

## **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 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.

### **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:** 10 August 2022  
**Place:** Kabul, Afghanistan

**AFGHANISTAN INTERNATIONAL BANK**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)**  
**AS AT 30 JUNE, 2022**

		30 June 2022 (Un-Audited)	31 December 2021 (Audited)
	Note	----- AFN in '000 -----	
<b>ASSETS</b>			
Cash and balances with Da Afghanistan Bank	4	37,590,590	22,457,198
Balances with other banks	5	8,388,104	18,316,294
Placements -net	6	7,275,225	10,685,045
Investments - net	7	7,552,257	15,589,938
Loan and advances to customers - net	8	1,012,668	1,819,528
Operating fixed assets	9	3,314,672	3,392,961
Intangible assets		246,524	291,698
Deferred tax assets	10	-	267,334
Other assets	11	812,295	1,633,210
<b>Total assets</b>		<b>66,192,335</b>	<b>74,453,206</b>
<b>LIABILITIES</b>			
Customers' deposits	12	61,932,134	70,359,122
Deferred income		4,345	29,893
Lease liabilities	13	273,023	323,255
Deferred tax liabilities	10	38,463	-
Other liabilities	14	181,003	162,400
<b>Total liabilities</b>		<b>62,428,968</b>	<b>70,874,670</b>
<b>EQUITY</b>			
Share capital	15	1,465,071	1,465,071
Capital reserves		318,624	318,624
Retained earnings		2,133,398	1,821,712
Revaluation loss on debt instruments at FVOCI		(153,725)	(26,871)
<b>Total equity</b>		<b>3,763,368</b>	<b>3,578,536</b>
<b>Total liabilities and equity</b>		<b>66,192,335</b>	<b>74,453,206</b>
<b>Contingencies and commitments</b>			

The annexed notes 1 to 25 form an integral part of these financial statements.

  
**Chief Executive Officer**

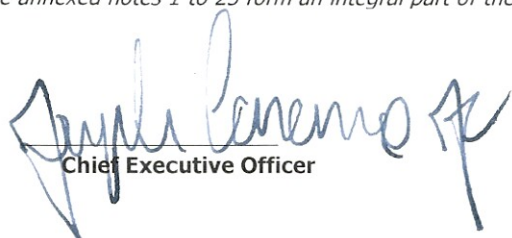
  
**Chief Financial Officer**

**AFGHANISTAN INTERNATIONAL BANK**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE SIX MONTHS PERIOD ENDED 30 JUNE, 2022**

	Note	Six months ended		Three months ended	
		30 June 2022	30 June 2021	30 June 2022	30 June 2021
		(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)
		----- AFN in '000 -----	----- AFN in '000 -----	----- AFN in '000 -----	----- AFN in '000 -----
Interest income (Using effective interest method)	17	<b>218,354</b>	370,175	<b>81,529</b>	185,910
Profit on islamic deposits / Interest expense		<b>(789)</b>	(5,121)	<b>(357)</b>	(2,937)
Net interest income		<b>217,565</b>	365,054	<b>81,172</b>	182,972
Fee and commission income	18	<b>1,582,193</b>	465,145	<b>884,885</b>	245,213
Fee and commission expense		<b>(2,309)</b>	(773)	<b>(1,961)</b>	(675)
Net fee and commission income		<b>1,579,884</b>	464,372	<b>882,924</b>	244,538
Income from dealing in foreign currencies		<b>126,819</b>	158,312	<b>44,911</b>	90,641
		<b>1,924,268</b>	987,738	<b>1,009,007</b>	518,151
Other income		-	11,846	-	5,068
Gain on sale of securities		<b>(206,669)</b>	135,915	<b>(206,044)</b>	5,673
Credit losses reversal / (expense)	19	<b>(209,041)</b>	(157,624)	<b>(86,408)</b>	(31,588)
Finance cost on lease liability	13	<b>(1,503)</b>	(2,277)	<b>(690)</b>	(1,138)
General and administrative expenses	20	<b>(857,860)</b>	(931,565)	<b>(400,676)</b>	(466,652)
<b>Profit before taxation</b>		<b>649,195</b>	44,033	<b>315,189</b>	29,514
Taxation	21	<b>(337,509)</b>	2,446	<b>(182,458)</b>	(10,085)
<b>Profit for the year</b>		<b>311,686</b>	46,479	<b>132,731</b>	19,430
<b>Other comprehensive (loss) / income</b>					
<i>Items that may be classified to profit or loss subsequently</i>					
Deficit on debt instruments at FVOCI		<b>(158,567)</b>	(20,250)	<b>(72,309)</b>	(1,248)
Related deferred tax		<b>31,713</b>	4,050	<b>14,462</b>	2,675
Other comprehensive (loss) / income, net of tax		<b>(126,854)</b>	(16,200)	<b>(57,847)</b>	1,427
<b>Total comprehensive income for the year</b>		<b>184,832</b>	30,279	<b>74,884</b>	20,857
Earnings per share - Basic and diluted (AFN)		<b>10.39</b>	1.55	<b>4.42</b>	0.65

