



Bank -e- Millie Afghan

Condensed Interim Financial Information

Period ended 31 Jawza 1401 (21 June 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 **31 Jawza 1401 (21 June 2022)**, and the related condensed interim statement of comprehensive income, changes in equity and cash flows for the six 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 198.275million). 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 2,570,154,912 (USD 28,517,669), which we were unable to verify through confirmation or any other alternative audit procedures.
- c) During the period, the building of Khairkhwa market was demolished, the investment property of the bank, having carrying value amount in AFN 55,417,151. However, the Bank has not incorporated any related adjustments in accompanying condensed interim financial information.



### **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:** 31 July 2022

**Place:** Kabul, Afghanistan



**BANK-E-MILLIE AFGHAN**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 JAWZA 1401 (21 JUNE 2022)**

	Note	21 June 2022 31 Jawza 1401 Un-Audited AFN	21 December 2021 30 Qaws 1400 Audited AFN
<b>Assets</b>			
Cash and cash equivalents	5	27,962,576,142	26,083,845,755
Short-term investments	6	1,363,712,561	5,527,175,268
Loans and advances to customers - net	7	4,224,570,227	4,856,602,651
Long term investments	8	1,325,947,710	1,357,033,710
Property and equipment	9	1,251,941,593	1,267,981,081
Intangibles Assets	10	12,716,551	7,769,196
Investment properties		5,724,405,630	5,724,405,630
Other assets	11	1,943,420,955	1,092,049,872
<b>Total assets</b>		<b>43,809,291,369</b>	<b>45,916,863,162</b>
<b>Liabilities</b>			
Deposits from bank and customers	12	33,757,241,644	35,675,951,680
Lease liabilities		31,891,227	46,507,069
Deferred tax liability - net		763,306,670	763,306,670
Other liabilities	13	577,172,712	507,989,340
<b>Total liabilities</b>		<b>35,129,612,253</b>	<b>36,993,754,759</b>
<b>Equity</b>			
Share capital	14	1,000,000,000	1,000,000,000
Retained earnings		6,796,482,287	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
<b>Total equity</b>		<b>8,679,679,116</b>	<b>8,923,108,402</b>
<b>Total liabilities and equity</b>		<b>43,809,291,369</b>	<b>45,916,863,162</b>
<b>Contingencies and Commitments</b>	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

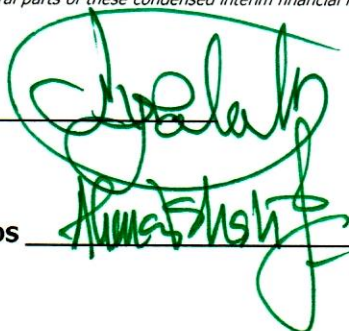
**BANK-E-MILLIE AFGHAN**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Un-Audited)**  
**FOR THE SIX MONTHS PERIOD ENDED ON 31 JAWZA 1401 (21 JUNE 2022)**

