

02 November 2022

The Board of Supervisors  
Afghanistan International Bank (the Bank)  
AIB Head Office, Airport Road  
Kabul, Afghanistan

Dear Sirs,

**DRAFT CONDENSED INTERIM FINANCIAL INFORMATION  
FOR THE PERIOD ENDED 30 SEPTEMBER 2022**

We are pleased to enclose five copies of the **draft condensed interim financial information** of the Bank for the above period, together with our **draft review report** thereon, duly initialed by us for identification purposes. We shall be pleased to sign and issue our report in its present or amended form after:

- (a) this condensed interim financial information has been approved by the Board, with or without modification, and signed by the Chief Executive Officer and Chief Financial Officer, authorized in this behalf by the Board, of the Bank; and
- (b) we have received representation letter duly signed by the Chief Executive Officer and Chief Financial Officer of the Bank.

**1. RESPONSIBILITIES OF THE MANAGEMENT AND AUDITORS IN RELATION TO THE CONDENSED INTERIM FINANCIAL INFORMATION**

We have conducted the review of interim financial information of the Bank in accordance with the International Standard on Review Engagements 2410. A review of 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 the 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. Our responsibility is to express a conclusion on the accompanying condensed interim financial information based on our review. The responsibility for preparation and fair presentation of the condensed interim financial information in accordance with the approved accounting standards applicable to interim financial information is primarily that of the Bank's management. This includes maintenance of adequate accounting records and internal controls, the selection and application of accounting policies, safeguarding of the assets of the Bank and prevention and detection of frauds and irregularities. The review of interim financial information does not relieve the management of its responsibilities.



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## 2. TRANSACTIONS WITH RELATED PARTIES

We have been informed by the management that there were no transactions with related parties during the period other than disclosed in condensed interim financial information.

## 3. FRAUD AND ERROR

We have been informed by the management that to the best of their knowledge, there have been no instances of fraud or irregularity during the period.

## 4. CONTINGENCIES AND COMMITMENTS

We have been informed by the management that there were no contingencies and / or commitments other than those disclosed in condensed interim financial information.

We wish to place on record our appreciation of the cooperation and courtesy extended to us by the officials of the Bank during the course of our review.

Yours faithfully

Mazars Afghanistan Limited  
MS:RR.



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

We have reviewed the accompanying condensed interim statement of financial position of **Afghanistan International Bank** (the Bank) as at **30 September 2022**, and the related condensed interim statement of comprehensive income, changes in equity and cash flows for the nine months then ended, and notes to the condensed interim financial information ('here-in-after referred to as the condensed interim financial information'). Management is responsible for the preparation and fair presentation of this condensed interim financial information in accordance with the requirement of the Law of Banking in Afghanistan and International Accounting Standards 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

**Scope of Review**

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

**Conclusion**

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

Mazars Afghanistan Limited  
**Chartered Accountants**  
**Engagement Partner:** Muhammad Saqlain Siddiqui  
**Date:** 10 November 2022  
**Place:** Kabul, Afghanistan

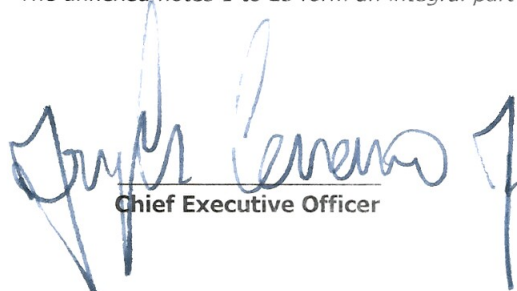




**AFGHANISTAN INTERNATIONAL BANK**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)**  
**AS AT 30 SEPTEMBER 2022**

		30 September 2022 Un-audited ----- AFN in '000 -----	31 December 2021 Audited -----
<b>ASSETS</b>	<b>Note</b>		
Cash and balances with Da Afghanistan Bank	4	34,311,754	22,457,198
Balances with other banks	5	4,887,769	18,316,294
Placements - net	6	10,506,394	10,685,045
Investments - net	7	7,434,383	15,589,938
Loan and advances to customers - net	8	1,096,984	1,819,528
Operating fixed assets	9	3,249,198	3,392,961
Intangible assets		249,711	291,698
Deferred tax assets	10	-	267,334
Other assets	11	856,085	1,633,210
<b>Total assets</b>		<b>62,592,279</b>	<b>74,453,206</b>
<b>LIABILITIES</b>			
Customers' deposits	12	58,084,700	70,359,122
Deferred income		39,349	29,893
Lease liabilities	13	269,635	323,255
Deferred tax liabilities	10	62,723	-
Other liabilities	14	257,776	162,400
<b>Total liabilities</b>		<b>58,714,183</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		2,281,501	1,821,712
Revaluation loss on debt instruments at FVOCI		(187,100)	(26,871)
<b>Total equity</b>		<b>3,878,096</b>	<b>3,578,536</b>
<b>Total liabilities and equity</b>		<b>62,592,279</b>	<b>74,453,206</b>
<b>Contingencies and commitments</b>	16		

The annexed notes 1 to 25 form an integral part of these condensed interim financial information.