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The annexed notes 1 to 25 form an integral part of these financial statements.

  
**Chief Executive Officer**

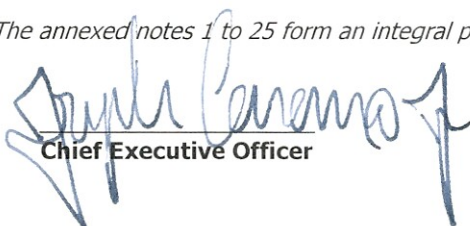
  
**Chief Financial Officer**



**AFGHANISTAN INTERNATIONAL BANK**  
**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)**  
**FOR THE SIX MONTHS PERIOD ENDED 30 JUNE, 2022**

	Note	Six months ended	
		30 June 2022 (Un-audited)	30 June 2021 (Un-audited)
		AFN in '000	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Profit before Income tax</b>		<b>649,195</b>	44,033
<b>Adjustments for:</b>			
Depreciation	21	147,629	146,292
Amortization	21	45,173	43,611
Finance cost on lease liability	13	1,503	2,277
Adjustments for the movement in lease liability	13	(49,921)	13,823
Credit losses (reversal) / expense	19	209,041	157,624
Property and equipment written-off	9	14,723	3,194
		<b>1,017,343</b>	410,854
<b>Changes in operating assets and liabilities:</b>			
Receivable from financial institutions		-	(102,642)
Required reserve maintained with DAB		(290)	611,063
Cash margin held with other banks		3,857	26,052
Loans and advances to customers - net		572,319	479,852
Other assets		819,486	(131,550)
Deferred income on commercial letter of credit and guarantees		(11,990)	(8,312)
Customers' deposits		(8,426,988)	524,464
Other liabilities		18,603	(145,938)
		<b>(6,007,660)</b>	1,663,840
Income tax paid		(1,429)	(15,310)
<b>Net cash flow (used in)/ from operating activities</b>		<b>(6,009,089)</b>	1,648,530
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital work-in-progress		(66,830)	(131,855)
Acquisition of operating fixed assets		(17,233)	(8,322)
Acquisition of intangible assets		-	(16,117)
Placements (with maturity more than three months)		(588,859)	2,089,085
Investments		7,891,436	(556,411)
<b>Net cash flow from investing activities</b>		<b>7,218,515</b>	1,376,380
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Lease liability repaid		(311)	(28,847)
Finance cost paid		(1,503)	-
<b>Net cash used in financing activities</b>		<b>(1,814)</b>	(28,847)
<b>Net increase in cash and cash equivalents</b>		<b>1,207,612</b>	2,996,063
Cash and cash equivalents at 1 January		46,827,238	28,965,120
<b>Cash and cash equivalents at 30 June</b>	23	<b>48,034,850</b>	31,961,184

