



INDEPENDENT AUDITOR'S REPORT ON  
AFGHANISTAN INTERNATIONAL BANK  
FINANCIAL STATEMENTS PERIOD ENDED  
30 SEPTEMBER 2023

**INDEPENDENT AUDITOR'S REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION TO THE SHAREHOLDERS OF AFGHANISTAN INTERNATIONAL BANK**

**Introduction**


We have reviewed the accompanying condensed interim statement of financial position of **Afghanistan International Bank** (the Bank) as at **30 September 2023**, and the related condensed interim statement of comprehensive income, changes in equity and cash flows for the nine 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.

**Conclusion**

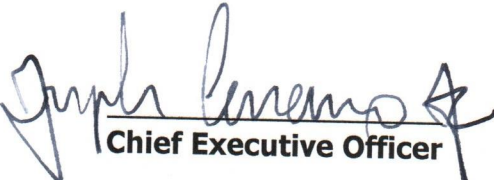
Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared in all material respects, in accordance with the requirements of Law of Banking in Afghanistan and International Accounting Standards 34 "Interim Financial Reporting".

  
**Chartered Accountants**  
**Engagement Partner:** Muhammad Saqlain Siddiqui  
**Date:** 07 November, 2023  
**Place:** Kabul, Afghanistan

**AFGHANISTAN INTERNATIONAL BANK**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)**  
**AS AT 30 September, 2023**

	Note	2023 ----- AFN in '000 -----	2022 -----
<b>ASSETS</b>			
Cash and balances with Da Afghanistan Bank	4	<b>31,334,997</b>	36,754,123
Balances with other banks	5	<b>2,136,618</b>	4,935,205
Placements - net	6	<b>10,983,914</b>	11,326,593
Investments - net	7	<b>4,395,025</b>	6,805,988
Loan and advances to customers - net	8	<b>439,304</b>	872,752
Operating fixed assets	9	<b>2,713,264</b>	2,880,139
Intangible assets		<b>369,942</b>	457,329
Deferred tax assets	10	-	13,802
Other assets	11	<b>1,278,485</b>	970,597
<b>Total assets</b>		<b><u>53,651,549</u></b>	<b><u>65,016,527</u></b>
<b>LIABILITIES</b>			
Customers' deposits	12	<b>49,127,154</b>	59,950,045
Deferred income		<b>7,235</b>	24,883
Lease liabilities	13	<b>192,156</b>	247,634
Deferred tax liabilities	10	<b>68,516</b>	-
Other liabilities	14	<b>398,994</b>	1,022,664
<b>Total liabilities</b>		<b>49,794,055</b>	61,245,226
<b>EQUITY</b>			
Share capital	15	<b>1,465,071</b>	1,465,071
Capital reserves	16	<b>369,069</b>	369,069
Retained earnings		<b>2,122,796</b>	2,051,465
Revaluation loss on debt instruments at FVOCI		<b>(99,443)</b>	(114,303)
<b>Total equity</b>		<b>3,857,494</b>	3,771,302
<b>Total liabilities and equity</b>		<b><u>53,651,549</u></b>	<b><u>65,016,527</u></b>
<b>Contingencies and commitments</b>	17		

