

BANK E MILLIE AFGHAN

**INDEPENDENTS AUDITOR'S REVIEW REPORT
ON CONDENSED INTERIM FINANCIAL INFORMATION 29 Hoot
1400 (20 March 2022)**

REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION TO THE SHAREHOLDERS OF BANK E MILLIE

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Bank-e-Millie Afghan** (the Bank) as at **29 Hoot 1400 (20 March 2022)**, and the related condensed interim statement of comprehensive income, changes in equity and cash flows for the three months then ended, and notes to the condensed interim financial information ('here-in-after referred to as the condensed interim financial information'). Management is responsible for the preparation and fair presentation of this condensed interim financial information in accordance with the requirement of the Law of Banking in Afghanistan and International Accounting Standards 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review

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

Basis for Qualified Conclusion

- a) The Bank has investment in a wholly owned subsidiary "Afghan American Trading Co. Inc." (AATC) which is carried at a cost of USD 2.2 million (AFN 192.445 million). The Bank has not prepared the consolidated financial information in respect of its above subsidiary as required under International Financial Reporting Standard (IFRS) – 10 'Consolidated Financial Statements' due to lack of availability of financial information relating to the subsidiary. Further, for the reasons disclosed in note 8.1.1 to the condensed interim financial information, we have not been able to obtain sufficient and appropriate evidence regarding the existence and recoverability of the above referred investment.
- b) Note 5.3.2 of the condensed interim financial information includes the balance of AFN 2,494,583,089 (USD 28,517,669), which we were unable to verify through confirmation or any other alternative audit procedures.



Qualified Conclusion

Based on our review, except for the possible effects of the matters described in under the "Basis for Qualified Conclusion" paragraph, based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared in all material respects, in accordance with the requirements of Law of Banking in Afghanistan and International Accounting Standards 34 "Interim Financial Reporting".



Mazars Afghanistan Limited
Chartered Accountants
Engagement Partner: Muhammad Saqlain Siddiqui
Date: 28 April 2022
Place: Kabul, Afghanistan

A circular blue stamp is overlaid on the signature. The stamp contains the text "MAZARS AFGHANISTAN" around the top edge and "KABUL" in the center. There are also two small stars on either side of the word "KABUL".

BANK-E-MILLIE AFGHAN
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 29 Hoot 1400 (20 March 2022)

Assets	Note	20 March 2022 29 Hoot 1400 Un-Audited AFN	21 December 2021 30 Qaws 1400 Audited AFN
Cash and cash equivalents	5	23,547,400,589	26,083,845,755
Short-term investments	6	4,208,001,117	5,527,175,268
Loans and advances to customers - net	7	4,398,398,437	4,856,602,651
Long term investments	8	1,320,117,710	1,357,033,710
Property and equipment	9	1,262,946,233	1,267,981,081
Intangibles Assets	10	16,659,719	7,769,196
Investment properties		5,724,405,630	5,724,405,630
Other assets	11	1,605,879,912	1,092,049,872
Total assets		<u>42,083,809,348</u>	<u>45,916,863,162</u>
Liabilities			
Deposits from bank and customers	12	32,164,374,214	35,675,951,680
Lease liabilities		43,307,664	46,507,069
Deferred tax liability - net		763,306,670	763,306,670
Other liabilities	13	523,162,539	507,989,340
Total liabilities		33,494,150,633	36,993,754,759
Equity			
Share capital	14	1,000,000,000	1,000,000,000
Retained earnings		6,706,461,886	7,039,911,573
Surplus on revaluations - net		792,247,503	792,247,503
Exchange translation reserves		82,105,824	82,105,824
General reserve		8,843,502	8,843,502
Total equity		8,589,658,715	8,923,108,402
Total liabilities and equity		<u>42,083,809,348</u>	<u>45,916,863,162</u>
Contingencies and Commitments	15		

The annexed notes from 1 to 24 form an integral parts of these condensed interim financial information.

