

BANK-E-MILLIE AFGHAN (BMA)
Condensed Interim Financial Statements

For the period ended June 20, 2024

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 31 Jawza 1403 (June 20, 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 six 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 USD 2.2 million (AFN 155.76 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 2,019.05 million (USD 28.5 million) with Citibank New York, as at 31 Jawza 1403 (June 20, 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 14.83 million comprising of difference of AFN 198.49 million and AFN 213.32 million in assets and liabilities respectively for Murahaba loans. Further the system shows the

suspense accounts balance amounting to AFN 2.06 million. During our review, we could not verify the completeness of these balances due the limitations in the information management system.

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 31 Jawza 1403 (June 20, 2024), and of its financial performance and its cash flows for the six 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

The financial statements for the year ended 21 December 2023 has been audited by another auditor who has expressed qualified audit opinion dated on March 16, 2024 with respect to a,b and c matters mentioned above in basis for qualified opinion.

UHY Shafiq Umar Daraz & Co.
Chartered Accountants
Engagement Partner: Umar Daraz, FCA
Location: Kabul, Afghanistan
Date: July 31, 2024



BANK-E-MILLIE AFGHAN
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 31 JAWZA 1403 (20 JUNE 2024)

Assets	Note	20 June 2024 31 Jawza 1403 Un-Audited AFN	21 December 2023 30 Qaws 1402 Audited AFN
Cash and cash equivalents	3	20,375,716,507	23,731,119,507
Short-term investments	4	776,585,170	730,534,194
Loans and advances to customers - net	5	1,311,946,789	1,382,179,406
Long term investments	6	983,546,167	978,178,167
Property and equipment	7	1,244,803,539	1,263,829,956
Intangible assets	8	2,738,414	2,649,586
Investment properties		6,125,393,894	6,122,431,274
Other assets	9	3,913,608,148	3,616,386,283
Total assets		34,734,338,628	37,827,308,373
Liabilities			
Deposits from bank and customers	10	27,396,494,778	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		37,513,326	-
Other liabilities	12	468,513,116	526,548,745
Total liabilities		28,605,171,949	31,878,875,473
Equity			
Share capital	13	1,000,000,000	1,000,000,000
Retained earnings		4,308,675,536	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
Total equity		6,129,166,679	5,948,432,900
Total liabilities and equity		34,734,338,628	37,827,308,373

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 PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (Un-Audited)
FOR THE SIX MONTHS PERIOD ENDED ON 31 JAWZA 1403 (20 JUNE 2024)

	Note	Six months ended on		Three months ended on	
		20 June 2024 31 Jawza 1403 Un-Audited AFN	21 June 2023 31 Jawza 1402 Un-Audited AFN	20 June 2024 31 Jawza 1403 Un-Audited AFN	21 June 2023 31 Jawza 1402 Un-Audited AFN
Interest income and expenses					
Interest income	15	71,867,618	132,604,375	36,995,327	68,056,931
Interest expense	15	(4,652,241)	(5,538,501)	(1,675,118)	(3,713,999)
Net interest income		67,215,377	127,065,874	35,320,209	64,342,932
Commission income and expenses					
Commission income	16	84,829,304	119,931,161	38,619,342	67,857,376
Commission expense	16	(697,734)	(764,568)	(273,794)	(490,581)
Net commission income		84,131,570	119,166,593	38,345,548	67,366,795
Other income					
Realized exchange gain		17,849,343	23,375,547	13,943,105	20,983,639
Unrealized exchange gain/ (losses)		39,094,995	(40,835,947)	1,529,711	2,867,540
Other operating income	17	193,499,190	44,027,583	20,325,075	22,557,401
Total other income		250,443,528	26,567,183	35,797,891	46,408,580
Total operating income		401,790,475	272,799,650	109,463,648	178,118,307
Operating expenses					
Provision / Reversal on loans and advances	5.1	(22,405,600)	(7,131,551)	(12,881,673)	(4,786,452)
Provision / Reversal on other assets	9.4	(6,353,152)	(1,000)	-	-
Personnel expenses	18	114,323,819	121,104,550	59,206,536	63,753,966
Finance cost on lease liability	11	350,000	762,016	-	453,650
Depreciation		17,711,139	20,322,229	6,674,277	10,423,010
Amortization	8	288,928	1,669,189	145,743	531,136
Other expenses	19	79,628,216	88,812,300	44,554,143	49,999,343
Total operating expenses		183,543,351	225,537,733	97,699,026	120,374,653
Total operating profit / (loss)		218,247,124	47,261,917	11,764,623	57,743,653
Profit/ (Loss) before taxation		218,247,124	47,261,917	11,764,623	57,743,653
Taxation		(37,513,326)	(9,452,384)	(3,729,882)	(9,452,382)
Profit / (Loss) for the period		180,733,799	37,809,533	8,034,741	48,291,271
Other comprehensive income / (loss)					
<i>Items that may be classified to profit or loss subsequently</i>					
Exchange differences on transaltion of investment in Afghan American Trading Company - Subsidiary		-	-	-	-
Related deferred tax		-	-	-	-
Other comprehensive loss, net of tax		-	-	-	-
Total comprehensive income / (loss) for the period		180,733,799	37,809,533	8,034,741	48,291,271

