



**AFGHANISTAN INTERNATIONAL BANK  
INDEPENDENTS AUDITOR'S REVIEW REPORT  
ON CONDENSED INTERIM FINANCIAL INFORMATION  
AS AT 31 MARCH 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 **31 March 2023**, and the related condensed interim statement of comprehensive income, changes in equity and cash flows for the three months then ended, and notes to the condensed interim financial information ('here-in-after referred to as the condensed interim financial information'). Management is responsible for the preparation and fair presentation of this condensed interim financial information in accordance with the requirement of the Law of Banking in Afghanistan and International Accounting Standards 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

### **Scope of Review**

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

### **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".

*Mazars Afghanistan Limited*

**Chartered Accountants**

**Engagement Partner:** Muhammad Saqlain Siddiqui

**Date:** 14 May 2023

**Place:** Kabul, Afghanistan

**AFGHANISTAN INTERNATIONAL BANK**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH, 2023**

	Note	2023 ----- AFN in '000 -----	2022 -----
<b>ASSETS</b>			
Cash and balances with Da Afghanistan Bank	4	43,813,675	36,754,123
Balances with other banks	5	4,048,288	4,935,205
Placements - net	6	12,004,657	11,326,593
Investments - net	7	5,533,232	6,805,988
Loan and advances to customers - net	8	560,942	872,752
Operating fixed assets	9	2,819,932	2,880,139
Intangible assets		440,884	457,329
Deferred tax assets	10	-	13,802
Other assets	11	1,110,717	970,597
<b>Total assets</b>		<b>70,332,327</b>	<b>65,016,527</b>
<b>LIABILITIES</b>			
Customers' deposits	12	65,418,053	59,950,045
Deferred income		16,336	24,883
Lease liabilities	13	238,198	247,634
Deferred tax liabilities	10	86,225	-
Other liabilities	14	418,159	1,022,664
<b>Total liabilities</b>		<b>66,176,971</b>	<b>61,245,226</b>
<b>EQUITY</b>			
Share capital	15	1,465,071	1,465,071
Capital reserves	16	369,069	369,069
Retained earnings		2,403,762	2,051,465
Revaluation surplus/ (loss) on debt instruments at FVOCI		(82,546)	(114,303)
<b>Total equity</b>		<b>4,155,356</b>	<b>3,771,302</b>
<b>Total liabilities and equity</b>		<b>70,332,327</b>	<b>65,016,527</b>
<b>Contingencies and commitments</b>	17		<i>Nil</i>

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

  
 Chief Executive Officer

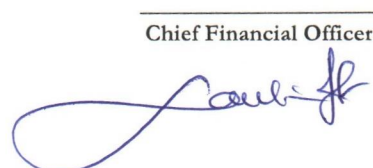
  
 Chief Financial Officer

**AFGHANISTAN INTERNATIONAL BANK**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE THREE MONTHS PERIOD ENDED 31 MARCH, 2023**

	Note	Three months ended	
		31 March 2023	31 March 2022
		(Un-audited)	(Un-audited)
		----- AFN in '000 -----	
Interest income - calculated using the effective interest method	18	171,658	136,825
Interest expense		(2,625)	(432)
Net interest income		169,033	136,393
Fee and commission income		728,707	697,308
Fee and commission expense		(3,703)	(348)
Net fee and commission income		725,004	696,960
Income from dealing in foreign currencies		96,303	81,908
		990,340	915,261
Other income	19	14	-
Gain on sale of securities		(58,950)	(625)
Credit losses reversal / (expense)	20	19,263	(122,633)
Finance cost on lease liability		(603)	(813)
General and administrative expenses	21	(508,326)	(457,184)
<b>Profit before taxation</b>		<b>441,738</b>	<b>334,006</b>
Taxation	22	(89,441)	(155,051)
<b>Profit for the year</b>		<b>352,297</b>	<b>178,955</b>
<b>Other comprehensive income</b>			
<i>Items that may be classified to profit or loss subsequently</i>			
Surplus/ (Deficit) on debt instruments at FVOCI		42,342	(86,256)
Related deferred tax		(10,585)	17,251
Other comprehensive loss, net of tax		31,757	(69,005)
<b>Total comprehensive income for the year</b>		<b>384,054</b>	<b>109,950</b>
Earnings per share - Basic and diluted (AFN)		11.74	5.97

