

**Afghanistan International Bank**

Independent Auditor's Review Report on Condensed  
Interim Financial Information For the period ended  
on 31 March 2022

**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 2022**, 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".

**Chartered Accountants****Engagement Partner:** Muhammad Saqlain Siddiqui**Date:** 14 May 2022**Place:** Kabul, Afghanistan

**AFGHANISTAN INTERNATIONAL BANK**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2021**

AS AT 31 MARCH 2021

		31 March 2022 Un-audited	31 December 2021 Audited
	Note	----- AFN in '000 -----	
<b>ASSETS</b>			
Cash and balances with Da Afghanistan Bank	4	<b>27,961,026</b>	22,457,198
Balances with other banks	5	<b>8,373,978</b>	18,316,294
Placements - net	6	<b>11,549,799</b>	10,685,045
Investments - net	7	<b>12,102,662</b>	15,589,938
Loan and advances to customers - net	8	<b>1,491,519</b>	1,819,528
Receivables from financial institutions		<b>625,342</b>	1,074,826
Operating fixed assets	9	<b>3,343,056</b>	3,392,961
Intangible assets		<b>268,975</b>	291,698
Deferred tax assets	10	<b>129,533</b>	267,334
Other assets	11	<b>518,208</b>	558,384
<b>Total assets</b>		<b>66,364,098</b>	74,453,206
<b>LIABILITIES</b>			
Customers' deposits	12	<b>62,221,521</b>	70,359,122
Deferred income		<b>11,329</b>	29,893
Lease liabilities	13	<b>271,212</b>	323,255
Other liabilities	14	<b>171,551</b>	162,400
<b>Total liabilities</b>		<b>62,675,613</b>	70,874,670
<b>EQUITY</b>			
Share capital	15	<b>1,465,071</b>	1,465,071
Capital reserves		<b>318,624</b>	318,624
Retained earnings		<b>2,000,667</b>	1,821,712
Revaluation loss on debt instruments at FVOCI		<b>(95,876)</b>	(26,871)
<b>Total equity</b>		<b>3,688,486</b>	3,578,536
<b>Total liabilities and equity</b>		<b>66,364,098</b>	74,453,206
<b>Contingencies and commitments</b>			

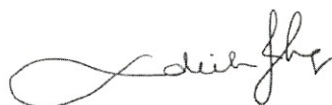
16

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

mal



**Chief Executive Officer**



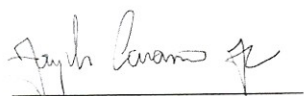
**Chief Financial Officer**

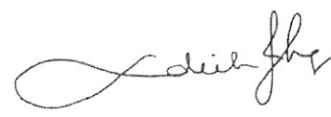
**AFGHANISTAN INTERNATIONAL BANK**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2022**

		Three months ended	
		31 March 2022	31 March 2021
		(Un-audited)	(Un-audited)
Note	----- AFN in '000 -----		
Interest income - calculated using the effective interest method	17	<b>136,825</b>	184,266
Interest expense		<b>(432)</b>	(2,184)
Net interest income		<b>136,393</b>	182,082
Fee and commission income		<b>697,308</b>	219,932
Fee and commission expense		<b>(348)</b>	(98)
Net fee and commission income		<b>696,960</b>	219,834
Income from dealing in foreign currencies		<b>81,908</b>	67,671
		<b>915,261</b>	469,587
Other income		-	6,777
Gain on sale of securities		<b>(625)</b>	130,241
Credit loss expense -net	18	<b>(122,633)</b>	(126,036)
Finance cost on lease liability		<b>(813)</b>	(1,140)
General and administrative expenses	19	<b>(457,184)</b>	(464,912)
<b>Profit before taxation</b>		<b>334,006</b>	14,517
Taxation	20	<b>(155,051)</b>	12,531
<b>Profit for the period</b>		<b>178,955</b>	27,048
<b>Other comprehensive income</b>			
<i>Items that may be classified to profit or loss subsequently</i>			
Deficit on debt instruments at FVOCI		<b>(86,256)</b>	(19,002)
Related deferred tax		<b>17,251</b>	1,375
Other comprehensive loss, net of tax		<b>(69,005)</b>	(17,627)
<b>Total comprehensive income for the period</b>		<b>109,950</b>	9,421
Earnings per share - Basic and diluted (AFN)		<b>5.97</b>	0.90