	Note	Six months ended on		Three months ended on	
		21 June 2022	21 June 2021	21 June 2022	21 June 2021
		31 Jawza 1401	31 Jawza 1400	31 Jawza 1401	31 Jawza 1400
		Un-Audited AFN	Un-Audited AFN	Un-Audited AFN	Un-Audited AFN
<b>Interest income and expenses</b>					
Interest income	16	162,501,198	340,418,322	66,029,608	181,754,263
Interest expense	16	-	(6,616,818)	-	(2,691,691)
Net interest income		162,501,198	333,801,504	66,029,608	179,062,572
<b>Commission income and expenses</b>					
Commission income	17	61,667,650	87,052,956	36,155,837	44,058,794
Commission expense	17	(9,465,739)	(1,339,683)	(9,004,964)	(646,078)
Net commission income		52,201,911	85,713,273	27,150,873	43,412,716
<b>Other income</b>					
Realized exchange gain		43,293,673	9,538,043	11,537,434	3,148,929
Unrealized exchange (loss) / gain		(322,657,809)	33,608,563	72,071,093	23,388,795
Gain on revaluation of investment properties		-	1,058,990,863	-	1,058,990,863
Other operating income	18	34,209,700	61,281,250	13,666,500	25,044,011
Total other income		(245,154,436)	1,163,418,720	97,275,027	1,413,152,498
Total operating income		(30,451,327)	1,582,933,497	190,455,508	1,635,627,786
<b>Operating expenses</b>					
(Reversal) / provision on loans and advances	7.1	(13,350,454)	78,234,944	(5,984,804)	41,154,473
Provision on short term investment		8,918	-	-	-
Reversal of provision on other assets	11.4	(8,202,366)	-	-	-
Provision on RAK bank placement		-	74,141,197	-	-
Personnel expenses	19	127,938,192	148,288,399	71,793,642	63,943,287
Finance cost on lease liability		1,938,422	-	1,357,083	-
Depreciation		19,353,424	12,370,440	9,100,290	6,187,585
Amortization	10	7,637,000	1,897,116	4,018,167	954,257
Other expenses	20	77,654,823	140,142,019	28,344,177	73,161,685
Total operating expenses		212,977,958	455,074,115	108,628,555	185,401,287
Total operating profit		(243,429,286)	1,127,859,382	81,826,952	1,450,226,499
Impairment (loss) on investment		-	-	-	-
Share in profit of associate		-	-	-	-
		-	-	-	-
<b>Profit before taxation</b>		(243,429,286)	1,127,859,382	81,826,952	1,450,226,499
Taxation		-	(232,164,844)	-	(222,238,741)
<b>Profit for the period</b>		(243,429,286)	895,694,539	81,826,952	1,227,987,758
<b>Other comprehensive income</b>					
Items that may be classified to profit or loss subsequently		-	-	-	-
		-	-	-	-
Other comprehensive profit, net of tax		-	-	-	-
<b>Total comprehensive income for the period</b>		(243,429,286)	895,694,539	81,826,952	1,227,987,758

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 SIX MONTHS PERIOD ENDED ON 31 JAWZA 1401 (21 JUNE 2022)**

	Note	Six months ended on	
		21 June 2022	21 June 2021
		31 Jawza 1401 (Un-audited) AFN	31 Jawza 1400 (Un-audited) AFN
<b>Operating activities</b>			
(Loss) / Profit before taxation		(243,429,286)	1,127,859,382
<b>Adjustments for:</b>			
Depreciation	9	19,353,424	12,370,440
Amortization	10	7,637,000	1,897,116
(Reversal) / provision on loans and advances	7.1	(13,341,536)	78,234,944
Gain on revaluation of investment properties		-	(1,058,990,864)
Finance cost on lease liability		1,938,422	-
		<b>15,587,309</b>	<b>(966,488,364)</b>
<b>Adjustments for changes in operating assets and liabilities:</b>			
Loans and advances to customers		645,382,878	122,130,724
Other assets		(851,371,083)	(407,835,173)
Deposits from banks and customers		(1,918,710,036)	491,908,780
Other liabilities		69,183,372	(36,411,109)
		<b>(2,055,514,869)</b>	<b>169,793,222</b>
Tax Paid		-	-
<b>Net cash flow used in operating activities</b>		<b>(2,283,356,846)</b>	<b>331,164,242</b>
<b>Investing activities</b>			
Long term Investments	6	31,086,000	(3,674,000)
Placements with Banks		4,163,462,707	4,143,043,618
Purchase of intangible assets	10	(12,584,355)	(36,064)
Capital expenditure on investment properties		-	(4,607,000)
Purchase of property and equipment	9	(10,784,816)	(8,022,427)
<b>Net cash flow from investing activities</b>		<b>4,171,179,535</b>	<b>4,126,704,127</b>
<b>Cash flows from financing activities</b>			
Repayment of lease obligations		(9,092,302)	-
Dividend Paid		-	(500,000,000)
<b>Net cash used in financing activities</b>		<b>(9,092,302)</b>	<b>(500,000,000)</b>
<b>Net increase in cash and cash equivalents</b>		<b>1,878,730,388</b>	<b>3,957,868,369</b>
Cash and cash equivalents at beginning of year	5	26,083,845,755	14,628,752,629
<b>Cash and cash equivalents at period end</b>		<b>27,962,576,142</b>	<b>18,586,620,998</b>