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Chief Executive Officer

Chief Financial Officer

Chairman BOS

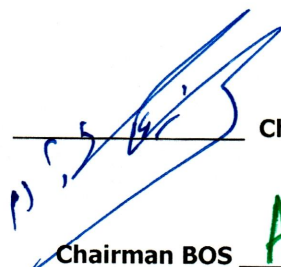
BANK-E-MILLIE AFGHAN
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Un-Audited)
FOR THE THREE MONTHS PERIOD ENDED ON 29 Hoot 1400 (20 March 2022)

	Note	Three months ended on	
		20 March 2022 29 Hoot 1400 Un-Audited AFN	20 March 2021 30 Hoot 1399 Un-Audited AFN
Interest income and expenses			
Interest income	16	96,471,590	158,664,059
Interest expense	16	-	(3,925,127)
Net interest income		96,471,590	154,738,932
Commission income and expenses			
Commission income	17	25,511,813	42,994,162
Commission expense	17	(460,775)	(693,605)
Net commission income		25,051,038	42,300,557
Other income			
Realized exchange gain		31,756,239	6,389,114
Unrealized exchange (loss) / gain		(394,728,902)	10,219,768
Other operating income	18	20,543,200	36,237,239
Total other income		(342,429,463)	52,846,121
Total operating income		(220,906,835)	249,885,610
Operating expenses			
(Reversal) / provision on loans and advances	7.3	(7,365,650)	37,080,471
Personnel expenses	19	56,144,550	84,345,112
Finance cost on lease liability		581,338	-
Depreciation	9	10,253,135	6,182,855
Amortization	10	3,618,832	942,859
Other expenses	20	49,310,646	66,980,334
Total operating expenses		112,542,851	195,531,631
Total operating profit		(333,449,686)	54,353,979
Impairment (loss) on investment		-	-
Share in profit of associate		-	-
(Loss) / Profit before taxation		(333,449,686)	54,353,979
Taxation		-	(9,926,103)
(Loss) / Profit for the period		(333,449,687)	44,427,876
Other comprehensive income			
<i>Items that may be classified to profit or loss subsequently</i>		-	-
Other comprehensive profit, net of tax		-	-
Total comprehensive (loss)/ income for the period		(333,449,687)	44,427,876

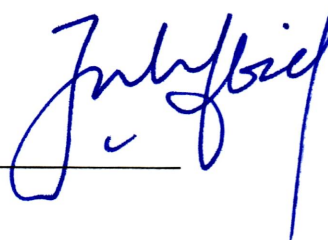
The annexed notes from 1 to 24 form an integral parts of these condensed interim financial information.

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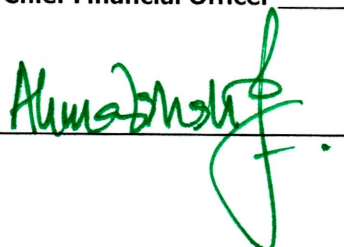
Chief Executive Officer



Chief Financial Officer



Chairman BOS



BANK-E-MILLIE AFGHAN
CONDENSED INTERIM STATEMENT OF CASHFLOWS (Un-Audited)
FOR THE THREE MONTHS PERIOD ENDED ON 29 Hoot 1400 (20 March 2022)

	Note	Three months ended on	
		20 March 2022 29 Hoot 1400 (Un-audited) AFN	20 March 2021 30 Hoot 1399 (Un-audited) AFN
Operating activities			
(Loss) / Profit for the period		(333,449,686)	54,353,979
Adjustments for:			
Depreciation	9	10,253,135	6,182,855
Amortization	10	3,618,832	942,858
(Reversal) / provision on loans and advances	7.3	(7,365,650)	37,080,471
Finance cost on lease liability		581,338	-
		7,087,655	44,206,184
Adjustments for changes in operating assets and liabilities:			
Loans and advances to customers		465,569,864	62,303,531
Other assets		(513,830,040)	(430,776,519)
Deposits from banks and customers		(3,511,577,466)	(2,159,785,701)
Other liabilities		15,173,199	96,904,250
		(3,544,664,443)	(2,431,354,439)
Tax Paid		-	(17,937,759)
Net cash flow used in operating activities		(3,871,026,475)	(2,350,732,036)
Investing activities			
Long term Investments	6	36,916,000	(198,000)
Placements with Banks		1,319,174,151	5,298,855,207
Purchase of intangible assets	10	(12,509,355)	-
Capital expenditure on investment properties		-	(3,187,500)
Purchase of property and equipment	9	(5,218,287)	(2,378,288)
Net cash flow from investing activities		1,338,362,508	5,293,091,418
Cash flows from financing activities			
Repayment of lease obligations		(3,781,200)	-
Dividend Paid		-	(500,000,000)
Net cash used in financing activities		(3,781,200)	(500,000,000)
Net (decrease) / increase in cash and cash equivalents		(2,536,445,166)	2,442,359,382
Cash and cash equivalents at beginning of year	5	26,083,845,755	14,628,752,629
Cash and cash equivalents at period end		23,547,400,588	17,071,112,011