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

Chief Executive Officer

Chief Financial Officer

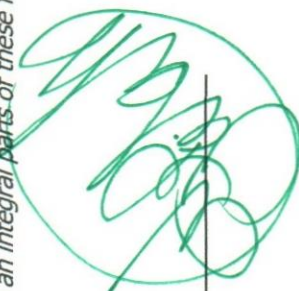
Chairman BOS

BANK-E-MILLIE AFGHAN
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Un-Audited)
FOR THE SIX MONTHS PERIOD ENDED ON 31 JAWZA 1403 (20 JUNE 2024)

	Share capital	Retained earnings	Revaluation surplus	Exchange translation reserve	General reserve	Total
Balance as at 30 Qaws 1401 (21 December 2022) - Audited	1,000,000,000	7,059,040,849	792,247,503	55,785,024	8,843,502	8,915,916,878
(Loss) / Profit for the period	-	37,809,533	-	-	-	37,809,533
Balance as at 31 Jawza 1402 (21 June 2023) - Un-audited	1,000,000,000	7,096,850,382	792,247,503	55,785,024	8,843,502	8,953,726,411
Balance as at 30 Qaws 1402 (21 December 2023) - Audited	1,000,000,000	4,127,941,757	792,247,503	18,930,624	9,313,016	5,948,432,900
Profit / (Loss) for the period		180,733,799				180,733,799
Balance as at 31 Jawza 1403 (20 June 2024) - Un-audited	1,000,000,000	4,308,675,556	792,247,503	18,930,624	9,313,016	6,129,166,699

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

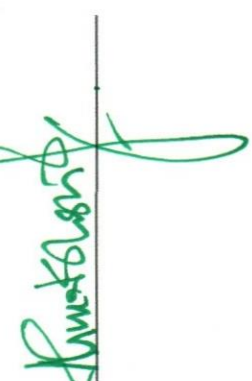
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Chief Executive Officer

Chief Financial Officer



Chairman BOS 

BANK-E-MILLIE AFGHAN
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (Un-Audited)
FOR THE SIX MONTHS PERIOD ENDED ON 31 JAWZA 1403 (20 JUNE 2024)

	Note	20 June 2024 31 Jawza 1403 (Un-audited) AFN	21 June 2023 31 Jawza 1402 (Un-audited) AFN
Operating activities			
Profit / (Loss) before taxation		218,247,124	47,261,916
Adjustments for:			
Depreciation		17,711,139	20,322,229
Amortization	8	288,928	1,669,187
Impairment loss on loans and advances	5.1	(22,405,600)	(7,131,551)
Finance cost on lease liability	11	350,000	762,016
		<u>(4,055,533)</u>	<u>15,621,881</u>
Adjustments for changes in operating assets and liabilities:			
Loans and advances to customers		92,638,218	184,579,082
Other assets		(298,133,132)	(4,441,365,496)
Deposits from banks and customers		(3,248,963,148)	(2,290,833,570)
Lease liabilities		4,218,073	7,593,432
Other liabilities		(58,035,629)	325,715,234
		<u>(3,508,275,618)</u>	<u>(6,214,311,319)</u>
Net cash flow used in operating activities		(3,294,084,026)	(6,151,427,522)
Investing activities			
Long term Investments		(5,368,000)	4,994,001
Placements with Banks		(46,050,976)	1,328,189
Purchase of intangible assets	8	-	(1,604,082)
Purchase of property and equipment	7	(6,415,194)	(3,230,200)
Net cash flow (used in) / from investing activities		(57,834,170)	1,487,908
Cash flows from financing activities			
Repayment of lease obligations		(3,484,804)	(8,394,076)
Net cash used in financing activities		(3,484,804)	(8,394,076)
Net decrease in cash and cash equivalents		(3,355,403,000)	(6,158,333,691)
Cash and cash equivalents at beginning of year		23,731,119,507	29,889,453,197
Cash and cash equivalents at end of year		20,375,716,507	23,731,119,507