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

Chief Executive Officer

Chief Financial Officer

Chairman BOS

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**BANK-E-MILLIE AFGHAN**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Un-Audited)**  
**FOR THE SIX MONTHS PERIOD ENDED ON 31 Jawza 1401 (21 June 2022)**

	Share capital	Retained earnings	Revaluation surplus	Exchange translation reserve	General reserve	Total
<b>Balance as at 30 Qaws 1399 (21 December 2020) - Audited</b>	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	-	895,694,539	-	-	-	895,694,539
Other comprehensive income	-	-	-	-	-	-
Dividend Paid to Shareholders	-	(500,000,000)	-	-	-	(500,000,000)
<b>Balance as at 31 Jawza 1400 (21 June 2021) - Un-Audited</b>	<u>1,000,000,000</u>	<u>6,795,350,104</u>	<u>792,247,503</u>	<u>34,313,024</u>	<u>7,941,250</u>	<u>8,629,851,881</u>
<b>Balance as at 30 Qaws 1400 (21 December 2021) - Audited</b>	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	-	(243,429,286)	-	-	-	(243,429,286)
Other comprehensive income	-	-	-	-	-	-
<b>Balance as at 31 Jawza 1401 (21 June 2022) - Un-Audited</b>	<u>1,000,000,000</u>	<u>6,796,482,287</u>	<u>792,247,503</u>	<u>82,105,824</u>	<u>8,843,502</u>	<u>8,679,679,116</u>

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

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Chairman BOS 

Chief Executive Officer



Chief Financial Officer





**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (Un-audited)  
FOR SIX MONTHS PERIOD ENDED ON 31 JAWZA 1401 (21 JUNE 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 1400(21 December 2021).

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**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (Un-audited)  
FOR SIX MONTHS PERIOD ENDED ON 31 JAWZA 1401 (21 JUNE 2022)**

		21 June 2022 31 Jawza 1401 Un-Audited AFN	21 December 2021 30 Qaws 1400 Audited AFN
<b>5</b>	<b>Cash and cash equivalents</b>		
	Cash in hand	5.1 <b>1,988,291,231</b>	793,010,652
	Balances with Da Afghanistan Bank	5.2 <b>23,095,830,672</b>	21,960,111,319
	Nostro accounts balances with banks	5.3 <b>2,845,745,075</b>	3,298,014,620
	Gold and Silver at bank vault	5.4 <b>32,709,164</b>	32,709,164
		<b>27,962,576,142</b>	26,083,845,755
<b>5.1</b>	<b>Cash in hand</b>		
	Local currency	5.1.1 <b>846,679,704</b>	636,062,265
	Foreign currency	5.1.2 <b>1,132,377,052</b>	143,276,355
	Cash in ATMs	<b>9,234,475</b>	13,672,032
		<b>1,988,291,231</b>	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	5.2.1 <b>7,356,872,999</b>	3,676,157,967
Overnight Account	-	722,835,616
Required Reserve Account	<b>889,813,413</b>	867,706,242
	<b>8,246,686,412</b>	5,266,699,825

**Foreign Currency**

Current Account	5.2.2 <b>13,384,806,314</b>	14,934,804,923
Required Reserve Account	5.2.1 <b>1,464,337,946</b>	1,758,606,570
	<b>14,849,144,260</b>	16,693,411,494
	<b>23,095,830,672</b>	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 6% to deposits denominated in AFN and 8% to deposits denominated in foreign currency, credited by the by the DAB from the respective nostro current accounts of the bank with DAB.