The annexed notes from 1 to 24 form an integral parts of these condensed interim financial information.

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Chief Executive Officer

Chief Financial Officer

Chairman BOS

BANK-E-MILLIE AFGHAN
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Un-Audited)
FOR THE THREE MONTHS PERIOD ENDED ON 29 Hoot 1400 (20 March 2022)

	Share capital	Retained earnings	Revaluation surplus	Exchange translation reserve	General reserve	Total
Balance as at 30 Qaws 1399 (21 December 2020) - Audited	1,000,000,000	6,399,655,565	792,247,503	34,313,024	7,941,250	8,234,157,342
Profit for the period	-	44,427,876	-	-	-	44,427,876
Other comprehensive income	-	-	-	-	-	-
Dividend Paid to Shareholders	-	(500,000,000)	-	-	-	(500,000,000)
Balance as at 30 Hoot 1400 (21 March 2021) - Un-Audited	1,000,000,000	5,944,083,441	792,247,503	34,313,024	7,941,250	7,778,585,218
Balance as at 30 Qaws 1400 (21 December 2021) - Audited	1,000,000,000	7,039,911,573	792,247,503	82,105,824	8,843,502	8,923,108,402
Profit for the period	-	(333,449,687)	-	-	-	(333,449,687)
Other comprehensive income	-	-	-	-	-	-
Balance as at 29 Hoot 1400 (20 Mar 2022) - Un-Audited	1,000,000,000	6,706,461,886	792,247,503	82,105,824	8,843,502	8,589,658,715

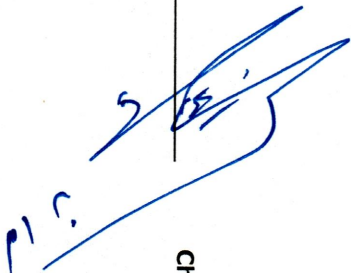
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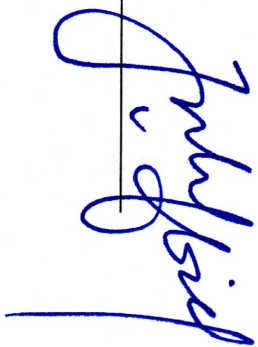
Chairman BOS



Chief Executive Officer



Chief Financial Officer



**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (Un-audited)
FOR THREE MONTHS PERIOD ENDED ON 29 HOOT 1400 (20 MARCH 2022)**

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 1935 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 36 branches (2020: 36 branches) in operation.

The registered office of the Bank is at Pashtanistan Square, Kabul, Afghanistan.

2 Basis of preparation

2.1 Statement of compliance

This condensed interim financial information has 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 condensed interim financial information has 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

This condensed interim financial information is presented in Afghani, which is the Bank's functional currency. The amounts in the condensed interim financial information has been rounded to the nearest Afghani.

3 Use of estimates and judgments

The estimates / judgments assumptions used in the preparation of this condensed interim financial information is consistent with those applied in the preparation of the annual financial statements of the Bank for the year ended 30 Qaws 1400 - (21 December 2021).

4 Significant accounting policies

The accounting policies adopted in preparation of this 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 Qaws 1399 (20 December 2020).