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 Chief Executive Officer

  
 Chief Financial Officer



**AFGHANISTAN INTERNATIONAL BANK**  
**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)**  
**FOR THE THREE MONTHS PERIOD ENDED 31 MARCH, 2023**

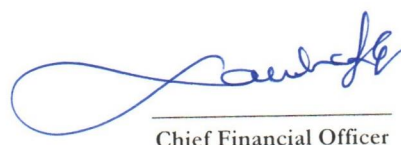
	31 March 2023 (Un-audited)	31 March 2022 (Un-audited)
	----- AFN in '000 -----	
Note		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before Income Tax	441,738	334,006
Adjustments for:		
Depreciation	65,211	71,952
Amortization	37,180	22,722
Finance cost on lease liability	603	813
Adjustments for the movement in lease liability	777	(51,042)
Credit losses (reversal) / expense	(19,263)	122,633
Property and equipment written-off	0	48,723
	<u>526,246</u>	<u>549,807</u>
Changes in operating assets and liabilities		
Receivable from financial institutions	-	449,484
Required reserve maintained with DAB	731,071	(254,226)
Cash margin held with other banks	375	3,610
Loans and advances to customers - net	319,786	197,971
Other assets	(139,714)	40,793
Deferred income on commercial letter of credit and guarantees	(8,699)	(15,014)
Customers' deposits	5,468,008	(8,137,601)
Other liabilities	(604,505)	9,151
	<u>6,292,568</u>	<u>(7,156,025)</u>
Income tax paid	(406)	(617)
<b>Net cash flow (used in)/ from operating activities</b>	<u>6,292,162</u>	<u>(7,156,642)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital work-in-progress	(2,559)	(70,770)
Acquisition of operating fixed assets	(6,232)	-
Acquisition of intangible assets	(20,735)	-
Placements (with maturity more than three months)	(4,817,770)	(3,384,771)
Investments	1,315,425	3,405,504
<b>Net cash flow from/ (used in) investing activities</b>	<u>(3,531,872)</u>	<u>(50,037)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Lease liability repaid	(10,213)	(1,001)
Finance cost paid	(602)	(813)
<b>Net cash used in financing activities</b>	<u>(10,815)</u>	<u>(1,814)</u>
<b>Net increase in cash and cash equivalents</b>	2,749,475	(7,208,493)
Cash and cash equivalents at 1 January	46,827,238	46,827,238
<b>Cash and cash equivalents at 31 March</b>	<u>49,576,713</u>	<u>39,618,745</u>

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Chief Executive Officer



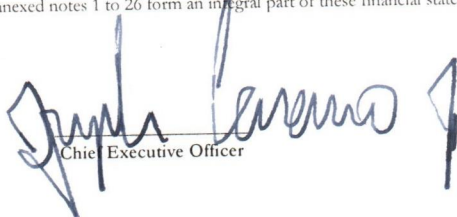
Chief Financial Officer

AFGHANISTAN INTERNATIONAL BANK  
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)  
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH, 2023

	Share capital	Revaluation surplus/ (loss) on debt instruments at FVOCI	Capital reserves	Retained earnings	Total
	----- AFN '000' -----				
Balance at 01 January 2022	1,465,071	(26,871)	318,624	1,821,712	3,578,536
<b>Total comprehensive income</b>				178,955	178,955
Profit for the year				178,955	178,955
Other comprehensive income, net of tax:					
Debt instruments at FVOCI		(86,256)			(86,256)
Net change in fair value		17,251			17,251
Related tax					
<b>Total comprehensive income</b>	-	(69,005)	-	178,955	109,950
Transferred to capital reserve					
<b>Transactions with owners of the bank</b>					
Dividend paid					
Balance at 31 March 2022	1,465,071	(95,877)	318,624	2,000,667	3,688,486

	Share capital	Revaluation surplus/ (loss) on debt instruments at FVOCI	Capital reserve	Retained earnings	Total
	----- AFN '000' -----				
Balance at 01 January 2023	1,465,071	(114,303)	369,069	2,051,465	3,771,302
<b>Total comprehensive income</b>				352,297	352,297
Profit for the year				352,297	352,297
Other comprehensive income, net of tax:					
Fair value reserve (debt instruments at FVOCI)		42,342			42,342
Net change in fair value		(10,585)			(10,585)
Related tax					
<b>Total comprehensive income</b>	-	31,757	-	352,297	384,054
Transferred to capital reserve					
<b>Transactions with owners of the bank</b>					
Dividend paid					
Balance at 31 March 2023	1,465,071	(82,546)	369,069	2,403,762	4,155,356

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

  
Chief Executive Officer

  
Chief Financial Officer

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**Afghanistan International Bank****Notes to the condensed interim financial statements (Un-audited)****For the three months period ended 31 March, 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: 35 branches and 2 cash outlets) in operation.