*The annexed notes 1 to 26 form an integral part of these financial statements.*

  
**Chief Executive Officer**

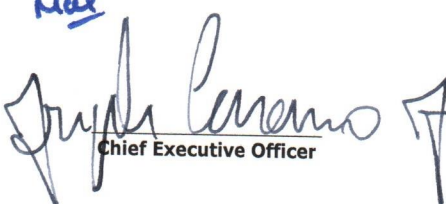
  
**Chief Financial Officer**



**AFGHANISTAN INTERNATIONAL BANK**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER, 2023**

	Note	Nine months ended		Three months ended on	
		30 September 2023 (Un-audited) ----- AFN in '000 -----	30 September 2022 (Un-audited) ----- AFN in '000 -----	30 September 2023 (Un-audited) ----- AFN in '000 -----	30 September 2022 (Un-audited) ----- AFN in '000 -----
Interest income (using the effective interest method)	18	534,208	320,019	186,308	101,665
Profit on Islamic deposits / Interest expense		(8,075)	(1,414)	(2,803)	(625)
Net interest income		526,133	318,605	183,505	101,040
Fee and commission income	19	1,962,546	2,474,462	663,081	892,270
Fee and commission expense		(12,941)	(9,268)	(4,928)	(6,959)
Net fee and commission income		1,949,605	2,465,195	658,153	885,311
Income from dealing in foreign currencies		182,032	153,294	22,563	26,475
		2,657,770	2,937,093	864,221	1,012,826
Other income		562	-	514	-
Loss on sale of securities		(131,832)	(206,669)	-	-
Credit losses reversal / (expense)	20	17,115	(219,677)	20,932	(10,636)
Finance cost on lease liability	13	(1,782)	(2,206)	(574)	(703)
General and administrative expenses	21	(1,571,315)	(1,408,638)	(534,106)	(550,779)
<b>Profit before taxation</b>		<b>970,519</b>	<b>1,099,903</b>	<b>350,988</b>	<b>450,708</b>
Taxation	22	(78,603)	(370,113)	(100,793)	(32,604)
<b>Profit for the period</b>		<b>891,916</b>	<b>729,789</b>	<b>250,195</b>	<b>418,103</b>
<b>Other comprehensive income</b>					
<i>Items that may be classified to profit or loss subsequently</i>					
Revaluation gain / (loss) on debt instruments at FVOCI		18,575	(200,286)	8,580	(41,719)
Related deferred tax		(3,715)	40,057	(1,716)	8,344
Other comprehensive income / (loss), net of tax		14,860	(160,229)	6,864	(33,375)
<b>Total comprehensive income for the period</b>		<b>906,776</b>	<b>569,560</b>	<b>257,059</b>	<b>384,728</b>
Earnings per share - Basic and diluted (AFN)		<b>29.73</b>	<b>24.33</b>	<b>8.34</b>	<b>13.94</b>

The annexed notes 1 to 26 form an integral part of these financial statements.

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**Chief Executive Officer**

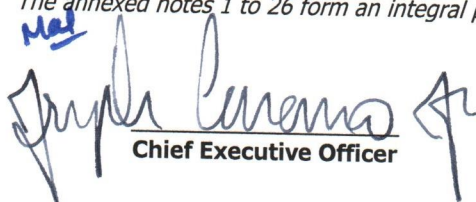
  
**Chief Financial Officer**

**AFGHANISTAN INTERNATIONAL BANK**  
**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER, 2023**

	30 September 2023 (Un-audited)	30 September 2022 (Un-audited)
	----- AFN in '000 -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before Income tax	970,519	1,099,902
Adjustments for:		
Depreciation	207,016	223,509
Amortization	114,980	70,920
Finance cost on lease liability	1,782	4,412
Adjustments for the movement in lease liability	-	(54,837)
Credit losses (reversal) / expense	(17,115)	219,677
Property and equipment written-off	-	3,942
	<b>1,277,181</b>	<b>1,567,527</b>
<i>Changes in operating assets and liabilities:</i>		
Required reserve maintained with DAB	1,382,414	493,913
Cash margin held with other banks	2,014	24,894
Loans and advances to customers - net	446,537	495,800
Other assets	(307,076)	777,125
Deferred income on commercial letter of credit and guarantees	(19,596)	20,325
Customers' deposits	(10,822,891)	(12,274,422)
Other liabilities	(623,670)	95,376
	<b>(8,665,087)</b>	<b>(8,799,462)</b>
Income tax paid	-	(2,106)
<b>Net cash flow used in operating activities</b>	<b>(8,665,087)</b>	<b>(8,801,569)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital work-in-progress	(2,559)	(64,346)
Acquisition of operating fixed assets	(43,501)	(19,342)
Acquisition of intangible assets	(27,593)	(28,934)
Placements (with maturity more than three months)	(710,741)	(8,225,204)
Investments	2,417,412	7,967,566
<b>Net cash flow from / (used in) investing activities</b>	<b>1,633,018</b>	<b>(370,260)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Lease liability repaid	(22,881)	(1,814)
Dividend paid	(820,584)	(270,000)
<b>Net cash used in financing activities</b>	<b>(843,465)</b>	<b>(271,814)</b>
<b>Net increase in cash and cash equivalents</b>	<b>(7,875,535)</b>	<b>(9,443,644)</b>
<b>Cash and cash equivalents at 1 January</b>	<b>44,490,201</b>	<b>46,827,238</b>
<b>Cash and cash equivalents at 30 September</b>	<b>36,614,666</b>	<b>37,383,595</b>

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The annexed notes 1 to 26 form an integral part of these financial statements.