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BANK-E-MILLIE AFGHAN

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (Un-audited)
FOR THREE MONTHS PERIOD ENDED ON 29 HOOT 1400 (20 MARCH 2022)

	20 March 2022 29 Hoot 1400 Un-Audited AFN	21 December 2021 30 Qaws 1400 Audited AFN
5 Cash and cash equivalents		
Cash in hand	5.1 1,037,143,111	793,010,652
Balances with Da Afghanistan Bank	5.2 19,706,565,937	21,960,111,319
Nostro accounts balances with banks	5.3 2,770,982,377	3,298,014,620
Gold and Silver at bank vault	5.4 32,709,164	32,709,164
	23,547,400,589	26,083,845,755
5.1 Cash in hand		
Local currency	5.1.1 724,938,615	636,062,265
Foreign currency	5.1.2 302,047,275	143,276,355
Cash in ATMs	10,157,221	13,672,032
	1,037,143,111	793,010,652

5.1.1 This represents cash at vaults in the branches of the bank.

5.1.2 The foreign currencies includes USD, GBP, EURO and PKR.

5.2 Balances with Da Afghanistan Bank

Local currency

Current Account (interest free)
Overnight Account
Required Reserve Account

	4,983,646,024	3,676,157,967
	-	722,835,616
5.2.1	834,534,366	867,706,242
	5,818,180,390	5,266,699,825

Foreign Currency

Current Account
Required Reserve Account

5.2.2	12,460,894,156	14,934,804,923
5.2.1	1,427,491,391	1,758,606,570
	13,888,385,547	16,693,411,494
	19,706,565,937	21,960,111,319

5.2.1 This represents required reserve amount being maintained with DAB in order to meet minimum reserve requirement of Article 3 "Required Reserves Regulation" of the Banking Regulations of Afghanistan. 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.

The foreign currencies includes USD, GBP, EURO and PKR.

	20 March 2022 29 Hoot 1400 Un-Audited AFN	21 December 2021 30 Qaws 1400 Audited AFN
5.3 Nostro accounts balances with banks		
Local currency	5.3.1 745,034	740,793
Foreign currency	5.3.2 2,770,237,343	3,297,273,827
	2,770,982,377	3,298,014,620
Local currency		
5.3.1 Pashtany Bank	125,027	120,786
Azizi Bank	620,007	620,007
	745,034	740,793

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BANK-E-MILLIE AFGHAN

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (Un-audited)
FOR THREE MONTHS PERIOD ENDED ON 29 HOOT 1400 (20 MARCH 2022)

5.3.2 Foreign currency

Pashtany Bank	333,963	397,085
New Kabul Bank	430,455	514,070
Azizi Bank	1,554,984	1,853,271
Citi Bank New York	2,494,583,089	2,973,109,574
Canara Bank	821,294	978,840
Habib Bank - Pakistan	23,307,012	25,141,220
Bank of Africa - Europe	249,206,546	295,279,767
National Westminster Bank	263,387	298,771
Mitsuho Bank	46,596	55,535
BNP Paribas Bank	14,460	16,890
BCCI Bank	23,796,026	28,349,089
Gross Balances	2,794,357,812	3,325,994,112

Less: 100% on provision on the Nostro accounts balances with:

BCCI	(23,796,026)	(28,349,089)
Mitsuho Bank	(46,596)	(55,535)
National Westminster Bank	(263,387)	(298,771)
BNP Paribas Bank	(14,460)	(16,890)
Net Balances	2,770,237,343	3,297,273,827

- 5.4** 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 last revalued during the year 2019, as a result, the revaluation impact was recorded in the financial statements, approved by the Board of Supervisors of the bank and DAB.

	20 March 2022 29 Hoot 1400 Un-Audited AFN	21 December 2021 30 Qaws 1400 Audited AFN
6 Short-term investments		
Capital notes with DAB	6.1 3,340,889,019	4,494,383,277
Placements in other banks	6.2 867,112,098	1,032,791,991
	4,208,001,117	5,527,175,268
6.1 Capital Notes		
Capital notes with DAB	6.1.1 3,340,889,019	4,494,383,277
	3,340,889,019	4,494,383,277

- 6.1.1** This represents investment in Capital Notes with DAB having maturity of 364 days(2020: 07 days to 364 days) and are on interest free status since 15 August 2021 [2020: 0.34% to 4.98%].