The annexed notes 1 to 25 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 SIX MONTHS PERIOD ENDED 30 JUNE, 2022**

	Share capital	Revaluation surplus on debt instruments at FVOCI	Capital reserves	Retained earnings	Total
	----- AFN '000' -----				
Balance at 01 January 2021	1,465,071	142,391	306,319	1,827,914	3,741,695
Total comprehensive income					
Profit for the period				46,479	46,479
Other comprehensive income, net of tax:					
Debt instruments at FVOCI					
Net change in fair value		(20,250)			(20,250)
Related tax		4,050			4,050
<b>Total comprehensive income</b>	-	(16,200)	-	46,479	30,279
Transferred to capital reserve			-	-	-
Transactions with owners of the bank					
Dividend paid				-	-
Balance at 30 June 2021	1,465,071	126,190	306,319	1,874,393	3,771,974

	Share capital	Revaluation loss on debt instruments at FVOCI	Capital reserve	Retained earnings	Total
	----- AFN '000' -----				
<b>Balance at 01 January 2022</b>	<b>1,465,071</b>	<b>(26,871)</b>	<b>318,624</b>	<b>1,821,712</b>	<b>3,578,536</b>
<b>Total comprehensive income</b>					
Profit for the period				311,686	311,686
Other comprehensive loss, net of tax:					-
Fair value reserve (debt instruments at FVOCI)					-
Net change in fair value		(158,567)			(158,567)
Related tax		31,713			31,713
<b>Total comprehensive income</b>	-	(126,854)	-	311,686	184,832
Transferred to capital reserve			-	-	-
<b>Transactions with owners of the bank</b>					
Dividend paid				-	-
<b>Balance at 30 June 2022</b>	<b>1,465,071</b>	<b>(153,725)</b>	<b>318,624</b>	<b>2,133,398</b>	<b>3,763,368</b>

The annexed notes 1 to 25 form an integral part of these financial statements.

  
 Chief Executive Officer

  
 Chief Financial Officer

**Afghanistan International Bank**  
**Notes to the condensed interim financial information (Un-audited)**  
**For the six months period ended 30 June, 2022**

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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 (2021: 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 six months ended 30 June 2022 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 2021.
- 2.3** Comparative statement of financial position is extracted from the annual financial statements as at 31 December 2021 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 information for the six months period ended 30 June 2021.

**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 2022 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 2021.
- 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 2021.
- 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 2021.

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**Afghanistan International Bank**  
**Notes to the condensed interim financial information (Un-audited)**  
**For the six months period ended 30 June, 2022**

		30 June 2022 (Un-audited)	31 December 2021 (Audited)
		----- AFN in '000 -----	
<b>4</b>	<b>Cash and balances with Da Afghanistan Bank</b>		
	<b>Note</b>		
	Cash in hand	<b>30,520,397</b>	9,676,731
	Cash in hand - Islamic banking division	<b>94,618</b>	44,789
	Cash at Automated Teller Machines (ATMs)	<b>42,236</b>	53,134
		<b>30,657,251</b>	9,774,654
	Balances with Da Afghanistan Bank:		
	Local currency:		
	- Required reserve accounts	4.1 <b>283,642</b>	228,640
	- Current accounts	<b>202,130</b>	1,314,413
		<b>486,369</b>	1,543,650
	Foreign currency:		
	- Required reserve accounts	4.1 <b>4,323,553</b>	4,378,265
	- Current accounts	<b>2,123,417</b>	6,760,629
		<b>6,446,970</b>	11,138,894
		<b>37,590,590</b>	22,457,198

- 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.