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

mal

  
**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 2022**

		<b>31 March 2022 (Un-audited) ----- AFN in '000 -----</b>	<b>31 March 2021 (Un-audited) ----- AFN in '000 -----</b>
	<b>Note</b>		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before Income Tax		<b>334,006</b>	14,517
Adjustments for:			
Depreciation	9.1	<b>71,952</b>	84,668
Amortization		<b>22,722</b>	21,425
Finance cost on lease liability	13	<b>813</b>	1,140
Exchange rate differences in lease liability		<b>(51,042)</b>	1,335
Credit loss expense -net	18	<b>122,633</b>	126,036
Property and equipment written-off	9.1	<b>48,723</b>	3,194
		<b>549,807</b>	252,315
Changes in operating assets and liabilities			
Receivable from financial institutions		<b>449,484</b>	(33,334)
Required reserve maintained with DAB		<b>(254,226)</b>	617,850
Cash margin held with other banks		<b>3,610</b>	26,572
Loans and advances to customers - net		<b>197,971</b>	(21,819)
Other assets		<b>40,793</b>	38,798
Deferred income on commercial letter of credit and guarantees		<b>(15,014)</b>	(340)
Customers' deposits		<b>(8,137,601)</b>	136,474
Other liabilities		<b>9,151</b>	16,439
		<b>(7,156,025)</b>	1,032,953
Income tax paid		<b>(617)</b>	-
<b>Net cash (used in)/ from operating activities</b>		<b>(7,156,642)</b>	1,032,953
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital work-in-progress	9.2	<b>(70,770)</b>	(103,089)
Acquisition of operating fixed assets		-	(626)
Acquisition of intangible assets		-	(1,291)
Placements (with maturity more than three months)		<b>(3,384,771)</b>	(109,730)
Investments		<b>3,405,504</b>	3,365,972
<b>Net cash flow (used in) / from investing activities</b>		<b>(50,036)</b>	3,151,236
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Lease liability repaid		<b>(1,001)</b>	(22,440)
Finance cost paid	13	<b>(813)</b>	(1,140)
<b>Net cash used in financing activities</b>		<b>(1,814)</b>	(23,579)
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>(7,208,492)</b>	4,160,609
Cash and cash equivalents at 1 January		<b>46,827,238</b>	28,965,120
<b>Cash and cash equivalents at 31 December</b>	22	<b>39,618,746</b>	33,125,730

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

ml

  
**Chief Executive Officer**

  
**Chief Financial Officer**

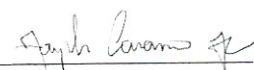
**AFGHANISTAN INTERNATIONAL BANK**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
**FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2022**


	Share capital	Revaluation loss on debt instruments at FVOCI	Capital reserves	Retained earnings	Total
	----- AFN '000' -----				
<b>Balance at 01 January 2021</b>	1,465,071	142,391	306,319	1,827,914	3,741,695
<b>Total comprehensive income</b>					
Profit for the year				27,048	27,048
Other comprehensive income, net of tax:					
Debt instruments at FVOCI					
Net change in fair value		(19,002)			(19,002)
Related tax		1,375			1,375
<b>Total comprehensive income</b>	-	(17,627)	-	27,048	9,421
Transferred to capital reserve			-	-	-
<b>Transactions with owners of the bank</b>					
Dividend paid					
<b>Balance at 31 March 2021</b>	1,465,071	124,763	306,319	1,854,962	3,751,116