**2. Basis of preparation and measurement**

- 2.1 This condensed interim financial information of the Bank for the three months ended 31 March 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 three months period ended 31 March 2022.

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**Afghanistan International Bank**  
**Notes to the condensed interim financial statements (Un-audited)**  
**For the three months period ended 31 March, 2023**

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**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 three months period ended 31 March, 2023

		31 March 2023 (Un-audited)	31 December 2022 (Audited)
<b>4</b>	<b>Cash and balances with Da Afghanistan Bank</b>	<b>----- AFN in '000 -----</b>	
	Cash in hand	35,744,467	29,327,890
	Cash in hand - Islamic banking division	209,043	167,777
	Cash at Automated Teller Machines (ATMs)	48,080	46,392
		<u>36,001,590</u>	<u>29,542,059</u>
	Balances with Da Afghanistan Bank:		
	Local currency:		
	- Deposit facility accounts	-	597
	- Required reserve accounts	549,728	648,980
	- Current accounts	718,778	244,841
		<u>1,268,506</u>	<u>894,418</u>
	Foreign currency:		
	- Required reserve accounts	4,839,378	5,471,197
	- Current accounts	1,704,201	846,449
		<u>6,543,579</u>	<u>6,317,646</u>
		<u><u>43,813,675</u></u>	<u><u>36,754,123</u></u>

- 4.1 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.

		31 March 2023 (Un-audited)	31 December 2022 (Audited)
<b>5</b>	<b>Balances with other banks</b>	<b>----- AFN in '000 -----</b>	
	With Crown Agents Bank:		
	- in nostro accounts	1,040,890	2,930,375
	With other banks	3,007,398	2,004,830
		<u>4,048,288</u>	<u>4,935,205</u>

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

		31 March 2023 (Un-audited)	31 December 2022 (Audited)
<b>6</b>	<b>Placements - net</b>	<b>----- AFN in '000 -----</b>	
	Placements with banks	12,018,236	11,344,435
	Impairment allowances for losses	(13,579)	(17,842)
		<u>12,004,657</u>	<u>11,326,593</u>

- 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 5.00% (31 December 2022: 2.50% to 4.70%) per annum.

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## Afghanistan International Bank

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

## For the three months period ended 31 March, 2023

		31 March 2023 (Un-audited)	31 December 2022 (Audited)
		----- AFN in '000 -----	
<b>7 Investments - net</b>	<b>Note</b>		
<b>Debt instruments at fair value through OCI:</b>			
- Investment bonds	7.1	1,718,378	2,107,340
<b>Debt instruments at amortised cost:</b>			
- Investment bonds	7.2	3,827,538	4,711,659
		5,545,916	6,818,999
Allowance for ECL / impairment losses	7.3	(12,684)	(13,011)
		5,533,232	6,805,988
		31 March 2023 (Un-audited)	31 December 2022 (Audited)
		----- AFN in '000 -----	
<b>8 Loan and advances to customers - net</b>	<b>Note</b>		
Overdrafts	8.1	746,912	972,027
Term loans	8.2	174,619	266,887
Consumer loans	8.3	15,250	17,653
		936,781	1,256,567
General provision	8.4	(324,681)	(333,148)
Allowance for ECL / impairment losses	8.5	(51,158)	(50,667)
		560,942	872,752
<b>Particulars of loans and advances - (gross)</b>			
Short term (for up to one year)		754,348	1,243,336
Non-current (for over one year)		182,433	13,231
		936,781	1,256,567

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## Afghanistan International Bank