		30 June 2022 (Un-audited)	31 December 2021 (Audited)
		----- AFN in '000 -----	
<b>5</b>	<b>Balances with other banks</b>		
	<b>Note</b>		
	With Crown Agents Bank:		
	- in nostro accounts	<b>2,521,225</b>	13,482,890
	With other banks	5.1 <b>5,866,879</b>	4,833,404
		<b>8,388,104</b>	18,316,294

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

		30 June 2022 (Un-audited)	31 December 2021 (Audited)
		----- AFN in '000 -----	
<b>6</b>	<b>Placements -net</b>		
	<b>Note</b>		
	Placements with banks	6.1 <b>7,276,971</b>	10,685,546
	Impairment allowances for losses	6.2 <b>(1,746)</b>	(501)
		<b>7,275,225</b>	10,685,045

- 6.1** These represent USD denominated fixed term placements with financial institutions outside Afghanistan up to a maximum period of one year (2021: one year) and carry interest at rates ranging from 0.10% to 0.75% (31 December 2021: 0.12% to 1.60%) per annum.

- 6.2** This represents provision calculated under IFRS 9 amounted to AFN 582 thousands (31 December 2021: AFN 501 thousands) which is higher from the one resulting from Assets Classification and Provisioning Regulation requirements (ACPR). Accordingly, the Bank has maintained higher provision as required under IFRS 9.

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**Afghanistan International Bank**  
**Notes to the condensed interim financial information (Un-audited)**  
**For the six months period ended 30 June, 2022**

		30 June 2022 (Un-audited)	31 December 2021 (Audited)
	Note	----- AFN in '000 -----	
<b>7 Investments - net</b>			
<b>Debt instruments at fair value through OCI:</b>			
- Investment bonds	7.1	2,422,810	6,345,755
<b>Debt instruments at amortised cost:</b>			
- Investment bonds	7.2	5,142,909	9,269,967
		7,565,719	15,615,722
Allowance for ECL / impairment losses	7.3	(13,462)	(25,784)
		<u>7,552,257</u>	<u>15,589,938</u>

**7.1** These represent investments in sovereign bonds having maturity ranging from April 2021 to July 2030 (31 December 2021: January 2022 to July 2040) and carrying interest rates ranging from 0.13% to 8.75% (31 December 2021: 0.10% to 7.90%) per annum. These investments are managed by Julius Baer, Credit Suisse and Emirates NBD on behalf of the Bank.

**7.2** These represent investments in sovereign bonds carrying interest rates ranging from 0.13% to 8.75% (31 December 2021: 1.00% to 6.60%) per annum. These investments have maturity ranging from April 2021 to April 2025 (31 December 2021: January 2022 to October 2030). These investments are managed by Julius Baer, Credit Suisse and Emirates NBD on behalf of the Bank.

**7.3** The provision for expected credit losses on investments as per ACPR amount to AFN 13,462 thousands (31 December 2021: AFN 25,784 thousands) which is higher than the IFRS 9 provision. Accordingly, the Bank has maintained higher provision as required as per IFRS 9.

		30 June 2022 (Un-audited)	31 December 2021 (Audited)
	Note	----- AFN in '000 -----	
<b>8 Loan and advances to customers - net</b>			
Overdrafts		1,831,086	2,231,309
Term loans		473,252	724,916
Consumer loans		22,782	29,184
		2,327,120	2,985,409
General provision	8.1	(175,320)	(155,595)
Allowance for ECL / impairment losses	8.2	(1,139,132)	(1,010,286)
		<u>1,012,668</u>	<u>1,819,528</u>

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

Short term (for up to one year)	2,081,595	2,665,982
Non-current (for over one year)	245,524	319,381
	<u>2,327,119</u>	<u>2,985,363</u>

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

**8.2** The movement in the allowance for ECL/ impairment losses is as follows:

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**Afghanistan International Bank**  
**Notes to the condensed interim financial information (Un-audited)**  
**For the six months period ended 30 June, 2022**