	Share capital	Revaluation loss on debt instruments at FVOCI	Capital reserve	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 year				178,955	178,955
Other comprehensive income, net of tax:					
Fair value reserve (debt instruments at FVOCI)					
Net change in fair value		(86,256)			(86,256)
Related tax		17,251			17,251
<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					
<b>Balance at 31 March 2022</b>	1,465,071	(95,876)	318,624	2,000,667	3,688,486

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

ma

  
**Chief Executive Officer**

  
**Chief Financial Officer**

**Afghanistan International Bank**  
**Notes to the condensed interim financial statements (Un-audited)**  
**For the three months period ended 31 March 2022**

---

**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 three months ended 31 March 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 statements for the three months period ended 31 March 2021.

**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

**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.

mel



**Afghanistan International Bank**  
**Notes to the condensed interim financial statements (Un-audited)**  
**For the three months period ended 31 March 2022**

		31 March 2022 (Un-audited)	31 December 2021 (Audited)
<b>4 Cash and balances with Da Afghanistan Bank</b>	<b>Note</b>	<b>----- AFN in '000 -----</b>	
Cash in hand		<b>20,146,648</b>	9,676,731
Cash in hand - Islamic banking division		<b>83,059</b>	44,789
Cash at Automated Teller Machines (ATMs)		<b>32,687</b>	53,134
		<b>20,262,394</b>	9,774,654
Balances with Da Afghanistan Bank:			
Local currency:			
- Deposit facility accounts		<b>597</b>	597
- Required reserve accounts	4.1	<b>299,011</b>	228,640
- Current accounts		<b>1,134,636</b>	1,314,413
		<b>1,434,244</b>	1,543,650
Foreign currency:			
- Required reserve accounts	4.1	<b>4,562,120</b>	4,378,265
- Current accounts		<b>1,702,268</b>	6,760,629
		<b>6,264,388</b>	11,138,894
		<b>27,961,026</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.

		31 March 2022 (Un-audited)	31 December 2021 (Audited)
<b>5 Balances with other banks</b>	<b>Note</b>	<b>----- AFN in '000 -----</b>	
With Crown Agents Bank:			
- in nostro accounts		<b>5,418,245</b>	13,482,890
With other banks	5.1	<b>2,955,733</b>	4,833,404
		<b>8,373,978</b>	18,316,294

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

		31 March 2022 (Un-audited)	31 December 2021 (Audited)
<b>6 Placements - net</b>	<b>Note</b>	<b>----- AFN in '000 -----</b>	
Placements with banks	6.1	<b>11,550,771</b>	10,685,546
Impairment allowances for losses	6.2	<b>(972)</b>	(501)
		<b>11,549,799</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 972 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.

ms



**Afghanistan International Bank**  
**Notes to the condensed interim financial statements (Un-audited)**  
**For the three months period ended 31 March 2022**

		31 March 2022 (Un-audited)	31 December 2021 (Audited)
		----- AFN in '000 -----	
<b>7</b>	<b>Investments - net</b>	<b>Note</b>	
	<b>Debt instruments at fair value through OCI:</b>		
	- Investment bonds	7.1	4,573,913
	<b>Debt instruments at amortised cost:</b>		
	- Capital notes with DAB	7.2	-
	- Investment bonds	7.2	9,269,967
			9,269,967
			12,123,962
	Allowance for ECL / impairment losses	7.3	(21,300)
			15,615,722
			(25,784)
			15,589,938
<b>7.1</b>	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.		
<b>7.2</b>	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.		
<b>7.3</b>	The provision for expected credit losses on investments as per IFRS 9 amount to AFN 21,300 thousands (31 December 2021: AFN 25,784 thousands) which is higher than the Asset Classification and Provisioning Regulation (ACPR). Accordingly, the Bank has maintained higher provision as required as per IFRS 9.		