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

For the three months period ended 31 March, 2023

		31 March 2023 (Un-audited)	31 December 2022 (Audited)
		----- AFN in '000 -----	
<b>9 Operating fixed assets</b>	<b>Note</b>		
Property and equipment	9.1	2,816,088	2,872,935
Capital work-in-progress	9.2	3,844	7,204
		<u>2,819,932</u>	<u>2,880,139</u>
<b>9.1 Operating fixed assets - movement</b>			
<i>Opening balance</i>			
Cost		3,688,276	4,317,599
Accumulated depreciation		(815,341)	(1,093,679)
Net book value		<u>2,872,935</u>	<u>3,223,920</u>
<i>Movement in cost:</i>			
Transfers from capital work-in-progress		5,919	5,628
Additions		6,232	18,241
Adjustments/ write-off		-	(653,192)
		<u>12,151</u>	<u>(629,323)</u>
<i>Movement in depreciation:</i>			
Depreciation charge		65,211	281,337
Adjustments/ write-off		3,787	(559,675)
		<u>68,998</u>	<u>(278,338)</u>
<i>Closing balance</i>			
Cost		3,700,427	3,688,276
Accumulated depreciation		(884,339)	(815,341)
Net book value		<u>2,816,088</u>	<u>2,872,935</u>
<b>9.2 Capital work-in-progress - movement</b>			
Opening		7,204	169,043
Additions during the period / year		2,559	89,757
Transferred to operating fixed assets		(5,919)	(5,668)
Transferred to intangible assets		-	(245,928)
Adjustments/write-offs		-	-
Closing		<u>3,844</u>	<u>7,204</u>

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Afghanistan International Bank  
Notes to the condensed interim financial statements (Un-audited)  
For the three months period ended 31 March, 2023

		31 March 2023 (Un-audited)	31 December 2022 (Audited)
	Note	----- AFN in '000 -----	
10 Deferred tax			
Deferred tax assets / (liabilities) arising in respect of:			
Provision on investments, placements, loans and advances and other assets		5,700	6,334
Provision on guarantees and commercial letter of credits		36,472	36,442
Surplus on revaluation of investments		8,414	18,999
Carry forward taxable losses		298,283	401,778
Accelerated tax depreciation and amortization		(435,094)	(449,752)
	10.1	<u>(86,225)</u>	<u>13,802</u>

10.1 Movement in temporary differences during the year

	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 31 December 2023
	AFN '000	AFN '000	AFN '000	AFN '000	AFN '000	AFN '000	AFN '000
<b>Deferred tax assets</b>							
<b>arising in respect of:</b>							
Provision on investments							
placements and other assets	5,659	675	-	6,334	(634)	-	5,700
Provision on guarantees							
and commercial letter of credits	7,794	28,648	-	36,442	30	-	36,472
Carry forward taxable losses	501,461	(99,683)	-	401,778	(103,495)	-	298,283
	<u>514,914</u>	<u>(70,360)</u>	<u>-</u>	<u>444,554</u>	<u>(104,099)</u>	<u>-</u>	<u>340,455</u>
<b>Deferred tax liabilities</b>							
<b>arising in respect of:</b>							
Revaluation reserve							
on investments	(2,859)	-	21,858	18,999	-	(10,585)	8,414
Accelerated tax depreciation							
and amortization	(244,722)	(205,030)	-	(449,752)	14,658	-	(435,094)
	<u>(247,581)</u>	<u>(205,030)</u>	<u>21,858</u>	<u>(430,753)</u>	<u>14,658</u>	<u>(10,585)</u>	<u>(426,680)</u>
	<u>267,333</u>	<u>(275,390)</u>	<u>21,858</u>	<u>13,802</u>	<u>(89,441)</u>	<u>(10,585)</u>	<u>(86,225)</u>

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## Afghanistan International Bank

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

For the three months period ended 31 March, 2023

		31 March 2023 (Un-audited)	31 December 2022 (Audited)
		----- AFN in '000 -----	
<b>11 Other assets</b>	<b>Note</b>		
Advances to employees		41,268	43,978
Security deposits		463	9,386
Prepayments		308,770	285,322
Interest receivable		143,874	115,771
Advance income tax - net		43,618	43,212
Other receivable and advances		574,961	473,745
		1,112,954	971,415
Allowance for ECL / impairment losses	11.1	(2,237)	(818)
		<u>1,110,717</u>	<u>970,597</u>

11.1 This represents provision maintained on advances to staff as per Asset Classification and Provisioning Regulation issued by DAB.