		<b>30 June 2022</b>	<b>31 December 2021</b>
		<b>(Un-audited)</b>	<b>(Audited)</b>
		----- AFN in '000 -----	
<b>Opening balance</b>		<b>1,010,285</b>	689,447
Allowances for impairment made during the period/ year		<b>134,313</b>	310,317
Amounts written off during the period/ year		-	(1,096)
Exchange rate differences and other adjustments		<b>(5,467)</b>	11,617
Closing balance		<b>1,139,131</b>	1,010,285

		<b>30 June 2022</b>	<b>31 December 2021</b>
		<b>(Un-audited)</b>	<b>(Audited)</b>
		----- AFN in '000 -----	
<b>9 Operating fixed assets</b>	<b>Note</b>		
Property and equipment	9.1	<b>3,078,799</b>	3,223,918
Capital work-in-progress	9.2	<b>235,873</b>	169,043
		<b>3,314,672</b>	<b>3,392,961</b>

<b>9.1 Operating fixed assets - movement</b>			
<i>Opening balance</i>			
Cost		<b>4,317,597</b>	4,486,681
Accumulated depreciation		<b>(1,093,679)</b>	(951,368)
Net book value		<b>3,223,918</b>	3,535,313
<i>Movement in cost:</i>			
Transfers from capital work-in-progress		-	8,916
Additions		<b>17,233</b>	10,010
ROU - Derecognized		-	(143,612)
Adjustments/ write-off		<b>(14,723)</b>	(44,398)
		<b>2,510</b>	(169,084)
<i>Movement in depreciation:</i>			
Depreciation charge		<b>147,629</b>	281,712
Adjustments/ write-off		-	(139,401)
		<b>147,629</b>	142,311
<b><u>Balance as at 30 June 2022</u></b>			
Cost		<b>4,320,107</b>	4,317,597
Accumulated depreciation		<b>(1,241,308)</b>	(1,093,679)
Net book value		<b>3,078,799</b>	3,223,918

<b>9.2 Capital work-in-progress - movement</b>			
<b>Balance as at 01 January 2022</b>		<b>169,043</b>	48,078
Additions during the period		<b>66,830</b>	138,424
Transferred to operating fixed assets		-	(8,915)
Transferred to intangible assets		-	(8,544)
Adjustments/write-offs		-	-
<b>Balance as at 30 June 2022</b>		<b>235,873</b>	169,043

Not

10.1 Movement in temporary differences during the period:							
	Balance at 01 January 2021	Recognized in profit or loss	Recognized in equity	Balance at 31 December 2021	Recognized in profit or loss	Recognized in equity	Balance at 30 June 2022
	AFN '000	AFN '000	AFN '000	AFN '000	AFN '000	AFN '000	AFN '000
<b>Deferred tax (liabilities) / assets arising in respect of:</b>							
Accelerated tax depreciation and amortization	(301,150)	56,428	-	(244,722)	(315,299)	-	(560,021)
Provision on investments placements and other assets	5,177	482	-	5,659	(821)	-	4,838
Provision on guarantees and commercial letter of credits	5,888	1,906	-	7,794	2,712	-	10,506
Carry forward taxable losses	414,339	87,122	-	501,461	(24,101)	-	477,360
Revaluation reserve on investments	(36,711)	-	33,852	(2,859)	-	31,713	28,854
	87,543	145,938	33,852	267,333	(337,509)	31,713	(38,463)

**Afghanistan International Bank**  
**Notes to the condensed interim financial information (Un-audited)**  
**For the six months period ended 30 June, 2022**

		<b>30 June 2022 (Un-audited)</b>	<b>31 December 2021 (Audited)</b>
Advances to employees		<b>45,855</b>	63,357
Security deposits		<b>1,436</b>	1,444
Prepayments		<b>134,508</b>	202,380
Interest receivable		<b>128,629</b>	207,087
Advance income tax - net		<b>41,993</b>	40,564
Other receivable and advances	11.1	<b>461,017</b>	1,120,385
		<b>813,438</b>	1,635,217
Allowance for ECL / impairment losses	11.2	<b>(1,143)</b>	(2,008)
		<b>812,295</b>	1,633,210