		31 March 2022 (Un-audited)	31 December 2021 (Audited)
		----- AFN in '000 -----	
<b>8</b>	<b>Loan and advances to customers - net</b>	<b>Note</b>	
	Overdrafts	8.1	2,130,203
	Term loans	8.2	2,231,309
	Consumer loans	8.3	631,684
			724,916
			25,551
			29,184
			2,787,438
	General provision	8.4	(155,225)
	Allowance for ECL / impairment losses	8.5	(155,595)
			(1,140,694)
			(1,010,286)
			1,491,519
			1,819,528

mal

**Afghanistan International Bank**  
**Notes to the condensed interim financial statements (Un-audited)**  
**For the three months period ended 31 March 2022**

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

Short term (for up to one year)	<b>2,778,300</b>	2,665,982
Non-current (for over one year)	<b>9,138</b>	319,381
	<b><u>2,787,438</u></b>	<u>2,985,363</u>

- 8.1** These represent balances due from customers at various interest rates ranging from 7.00% to 14.50% p.a. (31 December 2021: 7.00% to 14.50%) per annum and are secured against mortgage of properties, personal guarantees and pledge of stocks. These include loans and advances to Small Medium Size Enterprises (SMEs) amounting to 3,646 (31 December 2021: AFN 11,804 thousand) which are also partially backed by Afghanistan Credit Guarantee Foundation (ACGF) guarantees to the extent defined in agreement with ACGF.
- 8.2** Term loans carry interest at various rates ranging from 5.50% to 18.00% p.a. (31 December 2021: 5.50% to 18.00% p.a.) and are secured against mortgage of properties, personal guarantees, lien on equipment, pledge of stocks and/or assignment of receivables of the borrowers. These include loans and advances to SMEs amounting to 27,608 thousands (31 December 2021: AFN 608,610 thousand) which are also partially backed by Afghanistan Credit Guarantee Foundation (ACGF) guarantees to the extent defined in agreement with ACGF.
- 8.3** These include payroll loans provided to individual payroll account holders and employees of corporate customers having payroll account with the Bank carrying interest rate of 13% to 18% (31 December 2021: 18% to 22%) p.a., loans provided to university and school teachers carrying interest rate of 13% to 15% (31 December 2021: 13% to 15%) and credit card loans carrying interest of 36% (31 December 2021: 36%) on annual basis on outstanding balances.
- 8.4** This represent additional general provision maintained by the bank which is duly approved by DAB.
- 8.5** The movement in the allowance for ECL/ impairment losses is as follows:

	<b>31 March 2022 (Un-audited)</b>	<b>31 December 2021 (Audited)</b>
	<b>----- AFN in '000 -----</b>	
<b>Opening balance</b>	<b>1,010,285</b>	689,447
Allowances for impairment made during the period/ year	<b>124,832</b>	310,317
Amounts written off during the period/ year	-	(1,096)
Exchange rate differences and other adjustments	<b>5,577</b>	11,617
Closing balance	<b>1,140,694</b>	1,010,285

*m of*

**Afghanistan International Bank**  
**Notes to the condensed interim financial statements (Un-audited)**  
**For the three months period ended 31 March 2022**

		31 March 2022 (Un-audited)	31 December 2021 (Audited)
	Note	----- AFN in '000 -----	
<b>9 Operating fixed assets</b>			
Property and equipment	9.1	<b>3,103,243</b>	3,223,918
Capital work-in-progress	9.2	<b>239,813</b>	169,043
		<b><u>3,343,056</u></b>	<b><u>3,392,961</u></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		-	10,010
Derecognized		<b>(48,723)</b>	(143,612)
Adjustments/ write-off		-	(44,398)
		<b><u>(48,723)</u></b>	<b><u>(169,084)</u></b>
<i>Movement in depreciation:</i>			
Depreciation charge		<b>71,952</b>	281,712
Adjustments/ write-off		-	(139,401)
		<b><u>71,952</u></b>	<b><u>142,311</u></b>
<i>Closing balance</i>			
Cost		<b>4,268,874</b>	4,317,597
Accumulated depreciation		<b>(1,165,631)</b>	(1,093,679)
Net book value		<b><u>3,103,243</u></b>	<b><u>3,223,918</u></b>
<b>9.2 Capital work-in-progress - movement</b>			
Opening		<b>169,043</b>	48,078
Additions during the year		<b>70,770</b>	138,424
Transferred to operating fixed assets		-	(8,915)
Transferred to intangible assets		-	(8,544)
Adjustments/write-offs		-	-
Closing		<b><u>239,813</u></b>	<b><u>169,043</u></b>