  
**Chief Executive Officer**

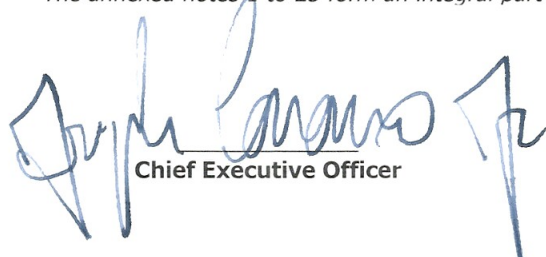
  
**Chief Financial Officer**

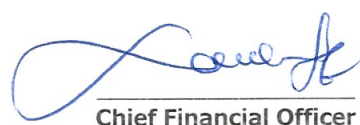


**AFGHANISTAN INTERNATIONAL BANK**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2022**

	Note	Nine months ended		Three months ended	
		30	30	30	30
		September 2022 (Un-audited) ----- AFN in '000 -----	September 2021 (Un-audited) ----- AFN in '000 -----	September 2022 (Un-audited) ----- AFN in '000 -----	September 2021 (Un-audited) ----- AFN in '000 -----
Interest income	17	320,019	525,325	101,665	155,150
Profit on islamic deposits / Interest expense		(1,414)	(7,033)	(625)	(1,912)
Net interest income		318,605	518,292	101,040	153,237
Fee and commission income	18	2,474,463	627,046	892,270	161,901
Fee and commission expense		(9,268)	(1,348)	(6,959)	(575)
Net fee and commission income		2,465,195	625,698	885,311	161,326
Income from dealing in foreign currencies		153,294	200,442	26,475	42,130
		2,937,094	1,344,433	1,012,826	356,694
Other income		-	19,162	-	7,316
Gain on sale of securities		(206,669)	232,276	(0)	96,361
Credit losses (expense) / reversal	19	(219,677)	(124,320)	(10,636)	33,305
Finance cost on lease liability	13	(2,206)	(2,254)	(703)	23
General and administrative expenses	20	(1,408,639)	(1,350,524)	(550,779)	(418,959)
<b>Profit before taxation</b>		<b>1,099,902</b>	<b>118,773</b>	<b>450,707</b>	<b>74,740</b>
Taxation	21	(370,113)	118,064	(32,604)	115,618
<b>Profit for the year</b>		<b>729,789</b>	<b>236,837</b>	<b>418,103</b>	<b>190,359</b>
			337,509	(32,604.24)	
<b>Other comprehensive income</b>					
<i>Items that may be classified to profit or loss subsequently</i>					
Deficit on debt instruments at FVOCI		(200,286)	(117,688)	(41,719)	(97,438)
Related deferred tax		40,057	23,538	8,344	19,488
Other comprehensive loss, net of tax		(160,229)	(94,150)	(33,375)	(77,951)
<b>Total comprehensive income for the year</b>		<b>569,560</b>	<b>142,687</b>	<b>384,728</b>	<b>112,408</b>
Earnings per share - Basic and diluted (AFN)		<b>24.33</b>	7.89	<b>13.94</b>	6.35

The annexed notes 1 to 25 form an integral part of these condensed interim financial information.

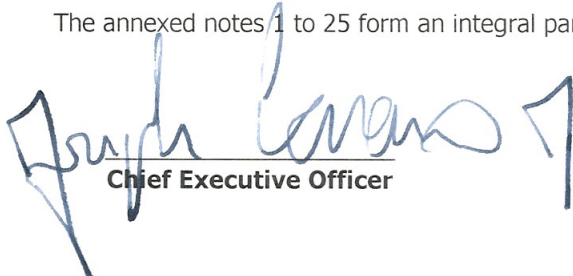
  
**Chief Executive Officer**

  
**Chief Financial Officer**

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

	30 September 2022 (Un-audited)	30 September 2021 (Un-audited)
Note	----- AFN in '000 -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before Income tax	1,099,902	118,773
Adjustments for:		
Depreciation	223,509	197,856
Amortization	70,920	66,177
Finance cost on lease liability	4,412	2,254
Adjustments for the movement in lease liability	(54,837)	32,733
Credit losses (reversal) / expense	219,677	124,320
Property and equipment written-off	3,942	-
	<u>1,567,527</u>	<u>542,113</u>
Changes in operating assets and liabilities		
Receivable from financial institutions	-	266,316
Required reserve maintained with DAB	493,913	1,627,321
Cash margin held with other banks	24,894	23,772
Loans and advances to customers - net	495,800	432,863
Other assets	777,125	(490,752)
Deferred income on commercial letter of credit and guarantees	20,325	(12,057)
Customers' deposits	(12,274,422)	1,707,842
Other liabilities	95,376	98,167
	<u>(8,799,462)</u>	<u>4,195,586</u>
Income tax paid	(2,106)	(18,136)
<b>Net cash flow (used in)/ from operating activities</b>	<b>(8,801,569)</b>	<b>4,177,450</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital work-in-progress	(64,346)	(138,448)
Acquisition of operating fixed assets	(19,342)	(13,003)
Acquisition of intangible assets	(28,934)	(16,117)
Placements (with maturity more than three months)	(8,225,204)	1,038,668
Investments	7,967,566	1,117,129
<b>Net cash flow from/ (used in) investing activities</b>	<b>(370,259)</b>	<b>1,988,228</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Lease liability repaid	(1,814)	(57,165)
Dividend paid	(270,000)	(240,000)
<b>Net cash used in financing activities</b>	<b>(271,814)</b>	<b>(297,165)</b>
<b>Net increase in cash and cash equivalents</b>	<b>(9,443,642)</b>	<b>5,868,513</b>
Cash and cash equivalents at 1 January	46,827,238	28,965,120
<b>Cash and cash equivalents at 30 September</b>	<b>37,383,596</b>	<b>34,833,633</b>