6.2 Placements in other banks (Foreign Banks)

Murabaha Deposit in RAK Bank - by IBW	167,044,461	199,087,971
First Abu Dhabi Bank	875,194,721	1,042,813,534
	1,042,239,182	1,241,901,504
Accrued Interest	667,088	406,592
	1,042,906,270	1,242,308,097
Less: Provision-Loss RAK bank placement	(167,044,461)	(199,087,971)
General provision at (1%)	6.3 (8,749,711)	(10,428,135)
	867,112,098	1,032,791,991

- 6.3** This represents 1% of the general provisioning on outstanding amount of placements held with first Abu Dhabi Bank (21 December 2021: 1%)

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**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (Un-audited)
FOR THREE MONTHS PERIOD ENDED ON 29 HOOT 1400 (20 MARCH 2022)**

	Note	20 March 2022 29 Hoot 1400 Un-Audited AFN	21 December 2021 30 Qaws 1400 Audited AFN
7 Loans and advances to customers - net			
Conventional Loans		4,270,156,494	4,626,165,533
Islamic Loans		756,613,840	906,674,165
		5,026,770,333	5,532,839,698
Impairment			
Conventional		(470,990,988)	(487,702,041)
Islamic		(157,380,908)	(188,535,006)
	7.1	(628,371,896)	(676,237,047)
		4,398,398,437	4,856,602,652
7.1 Provision / impairment - summary			
Balance at the beginning of the year		676,237,047	525,027,940
Charge for the period		605,853	232,166,855
Reversals during the period		(7,971,503)	(134,721,755)
Net reversal / (charge) for the period		(7,365,650)	97,445,100
Exchange rate differences		(40,499,501)	53,764,007
		628,371,896	676,237,047
8 Long term investments			
Afghan American Trading Co. Inc. (100% owned Subsidiary)	8.1	192,445,000	229,361,000
Pashtany Bank (28.77 % - Associate)		965,408,626	965,408,626
Investment in equity instruments		162,264,084	162,264,084
		1,320,117,710	1,357,033,710
8.1 Afghan American Trading Co. Inc. (100% owned Subsidiary)			
Opening balance (Cost USD 2,200,000)	8.1.1	229,361,000	169,620,000
Share of Profit / (Loss)		-	-
Exchange Gains/Losses		(36,916,000)	59,741,000
Closing balance		192,445,000	229,361,000

8.1.1 Afghan American Trading Co. Inc. is wholly owned subsidiary of the bank wherein investment cost is USD 2.2 million. There is a dispute with the management of Afghan American Trading Co. Inc. (AATC) and the Bank plans to launch an investigation into the affairs of the AATC. The latest audited financial statements of AATC are not available and the Bank cannot assess the recoverability of its investment in AATC as well as the current account balance maintained with AATC. This matter has also been raised by the Bank at the National Security Council of the country and the management of AATC has been terminated.

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**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (Un-audited)
FOR THREE MONTHS PERIOD ENDED ON 29 HOOT 1400 (20 MARCH 2022)**

	20 March 2022 29 Hoot 1400 Un-Audited AFN	21 December 2021 30 Qaws 1400 Audited AFN
9 Property and equipment		
Cost		
Balance at beginning of the year	1,605,196,991	1,649,326,205
Recognition on transition to IFRS 16	-	50,433,737
Additions during the period / year	5,218,287	16,093,805
Balance at end 29 Hoot 1400	1,610,415,278	1,605,196,991
Accumulated depreciation		
Balance at beginning of the year	337,215,910	414,415,357
Depreciation on right of use assets period / year	4,202,811	8,937,924
Charge for the period / year	6,050,323	24,519,385
Balance at end 29 Hoot 1400	347,469,045	337,215,910
Carrying amount	1,262,946,233	1,267,981,081

10 Intangibles Assets		
Cost		
Balance at beginning of the year	80,135,496	79,641,006
Additions during the period / year	12,509,355	494,490
Balance at end 29 Hoot 1400	92,644,851	80,135,496
Amortization		
Balance at beginning of the year	72,366,300	68,665,469
Charge for the period / year	3,618,832	3,700,832
Balance at end 29 Hoot 1400	75,985,133	72,366,300
Carrying amount	16,659,719	7,769,196