  
**Chief Executive Officer**

  
**Chief Financial Officer**

**AFGHANISTAN INTERNATIONAL BANK**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER, 2023**

	Share capital	Revaluation loss on debt instruments at FVOCI	Capital reserves	Retained earnings	Total
	----- AFN '000' -----				
<b>Balance at 01 January 2022</b>	1,465,071	(26,871)	318,624	1,821,712	3,578,536
<b>Total comprehensive income</b>					
Profit for the period				729,789	729,789
Other comprehensive income, net of tax:					
Debt instruments at FVOCI					
Net change in fair value		(200,286)			(200,286)
Related tax		40,057			40,057
<b>Total comprehensive income</b>	-	(160,229)	-	729,789	569,560
Transferred to capital reserve			-	-	
<b>Transactions with owners of the bank</b>					
Dividend paid				(270,000)	(270,000)
<b>Balance at 30 September 2022</b>	1,465,071	(187,101)	318,624	2,281,501	3,878,096

	Share capital	Revaluation loss on debt instruments at FVOCI	Capital reserve	Retained earnings	Total
	----- AFN '000' -----				
<b>Balance at 01 January 2023</b>	1,465,071	(114,303)	369,069	2,051,465	3,771,302
<b>Total comprehensive income</b>					
Profit for the period				891,916	891,916
Other comprehensive income, net of tax:					
Fair value reserve (debt instruments at FVOCI)					-
Net change in fair value		18,575			18,575
Related tax		(3,715)			(3,715)
<b>Total comprehensive income</b>	-	14,860	-	891,916	906,776
Transferred to capital reserve			-	-	-
<b>Transactions with owners of the bank</b>					
Dividend paid			-	(820,584)	(820,584)
<b>Balance at 30 September 2023</b>	1,465,071	(99,443)	369,069	2,122,796	3,857,494

The annexed notes 1 to 26 form an integral part of these financial statements.

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**Chief Executive Officer**

  
**Chief Financial Officer**



**Afghanistan International Bank**  
**Notes to the condensed interim financial statements (Un-audited)**  
**For the nine months period ended 30 September, 2023**

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**1. Status and nature of business**

Afghanistan International Bank (the Bank) was registered with Afghan Investment Support Agency (AISA) on 27 December 2003 and received formal commercial banking license on 22 March 2004 from Da Afghanistan Bank (DAB), the central bank of Afghanistan, to operate nationwide. The Bank obtained Islamic banking license from DAB via letter no. 1863/1890 dated 21 July 2014.

The Bank initially was incorporated as a limited liability company and domiciled in Afghanistan, however, on the basis that the bank capital is divided into shares the status of the bank is changed from limited liability to Corporation under the Corporations and Limited Liability Companies Law, this status is effective from 04 May 2016. The principal business place of the Bank is at AIB Head Office, Airport Road, Kabul, Afghanistan.

The Bank has been operating as one of the leading commercial banking service providers in Afghanistan. The Bank has 15 branches and 1 cash outlet (2022: 15 branches and 1 cash outlets) in operation.

**2. Basis of preparation and measurement**

- 2.1 This condensed interim financial information of the Bank for the nine months period ended 30 September 2023 has been prepared in accordance with the requirements of the International Accounting Standard 34 - 'Interim Financial Reporting' and the Law of Banking in Afghanistan and other laws and regulations issued by Da Afghanistan Bank. Whenever the requirement of the Law of Banking in Afghanistan differs with the requirements of the IAS 34 the requirement of the Law of Banking in Afghanistan and other laws and regulations issued by Da Afghanistan Bank takes precedence.
- 2.2 The disclosures made in this condensed interim financial information have been limited based on the format prescribed by the International Accounting Standard (IAS) 34, 'Interim Financial Reporting' and do not include all the information required in the annual financial statements. Accordingly, this condensed interim financial information should be read in conjunction with the annual financial statements of the Bank for the year ended 31 December 2022.
- 2.3 Comparative statement of financial position is extracted from the annual financial statements as at 31 December 2022 whereas comparative statement of comprehensive income, statement of changes in equity and statement of cash flows have been taken from un audited condensed interim financial statements for the nine months period ended 30 September 2022.

**Standards, interpretations and amendments to published approved accounting standards that are effective in the current period**

There are certain new and amended standards and interpretations that are mandatory for the Bank's accounting periods beginning on or after 1 January 2020 but are considered not to be relevant or do not have any significant effect on the Bank's operations.

**3. Accounting Policies**

- 3.1 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 31 December 2022.
- 3.2 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 31 December 2022.
- 3.3 The financial risk management policies and procedures are the same as those disclosed in annual financial statements of the Bank for the year ended 31 December 2022.