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 SIX MONTHS PERIOD ENDED ON 31 JAWZA 1403 (21 JUNE 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.

2.6 Material Accounting Policies Informations

The material accounting policies (priorly: Significant accountintg 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 Qaws 1402 (21 December 2023).

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BANK-E-MILLIE AFGHAN
NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED ON 31 JAWZA 1403 (20 JUNE 2024)

		20 June 2024 31 Jawza 1403 Un-Audited AFN	21 December 2023 30 Qaws 1402 Audited AFN
3	Cash and cash equivalents		
	Cash in hand	6,332,393,769	6,046,915,401
	Balances with Da Afghanistan Bank	11,670,335,195	15,460,721,614
	Nostro accounts & balances with domestic banks	2,307,225,091	2,157,720,040
	Gold and silver at bank vault	65,762,452	65,762,452
		<u>20,375,716,507</u>	<u>23,731,119,507</u>
3.1	Cash in hand		
	Local currency	2,402,265,206	2,728,118,470
	Foreign currency	3,880,242,563	3,286,619,331
	Cash in ATMs	49,886,000	32,177,600
		<u>6,332,393,769</u>	<u>6,046,915,401</u>
3.1.1	This represents cash at vaults in the branches of the bank.		
		20 June 2024 31 Jawza 1403 Un-Audited AFN	21 December 2023 30 Qaws 1402 Audited AFN
3.2	Balances with Da Afghanistan Bank		
	Local currency	9,860,097,047	10,913,837,411
	Foreign Currency	1,810,238,148	4,546,884,203
		<u>11,670,335,195</u>	<u>15,460,721,614</u>
		20 June 2024 31 Jawza 1403 Un-Audited AFN	21 December 2023 30 Qaws 1402 Audited AFN
3.3	Nostro accounts & balances with domestic banks		
	Nostro accounts balances	2,230,507,153	2,156,432,424
	Balances with domestic banks - Local currency	137,427	137,427
	Balances with domestic banks - Foreign currency	76,580,511	1,150,189
		<u>2,307,225,091</u>	<u>2,157,720,040</u>

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BANK-E-MILLIE AFGHAN
**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED ON 31 JAWZA 1403 (20 JUNE 2024)**

		21 June 2024 31 Jawza 1403	21 December 2023 30 Qaws 1402
	Note	Un-Audited AFN	Audited AFN
3.3.1 Nostro accounts balances with banks			
Citi Bank New York		2,019,050,960	1,949,467,848
Canara Bank		664,734	641,825
Habib Bank - Pakistan		12,027,653	11,596,534
Bank of Africa - Europe		198,763,806	194,726,217
		<u>2,230,507,153</u>	<u>2,156,432,424</u>
3.3.2 Local currency			
Pashtany Bank		127,827	127,827
Azizi Bank		9,600	9,600
		<u>137,427</u>	<u>137,427</u>
3.3.3 Foreign Currency			
Pashtany Bank		272,829	266,988
New Kabul Bank		270,873	263,589
Azizi Bank		14,042	14,583
Ghazanfar Bank		76,022,767	605,029
		<u>76,580,511</u>	<u>1,150,189</u>

3.4 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 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.