10.1 Intangibles assets includes core banking software and licensing rights.

10.2 Intangibles are amortized at the rates ranging from 20% to 33% (2020: 20% to 33%) per annum.

	20 March 2022 29 Hoot 1400 Un-Audited AFN	21 December 2021 30 Qaws 1400 Audited AFN
11 Other assets		
Receivable from subsidiaries	28,618,234	34,107,962
Advance salaries	28,463,059	37,212,647
Prepaid expenses	8,045,677	11,441,747
Advance tax to MoF	666,951,730	672,656,749
Rent receivable against investment properties	33,838,559	46,044,544
Accrued interest on loans and advances - Conventional	193,180,998	182,420,411
Accrued profit on loans and advances - Islamic	13,698,308	14,433,823
Receivable against cash misappropriation	79,845,363	83,857,360
Security deposits with Pashtany Bank	40,000,000	40,000,000
Security deposit with Western union	10,497,000	12,510,600
Suspense advance	4,697,040	6,419,450
Receivable from sale of property	26,228,906	29,621,537
Other receivables	733,207,359	197,535,790
	1,867,272,232	1,368,262,620
Provision held against other assets	(261,392,320)	(276,212,748)
	1,605,879,912	1,092,049,872

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

11.2 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.

11.3 This includes interbanks accounts unreconciled by the amount of 568,025 thousands (30 Qaws 1400 : AFN 144,942 thousands) due to timing differences which were subsequently cleared.

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BANK-E-MILLIE AFGHAN

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (Un-audited)
FOR THREE MONTHS PERIOD ENDED ON 29 HOOT 1400 (20 MARCH 2022)

	Note	20 March 2022 29 Hoot 1400 Un-Audited AFN	21 December 2021 30 Qaws 1400 Audited AFN
12 Deposits from bank and customers			
Local currency			
Conventional deposits	12.1	14,379,534,122	13,670,944,161
Islamic deposits	12.2	44,727,341	53,080,603
Margin against letter of guarantee	12.3	20,335,448	367,511,244
		14,444,596,911	14,091,536,008
Foreign Currency			
Conventional deposits	12.1	17,389,676,114	21,163,949,503
Islamic deposits	12.2	301,105,764	385,762,702
Margin against letter of guarantee	12.3	28,995,426	34,703,466
		17,719,777,303	21,584,415,672
		32,164,374,214	35,675,951,680
12.1 Conventional deposits			
Local currency			
Current deposits		9,922,720,019	9,529,385,951
Saving deposits		1,107,228,977	1,181,907,095
Term deposits		3,349,585,125	2,959,651,114
		14,379,534,122	13,670,944,161
Foreign currency			
Current deposits		10,632,988,157	12,011,854,688
Saving deposits	12.1.1	6,003,310,554	7,482,963,143
Term deposits	12.1.2	753,377,403	1,669,131,672
		17,389,676,114	21,163,949,503
		31,769,210,236	34,834,893,664
12.1.1			
Term deposits are interest free since 15 August 2021, (before 15 August 2021: Carrying interest ranging from 0.57% to 3.5%, per annum).			
12.1.2			
Term Deposits are interest free since 15 August 2021, (before 15 August 2021: Carrying interest ranging from 0.57% to 4%, per annum).			
12.2 Islamic deposits			
Local currency			
Current deposits		5,091,324	5,463,332
Saving deposits	12.2.1	17,044,257	22,963,691
Term deposits		22,591,760	24,653,580
		44,727,341	53,080,603
Foreign currency			
Current deposits		31,408,224	40,814,758
Saving deposits	12.2.1	56,750,264	77,934,706
Term deposits		212,947,275	267,013,239
		301,105,764	385,762,702
		345,833,105	438,843,305
12.2.1			
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.			
12.3 Margin against letter of guarantee			
Foreign currency -Not Expired		28,995,426	34,703,466
Local Currency - Not Expired		20,335,448	367,511,244
		49,330,874	402,214,710

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**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (Un-audited)
FOR THREE MONTHS PERIOD ENDED ON 29 HOOT 1400 (20 MARCH 2022)**

