective nostro current accounts of the bank with DAB.

**9.2** This represents advances against municipality charges given to Afghan American Trading Company (100% owned Subsidiary of the bank).

**9.3** This represents outstanding amount of advance income tax paid on 18 September 2019 to Ministry of Finance (MoF), based on approval of the BOS, which is adjustable against the future tax liabilities to MoF.

**9.4 Provision against other asset - Summary**

		19 March 2024	21 December 2023
		29 Hoot 1402	30 Qaws 1402
		Un-Audited	Audited
		AFN	AFN
	Balance at the beginning of the year	<b>141,076,371</b>	133,589,509
	Charge for the period	-	33,478,286
	Reversal during the period	<b>(6,353,152)</b>	(18,447,258)
	<b>Net charge for the period / year</b>	<b>(6,353,152)</b>	15,031,028
	Exchange rate difference	<b>8,820,052</b>	(7,544,166)
	Balance at the end of the period	<b>143,543,271</b>	141,076,371



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		19 March 2024 29 Hoot 1402 Un-Audited AFN	21 December 2023 30 Qaws 1402 Audited AFN	
		Note		
10	Deposits from bank and customers			
	Local currency			
	Conventional deposits	10.1	18,686,261,549	18,516,999,112
	Islamic deposits	10.2	613,641,412	603,344,466
	Margin against letter of guarantee	10.3	123,800,333	100,500,145
			19,423,703,294	19,220,843,723
	Foreign Currency			
	Conventional deposits	10.1	10,017,537,389	10,956,463,193
	Islamic deposits	10.2	448,415,724	409,773,347
	Margin against letter of guarantee	10.3	61,709,644	58,377,663
			10,527,662,757	11,424,614,203
			29,951,366,051	30,645,457,926
			19 March 2024 29 Hoot 1402 Un-Audited AFN	21 December 2023 30 Qaws 1402 Audited AFN
		Note		
10.1	Conventional deposits			
	Local currency			
	Current deposits		13,653,784,645	13,578,915,136
	Saving deposits		1,271,751,131	1,049,235,628
	Term deposits		3,760,725,773	3,888,848,348
	Total local currency		18,686,261,549	18,516,999,112
	Foreign currency			
	Current deposits		5,278,876,726	6,451,746,761
	Saving deposits	10.1.1	4,398,185,377	4,180,908,768
	Term deposits	10.1.2	340,475,286	323,807,664
	Total local currency		10,017,537,389	10,956,463,193
			28,703,798,938	29,473,462,305

**10.1.1** Saving deposits are interest free since 15 August 2021, (before 15 August 2021: Carrying interest ranging from 0.57% to 3.5%) per annum.

**10.1.2** Term Deposits are interest free since 15 August 2021, (before 15 August 2021: Carrying interest ranging from 0.57% to 4%) per annum.

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		19 March 2024 29 Hoot 1402 Un-Audited AFN	21 December 2023 30 Qaws 1402 Audited AFN
<b>10.2</b>	<b>Islamic deposits</b>		
	<b>Local currency</b>		
	Current deposits	20,775,631	15,051,541
	Saving deposits	10.2.1 16,992,843	17,910,310
	Term deposits	10.2.1 575,872,938	570,382,615
		613,641,412	603,344,466
	<b>Foreign currency</b>		
	Current deposits	42,423,121	40,547,725
	Saving deposits	10.2.1 51,886,206	37,856,743
	Term deposits	10.2.1 354,106,397	331,368,879
		448,415,724	409,773,347
		1,062,057,136	1,013,117,813

**10.2.1** Saving deposits and term deposits under Islamic banking are not based on fixed rates arrangements, it is dependent upon actual earned profit or sustained loss, if any.

		19 March 2024 29 Hoot 1402 Un-Audited AFN	21 December 2023 30 Qaws 1402 Audited AFN
<b>10.3</b>	<b>Margin against letter of guarantee</b>		
	Foreign currency -Not Expired	61,709,644	58,377,663
	Local Currency - Not Expired	123,800,333	100,500,145
		185,509,977	158,877,808
<b>11</b>	<b>Lease liabilities</b>		
	Opening balance	21,829,428	20,931,897
	Adjustment for Modification of lease liability	-	15,987,509
	Lease rentals paid	(3,484,804)	(16,553,959)
	Finance cost for the year	350,000	1,463,981
	Rental prepayments	(1,083,269)	-
		17,611,355	21,829,428