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

		21 June 2022 31 Jawza 1401 Un-Audited AFN	21 December 2021 30 Qaws 1400 Audited AFN
<b>5.3</b>	<b>Nostro accounts balances with banks</b>		
	Local currency	5.3.1 <b>739,834</b>	740,793
	Foreign currency	5.3.2 <b>2,845,005,241</b>	3,297,273,827
		<b>2,845,745,075</b>	3,298,014,620
<b>5.3.1</b>	<b>Local currency</b>		
	Pashtany Bank	<b>124,827</b>	120,786
	Azizi Bank	<b>615,007</b>	620,007
		<b>739,834</b>	740,793

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (Un-audited)  
FOR SIX MONTHS PERIOD ENDED ON 31 JAWZA 1401 (21 JUNE 2022)**

**5.3.2 Foreign currency**

Pashtany Bank	<b>338,751</b>	397,085
New Kabul Bank	<b>443,495</b>	514,070
Azizi Bank	<b>1,594,251</b>	1,853,271
Ghazanfar Bank	<b>403</b>	
Citi Bank New York	<b>2,570,154,912</b>	2,973,109,574
Canara Bank	<b>846,175</b>	978,840
Habib Bank - Pakistan	<b>20,129,696</b>	25,141,220
Bank of Africa - Europe	<b>251,497,559</b>	295,279,767
National Westminster Bank	<b>258,382</b>	298,771
Mitsuho Bank	<b>48,008</b>	55,535
BNP Paribas Bank	<b>14,309</b>	16,890
BCCI Bank	<b>24,496,953</b>	28,349,089
<b>Gross Balances</b>	<b>2,869,822,892</b>	3,325,994,112
<b>Less: 100% on provision on the Nostro accounts balances with:</b>		
BCCI	<b>(24,496,953)</b>	(28,349,089)
Mitsuho Bank	<b>(48,008)</b>	(55,535)
National Westminster Bank	<b>(258,382)</b>	(298,771)
BNP Paribas Bank	<b>(14,309)</b>	(16,890)
<b>Net Balances</b>	<b>2,845,005,241</b>	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

	<b>21 June 2022 31 Jawza 1401 Un-Audited AFN</b>	<b>21 December 2021 30 Qaws 1400 Audited AFN</b>
<b>6 Short-term investments</b>		
Capital notes with DAB	6.1 <b>469,165,407</b>	4,494,383,277
Placements in other banks	6.2 <b>894,547,155</b>	1,032,791,991
	<b>1,363,712,561</b>	<b>5,527,175,268</b>
<b>6.1 Capital Notes</b>		
Capital notes with DAB	6.1.1 <b>469,165,407</b>	4,494,383,277
	<b>469,165,407</b>	<b>4,494,383,277</b>

**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	<b>172,104,968</b>	199,087,971
First Abu Dhabi Bank - FADB	<b>902,384,475</b>	1,042,813,534
	<b>1,074,489,443</b>	1,241,901,504
Accrued Interest with placements with FADB	<b>1,186,524</b>	406,592
	<b>1,075,675,967</b>	1,242,308,097
Less: Provision-Loss RAK bank placement	<b>(172,104,968)</b>	(199,087,971)
General provision at (1%)	6.3 <b>(9,023,845)</b>	(10,428,135)
	<b>894,547,155</b>	<b>1,032,791,991</b>

**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 SIX MONTHS PERIOD ENDED ON 31 JAWZA 1401 (21 JUNE 2022)**

	Note	21 June 2022 31 Jawza 1401 Un-Audited AFN	21 December 2021 30 Qaws 1400 Audited AFN
<b>7 Loans and advances to customers - net</b>			
Conventional Loans		4,116,006,593	4,626,165,533
Islamic Loans		736,381,350	906,674,165
		<b>4,852,387,943</b>	5,532,839,698
<b>Impairment</b>			
Conventional		(464,627,341)	(487,702,041)
Islamic		(163,190,375)	(188,535,006)
	7.1	<b>(627,817,716)</b>	(676,237,047)
		<b>4,224,570,227</b>	4,856,602,652
<b>7.1 Provision / impairment - summary</b>			
<b>Balance at the beginning of the year</b>		676,237,047	525,027,940
Charge for the period		6,811,337	232,166,855
Reversals during the period		(20,161,791)	(134,721,755)
<b>Net reversal / (charge) for the period</b>		<b>(13,350,454)</b>	97,445,100
<b>Exchange rate differences</b>		<b>(35,068,876)</b>	53,764,007
		<b>627,817,717</b>	676,237,047
<b>8 Long term investments</b>			
Afghan American Trading Co. Inc. (100% owned Subsidiary)	8.1	198,275,000	229,361,000
Pashtany Bank (28.77 % - Associate)		965,408,626	965,408,626
Investment in equity instruments		162,264,084	162,264,084
		<b>1,325,947,710</b>	1,357,033,710
<b>8.1 Afghan American Trading Co. Inc. (100% owned Subsidiary)</b>			
Opening balance ( <i>Cost USD 2,200,000</i> )	8.1.1	229,361,000	169,620,000
Share of Profit / (Loss)		-	-
Exchange rate differences		(31,086,000)	59,741,000
Closing balance		<b>198,275,000</b>	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.