my



**Afghanistan International Bank**  
**Notes to the condensed interim financial statements (Un-audited)**  
**For the three months period ended 31 March 2022**

10	Deferred tax	Note	31 March 2022 (Un-audited)	31 December 2021 (Audited)
	<b>Deferred tax assets / (liabilities) arising in respect of:</b>			
	Provision on investments, placements, loans and advances and other assets		4,888	5,659
	Provision on guarantees and commercial letter of credits		7,084	7,794
	Changes in fair values of debt instruments at FVOCI		14,392	(2,859)
	Carry forward taxable losses		526,988	501,461
	Accelerated tax depreciation and amortization	10.1	(423,818)	(244,722)
			<u>129,533</u>	<u>267,334</u>
10.1	<b>Movement in temporary differences during the period</b>			
			<b>Balance at</b>	
			<b>31</b>	
			<b>December</b>	
			<b>2021</b>	
			<b>AFN '000</b>	
			<b>Recognized</b>	
			<b>in equity</b>	
			<b>AFN '000</b>	
			<b>Recognized</b>	
			<b>in profit or</b>	
			<b>loss</b>	
			<b>AFN '000</b>	
			<b>Recognized</b>	
			<b>in profit or</b>	
			<b>loss</b>	
			<b>AFN '000</b>	
			<b>Recognized</b>	
			<b>in equity</b>	
			<b>AFN '000</b>	
			<b>Recognized</b>	
			<b>in equity</b>	
			<b>AFN '000</b>	
			<b>Recognized</b>	
			<b>in profit or</b>	
			<b>loss</b>	
			<b>AFN '000</b>	
			<b>Recognized</b>	
			<b>in equity</b>	
			<b>AFN '000</b>	
			<b>Recognized</b>	
			<b>in equity</b>	
			<b>AFN '000</b>	
			<b>Recognized</b>	
			<b>in equity</b>	
			<b>AFN '000</b>	
			<b>Recognized</b>	
			<b>in equity</b>	
			<b>AFN '000</b>	
			<b>Recognized</b>	
			<b>in equity</b>	
			<b>AFN '000</b>	
			<b>Recognized</b>	
			<b>in equity</b>	
			<b>AFN '000</b>	
			<b>Recognized</b>	
			<b>in equity</b>	
			<b>AFN '000</b>	
			<b>Recognized</b>	
			<b>in equity</b>	
			<b>AFN '000</b>	
			<b>Recognized</b>	
			<b>in equity</b>	
			<b>AFN '000</b>	
			<b>Recognized</b>	
			<b>in equity</b>	
			<b>AFN '000</b>	
			<b>Recognized</b>	
			<b>in equity</b>	
			<b>AFN '000</b>	
			<b>Recognized</b>	
			<b>in equity</b>	
			<b>AFN '000</b>	
			<b>Recognized</b>	
			<b>in equity</b>	
			<b>AFN '000</b>	
			<b>Recognized</b>	
			<b>in equity</b>	
			<b>AFN '000</b>	
			<b>Recognized</b>	
			<b>in equity</b>	
			<b>AFN '000</b>	
			<b>Recognized</b>	