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		19 March 2024 29 Hoot 1402 Un-Audited AFN	21 December 2023 30 Qaws 1402 Audited AFN
	Note		
<b>12 Other liabilities</b>			
Accrued interest on deposits - conventional		494,854	470,177
Accrued profit on deposits - Islamic		9,301,838	6,216,265
Deferred income on Murabaha loans		169,062,395	173,501,186
Deferred income on donated assets		4,787,951	5,648,491
Security deposits on rented investment properties		18,799,104	17,734,265
Withholding tax payable	12.1	14,798,403	10,783,664
Dividend payable		20,716,068	20,716,068
Suspense balance Islamic	12.2	58,346,255	56,341,364
Guarantee on construction of investment property		58,558,801	58,558,801
Defined benefit plan (pension scheme)		131,776,510	137,371,886
Accrued expenses		11,040,217	17,259,943
Others		17,797,406	21,946,635
		<b>515,479,802</b>	<b>526,548,745</b>
<b>12.1</b>	This represents withholding taxes deducted from contractors and payroll, which will be offsetted with advance tax paid by the bank to MoF, subject to official initiation from MoF.		
<b>12.2</b>	This represents suspense account balance resulting from living Islamic accounting system module, bank is in the process of reconciliation.		
	Note	19 March 2024 29 Hoot 1402 Un-Audited AFN	21 December 2023 30 Qaws 1402 Audited AFN
<b>13 Share capital</b>			
<b>13.1 Authorised</b>			
100,000 ordinary shares of AFN 10,000 each		<b>1,000,000,000</b>	<b>1,000,000,000</b>
<b>13.2 Issued, Subscribed and Paid up Capital</b>			
100,000 ordinary shares of AFN 10,000 each		<b>1,000,000,000</b>	<b>1,000,000,000</b>
	Note	19 March 2024 29 Hoot 1402 Un-Audited AFN	21 December 2023 30 Qaws 1402 Audited AFN
<b>13.3</b>	The issued shares are subscribed by the following parties:		
Ministry of Finance		967,508,023	967,508,023
Afghan Red Crescent		20,731,432	20,731,432
Pashtany Bank		11,343,832	11,343,832
Afghan Air Force Commander		370,411	370,411
Kabul Municipality		46,301	46,301
		<b>1,000,000,000</b>	<b>1,000,000,000</b>
<b>14 Contingencies and Commitments</b>			
<b>Letter of Guarantees</b>			
Off Balance sheet assets - AFN		254,160,333	230,860,145
Off Balance sheet assets - USD		61,709,644	58,377,663
		<b>315,869,977</b>	<b>289,237,808</b>

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**BANK-E-MILLIE AFGHAN**
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			19 March 2024 29 Hoot 1402 Un-Audited AFN	20 March 2023 29 Hoot 1401 Un-Audited AFN
	Note			
<b>15 Interest income and expenses</b>				
<b>Interest income</b>				
Interest on short term investment			9,826,607	9,919,117
Interest on loans and advances - conventional			268,028	45,717,490
Profit on loans and advances - Islamic			24,777,656	8,910,837
			<u>34,872,291</u>	<u>64,547,444</u>
<b>Interest expense</b>				
Interest on deposits - conventional			-	7,254
Profit to Murabaha customers - Islamic			2,977,123	1,817,248
			<u>2,977,123</u>	<u>1,824,502</u>
Net interest income			<u>31,895,168</u>	<u>62,722,942</u>
<b>16 Commission income and expenses</b>				
<b>Fee and commission income</b>				
Commission income	16.1		11,870,396	29,109,674
Commission on western union inbound & outbound			9,590,380	9,796,437
Payroll processing fee			7,009,740	10,549,577
Customer account service charges			3,475,679	2,618,097
Commission on government revenue collection			10,737,986	-
Income on remittances inward & outward			3,525,780	-
			<u>46,209,962</u>	<u>52,073,785</u>
<b>Fee and commission expense</b>				
Fund transfer charges			410,514	255,211
Inter bank transaction fee			1,427	9,481
Others			12,000	9,295
			<u>423,941</u>	<u>273,987</u>
Net fee and commission income			<u>45,786,022</u>	<u>51,799,798</u>

**16.1** This includes commission income on bank guarantees, electricity utility bills collection, commission on ATM services and other miscellaneous commission of the bank.