*Meal*

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (Un-audited)  
FOR SIX MONTHS PERIOD ENDED ON 31 JAWZA 1401 (21 JUNE 2022)**

	21 June 2022 31 Jawza 1401 Un-Audited AFN	21 December 2021 30 Qaws 1400 Audited AFN
<b>9 Property and equipment</b>		
<b>Cost</b>		
Balance at beginning of the year	1,605,196,991	1,649,326,205
Recognition on transition to IFRS 16	-	50,433,737
Adjustment from Lease modification	(7,470,880)	
Additions during the period / year	10,784,816	16,093,805
<b>Balance at end 31 Jawza 1401</b>	<b>1,608,510,927</b>	1,605,196,991
<b>Accumulated depreciation</b>		
Balance at beginning of the year	337,215,910	414,415,357
Depreciation on right of use assets period / year	7,615,875	8,937,924
Charge for the period / year	11,737,549	24,519,385
<b>Balance at end 31 Jawza 1401</b>	<b>356,569,334</b>	337,215,910
<b>Carrying amount</b>	<b>1,251,941,593</b>	1,267,981,081

**10 Intangibles Assets**

**Cost**

Balance at beginning of the year  
Additions during the period / year  
**Balance at end 31 Jawza 1401**

10.1	80,135,496	79,641,006
	12,584,355	494,490
	92,719,851	80,135,496

**Amortization**

Balance at beginning of the year  
Charge for the period / year  
**Balance at end 31 Jawza 1401**

10.2	72,366,300	68,665,469
	7,637,000	3,700,832
	80,003,300	72,366,300

**Carrying amount**

	12,716,551	7,769,196
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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.

	21 June 2022 31 Jawza 1401 Un-Audited AFN	21 December 2021 30 Qaws 1400 Audited AFN
<b>11 Other assets</b>		
Receivable from subsidiaries	29,485,205	34,107,962
Advance salaries	22,584,462	37,212,647
Prepaid expenses	9,717,465	11,441,747
Advance tax to MoF	662,443,770	672,656,749
Rent receivable against investment properties	27,813,796	46,044,544
Accrued interest on loans and advances - Conventional	216,163,181	182,420,411
Accrued profit on loans and advances - Islamic	11,840,095	14,433,823
Receivable against cash misappropriation	80,434,024	83,857,360
Security deposits with Pashtany Bank	40,000,000	40,000,000
Security deposit with Western union	10,815,000	12,510,600
Suspense advance	5,908,366	6,419,450
Receivable from sale of property	26,981,840	29,621,537
Other receivables	1,054,719,300	197,535,790
	2,198,906,504	1,368,262,620
Provision held against other assets	(255,485,549)	(276,212,748)
	<b>1,943,420,955</b>	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 846,642 thousands (30 Qaws 1400 : AFN 144,942 thousands) due to timing differences which were subsequently reconciled.

**11.4 Provision against other asset - Summary**

Balance at the beginning of the period year  
Charge for the period  
Reversal during the period  
**Net charge for the year**

	276,212,748	36,645,604
	-	237,743,950
	(8,202,366)	-
	<b>(8,202,366)</b>	237,743,950

Exchange rate difference  
Balance at the end of the period

	(12,524,833)	1,823,194
	<b>255,485,549</b>	276,212,748

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**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (Un-audited)  
FOR SIX MONTHS PERIOD ENDED ON 31 JAWZA 1401 (21 JUNE 2022)**