		20 June 2024 31 Jawza 1403	21 December 2023 30 Qaws 1402
		Un-Audited AFN	Audited AFN
4 Short-term investments			
Placements in other banks	4.1	<u>776,585,170</u>	<u>730,534,194</u>
		<u>776,585,170</u>	<u>730,534,194</u>
4.1 Placements in other banks (Foreign Banks)			
Murabaha Deposit in RAK Bank - by IBW First Abu Dhabi Bank	4.1.1	135,201,461	130,541,976
		<u>761,836,025</u>	<u>698,741,456</u>
Accrued Interest		897,037,486	829,283,432
		<u>14,749,145</u>	<u>31,792,738</u>
Less: Provision-Loss RAK bank placement	4.2	911,786,631	861,076,170
		<u>(135,201,461)</u>	<u>(130,541,976)</u>
		<u>776,585,170</u>	<u>730,534,194</u>

4.1.1 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.

		21 June 2024 31 Jawza 1403	21 December 2023 30 Qaws 1402
		Un-Audited AFN	Audited AFN
4.2 Placements provisioning movement during the year on RAK Bank			
Balance at the beginning of the year		130,541,976	170,529,527
Exchange rate differences		4,659,485	(39,987,551)
Balance at the end of year		<u>135,201,461</u>	<u>130,541,976</u>

BANK-E-MILLIE AFGHAN
NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED ON 31 JAWZA 1403 (20 JUNE 2024)

	20 June 2024 31 Jawza 1403 Un-Audited AFN	21 December 2023 30 Qaws 1402 Audited AFN
7 Property and equipment		
Cost		
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	6,415,194	41,014,706
Write offs during the period / year	(167,660,529)	-
Derecognition / Reclassification	-	(188,825)
Balance at end 31 Hoot 1402	1,520,121,499	1,681,366,834
7.1 This balance represents the write-off of the fixed assets in accordance with the fixed assets verification reports.		
Accumulated depreciation		
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	14,226,336	41,431,613
Derecognition / Reclassification	-	(669,661)
Write offs during the period / year	(159,930,057)	-
Balance at end 31 Hoot 1402	275,317,960	417,536,878
Carrying amount	1,244,803,539	1,263,829,956
8 Intangibles Assets		
Cost		
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)	-
Balance at end of the year	27,308,283	81,739,578
Amortization		
Balance at beginning of the year	79,089,992	75,749,092
Charge for the year	288,928	3,340,900
Write offs during the period / year	(54,809,052)	-
Balance at end of the year	24,569,868	79,089,992
Carrying amount	2,738,414	2,649,586

8.1 This represents write-off of the intangible assets including cyberroom license, anti-virus, oracle support software certificate etc.

8.2 Intangibles are amortized at the rates ranging from 20% to 33% per annum.

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BANK-E-MILLIE AFGHAN
NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED ON 31 JAWZA 1403 (20 JUNE 2024)

		20 June 2024 31 Jawza 1403 Un-Audited AFN	21 December 2023 30 Qaws 1402 Audited AFN
9 Other assets			
Required reserve account with Da Afghanistan Bank	9.1	2,709,535,056	2,635,204,075
Receivable from subsidiaries	9.2	23,162,857	22,364,589
Advance salaries		699,539	9,702,953
Prepaid expenses		23,001,489	9,155,769
Advance tax to MoF	9.3	590,165,242	597,965,939
Rent receivable against investment properties		24,647,710	25,010,722
Accrued interest on loans and advances - Conventional		73,802,063	71,930,890
Accrued profit on loans and advances - Islamic		198,493,652	213,533,898
Security deposits with Pashtany Bank		40,000,000	40,000,000
Security deposit with Western union		8,496,000	8,203,200
Receivable from Western union inbound / outbound		317,345,058	84,723,834
Other receivables		47,012,521	39,666,785
		4,056,361,187	3,757,462,654
Provision held against other assets	9.4	(142,753,039)	(141,076,371)
		3,913,608,148	3,616,386,283