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**Afghanistan International Bank**
**Notes to the condensed interim financial statements (Un-audited)**
**For the nine months period ended 30 September, 2023**

		<b>30 September 2023 (Un-audited)</b>	<b>31 December 2022 (Audited)</b>
		----- AFN in '000 -----	
<b>4 Cash and balances with Da Afghanistan Bank</b>	<b>Note</b>		
Cash in hand	4.1	<b>25,059,086</b>	29,495,667
Cash at Automated Teller Machines (ATMs)		<b>58,784</b>	46,392
		<b>25,117,870</b>	29,542,059
Balances with Da Afghanistan Bank:			
Local currency:			
- Required reserve accounts	4.2	<b>593,326</b>	648,980
- Current accounts		<b>622,661</b>	245,438
		<b>1,215,987</b>	894,418
Foreign currency:			
- Required reserve accounts	4.2	<b>4,144,437</b>	5,471,197
- Current accounts		<b>856,703</b>	846,449
		<b>5,001,140</b>	6,317,646
		<b>31,334,997</b>	36,754,123

**4.1** Cash in hand includes local currency amount of AFN 7,479,184 thousands and foreign currency amount of AFN 17,579,902 thousands (31 December 2022: local currency amount of AFN 6,708,443 thousands and foreign currency amount of AFN 22,619,447 thousands).

**4.2** Required reserves are maintained with DAB, denominated in respective currencies, to meet minimum reserve requirement in accordance with Article 3 "Required Reserves Regulation" of the Banking Regulations issued by DAB. These balances are interest free.

		<b>30 September 2023 (Un-audited)</b>	<b>31 December 2022 (Audited)</b>
		----- AFN in '000 -----	
<b>5 Balances with other banks</b>	<b>Note</b>		
Crown Agents Bank		<b>730,539</b>	2,930,375
With other banks	5.1	<b>1,406,079</b>	2,004,830
		<b>2,136,618</b>	4,935,205

**5.1** These represent non-interest bearing balances available on demand basis.

		<b>30 September 2023 (Un-audited)</b>	<b>31 December 2022 (Audited)</b>
		----- AFN in '000 -----	
<b>6 Placements - net</b>	<b>Note</b>		
Placements with banks	6.1	<b>10,999,314</b>	11,344,435
Impairment allowances for losses		<b>(15,400)</b>	(17,842)
		<b>10,983,914</b>	11,326,593

**6.1** These represent USD denominated fixed term placements with financial institutions outside Afghanistan up to a maximum period of one year (2022: one year) and carry interest at rates ranging from 2.50% to 5.05% (31 December 2022: 2.50% to 4.70%) per annum.



## Afghanistan International Bank

## Notes to the condensed interim financial statements (Un-audited)

For the nine months period ended 30 September, 2023

		30 September 2023 (Un-audited)	31 December 2022 (Audited)
	Note	----- AFN in '000 -----	
<b>7 Investments - net</b>			
<b>Debt instruments at fair value through OCI:</b>			
- Investment bonds	7.1	1,407,646	2,107,340
<b>Debt instruments at amortised cost:</b>			
- Investment bonds	7.2	2,993,941	4,711,659
		4,401,587	6,818,999
Allowance for ECL / impairment losses		(6,562)	(13,011)
		4,395,025	6,805,988

**7.1** These represent investments in sovereign bonds having maturity ranging from January 2024 to October 2029 (31 December 2022: April 2023 to October 2029) and carrying interest rates ranging from 1.63% to 6% (31 December 2022: 1.65% to 6.00%) per annum. These investments are managed by Credit Suisse and Emirates NBD on behalf of the Bank.

**7.2** These represent investments in sovereign bonds carrying interest rates ranging from 1.00% to 4.75% (31 December 2022: 1.00% to 4.88%) per annum. These investments have maturity ranging from April 2025 to October 2030 (31 December 2022: January 2023 to October 2030). These investments are managed by Emirates NBD on behalf of the Bank.