		<b>21 June 2022 31 Jawza 1401 Un-Audited AFN</b>	<b>21 December 2021 30 Qaws 1400 Audited AFN</b>
<b>12</b>	<b>Deposits from bank and customers</b>		
	<b>Local currency</b>		
	Conventional deposits	12.1 <b>15,234,650,329</b>	13,670,944,161
	Islamic deposits	12.2 <b>42,426,553</b>	53,080,603
	Margin against letter of guarantee	12.3 <b>20,087,344</b>	367,511,244
		<b>15,297,164,225</b>	14,091,536,008
	<b>Foreign Currency</b>		
	Conventional deposits	12.1 <b>18,135,135,180</b>	21,163,949,503
	Islamic deposits	12.2 <b>295,068,416</b>	385,762,702
	Margin against letter of guarantee	12.3 <b>29,873,824</b>	34,703,466
		<b>18,460,077,419</b>	21,584,415,672
		<b>33,757,241,644</b>	<b>35,675,951,680</b>
<b>12.1</b>	<b>Conventional deposits</b>		
	<b>Local currency</b>		
	Current deposits	<b>10,369,056,508</b>	9,529,385,951
	Saving deposits	<b>1,052,230,151</b>	1,181,907,095
	Term deposits	<b>3,813,363,669</b>	2,959,651,114
		<b>15,234,650,329</b>	13,670,944,161
	<b>Foreign currency</b>		
	Current deposits	<b>11,630,053,184</b>	12,011,854,688
	Saving deposits	12.1.1 <b>6,021,879,953</b>	7,482,963,143
	Term deposits	12.1.2 <b>483,202,043</b>	1,669,131,672
		<b>18,135,135,180</b>	21,163,949,503
		<b>33,369,785,508</b>	<b>34,834,893,664</b>
<b>12.1.1</b>	Saving deposits are interest free since 15 August 2021, (before 15 August 2021: Carrying interest ranging from 0.57% to 3.5%) (2020: 0.57% to 3.5%) per annum.		
<b>12.1.2</b>	Term Deposits are interest free since 15 August 2021, (before 15 August 2021: Carrying interest ranging from 0.57% to 4%) (2020: 0.57% to 4%) per annum.		
<b>12.2</b>	<b>Islamic deposits</b>		
	<b>Local currency</b>		
	Current deposits	12.2.1 <b>4,657,747</b>	5,463,332
	Saving deposits	<b>15,649,272</b>	22,963,691
	Term deposits	<b>22,119,533</b>	24,653,580
		<b>42,426,553</b>	53,080,603
	<b>Foreign currency</b>		
	Current deposits	12.2.1 <b>29,948,502</b>	40,814,758
	Saving deposits	<b>51,649,449</b>	77,934,706
	Term deposits	<b>213,470,465</b>	267,013,239
		<b>295,068,416</b>	385,762,702
		<b>337,494,969</b>	438,843,305
<b>12.2.1</b>	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.		
<b>12.3</b>	<b>Margin against letter of guarantee</b>		
	Foreign currency -Not Expired	<b>29,873,824</b>	34,703,466
	Local Currency - Not Expired	<b>20,087,344</b>	367,511,244
		<b>49,961,168</b>	402,214,710
		<b>954,520,651</b>	763,306,670

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**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (Un-audited)  
FOR SIX MONTHS PERIOD ENDED ON 31 JAWZA 1401 (21 JUNE 2022)**