			<b>in equity</b>	
			<b>AFN '000</b>	
			<b>Recognized</b>	
			<b>in equity</b>	
			<b>AFN '000</b>	
			<b>Recognized</b>	
			<b>in equity</b>	
			<b>AFN '000</b>	
			<b>Recognized</b>	
			<b>in equity</b>	
			<b>AFN '000</b>	
			<b>Recognized</b>	
			<b>in equity</b>	
			<b>AFN '000</b>	
			<b>Recognized</b>	
			<b>in equity</b>	
			<b>AFN '000</b>	
			<b>Recognized</b>	
			<b>in equity</b>	
			<b>AFN '000</b>	
			<b>Recognized</b>	
			<b>in equity</b>	
			<b>AFN '000</b>	
			<b>Recognized</b>	
			<b>in equity</b>	
			<b>AFN '000</b>	
			<b>Recognized</b>	
			<b>in equity</b>	
			<b>AFN '000</b>	
			<b>Recognized</b>	
			<b>in equity</b>	
			<b>AFN '000</b>	
			<b>Recognized</b>	
			<b>in equity</b>	
			<b>AFN '000</b>	
			<b>Recognized</b>	
			<b>in equity</b>	
			<b>AFN '000</b>	
			<b>Recognized</b>	
			<b>in equity</b>	
			<b>AFN '000</b>	
			<b>Recognized</b>	
			<b>in equity</b>	
			<b>AFN '000</b>	
			<b>Recognized</b>	
			<b>in equity</b>	
			<b>AFN '000</b>	
			<b>Recognized</b>	
			<b>in equity</b>	
			<b>AFN '000</b>	
			<b>Recognized</b>	
			<b>in equity</b>	
			<b>AFN '000</b>	
			<b>Recognized</b>	
			<b>in equity</b>	
			<b>AFN '000</b>	
			<b>Recognized</b>	
			<b>in equity</b>	
			<b>AFN '000</b>	
			<b>Recognized</b>	
			<b>in equity</b>	
			<b>AFN '000</b>	
			<b>Recognized</b>	
			<b>in equity</b>	
			<b>AFN '000</b>	
			<b>Recognized</b>	
			<b>in equity</b>	
			<b>AFN '000</b>	
			<b>Recognized</b>	
			<b>in equity</b>	
			<b>AFN '000</b>	
			<b>Recognized</b>	
			<b>in equity</b>	
			<b>AFN '000</b>	
			<b>Recognized</b>	
			<b>in equity</b>	
			<b>AFN '000</b>	
			<b>Recognized</b>	
			<b>in equity</b>	
			<b>AFN '000</b>	
			<b>Recognized</b>	
			<b>in equity</b>	
			<b>AFN '000</b>	
			<b>Recognized</b>	
			<b>in equity</b>	
			<b>AFN '000</b>	
			<b>Recognized</b>	
			<b>in equity</b>	
			<b>AFN '000</b>	
			<b>Recognized</b>	
			<b>in equity</b>	
			<b>AFN '000</b>	
			<b>Recognized</b>	
			<b>in equity</b>	
			<b>AFN '000</b>	
			<b>Recognized</b>	
			<b>in equity</b>	
			<b>AFN '000</b>	
			<b>Recognized</b>	
			<b>in equity</b>	
			<b>AFN '000</b>	
			<b>Recognized</b>	
			<b>in equity</b>	
			<b>AFN '000</b>	
			<b>Recognized</b>	
			<b>in equity</b>	
			<b>AFN '000</b>	