			19 March 2024 29 Hoot 1402 Un-Audited AFN	20 March 2023 29 Hoot 1401 Un-Audited AFN
	Note			
<b>17 Other operating income</b>				
Rental income			14,609,489	15,329,174
Recoveries from loan and advances written off			154,026,480	2,176,654
Others			4,538,146	3,964,354
			<u>173,174,115</u>	<u>21,470,182</u>

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**BANK-E-MILLIE AFGHAN****NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS  
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	Note	19 March 2024 29 Hoot 1402 Un-Audited AFN	20 March 2023 29 Hoot 1401 Un-Audited AFN
<b>18 Personnel expenses</b>			
Salaries and benefits		55,117,283	57,263,734
Bonus		-	44,000
Scholarship and training expenses		-	42,850
		<b>55,117,283</b>	<b>57,350,584</b>
<b>19 Other expenses</b>			
Advertising and publicity		617,250	92,376
Repairs and maintenance	19.1	3,841,525	7,779,375
Postage and telegram		-	2,399
Deposits insurance expense		2,578,931	14,550,726
Utility charges		2,471,681	3,066,833
Operating lease		-	340,834
Fuel expenses		1,363,520	1,998,145
Printing and stationery		2,258,356	451,963
Travelling		617,275	616,787
Telephone and communication		4,004,065	4,301,366
Security charges		7,315,893	138,612
Statuary audit & compliance review fee		-	261,075
Legal and professional fees		-	500,000
Swift charges		8,200	-
Others		9,997,377	4,712,467
		<b>35,074,073</b>	<b>38,812,958</b>

**19.1** This represents repairs and maintenance software's, office equipment's, furniture, vehicles and other miscellaneous items of the bank.

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**BANK-E-MILLIE AFGHAN**
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**20 Related parties**

The Bank has a related party relationship with its shareholders, subsidiaries and associated companies, directors and key management personnel. Details is as follows:

		<b>19 March 2024 29 Hoot 1402 Un-Audited AFN</b>	<b>21 December 2023 30 Qaws 1402 Audited AFN</b>
<b>Shareholders (percentage)</b>	<b>Note</b>		
Ministry of Finance		<b>96.751%</b>	96.751%
Afghan Red Crescent		<b>2.073%</b>	2.073%
Pashtany Bank		<b>1.134%</b>	1.134%
Afghan Air Force		<b>0.037%</b>	0.037%
Kabul Municipality		<b>0.005%</b>	0.005%
		<b>100%</b>	100%
<b>Shareholders (Amount in AFN)</b>			
Ministry of Finance		<b>967,508,023</b>	967,508,023
Afghan Red Crescent		<b>20,731,432</b>	20,731,432
Pashtany Bank		<b>11,343,832</b>	11,343,832
Afghan Air Force Commander		<b>370,411</b>	370,411
Kabul Municipality		<b>46,301</b>	46,301
		<b>1,000,000,000</b>	1,000,000,000
<b>Subsidiaries and associated companies</b>		<b>Country of Incorporation</b>	<b>Ownership Percentage</b>
Afghan American Trading Co. Inc.		USA	100%
Pashtany Bank		Afghanistan	28.77%
Afghan National Insurance Company		Afghanistan	7.66%
Ariana Afghan Airlines Company		Afghanistan	6.25%
Edahdia Mazar Sharif		Afghanistan	41.63%
Sherkat Saderat Pakhta Herat		Afghanistan	8.00%
Sherkat pashmena Bafi Qandahar		Afghanistan	29.95%
Sherkat Yakhsazi Herat		Afghanistan	8.46%
Sherkat Teel Kashi Herat		Afghanistan	17.99%
Sherkat Nasaji Afghan		Afghanistan	54.25%
Sherkat Pashtoon Kandahar		Afghanistan	12.32%
Sherkat Atahadia Andkhoy Maimana		Afghanistan	38.21%

**20.1 Transactions with related parties**

The Bank had transactions with following related parties at mutually agreed terms during the year:

		<b>Three months ended on</b>	
		<b>19 March 2024 29 Hoot 1402 Un-Audited AFN</b>	<b>20 March 2023 29 Hoot 1401 Un-Audited AFN</b>
<b>Supervisors and key management personnel:</b>	<b>Note</b>		
Basic salary & Bonus	<b>20.1.1</b>	<b>5,350,227</b>	3,589,900
Board of Supervisor's meeting fee		<b>1,336,500</b>	932,800
		<b>6,686,727</b>	<b>4,522,700</b>

**20.1.1** During the year bonus has been not paid to the staff and key management personnel .

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**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS  
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**21 Capital management**

**Regulatory capital**

DAB sets and monitors capital requirements for the Bank. The Bank is required to maintain at all times the paid up capital plus reserves in excess of Afs 1,000 million and regulatory capital to be 12% of the risk weighted assets. The capital adequacy of the Bank is assessed in two tiers as per regulations of the DAB.