9.1 Required reserve account with Da Afghanistan Bank

Local currency		1,500,953,048	1,513,619,399
Foreign currency		1,208,582,008	1,121,584,676
	9.1.1	2,709,535,056	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 DAB Bank 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		20 June 2024 31 Jawza 1403 Un-Audited AFN	21 December 2023 30 Qaws 1402 Audited AFN
Balance at the beginning of the year		141,076,371	133,589,509
Charge for the period		-	33,478,286
Reversal during the period		(6,353,152)	(18,447,258)
Net charge for the period / year		(6,353,152)	15,031,028
Exchange rate difference		8,029,820	(7,544,166)
Balance at the end of the period		142,753,039	141,076,371

BANK-E-MILLIE AFGHAN

**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED ON 31 JAWZA 1403 (20 JUNE 2024)**

		20 June 2024	21 December 2023
		31 Jawza 1403 Un-Audited AFN	30 Qaws 1402 Audited AFN
10	Deposits from bank and customers		
	Local currency		
	Conventional deposits	15,506,956,547	18,516,999,112
	Islamic deposits	971,302,348	603,344,466
	Margin against letter of guarantee	159,553,681	100,500,145
		<u>16,637,812,576</u>	<u>19,220,843,723</u>
	Foreign Currency		
	Conventional deposits	10,162,384,017	10,956,463,193
	Islamic deposits	525,401,543	409,773,347
	Margin against letter of guarantee	70,896,642	58,377,663
		<u>10,758,682,202</u>	<u>11,424,614,203</u>
		<u>27,396,494,778</u>	<u>30,645,457,926</u>
		20 June 2024	21 December 2023
		31 Jawza 1403 Un-Audited AFN	30 Qaws 1402 Audited AFN
	10.1 Conventional deposits		
	Local currency		
	Current deposits	11,456,223,600	13,578,915,136
	Saving deposits	1,368,219,857	1,049,235,628
	Term deposits	2,682,513,090	3,888,848,348
	Total local currency	<u>15,506,956,547</u>	<u>18,516,999,112</u>
	Foreign currency		
	Current deposits	5,670,131,279	6,451,746,761
	Saving deposits	4,157,216,081	4,180,908,768
	Term deposits	335,036,657	323,807,664
	Total local currency	<u>10,162,384,017</u>	<u>10,956,463,193</u>
		<u>25,669,340,564</u>	<u>29,473,462,305</u>

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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BANK-E-MILLIE AFGHAN

**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED ON 31 JAWZA 1403 (20 JUNE 2024)**

		20 June 2024	21 December 2023
	Note	31 Jawza 1403 Un-Audited AFN	30 Qaws 1402 Audited AFN
10.2	Islamic deposits		
	Local currency		
	Current deposits	377,872,098	15,051,541
	Saving deposits	10.2.1 16,153,479	17,910,310
	Term deposits	10.2.1 577,276,771	570,382,615
		<u>971,302,348</u>	<u>603,344,466</u>
	Foreign currency		
	Current deposits	38,498,183	40,547,725
	Saving deposits	10.2.1 52,679,923	37,856,743
	Term deposits	10.2.1 434,223,437	331,368,879
		<u>525,401,543</u>	<u>409,773,347</u>
		<u>1,496,703,891</u>	<u>1,013,117,813</u>

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.

		20 June 2024	21 December 2023
	Note	31 Jawza 1403 Un-Audited AFN	30 Qaws 1402 Audited AFN
10.3	Margin against letter of guarantee		
	Foreign currency -Not Expired	70,896,642	58,377,663
	Local Currency - Not Expired	159,553,681	100,500,145
		<u>230,450,323</u>	<u>158,877,808</u>