	20 March 2022 29 Hoot 1400 Un-Audited AFN	21 December 2021 30 Qaws 1400 Audited AFN
13 Other liabilities		
Accrued interest on deposits - conventional	912,858	2,444,820
Accrued profit on deposits - Islamic	4,822,080	5,538,972
Deferred income	17,122,191	18,808,190
Retention deposits	1,525,326	1,460,381
Security deposits on rented investment properties	16,879,311	27,557,366
Withholding tax payable	7,416,869	8,553,701
Dividend payable	69,099,563	69,099,563
Bills payable	13,306,171	15,703,879
Defined benefit plan (pension scheme)	183,813,454	185,956,651
Accrued expenses	30,385,996	33,064,178
Others	177,878,720	139,801,639
	523,162,539	507,989,339
14 Share capital		
14.1 Authorised		
100,000 (2020: 100,000) ordinary shares of AFN 10,000 each	1,000,000,000	1,000,000,000
14.2 Issued, Subscribed and Paid up Capital		
100,000 (2020: 100,000) ordinary shares of AFN 10,000 each	1,000,000,000	1,000,000,000
14.3 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	370,412	370,412
Kabul Municipality	46,301	46,301
	1,000,000,000	1,000,000,000
15 Contingencies and Commitments		
Letter of Gurantees		
Off Balance sheet assets - AFN	20,335,448	367,511,244
Off Balance sheet assets - USD	28,995,426	34,703,466
	49,330,874	402,214,710
Undrawn Overdraft facilities		
Off Balance sheet assets - AFN	148,357,190	149,860,705.00
Off Balance sheet assets - USD	99,274,739	118,737,838.90
	247,631,929	268,598,543.90
	296,962,803	670,813,254

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**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (Un-audited)
FOR THREE MONTHS PERIOD ENDED ON 29 HOOT 1400 (20 MARCH 2022)**

	Note	20 March 2022 29 Hoot 1400 Un-Audited AFN	20 March 2021 30 Hoot 1399 Audited AFN
16 Interest income and expenses			
<i>Interest income</i>			
Interest on cash and cash equivalents	16.1	592,516	60,911,817
Interest on loans and advances - conventional		84,373,365	84,444,823
Profit on loans and advances - Islamic		11,505,708	13,307,419
		96,471,590	158,664,059
<i>Interest expense</i>			
Interest on deposits - conventional		-	3,925,127
		-	3,925,127
Net interest income		96,471,590	154,738,932
16.1	This represents accrued interest income on short term placements with held First Abu Dhabi Bank.		
17 Commission income and expenses			
<i>Fee and commission income</i>			
Commission income		24,874,435	39,995,233
Customer account service charges		637,378	745,111
Loan processing fee		-	2,253,817
		25,511,813	42,994,162
<i>Fee and commission expense</i>			
Funds transfers		48,830	289,641
Inter bank transaction fee		411,945	383,863
Others		-	20,100
		460,775	693,605
Net fee and commission income		25,051,038	42,300,557
18 Other operating income			
Rental income		13,561,118	20,579,770
Bad debts recovered		5,481,159	15,656,984
Others		1,500,923	485
		20,543,200	36,237,239
19 Personnel expenses			
Salaries and benefits		56,024,550	60,778,835
Bonus		-	21,194,117
Charge for the retirement benefits		-	1,528,586
Training expenses		120,000	843,574
		56,144,550	84,345,112
20 Other expenses			
Advertising and publicity	20.1	334,351	1,477,176
Repairs and maintenance		12,129,604	10,357,604
Postage and telegram		5,555	3,325
Deposits insurance expense		17,643,312	18,169,058
Utility charges		3,250,465	2,388,020
Rent		-	4,195,175
Fuel expenses		1,565,663	1,076,914
Printing and stationery		1,501,026	1,546,310
Travelling		904,076	1,094,158
Telephone and communication		4,625,019	4,507,590
Security charges		169,429	14,163,170
Audit fee		193,672	18,752
Penalties imposed by DAB		-	1,023,000
Legal and professional fees		2,067,583	-
Others		4,920,891	6,960,082
		49,310,646	66,980,334

20.1 This represents repairs and maintenance cost on investment properties, software's, office equipment's, furniture, vehicles and other miscellaneous items of the bank.