- Tier 1 or core capital, consisting of the highest quality capital elements that fully meet all the essential characteristics of capital; to be 6% of risk weighted assets.

- Tier 2 or supplementary capital, which includes other instruments which, to a varying degree, fall short of the quality of Tier 1 capital, but nonetheless contribute to the overall strength of a bank as a going concern.

		<b>19 March 2024 29 Hoot 1402 Un-Audited AFN</b>	<b>21 December 2023 30 Qaws 1402 Audited AFN</b>
<b>Tier 1 capital</b>	<b>Note</b>		
Total equity		<b>6,121,131,958</b>	5,948,432,900
Less: Current year profit		<b>(172,699,058)</b>	-
Less: Surplus on revaluation of property and equipment - net		<b>(792,247,503)</b>	(792,247,503)
Less: Intangible assets		<b>(2,884,157)</b>	(2,649,586)
Total Tier 1		<b>5,153,301,240</b>	5,153,535,811
<b>Tier 2 capital</b>			
Profit for the year		<b>172,699,058</b>	-
Surplus on revaluation of property and equipment - net		<b>792,247,503</b>	792,247,503
General loss reserves on credits Allowable Portion		<b>7,811,505</b>	7,963,056
<b>Total Tier 2</b>		<b>972,758,066</b>	800,210,559
Allowable deduction-equity investment		<b>986,076,167</b>	978,178,167
<b>Total regulatory capital ( Tier 1 + Tier 2)</b>		<b>5,139,983,139</b>	4,975,568,203
<b>Risk-weight categories</b>			
<b>0% risk weight:</b>			
Cash in Afghani and fully-convertible foreign currencies		<b>5,840,168,210</b>	6,046,915,401
Direct claims on DAB	<b>21.1</b>	<b>17,424,755,189</b>	15,460,721,614
Precious metals and precious stones		<b>65,762,452</b>	65,762,452
		<b>23,330,685,851</b>	24,208,603,542
0% risk-weight total (above total x 0%)		-	-
<b>20% risk weight:</b>			
Balances with other banks		<b>3,333,458,613</b>	2,987,003,472
20% risk-weight total (above total x 20%)		<b>666,691,723</b>	597,400,694
<b>50% risk weight:</b>			
Balances with other banks		-	-
50% risk-weight total (above total x 50%)		-	-
<b>100% risk weight:</b>			
All other assets		<b>12,021,733,917</b>	13,462,828,649
Less: intangible assets		<b>(2,884,157)</b>	(2,649,586)
Allowable deduction-equity investment		<b>(986,076,167)</b>	(978,178,167)
		<b>11,032,773,593</b>	12,482,000,896
100% risk-weight total (above total x 100%)		<b>11,032,773,593</b>	12,482,000,896

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	Note	19 March 2024 29 Hoot 1402 Un-Audited AFN	21 December 2023 30 Qaws 1402 Audited AFN
<b>21 Capital management (Contd...)</b>			
<b>0% risk weight:</b>			
Guarantees		315,869,977	289,237,808
		<u>315,869,977</u>	<u>289,237,808</u>
0% credit conversion factor total (risk-weighted total x 0%)		-	-
<b>Total risk-weighted assets</b>		<u>11,699,465,315</u>	<u>13,079,401,590</u>
<b>Tier 1 Capital Ratio</b> (Tier 1 capital as % of total risk-weighted assets)		44.05%	39.40%
<b>Regulatory Capital Ratio</b> (Regulatory capital as % of total risk-weighted assets)		43.93%	38.04%

**21.1** This amount includes required regulatory reserves of AFN 2,731,345,673 (2023: AFN 2,635,204,075) held with DAB.

**22 Reclassification**

The comparative figures have been rearranged/reclassified, wherever necessary, for the purpose of comparison and are not disclosed separately.

**23 General**

The amounts have been rounded off to nearest AFN.

**24 Date of authorisation for issue**

These unconsolidated condensed interim financial statements were authorised for issue by the Board of Supervisors of the Bank-e-Millie Afghan on 13 July 2024. UH4.

Chief Executive Officer

Chief Financial Officer

Chairman BOS