11	Lease liabilities		
	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)	-
		<u>17,611,355</u>	<u>21,829,428</u>

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BANK-E-MILLIE AFGHAN
NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS
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		20 June 2024	21 December 2023
		31 Jawza 1403 Un-Audited AFN	30 Qaws 1402 Audited AFN
12	Other liabilities		
	Accrued interest on deposits - conventional	486,944	470,177
	Accrued profit on deposits - Islamic	10,911,701	6,216,265
	Deferred income on Murabaha loans	213,317,124	173,501,186
	Deferred income on donated assets	4,149,080	5,648,491
	Security deposits on rented investment properties	21,011,606	17,734,265
	Withholding tax payable	12,187,739	10,783,664
	Dividend payable	20,716,068	20,716,068
	Suspense balance Islamic	2,058,424	56,341,364
	Guarantee on construction of investment property	58,558,801	58,558,801
	Defined benefit plan (pension scheme)	127,643,129	137,371,886
	Accrued expenses	7,304,794	17,259,943
	Others	(9,832,295)	21,946,635
		<u>468,513,116</u>	<u>526,548,745</u>
12.1	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.		
12.2	This represents suspense account balance resulting from living Islamic accounting system module, bank is in the process of reconciliation.		
		20 June 2024	21 December 2023
		31 Jawza 1403 Un-Audited AFN	30 Qaws 1402 Audited AFN
13	Share capital		
13.1	Authorised		
	100,000 ordinary shares of AFN 10,000 each	<u>1,000,000,000</u>	<u>1,000,000,000</u>
13.2	Issued, Subscribed and Paid up Capital		
	100,000 ordinary shares of AFN 10,000 each	<u>1,000,000,000</u>	<u>1,000,000,000</u>
13.3	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	370,411	370,411
	Kabul Municipality	46,301	46,301
		<u>1,000,000,000</u>	<u>1,000,000,000</u>
14	Contingencies and Commitments		
	Letter of Guarantees		
	Off Balance sheet assets - AFN	289,913,681	230,860,145
	Off Balance sheet assets - USD	70,896,642	58,377,663
		<u>360,810,323</u>	<u>289,237,808</u>

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		20 June 2024 31 Jawza 1403 Un-Audited AFN	21 June 2023 31 Jawza 1402 Un-Audited AFN
15	Interest income and expenses		
	Interest income		
	Interest on short term investment	20,334,244	21,874,700
	Interest on loans and advances - conventional	488,382	80,367,735
	Profit on loans and advances - Islamic	51,044,992	30,361,940
		<u>71,867,618</u>	<u>132,604,375</u>
	Interest expense		
	Interest on deposits - conventional	-	7,254
	Profit to Murabaha customers - Islamic	4,652,241	5,531,247
		<u>4,652,241</u>	<u>5,538,501</u>
	Net interest income	<u>67,215,377</u>	<u>127,065,874</u>
16	Commission income and expenses		
	Fee and commission income		
	Commission income	24,070,515	52,131,002
	Commission on western union inbound & outbound	16,648,323	24,194,950
	Payroll processing fee	14,010,337	14,840,036
	Customer account service charges	6,689,866	28,765,173
	Commission on government revenue collection	17,692,269	-
	Income on remittances inward & outward	5,717,994	-
		<u>84,829,304</u>	<u>119,931,161</u>
	Fee and commission expense		
	Fund transfer charges	634,002	713,454
	Inter bank transaction fee	3,232	16,945
	Others	60,500	34,169
		<u>697,734</u>	<u>764,568</u>
	Net fee and commission income	<u>84,131,570</u>	<u>119,166,593</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.		
17	Other operating income		
	Rental income	27,876,101	26,760,979
	Recoveries from loan and advances written off	155,738,100	6,912,746
	Dividend income	1,693,613	3,010,057
	Others	8,191,376	7,343,801
		<u>193,499,190</u>	<u>44,027,583</u>

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BANK-E-MILLIE AFGHAN

**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED ON 31 JAWZA 1403 (20 JUNE 2024)**

		20 June 2024	21 June 2023
	Note	31 Jawza 1403 Un-Audited AFN	31 Jawza 1402 Un-Audited AFN
18 Personnel expenses			
Salaries and benefits		109,726,585	114,443,312
Bonus		4,597,233	6,618,388
Scholarship and training expenses		-	42,850
		114,323,819	121,104,550
19 Other expenses			
Advertising and publicity		3,267,911	1,919,304
Repairs and maintenance	19.1	16,356,149	17,635,534
Postage and telegram		-	7,702
Deposits insurance expense		5,251,902	28,488,776
Utility charges		5,797,310	6,116,691
Operating lease		4,412,038	883,595
Fuel expenses		2,199,838	3,335,332
Printing and stationery		6,106,554	2,326,633
Travelling		1,231,569	1,950,465
Telephone and communication		8,135,142	7,616,053
Security charges		15,099,973	4,598,173
Statuary audit & compliance review fee		60,943	4,817,075
Legal and professional fees		-	720,000
Penalties imposed by DAB		-	1,572,000
Swift charges		429,970	-
Others		11,278,917	6,824,967
		79,628,216	88,812,300