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**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (Un-audited)
FOR THREE MONTHS PERIOD ENDED ON 29 HOOT 1400 (20 MARCH 2022)**

21 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:

	Note	20 March 2022	21 December 2021
		29 Hoot 1400 Un-Audited AFN	30 Qaws 1400 Audited AFN
21.1 Shareholders (percentage)			
Ministry of Finance		96.75%	96.75%
Afghan Red Crescent		2.07%	2.07%
Pashtany Bank		1.13%	1.13%
Afghan Air Force		0.04%	0.04%
Kabul Municipality		0.005%	0.005%
		100%	100%
Shareholders (Amount in AFN)			
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
		1,000,000,000	1,000,000,000

21.2 Subsidiaries and associated companies

	Country of Incorporation	Ownership Percentage
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%

21.3 Transactions with related parties

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

		Three months ended on	
		20 March 2022 29 Hoot 1400 Un-Audited AFN	20 March 2021 30 Hoot 1399 Audited AFN
Board of Supervisors and key management personnel			
Basic salary & Bonus	21.3.1	4,068,150	7,843,113
Board of Supervisor's meeting fee		837,000	900,000
		4,905,150	8,743,113

21.3.1 During the period there were no bonus paid to the staff and key management personnel.

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**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (Un-audited)
FOR THREE MONTHS PERIOD ENDED ON 29 HOOT 1400 (20 MARCH 2022)**

22 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.

	20 March 2022 29 Hoot 1400 Un-Audited AFN	21 December 2021 30 Qaws 1400 Audited AFN
Tier 1 capital		
Total equity	8,589,658,715	8,923,108,402
Less: Current year profit	-	(1,140,256,008)
Less: Surplus on revaluation of property and equipment - net	(792,247,503)	(792,247,503)
Less: Exchange translation reserve	(82,105,824)	(82,105,824)
Less: Intangible assets	(16,659,719)	(7,769,196)
Total Tier 1	7,698,645,669	6,900,729,871
Tier 2 capital		
Profit for the year	-	1,140,256,008
Surplus on revaluation of property and equipment - net	792,247,503	792,247,503
Exchange translation reserve	82,105,824	82,105,824
General loss reserves on credits Allowable Portion	20,387,322	22,066,473
Allowable deduction-equity investment	(1,320,117,710)	(1,357,033,710)
Total Tier 2	(425,377,061)	679,642,098
Total regulatory capital (Tier 1 + Tier 2)	7,273,268,608	7,580,371,970
Risk-weight categories		
0% risk weight:		
Cash in Afghani and fully-convertible foreign currencies	1,037,143,111	793,010,652
DAB Capital notes	3,340,889,019	4,494,383,277
Direct claims on DAB	19,706,565,937	21,960,111,319
Precious metals and precious stones	32,709,164	32,709,164
	24,117,307,231	27,280,214,412
0% risk-weight total (above total x 0%)	-	-
20% risk weight:		
Balances with other banks	3,813,221,559	4,539,916,125
20% risk-weight total (above total x 20%)	762,644,312	907,983,225
50% risk weight:		
Balances with other banks	-	-
50% risk-weight total (above total x 50%)	-	-
100% risk weight:		
All other assets	15,218,838,945	15,258,698,527
Less: intangible assets	(16,659,719)	(7,769,196)
Allowable deduction-equity investment	(1,320,117,710)	(1,357,033,710)
	13,882,061,517	13,893,895,621
100% risk-weight total (above total x 100%)	13,882,061,517	13,893,895,621
0% risk weight:		
Guarantees	49,330,874	402,214,710
Undrawn overdraft facilities	247,631,929	268,598,544
	296,962,803	670,813,254
0% credit conversion factor total (risk-weighted total x 0%)	-	-
Total risk-weighted assets	14,644,705,829	14,801,878,846
Tier 1 Capital Ratio		
(Tier 1 capital as % of total risk-weighted assets)	53%	47%
Regulatory Capital Ratio		
(Regulatory capital as % of total risk-weighted assets)	50%	51%

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23 General

The amounts have been rounded off to nearest AFN.

24 Date of authorisation for issue

These condensed interim financial information were authorised for issue by the Board of Supervisors of the Bank-e-Mille

Chief Executive Officer _____ Chief Financial Officer _____

Chairman BOS _____

M.S.

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July 2022