**11.1** This includes balances with Credit Card Service Company.

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

		<b>30 June 2022 (Un-audited)</b>	<b>31 December 2021 (Audited)</b>
	<b>Note</b>	<b>----- AFN in '000 -----</b>	
<b>12 Customers' deposits</b>			
Current deposits		<b>59,563,699</b>	67,351,630
Saving deposits		<b>111,586</b>	132,109
Islamic deposits	12.1	<b>1,224,542</b>	1,686,969
Cash margin held against bank guarantees and letters of credit		<b>1,032,307</b>	1,188,414
		<b>61,932,134</b>	70,359,122

**12.1** *Islamic deposits can be further analyzed as follows:*

Current deposits	<b>163,653</b>	193,892
Saving deposits	<b>1,060,889</b>	1,482,041
Term deposits	-	11,036
	<b>1,224,542</b>	1,686,969

		<b>30 June 2022 (Un-audited)</b>	<b>31 December 2021 (Audited)</b>
	<b>Note</b>	<b>----- AFN in '000 -----</b>	
<b>13 Lease liabilities</b>			
Opening balance		<b>323,255</b>	469,641
Additions during the period		-	-
Derecognized during the period		-	(143,612)
Lease rentals paid		<b>(1,814)</b>	(59,736)
Finance cost for the period		<b>1,503</b>	4,404
Exchange (gain)/ loss		<b>(49,921)</b>	52,558
		<b>273,023</b>	323,255

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**Afghanistan International Bank**  
**Notes to the condensed interim financial information (Un-audited)**  
**For the six months period ended 30 June, 2022**

		30 June 2022 (Un-audited)	31 December 2021 (Audited)
	Note	----- AFN in '000 -----	
<b>14 Other liabilities</b>			
Accruals and other payables		<b>40,085</b>	7,699
Amounts pending transfers to customers' accounts	14.1	<b>5,289</b>	5,738
Retention money payable		<b>175</b>	1,317
Payable from sale of collateral against loans and advances written off		<b>1,396</b>	1,248
Others		<b>108,645</b>	107,427
Provision on Financial guarantees	14.2	<b>25,413</b>	38,971
		<b>181,003</b>	162,400
<b>14.1</b> This represents amounts received on behalf of the customers, however, not credited in the respective customer accounts due to incomplete identification data.			
<b>14.2</b> This represents 1% provision on unsecured portion of bank guarantees, not backed by cash margin, as required in Asset Classification and Provisioning Regulation issued by DAB, however, IFRS 9 provision for expected credit loss computed on unfunded financing facilities amounts to AFN 15 thousand (31 December 2021: AFN 30,981 thousand). The provision under regulations issued by DAB is higher than IFRS 9 ECL, therefore, the Bank has			
		30 June 2022 (Un-audited)	31 December 2021 (Audited)
		----- AFN in '000 -----	
<b>15 Share capital</b>			
Authorized 30,000,000 (2021: 30,000,000) ordinary shares of USD 1 each		<b>1,465,071</b>	1,465,071
Issued, subscribed and paid-up - 30,000,000 (31 December 2021: 30,000,000) ordinary shares of AFN 48.84 each fully paid in cash		<b>1,465,071</b>	1,465,071
<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.			
		30 June 2022 (Un-audited)	31 December 2021 (Audited)
	Note	----- AFN in '000 -----	
<b>16 Contingencies and commitments</b>			
<b>Contingencies</b>			
Financial guarantees	16.1	<b>6,727,126</b>	8,354,500
<b>16.1</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		<b>1,066,024</b>	942,955
(b) Commercial letters of credit		<b>43,830</b>	553,918
		<b>1,109,854</b>	1,496,873