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
NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED ON 31 JAWZA 1403 (20 JUNE 2024)

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:

	20 June 2024	21 December 2023
	31 Jawza 1403	30 Qaws 1402
Note	Un-Audited	Audited
	AFN	AFN
Shareholders (percentage)		
Ministry of Finance	96.751%	96.751%
Afghan Red Crescent	2.073%	2.073%
Pashtany Bank	1.134%	1.134%
Afghan Air Force	0.037%	0.037%
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
Subsidiaries and associated companies		
	Country of	Ownership
	Incorporation	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%
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:

	Six months ended on	
	20 June 2024	21 June 2023
	31 Jawza 1403	31 Jawza 1402
Note	Un-Audited	Un-Audited
	AFN	AFN
Supervisors and key management personnel:		
Basic salary & Bonus	5,350,227	3,589,900
Board of Supervisor's meeting fee	1,336,500	932,800
	6,686,727	4,522,700

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

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BANK-E-MILLIE AFGHAN
**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED ON 31 JAWZA 1403 (20 JUNE 2024)**
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.

	20 June 2024 31 Jawza 1403 Un-Audited AFN	21 December 2023 30 Qaws 1402 Audited AFN
Tier 1 capital		
Total equity	6,129,166,679	5,948,432,900
Less: Current year profit	(180,733,799)	-
Less: Surplus on revaluation of property and equipment - net	(792,247,503)	(792,247,503)
Less: Intangible assets	(2,738,414)	(2,649,586)
Total Tier 1	5,153,446,963	5,153,535,811
Tier 2 capital		
Profit for the year	180,733,799	-
Surplus on revaluation of property and equipment - net	792,247,503	792,247,503
General loss reserves on credits Allowable Portion	7,420,201	7,963,056
Total Tier 2	980,401,503	800,210,559
Allowable deduction-equity investment	983,546,167	978,178,167
Total regulatory capital (Tier 1 + Tier 2)	5,150,302,299	4,975,568,203
Risk-weight categories		
0% risk weight:		
Cash in Afghani and fully-convertible foreign currencies	6,332,393,769	6,046,915,401
Direct claims on DAB	14,379,870,251	18,095,925,689
Precious metals and precious stones	65,762,452	65,762,452
	20,778,026,472	24,208,603,542
0% risk-weight total (above total x 0%)	-	-
20% risk weight:		
Balances with other banks	3,204,262,577	2,987,003,472
20% risk-weight total (above total x 20%)	640,852,515	597,400,694
50% risk weight:		
Balances with other banks	-	-
50% risk-weight total (above total x 50%)	-	-
100% risk weight:		
All other assets	12,088,666,563	13,462,828,649
Less: intangible assets	(2,738,414)	(2,649,586)
Allowable deduction-equity investment	(983,546,167)	(978,178,167)
	11,102,381,982	12,482,000,896
100% risk-weight total (above total x 100%)	11,102,381,982	12,482,000,896

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BANK-E-MILLIE AFGHAN
NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS
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Note	20 June 2024 31 Jawza 1403 Un-Audited AFN	21 December 2023 30 Qaws 1402 Audited AFN
21 Capital management (Contd...)		
0% risk weight:		
Guarantees	360,810,323	289,237,808
	<u>360,810,323</u>	<u>289,237,808</u>
0% credit conversion factor total (risk-weighted total x 0%)	-	-
	<u>-</u>	<u>-</u>
Total risk-weighted assets	<u>11,743,234,498</u>	<u>13,079,401,590</u>
Tier 1 Capital Ratio (Tier 1 capital as % of total risk-weighted assets)	43.88%	39.40%
Regulatory Capital Ratio (Regulatory capital as % of total risk-weighted assets)	43.86%	38.04%

22 Reclassifications

Corresponding figures have been re-arranged and re-classified where necessary for the purpose of better presentation.

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 July 31, 2024.

UHM

Chief Executive Officer

Chief Financial Officer

Chairman BOS