		30 September 2023 (Un-audited)	31 December 2022 (Audited)
	Note	----- AFN in '000 -----	
<b>8 Loan and advances to customers - net</b>			
Overdrafts		742,325	972,027
Term loans		36,395	266,887
Consumer loans		11,003	17,653
	8.1	789,723	1,256,567
General provision	8.2	(287,560)	(333,148)
Allowance for ECL / impairment losses		(62,859)	(50,667)
		439,304	872,752

**Particulars of loans and advances - (gross)**

Short term (for up to one year)	782,177	1,243,336
Non-current (for over one year)	7,546	13,231
	789,723	1,256,567

**8.1** The loans and advances in FCY amounts to AFN 403,154 thousand & LCY AFN 386,569 thousand (2022: FYC: AFN 595,360 thousand & LCY: AFN 661,206)

**8.2** This represent additional general provision maintained by the bank which is duly approved by DAB.

## Afghanistan International Bank

## Notes to the condensed interim financial statements (Un-audited)

For the nine months period ended 30 September, 2023

		30 September 2023 (Un-audited) ----- AFN in '000 -----	31 December 2022 (Audited) -----
<b>9 Operating fixed assets</b>	<b>Note</b>		
Property and equipment	9.1	<b>2,709,420</b>	2,872,935
Capital work-in-progress	9.2	<b>3,844</b>	7,204
		<b><u>2,713,264</u></b>	<b><u>2,880,139</u></b>
<b>9.1 Operating fixed assets - movement</b>			
<i>Opening balance</i>			
Cost		<b>3,688,276</b>	4,317,599
Accumulated depreciation		<b>(815,341)</b>	(1,093,679)
Net book value		<b><u>2,872,935</u></b>	<u>3,223,920</u>
<i>Movement in cost:</i>			
Transfers from capital work-in-progress		<b>5,919</b>	5,628
Additions		<b>37,582</b>	18,241
Adjustments/ write-off		-	(653,192)
		<b><u>43,501</u></b>	<u>(629,323)</u>
<i>Movement in depreciation:</i>			
Depreciation charge		<b>207,016</b>	281,337
Adjustments/ write-off		-	(559,675)
		<b><u>207,016</u></b>	<u>(278,338)</u>
<i>Closing balance</i>			
<b>Cost</b>		<b>3,731,777</b>	3,688,276
<b>Accumulated depreciation</b>		<b>(1,022,357)</b>	(815,341)
<b>Net book value</b>		<b><u>2,709,420</u></b>	<u>2,872,935</u>
<b>9.2 Capital work-in-progress - movement</b>			
Opening		<b>7,204</b>	169,043
Additions during the period		<b>2,559</b>	89,757
Transferred to operating fixed assets		<b>(5,919)</b>	(5,668)
Transferred to intangible assets		-	(245,928)
Closing		<b><u>3,844</u></b>	<u>7,204</u>



**Afghanistan International Bank**  
**Notes to the condensed interim financial statements (Un-audited)**  
**For the nine months period ended 30 September, 2023**

		30 September 2023 (Un-audited)	31 December 2022 (Audited)
	Note	----- AFN in '000 -----	
<b>10 Deferred tax liability</b>			
<b>Deferred tax (liabilities) / assets arising in respect of:</b>			
Provision on investments, placements, loans and advances and other assets		4,883	6,334
Provision on guarantees and commercial letter of credits		32,220	36,442
Surplus on revaluation of investments		15,284	18,999
Carry forward taxable losses		355,648	401,778
Accelerated tax depreciation and amortization		(476,552)	(449,752)
	10.1	<u>(68,516)</u>	<u>13,802</u>

**10.1 Movement in temporary differences during the period**

	Balance at 01 January 2022	Recognized in profit or loss	Recognized in equity	Balance at 31 December 2022	Recognized in profit or loss	Recognized in equity	Balance at 30 September 2023
	-----AFN-----						
<b>Deferred tax assets</b>							
<b>arising in respect of:</b>							
Provision on investments							
placements and other assets	5,659	675	-	6,334	(1,451)	-	4,883
Provision on guarantees							
and commercial letter of credits	7,794	28,648	-	36,442	(4,222)	-	32,220
Carry forward taxable losses	501,461	(99,683)	-	401,778	(46,130)	-	355,648
Revaluation reserve							
on investments	(2,859)	-	21,858	18,999	-	(3,715)	15,284
	514,914	(70,360)	-	463,553	(51,803)	(3,715)	408,036
<b>Deferred tax liabilities</b>							
<b>arising in respect of:</b>							
Accelerated tax depreciation							
and amortization	(244,722)	(205,030)	-	(449,752)	(26,800)	-	(476,552)
	(244,722)	(205,030)	-	(449,752)	(26,800)	-	(476,552)
	270,192	(275,390)	-	13,802	(78,603)	(3,715)	(68,516)