**Afghanistan International Bank**  
**Notes to the condensed interim financial information (Un-audited)**  
**For the six months period ended 30 June, 2022**

			Six months ended	
			30 June 2022 (Un-audited)	30 June 2021 (Un-audited)
17	Interest income (Using effective interest method)	Note	----- AFN in '000 -----	
	Balances with DAB and other banks		4,913	13,310
	Placements		37,295	63,981
	Debt instruments at FVOCI		51,641	97,542
	Debt instruments at amortized cost		50,386	90,710
			<b>218,354</b>	<b>370,175</b>
18	Fee and commission income			
	Loans and advances to customers		5,988	4,062
	Trade finance products		3,249	11,940
	Cash withdrawals / Cash transfers		542,212	270,282
	Customers' account service charges		41,217	49,750
	Income from ATMs		68,482	52,221
	Income from guarantee arrangements		27,445	30,443
	Payroll services		34,835	33,956
	Stand By LC Availment Charges		-	-
	Cash management income		720,507	-
	Others		138,258	15,833
			<b>1,582,193</b>	<b>468,485</b>
19	Credit losses (reversal) / expense			
		Note		
	The table below shows the ECL charges on financial instruments for the year recorded in the income statement:			
	Placements	6.2	1,245	2,215
	Investments	7.3	(12,322)	3,622
	Loans and advances	8.2	234,541	146,076
	Other assets	11.1	(865)	1,477
	Financial guarantees	14.2	(13,558)	4,920
	Letter of credit	14.2	-	(687)
	<b>Total credit loss/ (reversal) for the period - net</b>		<b>209,041</b>	<b>157,624</b>

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**Afghanistan International Bank**  
**Notes to the condensed interim financial information (Un-audited)**  
**For the six months period ended 30 June, 2022**

		<b>Six months ended</b>	
		<b>30 June 2022</b>	<b>30 June 2021</b>
		<b>(Un-audited)</b>	<b>(Un-audited)</b>
<b>20</b>	<b>General and administrative expenses</b>	<b>----- AFN in '000 -----</b>	
	<b>Note</b>		
		<b>235,143</b>	251,833
Salaries and benefits		<b>24,448</b>	26,949
Rental, rates and taxes		<b>55,073</b>	44,703
Electricity, generator and fuel		<b>6,550</b>	6,811
Repairs and maintenance		<b>58,003</b>	56,032
Information technology cost		<b>5,946</b>	43,861
Security cost		<b>147,629</b>	146,292
Depreciation	9.1	<b>45,173</b>	43,611
Amortization		<b>11,185</b>	9,173
Directors fee and their meeting expenses		<b>5,920</b>	12,599
Travelling and accommodation		<b>18,127</b>	21,424
Communication, swift and internet		<b>9,304</b>	16,454
Stationery and printing		<b>40,932</b>	65,536
Legal and professional charges		<b>21,202</b>	19,488
Asset management fee to investment advisors		<b>4,672</b>	5,011
Auditors' remuneration		<b>1,427</b>	4,925
Marketing and promotion		<b>16,322</b>	1,116
Money service providers charges		<b>103,467</b>	116,720
Insurance		-	509
Subscriptions and memberships		<b>42,238</b>	26,272
Other charges		-	1,035
Taxes and penalties		-	2,775
Corporate social responsibility		<b>115</b>	1,368
Corona virus costs		<b>4,984</b>	7,068
Others		<b>857,860</b>	931,565
		<b>Six months ended</b>	
		<b>30 June 2022</b>	<b>30 June 2021</b>
		<b>(Un-audited)</b>	<b>(Un-audited)</b>
<b>21</b>	<b>Taxation</b>	<b>----- AFN in '000 -----</b>	
	<b>Note</b>		
<b>Current:</b>			
For the year	21.1	-	-
Prior periods		-	-
<b>Deferred:</b>			
For the year		<b>337,509</b>	(2,446)
		<b>337,509</b>	(2,446)