M4

**Afghanistan International Bank**  
**Notes to the condensed interim financial statements (Un-audited)**  
**For the three months period ended 31 March 2022**

11	Other assets	Note	31 March 2022 (Un-audited)	31 December 2021 (Audited)
			----- AFN in '000 -----	-----
	Advances to employees		52,295	63,357
	Security deposits		1,436	1,444
	Prepayments		151,180	202,380
	Interest receivable		139,408	207,087
	Advance income tax - net		41,181	40,564
	Other receivable and advances		134,874	45,559
			<u>520,374</u>	<u>560,391</u>
	Allowance for ECL / impairment losses		<u>(2,166)</u>	<u>(2,008)</u>
			<u>518,208</u>	<u>558,384</u>
12	Customers' deposits	Note	31 March 2022 (Un-audited)	31 December 2021 (Audited)
			----- AFN in '000 -----	-----
	Current deposits		59,751,060	67,351,630
	Saving deposits	12.1	120,867	132,109
	Islamic deposits	12.2	1,315,532	1,686,969
	Cash margin held against bank guarantees and letters of credit		1,034,062	1,188,414
			<u>62,221,521</u>	<u>70,359,122</u>
12.1	Saving deposits carry interest @ 3% p.a. (31 December 2021: 3% p.a.)			
12.2	Islamic deposits can be further analyzed as follows:			
	Current deposits		156,708	193,892
	Saving deposits		1,158,824	1,482,041
	Term deposits		-	11,036
			<u>1,315,532</u>	<u>1,686,969</u>
13	Lease liabilities	Note	31 March 2022 (Un-audited)	31 December 2021 (Audited)
			----- AFN in '000 -----	-----
	Opening balance		323,255	469,641
	Additions during the year		-	-
	Derecognized during the year		-	(143,612)
	Lease rentals paid		(1,814)	(59,736)
	Finance cost for the year		813	4,404
	Exchange rate differences		(51,042)	52,558
			<u>271,212</u>	<u>323,255</u>

**Afghanistan International Bank**  
**Notes to the condensed interim financial statements (Un-audited)**  
**For the three months period ended 31 March 2022**

		31 March 2022 (Un-audited)	31 December 2021 (Audited)
	Note	----- AFN in '000 -----	
<b>14 Other liabilities</b>			
Accruals and other payables		23,110	7,699
Amounts pending transfers to customers' accounts		4,959	5,738
Retention money payable		1,126	1,317
Provision on Financial guarantees		35,421	38,971
Others		106,935	108,675
		<u>171,551</u>	<u>162,400</u>

		31 March 2022 (Un-audited)	31 December 2021 (Audited)
		----- AFN in '000 -----	
<b>15 Share capital</b>			
Authorized 30,000,000 (2020: 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 2021: 30,000,000) ordinary shares of AFN 48.84 each fully paid in cash		<u>1,465,071</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.
- 15.3** During the period, no dividend were paid by the bank, (31 December 2021: AFN 8.00 per share AFN 240 million).

		31 March 2022 (Un-audited)	31 December 2021 (Audited)
	Note	----- AFN in '000 -----	
<b>16 Contingencies and commitments</b>			
<b>Contingencies</b>			
Financial guarantees	16.1	<u>6,941,026</u>	<u>8,354,500</u>
<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>16.2</b>	The Bank is also facing certain litigations on which no provision is required as per the opinion of legal advisor.		
<b>Commitments</b>			
(a) Undrawn loan and overdraft facilities		482,532	942,955
(b) Commercial letters of credit		464,788	553,918
		<u>947,320</u>	<u>1,496,873</u>



**Afghanistan International Bank**  
**Notes to the condensed interim financial statements (Un-audited)**  
**For the three months period ended 31 March 2022**