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**Afghanistan International Bank**  
**Notes to the condensed interim financial statements (Un-audited)**  
**For the nine months period ended 30 September, 2023**

		30 September 2023 (Un-audited)	31 December 2022 (Audited)
		----- AFN in '000 -----	
<b>11 Other assets</b>	<b>Note</b>		
Advances to employees		29,823	43,978
Security deposits		458	9,386
Prepayments		212,966	285,322
Interest receivable		202,264	115,771
Advance income tax - net		44,024	43,212
Receivable from credit card service company - CSC		760,164	251,378
Other receivable and advances		31,239	222,367
		1,280,938	971,415
Allowance for ECL / impairment losses		(2,453)	(818)
		<u>1,278,485</u>	<u>970,597</u>
		30 September 2023 (Un-audited)	31 December 2022 (Audited)
		----- AFN in '000 -----	
<b>12 Customers' deposits</b>	<b>Note</b>		
Current deposits		43,904,253	57,393,332
Saving deposits	12.1	84,074	99,222
Islamic deposits	12.2	4,191,619	1,433,864
Cash margin held against bank guarantees and letters of credit		947,208	1,023,627
		<u>49,127,154</u>	<u>59,950,045</u>
<b>12.1</b> Saving deposits carry interest @ 0% p.a.(31 December 2022: 0% per p.a.).			
<b>12.2</b> Islamic deposits can be further analyzed as follows:			
Current deposits		3,360,775	415,227
Saving deposits	12.2.1	830,844	1,018,637
		<u>4,191,619</u>	<u>1,433,864</u>
<b>12.2.1</b> Saving deposits under Islamic banking are not based on fixed rates arrangements, it is dependent upon actual earned profit or sustained loss, if any.			
		30 September 2023 (Un-audited)	31 December 2022 (Audited)
		----- AFN in '000 -----	
<b>13 Lease liabilities</b>	<b>Note</b>		
Opening balance		247,634	323,255
Lease rentals paid		(22,881)	(30,879)
Finance cost for the period		1,782	2,872
Exchange gain		(34,379)	(47,614)
		<u>192,156</u>	<u>247,634</u>
		30 September 2023 (Un-audited)	31 December 2022 (Audited)
		----- AFN in '000 -----	
<b>14 Other liabilities</b>	<b>Note</b>		
Accruals and other payables		35,195	24,230
Provision for salaries and allowances		78,361	122,772
Severance payable to employees		69,551	46,862
Amounts pending transfers to customers' accounts	14.1	11,595	498,376
Others		43,191	148,212
Provision on financial guarantees	14.2	161,101	182,212
		<u>398,994</u>	<u>1,022,664</u>

**Afghanistan International Bank**  
**Notes to the condensed interim financial statements (Un-audited)**  
**For the nine months period ended 30 September, 2023**

- 14.1** This represents amounts received on behalf of the customers, however, not credited in the respective customer accounts due to incomplete identification data.
- 14.2** This represents provision ranging from 1% to 50% on unsecured portion of bank guarantees, not backed by cash margin. (31 December 2022: 1% to 50%).

	<b>30 September 2023 (Un-audited) ----- AFN in '000 -----</b>	<b>31 December 2022 (Audited) ----- AFN in '000 -----</b>
<b>15 Share capital</b>		
Authorized 30,000,000 (2022: 30,000,000) ordinary shares of USD 1 each	<u><b>1,465,071</b></u>	<u>1,465,071</u>
Issued, subscribed and paid-up - 30,000,000 (31 December 2022: 30,000,000)	<u><b>1,465,071</b></u>	<u>1,465,071</u>

- 15.1** Pursuant to letter no.918/703 dated 17 May 2010 issued by Da Afghanistan Bank (DAB), the Bank complies with the minimum paid-up capital requirement for commercial banks in Afghanistan amounting to AFN 1 billion or US \$ 20 million.
- 15.2** Horizon Associates LLC and Wilton Holding Limited each holds 46.25% of issued, subscribed and paid up capital while remaining 7.5% is held by International Finance Corporation which is same as per previous year.

**16 Capital reserves**

Article 79 Reserve Capital of Corporations and Limited Liability Companies Law of Afghanistan, requires that Bank should transfer 5% of its profit to Capital Reserve to compensate for future possible losses to the extent such capital reserves reach up to 25% of the Bank's capital. The Bank's capital reserves as at 30 September 2023 stood at AFN 369,069 thousands (30 September 2022: AFN 318,624 thousands).