		31 March 2023 (Un-audited)	31 December 2022 (Audited)
		----- AFN in '000 -----	
<b>12 Customers' deposits</b>	<b>Note</b>		
Current deposits		60,767,937	57,393,332
Saving deposits		93,688	99,222
Islamic deposits	12.1	3,505,526	1,433,864
Cash margin held against bank guarantees and letters of credit		1,050,902	1,023,627
		<u>65,418,053</u>	<u>59,950,045</u>

12.1 Islamic deposits can be further analyzed as follows:

Current deposits	2,533,732	415,227
Saving deposits	949,624	1,018,637
Term deposits	22,170	-
	<u>3,505,526</u>	<u>1,433,864</u>

		31 March 2023 (Un-audited)	31 December 2022 (Audited)
		----- AFN in '000 -----	
<b>13 Lease liabilities</b>	<b>Note</b>		
Opening balance		247,634	323,255
Additions during the year		-	-
Derecognized during the year		-	-
Lease rentals paid		(10,815)	(30,879)
Finance cost for the year		602	2,872
Exchange (gain)/ loss		777	(47,614)
		<u>238,198</u>	<u>247,634</u>

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## Afghanistan International Bank

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

For the three months period ended 31 March, 2023

	Note	31 March 2023 (Un-audited)	31 December 2022 (Audited)
		----- AFN in '000 -----	
<b>14 Other liabilities</b>			
Accruals and other payables		70,693	24,230
Amounts pending transfers to customers' accounts		11,427	498,376
Others		153,675	317,846
Provision on			
Financial guarantees		182,364	182,212
		<u>418,159</u>	<u>1,022,664</u>
<b>15 Share capital</b>			
		----- AFN in '000 -----	
Authorized 30,000,000 (2022: 30,000,000) ordinary shares of USD 1 each		<u>1,465,071</u>	<u>1,465,071</u>
Issued, subscribed and paid-up - 30,000,000 (31 December 2022: 30,000,000)		<u>1,465,071</u>	<u>1,465,071</u>
<b>15.1</b>	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.		
<b>15.2</b>	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.		
<b>16 Capital reserves</b>			
Article 93 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 31 March 2023 stood at AFN 369,069 thousands (31 March 2022: AFN 318,624 thousands).			
		31 March 2023 (Un-audited)	31 December 2022 (Audited)
		----- AFN in '000 -----	
<b>17 Contingencies and commitments</b>			
<b>Contingencies</b>			
Financial guarantees	17.1	<u>3,067,566</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		328,565	338,335
(b) Commercial letters of credit		-	44,605
		<u>328,565</u>	<u>382,940</u>

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## Afghanistan International Bank

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

## For the three months period ended 31 March, 2023

			Three months ended	
			31 March 2023	31 March 2022
			(Un-audited)	(Un-audited)
			----- AFN in '000 -----	
18	<b>Interest income - calculated using the effective interest rate</b>	Note		
	Balances with DAB and other banks		19,480	1,341
	Placements		106,029	21,455
	Debt instruments at FVOCI		10,201	31,721
	Debt instruments at amortized cost		16,541	44,229
	Loans and advances to customers		19,407	38,079
			<u>171,658</u>	<u>136,825</u>
19	<b>Other income</b>			
	Loans and advances recovered previously written off		14	-
			<u>14</u>	<u>-</u>
20	<b>Credit losses (reversal) / expense</b>			

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

Placements	6.2	(12,531)	471
Investments	7.3	(327)	(4,484)
Loans and advances	8.5	(7,976)	130,038
Other assets	11.1	1,419	158
Financial guarantees	0	152	(3,550)
<b>Total credit loss/ (reversal) for the period - net</b>		<u>(19,263)</u>	<u>122,633</u>

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## Afghanistan International Bank

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

For the three months period ended 31 March, 2023

			Three months ended	
			31 March 2023 (Un-audited)	31 March 2022 (Un-audited)
			----- AFN in '000 -----	
<b>21</b>	<b>General and administrative expenses</b>	<b>Note</b>		
	Salaries and benefits		157,840	118,602
	Rental, rates and taxes		-	2,149
	Electricity, generator and fuel		29,758	33,462
	Repairs and maintenance		9,878	11,065
	Information technology cost		29,448	28,398
	Security cost		11,947	7,237
	Depreciation	9.1	65,211	71,952
	Amortization		37,180	22,722
	Directors fee and their meeting expenses		5,901	5,437
	Travelling and accommodation		5,969	3,854
	Communication, swift and internet		6,697	10,409
	Stationery and printing		4,255	5,816
	Legal and professional charges		37,144	19,449
	Asset management fee to investment advisors		6,634	16,922
	Auditors' remuneration		3,957	2,820
	Marketing and promotion		205	217
	Money service providers charges		3,198	3,476
	Insurance		56,741	61,229
	Subscriptions and memberships		119	-
	Other charges		33,615	28,516
	Corona virus costs		-	108
	Others		2,629	3,344
			<u>508,326</u>	<u>457,184</u>
			Three months ended	
			31 March 2023 (Un-audited)	31 March 2022 (Un-audited)
			----- AFN in '000 -----	
<b>22</b>	<b>Taxation</b>	<b>Note</b>		
	<b>Current:</b>			
	For the period	22.1	-	-
	Prior periods		-	-
	<b>Deferred:</b>			
	For the period		89,441	-155,051
			<u>89,441</u>	<u>-155,051</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 three months period ended 31 March, 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:

Nature of transactions	Directors and other key management personnel (and close family members)		Shareholders and its associated companies	
	31 March 2023 (Un-audited)	31 December 2022 (Audited)	31 March 2023 (Un-audited)	31 December 2022 (Audited)
	----- AFN '000 -----			
<b>(a) Loans and advances to related parties</b>				
Loans outstanding at the beginning of the period	-	7,040	176,878	159,997
Loans issued during the period / year	1,030	-	175,654	176,878
Loans repayments during the period / year	(1,030)	(7,040)	(176,878)	(159,997)
Exchange gain	-	-	-	-
Loans outstanding at the end of the period	-	-	<b>175,654</b>	<b>176,878</b>
Interest income earned	-	-	<b>2,169</b>	<b>8,674</b>

Provision for expected credit losses on outstanding balances of loans and advances to related parties amounts to AFN 8,783 thousand (31 December 2022: AFN 176,878 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.

Nature of transactions	Directors and other key management personnel (and close family members)		Shareholders and its associated companies	
	31 March 2023 (Un-audited)	31 December 2022 (Audited)	31 March 2023 (Un-audited)	31 December 2022 (Audited)
	----- AFN '000 -----			
<b>(b) Deposits from related parties</b>				
Deposits at the beginning of the period	49,635	158,172	21,295	4,893
Deposits received during the period / year	308	3,325	3,755	219,324
Deposits repaid during the period / year	(351)	(134,606)	(3,435)	(213,142)
Exchange rate difference	1,742	22,744	10,045	10,274
Deposits at the end of the period	<b>51,334</b>	<b>49,635</b>	<b>31,660</b>	<b>21,295</b>
Interest expense on deposits	-	-	-	-

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

Nature of transactions	Directors and other key management personnel (and close family members)		Shareholders and its associated companies	
	31 March 2023 (Un-audited)	31 March 2022 (Un-audited)	31 March 2023 (Un-audited)	31 March 2022 (Un-audited)
	----- AFN '000 -----			
<b>(c) Other related party transactions</b>				
Fee and commission income	-	-	21	16
Directors' fee	4,827	5,437	-	-
Rental expenses	-	-	24,168	9,529
Travelling expense	-	-	-	-
			<b>31 March 2023 (Un-audited)</b>	<b>31 March 2022 (Un-audited)</b>
			----- AFN in '000 -----	
<b>(d) Key Management compensation</b>				
Salaries and other short-term benefits			33,624	16,529
			<b>33,624</b>	<b>16,529</b>

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

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**Afghanistan International Bank**  
**Notes to the condensed interim financial statements (Un-audited)**  
**For the three months period ended 31 March, 2023**

	31 March 2023 (Un-audited)	31 March 2022 (Un-audited)
	----- AFN in '000 -----	
<b>24 Cash and cash equivalents</b>		
Cash in hand and at ATM	36,001,590	20,262,394
Balances with DAB (other than minimum reserve requirement)	2,422,979	2,837,501
Balances with other banks (other than held as a cash margin)	4,048,288	8,373,978
Placements (with maturity less than three months)	7,103,856	8,144,873
	<u>49,576,713</u>	<u>39,618,746</u>

**25 General**

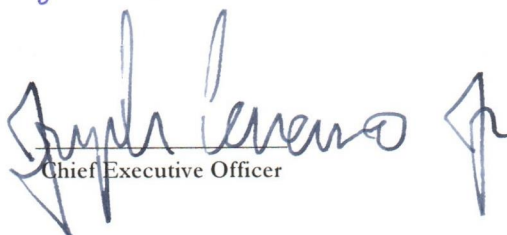
25.1 The figures in this condensed interim financial statements have been rounded off to the nearest thousands.

**26 Date of authorization for issue**

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

*14 May 2023.*

*null*

  
 Chief Executive Officer

  
 Chief Financial Officer