		Three months ended	
		31 March 2022 (Un-audited)	31 March 2021 (Un-audited)
		AFN in '000	
17	Interest income - calculated using the effective interest method	Note	
	Balances with DAB and other banks		1,341
	Placements		21,455
	Debt instruments at FVOCI		31,721
	Debt instruments at amortized cost		44,229
	Loans and advances to customers		38,079
			136,825
18	Credit loss expense -net		
	The table below shows the ECL charges on financial instruments for the period:		
	Placements	6.2	471
	Investments	7.3	(4,484)
	Loans and advances	8.5	130,038
	Other assets	11	158
	Financial guarantees	14	(3,550)
	Letter of credit		-
			122,633
			126,036
			Three months ended
			31 March 2022 (Un-audited)
			31 March 2021 (Un-audited)
			AFN in '000
19	General and administrative expenses	Note	
	Salaries and benefits		118,602
	Rental, rates and taxes		2,149
	Electricity, generator and fuel		33,462
	Repairs and maintenance		11,065
	Information technology cost		28,398
	Security cost		7,237
	Depreciation	9.1	71,952
	Amortization		22,722
	Directors fee and their meeting expenses		5,437
	Travelling and accommodation		3,854
	Communication, swift and internet		10,409
	Stationery and printing		5,816
	Legal and professional charges		19,449
	Asset management fee to investment advisors		16,922
	Auditors' remuneration		2,820
	Marketing and promotion		217
	Money service providers charges		3,476
	Insurance		61,229
	Subscriptions and memberships		-
	Other charges		28,516
	Taxes and penalties		-
	Corporate social responsibility		-
	Corona virus costs		108
	Others		3,344
			457,184
			464,912
20	Taxation		
	Current:		
	For the year	20.1	-
	Prior periods		-
	Deferred:		
	For the period	10.1	(155,051)
			(155,051)

20.1

mal

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

**Afghanistan International Bank**  
**Notes to the condensed interim financial statements (Un-audited)**  
**For the three months period ended 31 March 2022**

**21 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 2022 (Un-audited)	31 December 2021 (Audited)	31 March 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 issued during the period	-	-	163,748	159,997
Loans repayments during the period	-	-	(159,997)	(172,935)
Loans outstanding at the end of the period /year	<u>2,678</u>	<u>2,678</u>	<u>163,748</u>	<u>159,997</u>
Interest income earned	<u>964</u>	<u>964</u>	<u>165,954</u>	<u>181,217</u>

Nature of transactions	Directors and other key management personnel (and close family members)		Shareholders and its associated companies	
	31 March 2022 (Un-audited)	31 December 2021 (Audited)	31 March 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	566	-	106,814	1,585,446
Deposits repaid during the year	-	-	(106,171)	(1,651,968)
Exchange rate difference	-	-	626	6,887
Deposits at the end of the year	<u>18,899</u>	<u>18,333</u>	<u>6,108</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	
	31 March 2022 (Un-audited)	31 March 2021 (Un-audited)	31 March 2022 (Un-audited)	31 March 2021 (Un-audited)
	----- AFN '000 -----			
<b>(c) Other related party transactions</b>				
Fee and commission income	-	-	16	1,675
Directors' fee	5,668	-	-	-
Rental expenses	-	-	9,529	28,444
Travelling expense	-	519	-	-
			31 March 2022 (Un-audited)	31 March 2021 (Un-audited)
			----- AFN in '000 -----	
<b>(d) Key Management compensation</b>				
Salaries and other short-term benefits			16,529	14,209
			<u>16,529</u>	<u>14,209</u>

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

mal

**Afghanistan International Bank**  
**Notes to the condensed interim financial statements (Un-audited)**  
**For the three months period ended 31 March 2022**

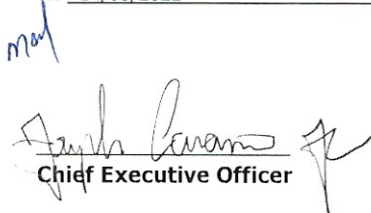
	<b>31 March 2022 (Un-audited)</b>	<b>31 March 2021 (Un-audited)</b>
	<b>----- AFN in '000 -----</b>	
<b>22 Cash and cash equivalents</b>		
Cash in hand and at ATM	<b>20,262,394</b>	4,003,283
Balances with DAB (other than minimum reserve requirement)	<b>2,837,501</b>	9,760,814
Balances with other banks	<b>8,373,978</b>	6,674,402
Placements (with maturity less than three months)	<b>8,144,873</b>	12,687,231
	<b><u>39,618,746</u></b>	<u>33,125,730</u>

**23 General**

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

**24 Date of authorization for issue**

This condensed interim financial statements were authorized for issue by the Board of Supervisors of the Bank on 14/05/2022.

  
**Chief Executive Officer**

  
**Chief Financial Officer**