	<b>30 September 2023 (Un-audited) ----- AFN in '000 -----</b>	<b>31 December 2022 (Audited) ----- AFN in '000 -----</b>
<b>17 Contingencies and commitments</b>		
<b>Contingencies</b>		
Financial guarantees	17.1 <u><b>2,659,378</b></u>	<u>2,666,853</u>
<b>17.1</b> These represent bid bonds and performance guarantees issued by the Bank in the normal course of business. These are 100% secured against the cash margin and counter guarantees.		
<b>Commitments</b>		
(a) Undrawn loan and overdraft facilities	<u><b>208,667</b></u>	338,335
(b) Commercial letters of credit	<u>-</u>	44,605
	<u><b>208,667</b></u>	<u>382,940</u>

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**Afghanistan International Bank**  
**Notes to the condensed interim financial statements (Un-audited)**  
**For the nine months period ended 30 September, 2023**

		Nine months ended	
		30 September 2023	30 September 2022
		(Un-audited)	(Un-audited)
		----- AFN in '000 -----	
<b>18</b>	<b>Interest income (using the effective interest method)</b>	<b>Note</b>	
	Interest income on overnight deposits	63,359	19,756
	Placements	354,101	63,622
	Debt instruments at FVOCI	28,062	64,555
	Debt instruments at amortized cost	38,395	68,283
	Loans and advances to customers	50,291	103,803
		<u>534,208</u>	<u>320,019</u>
		30 September 2023	30 September 2022
		(Un-audited)	(Un-audited)
		----- AFN in '000 -----	
<b>19</b>	<b>Fee and commission income</b>	<b>Note</b>	
	Loans and advances to customers	12,778	6,364
	Trade finance products	2,393	3,542
	Cash withdrawals / Cash transfers	581,419	880,387
	Customers' account service charges	46,601	59,104
	Income from electronic banking	74,022	98,023
	Income from guarantee arrangements	17,022	43,758
	Payroll services	31,759	43,077
	Physical cash management income	1,042,099	1,158,021
	Income from pay on ID's services	149,570	167,501
	Others	4,883	14,685
		<u>1,962,546</u>	<u>2,474,462</u>

**20 Credit losses (reversal) / expense**

The table below shows the ECL charges on financial instruments for the period recorded in the income statement:

		30 September 2023	30 September 2022
		(Un-audited)	(Un-audited)
		----- AFN in '000 -----	
	Placements	6.1 (2,442)	17,151
	Investments	7 (5,081)	(12,297)
	Loans and advances	8 (13,089)	226,744
	Other assets	11 1,549	(1,051)
	Financial guarantees	14.2 1,948	(10,870)
	<b>Total credit (reversal) / loss for the period - net</b>	<u>(17,115)</u>	<u>219,677</u>

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**Afghanistan International Bank**  
**Notes to the condensed interim financial statements (Un-audited)**  
**For the nine months period ended 30 September, 2023**

		Nine months ended	
		30 September 2023 (Un-audited) ----- AFN in '000 -----	30 September 2022 (Un-audited) -----
21	General and administrative expenses	Note	
	Salaries and benefits		432,727 383,311
	Rental, rates and taxes		- 32,737
	Electricity, generator and fuel		104,225 95,708
	Repairs and maintenance		41,508 24,489
	Information technology cost		124,019 98,150
	Head office building support services		33,754 41,529
	Security cost		39,478 32,104
	Depreciation	9.1	207,016 223,509
	Amortization		114,980 70,920
	Directors fee and their meeting expenses		17,238 12,299
	Travelling and accommodation		24,290 15,869
	Communication, swift and internet		20,398 25,207
	Stationery and printing		14,560 15,573
	Legal and professional charges	21.1	156,626 94,591
	Asset management fee to investment advisors		19,263 29,593
	Auditors' remuneration		9,701 7,009
	Marketing and promotion		3,847 3,096
	Money service providers charges		69,900 18,189
	Insurance		86,966 145,885
	Subscriptions and memberships		5,145 5,432
	Others expenses		45,674 33,438
			1,571,315 1,408,638

**21.1** This includes professional fee amounting to AFN 65,874 thousands and legal charges amounting to AFN 90,752 thousands.