	21 June 2022 31 Jawza 1401 Un-Audited AFN	21 December 2021 30 Qaws 1400 Audited AFN
<b>13 Other liabilities</b>		
Accrued interest on deposits - conventional	726,302	2,444,820
Accrued profit on deposits - Islamic	4,831,793	5,538,972
Deferred income	15,398,304	18,808,190
Retention deposits	1,525,326	1,460,381
Security deposits on rented investment properties	14,763,045	27,557,366
Withholding tax payable	7,543,162	8,553,701
Dividend payable	69,099,563	69,099,563
Bills payable	13,607,151	15,703,879
Defined benefit plan (pension scheme)	181,619,519	185,956,651
Accrued expenses	20,804,147	33,064,178
Others	247,254,400	139,801,639
	<b>577,172,712</b>	<b>507,989,339</b>
<b>14 Share capital</b>		
<b>14.1 Authorised</b>		
100,000 (2019: 100,000) ordinary shares of AFN 10,000 each	<b>1,000,000,000</b>	1,000,000,000
<b>14.2 Issued, Subscribed and Paid up Capital</b>		
100,000 (2019: 100,000) ordinary shares of AFN 10,000 each	<b>1,000,000,000</b>	1,000,000,000
<b>14.3</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	370,412	370,412
Kabul Municipality	46,301	46,301
	<b>1,000,000,000</b>	1,000,000,000
<b>15 Contingencies and Commitments</b>		
<b>Letter of Gurantees</b>		
Off Balance sheet assets - AFN	20,087,344	367,511,244
Off Balance sheet assets - USD	29,873,824	34,703,466
	<b>49,961,168</b>	402,214,710
<b>Undrawn Overdraft facilities</b>		
Off Balance sheet assets - AFN	258,155,819	149,860,705.00
Off Balance sheet assets - USD	141,280,824	118,737,838.90
	<b>399,436,643</b>	268,598,543.90
	<b>449,397,811</b>	670,813,254

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	21 June 2022 31 Jawza 1401 Un-Audited AFN	21 June 2021 31 Jawza 1400 Un-Audited AFN
<b>16 Interest income and expenses</b>		
<i>Interest income</i>		
Interest on cash and cash equivalents	1,775,968	142,943,679
Interest on loans and advances - conventional	145,839,948	167,927,366
Profit on loans and advances - Islamic	14,885,282	29,547,278
	<b>162,501,198</b>	340,418,322
<i>Interest expense</i>		
Interest on deposits - conventional	-	6,616,818
	-	6,616,818
<b>Net interest income</b>	<b>162,501,198</b>	<b>333,801,504</b>
<b>16.1</b>	This represents accrued interest income on short term placements with held First Abu Dhabi Bank.	
<b>17 Commission income and expenses</b>		
<i>Fee and commission income</i>		
Commission income	60,096,110	80,075,042
Customer account service charges	1,352,911	1,545,281
Loan processing fee	218,629	5,427,286
	<b>61,667,650</b>	87,047,609
<i>Fee and commission expense</i>		
Funds transfers	8,653,341	541,412
Inter bank transaction fee	812,398	773,971
Others	-	24,300
	<b>9,465,739</b>	1,339,683
<b>Net fee and commission income</b>	<b>52,201,911</b>	<b>85,707,926</b>
<b>18 Other operating income</b>		
Rental income	23,382,944	40,944,837
Bad debts recovered	9,303,508	20,335,928
Others	1,523,248	485
	<b>34,209,700</b>	61,281,250
<b>19 Personnel expenses</b>		
Salaries and benefits	118,554,530	116,361,249
Bonus	9,069,261	30,166,764
Charge for the retirement benefits	-	-
Training expenses	314,401	1,760,386
	<b>127,938,192</b>	148,288,399
<b>20 Other expenses</b>		
Advertising and publicity	827,095	2,026,373
Repairs and maintenance	17,357,961	20,193,914
Postage and telegram	10,320	41,844
Deposits insurance expense	24,937,912	32,892,566
Utility charges	5,413,817	5,877,111
Rent	-	8,691,777
Fuel expenses	3,268,638	2,167,898
Printing and stationery	4,449,744	3,995,073
Travelling	1,405,489	2,931,751
Telephone and communication	9,241,365	9,974,389
Security charges	308,071	28,142,099
Audit fee	705,139	1,154,772
Penalties imposed by DAB	200,000	1,103,000
Legal and professional fees	2,067,583	-
Others	7,461,689	20,949,453
	<b>77,654,823</b>	140,142,019
<b>20.1</b>	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 SIX MONTHS PERIOD ENDED ON 31 JAWZA 1401 (21 JUNE 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	21 June 2022	21 December 2021
		31 Jawza 1401 Un-Audited AFN	30 Qaws 1400 Audited AFN
<b>21.1 Shareholders (percentage)</b>			
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%
		<b>100%</b>	<b>100%</b>
<b>Shareholders (Amount in AFN)</b>			
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>

## 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:

		Six months ended on	
		21 June 2022	21 June 2021
		31 Jawza 1401 Un-Audited AFN	31 Jawza 1400 Un-Audited AFN
<b>Supervisors and key management personnel</b>			
Basic salary & Bonus	21.3.1	4,333,878	7,843,113
Board of Supervisor's meeting fee		1,116,000	900,000
		<b>5,449,878</b>	<b>8,743,113</b>

21.3.1 During the period bonus has been paid to the staff and Key management personnel.

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**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (Un-audited)  
FOR SIX MONTHS PERIOD ENDED ON 31 JAWZA 1401 (21 JUNE 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.