**21.1** 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 information (Un-audited)**  
**For the six months period ended 30 June, 2022**

**22 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	
	30 June 2022 (Un-audited)	31 December 2021 (Audited)	30 June 2022 (Un-audited)	31 December 2021 (Audited)
	AFN '000			
<b>(a) Loans and advances to related parties</b>				
Loans outstanding at the beginning of the year	2,678	2,678	159,997	172,935
Loans repayments during the period	-	-	(159,997)	(172,935)
Exchange gain	-	-	-	-
Loans outstanding at the end of the period	<u>2,678</u>	<u>2,678</u>	<u>165,219</u>	<u>159,997</u>
Interest income earned	<u>241</u>	<u>964</u>	<u>165,219</u>	<u>181,217</u>

Provision for expected credit losses on outstanding balances of loans and advances to related parties amounts to AFN 1,652 thousand (31 December 2021: AFN 8,187 thousand).

The facilities provided to related parties carry mark-up of 7% p.a. (31 December 2021: 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	
	30 June 2022 (Un-audited)	31 December 2021 (Audited)	30 June 2022 (Un-audited)	31 December 2021 (Audited)
	AFN '000			
<b>(b) Deposits from related parties</b>				
Deposits at the beginning of the year	18,333	18,333	4,839	64,474
Deposits received during the year	1,649	-	152,611	1,585,446
Deposits repaid during the year	125,124	-	(153,360)	(1,651,968)
Exchange rate difference	19,956	-	608	6,887
Deposits at the end of the year	<u>165,062</u>	<u>18,333</u>	<u>4,698</u>	<u>4,839</u>
Interest expense on deposits	-	-	-	-

These represent current account of related parties, which do not carry interest (31 December 2021: Nil)

Nature of transactions	Directors and other key management personnel (and close family members)		Shareholders and its associated companies	
	30 June 2022 (Un-audited)	30 June 2021 (Un-audited)	30 June 2022 (Un-audited)	30 June 2021 (Un-audited)
	AFN '000			
<b>(c) Other related party transactions</b>				
Fee and commission income	-	-	29	16
Directors' fee	5,668	5,437	-	-
Rental expenses	-	-	15,936	9,529
Travelling expense	-	-	-	-
			<u>30 June 2022 (Un-audited)</u>	<u>30 June 2021 (Un-audited)</u>
			AFN in '000	
<b>(d) Key Management compensation</b>				
Salaries and other short-term benefits			<u>32,708</u>	<u>30,738</u>
			<u>32,708</u>	<u>30,738</u>

Key Management personnel of the Bank include the 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 six months period ended 30 June, 2022**

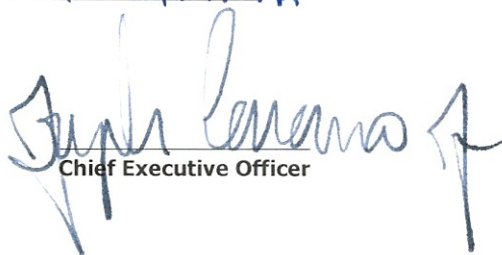
	Six months ended	
	30 June 2022 (Un-audited)	30 June 2021 (Un-audited)
	----- AFN in '000 -----	
<b>23 Cash and cash equivalents</b>		
Cash in hand and at ATM	30,657,251	4,117,215
Balances with DAB (other than minimum reserve requirement)	2,326,144	16,243,376
Balances with other banks (other than held as a cash margin)	8,388,104	5,671,818
Placements (with maturity less than three months)	6,663,351	5,928,775
	<u>48,034,850</u>	<u>31,961,184</u>

**24 General**

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

**25 Date of authorization for issue**

This condensed interim financial statements were authorized for issue by the Board of Supervisors of the Bank on 10 - August 2022

  
 Chief Executive Officer

  
 Chief Financial Officer