		Nine months ended	
		30 September 2023	30 September 2022
		(Un-audited)	(Un-audited)
22	Taxation	Note	----- AFN in '000 -----
	<b>Current:</b>		
	For the period	22.1	-
	Prior periods		-
	<b>Deferred:</b>		
	For the period		78,603 370,113
			<u>78,603</u> <u>370,113</u>

**22.1** Owing to carry forward tax losses, no provision for taxation has been made during the period.

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**Afghanistan International Bank**  
**Notes to the condensed interim financial statements (Un-audited)**  
**For the nine months period ended 30 September, 2023**

**23 Related party transactions**

The Bank has a related party relationship with its shareholders, their related entities, directors and key management personnel. The Bank had transactions with following related parties at mutually agreed terms during the period:

	Directors and other key management personnel (and close family members)		Shareholders and its associated companies	
	30 September 2023 (Un-audited)	31 December 2022 (Audited)	30 September 2023 (Un-audited)	31 December 2022 (Audited)
	AFN '000			
<b>Nature of transactions</b>				
<b>(a) Loans and advances to related parties</b>				
Loans outstanding at the beginning of the year	-	7,040	176,878	159,997
Loans issued during the period / year	-	-	172,582	176,878
Loans repayments during the period / year	-	(7,040)	(176,878)	(159,997)
Exchange gain	-	-	-	-
Loans outstanding at the end of the period / year	-	-	172,582	176,878
Interest income earned	-	-	3,158	8,674

Provision for expected credit losses on outstanding balances of loans and advances to related parties amounts to AFN 1,692 thousand (31 December 2022: AFN 1,758.17 thousand).

The facilities provided to related parties carry mark-up of 7% p.a. (31 December 2022: 7% p.a.) payable on monthly basis and are secured against mortgage of residential property and personal guarantees of directors and representative of shareholders of the Bank.

	Directors and other key management personnel (and close family members)		Shareholders and its associated companies	
	30 September 2023 (Un-audited)	31 December 2022 (Audited)	30 September 2023 (Un-audited)	31 December 2022 (Audited)
	AFN '000			
<b>Nature of transactions</b>				
<b>(b) Deposits from related parties</b>				
Deposits at the beginning of the year	49,635	158,172	21,295	4,839
Deposits received during the period / year	10,458	3,325	-	219,324
Deposits repaid during the period / year	(1,092)	(134,606)	-	(213,142)
Exchange rate difference	(100)	22,744	-	10,274
Deposits at the end of the period / year	58,900	49,635	21,295	21,295
Interest expense on deposits	-	-	43	-

These represent current account of related parties, which do not carry interest (31 December 2022: Nil).

	Directors and other key management personnel (and close family members)		Shareholders and its associated companies	
	30 September 2023 (Un-audited)	30 September 2022 (Un-audited)	30 September 2023 (Un-audited)	30 September 2022 (Un-audited)
	AFN '000			
<b>Nature of transactions</b>				
<b>(c) Other related party transactions</b>				
Fee and commission income	-	-	-	41
Directors' fee	5,507	12,299	-	-
Rental expenses	-	-	34,861	21,763
Travelling expense	-	-	-	30
<b>(d) Key Management compensation</b>				
Salaries and other short-term benefits			52,992	48,059
			52,992	48,059

Key Management personnel of the Bank include the Chief Executive Officer, Deputy Chief Executive Officer, Chief Financial Officer and Chief Operating Officer.

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**Afghanistan International Bank**  
**Notes to the condensed interim financial statements (Un-audited)**  
**For the nine months period ended 30 September, 2023**

	30 September 2023 (Un-audited)	30 September 2022 (Un-audited)
	----- AFN in '000 -----	
<b>24 Cash and cash equivalents</b>		
Cash in hand and at ATM	25,117,870	28,717,759
Balances with DAB (other than minimum reserve requirement)	1,479,364	1,481,003
Balances with other banks (other than held as a cash margin)	2,136,618	4,887,769
Placements (with maturity less than three months)	7,880,814	2,297,065
	<u>36,614,666</u>	<u>37,383,596</u>

**25 General**

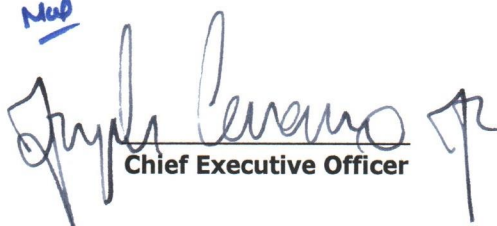
**25.1** The figures in this condensed interim financial statements have been rounded off to the nearest thousands.

**26 Date of authorization for issue**

This condensed interim financial information were authorized for issue by the Board of Supervisors of the Bank on

07 - November 2023

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 Chief Executive Officer

  
 Chief Financial Officer