	<b>21 June 2022 31 Jawza 1401 Un-Audited AFN</b>	<b>21 December 2021 30 Qaws 1400 Audited AFN</b>
<b>Tier 1 capital</b>		
Total equity	8,679,679,116	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	(12,716,551)	(7,769,196)
<b>Total Tier 1</b>	<b>7,792,609,238</b>	<b>6,900,729,871</b>
<b>Tier 2 capital</b>		
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	18,599,409	22,066,473
Allowable deduction-equity investment	(1,325,947,710)	(1,357,033,710)
<b>Total Tier 2</b>	<b>(432,994,974)</b>	<b>679,642,098</b>
<b>Total regulatory capital ( Tier 1 + Tier 2)</b>	<b>7,359,614,264</b>	<b>7,580,371,970</b>
<b>Risk-weight categories</b>		
<b>0% risk weight:</b>		
Cash in Afghani and fully-convertible foreign currencies	1,988,291,231	793,010,652
DAB Capital notes	469,165,407	4,494,383,277
Direct claims on DAB	23,095,830,672	21,960,111,319
Precious metals and precious stones	32,709,164	32,709,164
<b>0% risk-weight total (above total x 0%)</b>	<b>25,585,996,474</b>	<b>27,280,214,412</b>
<b>20% risk weight:</b>		
Balances with other banks	3,920,234,518	4,539,916,125
<b>20% risk-weight total (above total x 20%)</b>	<b>784,046,904</b>	<b>907,983,225</b>
	<b>2022</b>	<b>2021</b>
	<b>31 Jawza 1401</b>	<b>30 Qaws 1400</b>
<b>50% risk weight:</b>		
Balances with other banks	-	-
<b>50% risk-weight total (above total x 50%)</b>	<b>-</b>	<b>-</b>
<b>100% risk weight:</b>		
All other assets	15,367,492,456	15,258,698,527
Less: intangible assets	(12,716,551)	(7,769,196)
Allowable deduction-equity investment	(1,325,947,710)	(1,357,033,710)
<b>100% risk-weight total (above total x 100%)</b>	<b>14,028,828,195</b>	<b>13,893,895,621</b>
<b>0% risk weight:</b>		
Guarantees	49,961,168	402,214,710
Undrawn overdraft facilities	399,436,643	268,598,544
<b>0% credit conversion factor total (risk-weighted total x 0%)</b>	<b>449,397,811</b>	<b>670,813,254</b>
<b>Total risk-weighted assets</b>	<b>14,812,875,099</b>	<b>14,801,878,846</b>
<b>Tier 1 Capital Ratio</b> (Tier 1 capital as % of total risk-weighted assets)	<b>53%</b>	<b>47%</b>
<b>Regulatory Capital Ratio</b> (Regulatory capital as % of total risk-weighted assets)	<b>50%</b>	<b>51%</b>

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**23 General**

The amounts have been rounded off to nearest AFN.

**24 Date of authorisation for issue**

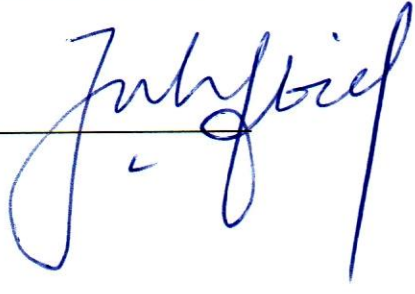
These condensed interim financial information were authorised for issue by the Board of Supervisors of the Bank-e-Mille

*Meel* 1 August 2022

Chief Executive Officer



Chief Financial Officer



Chairman BOS