The annexed notes 1 to 25 form an integral part of these condensed interim financial information.

  
**Chief Executive Officer**

  
**Chief Financial Officer**

**AFGHANISTAN INTERNATIONAL BANK**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 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 period				236,837	236,837
Other comprehensive income, net of tax:					
Debt instruments at FVOCI					
Net change in fair value		(117,688)			(117,688)
Related tax		23,538			23,538
<b>Total comprehensive income</b>	-	(94,150)	-	236,837	142,687
Transferred to capital reserve			-	-	-
<b>Transactions with owners of the bank</b>					
Dividend paid				(240,000)	(240,000)
<b>Balance at 30 September 2021</b>	<u>1,465,071</u>	<u>48,240</u>	<u>306,319</u>	<u>1,824,751</u>	<u>3,644,382</u>

	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 period				729,789	729,789
Other comprehensive income, net of tax:					
Fair value reserve (debt instruments at FVOCI)					
Net change in fair value		(200,286)			(200,286)
Related tax		40,057			40,057
<b>Total comprehensive income</b>	-	(160,229)	-	729,789	569,560
Transferred to capital reserve			-	-	-
<b>Transactions with owners of the bank</b>					
Dividend paid	-	-	-	(270,000)	(270,000)
<b>Balance at 30 September 2022</b>	<u>1,465,071</u>	<u>(187,100)</u>	<u>318,624</u>	<u>2,281,501</u>	<u>3,878,096</u>

The annexed notes 1 to 25 form an integral part of these condensed interim financial information.

  
 Chief Executive Officer

  
 Chief Financial Officer



**Afghanistan International Bank**  
**Notes to the condensed interim financial information (Un-audited)**  
**For the nine months period ended on 30 September 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 nine months ended 30 September 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 nine months period ended 30 September 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 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 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 nine months period ended on 30 September 2022

		30 September 2022 (Un-audited)	31 December 2021 (Audited)
		----- AFN in '000 -----	
<b>4</b>	<b>Cash and balances with Da Afghanistan Bank</b>		
	Cash in hand	28,456,633	9,676,731
	Cash in hand - Islamic banking division	210,537	44,789
	Cash at Automated Teller Machines (ATMs)	50,589	53,134
		<u>28,717,759</u>	<u>9,774,654</u>
	Balances with Da Afghanistan Bank:		
	Local currency:		
	- Deposit facility accounts	597	597
	- Required reserve accounts	416,364	228,640
	- Current accounts	528,740	1,314,413
		<u>945,701</u>	<u>1,543,650</u>
	Foreign currency:		
	- Required reserve accounts	3,696,628	4,378,265
	- Current accounts	951,666	6,760,629
		<u>4,648,294</u>	<u>11,138,894</u>
		<u><u>34,311,754</u></u>	<u><u>22,457,198</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.

		30 September 2022 (Un-audited)	31 December 2021 (Audited)
		----- AFN in '000 -----	
<b>5</b>	<b>Balances with other banks</b>		
	With Crown Agents Bank:		
	- in nostro accounts	2,612,034	13,482,890
	With other banks	2,275,735	4,833,404
		<u>4,887,769</u>	<u>18,316,294</u>

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

		30 September 2022 (Un-audited)	31 December 2021 (Audited)
		----- AFN in '000 -----	
<b>6</b>	<b>Placements - net</b>		
	Placements with banks	10,524,046	10,685,546
	Impairment allowances for losses	(17,652)	(501)
		<u>10,506,394</u>	<u>10,685,045</u>

- 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 0.55% to 2.90% (31 December 2021: 0.12% to 1.60%) per annum.

- 6.2** This represents provision calculated under Assets Classification and Provisioning Regulation requirements (ACPR) amounted to AFN 17,652 thousands (31 December 2021: AFN 501 thousands) which is higher from the one resulting from IFRS 9. Accordingly, the Bank has maintained higher provision as required under ACPR.

## Afghanistan International Bank

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

For the nine months period ended on 30 September 2022

		30 September 2022 (Un-audited)	31 December 2021 (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	2,288,504	6,345,755
<b>Debt instruments at amortised cost:</b>			
- Investment bonds	7.2	5,159,366	9,269,967
		<b>7,447,870</b>	15,615,722
Allowance for ECL / impairment losses	7.3	(13,487)	(25,784)
		<b>7,434,383</b>	15,589,938

**7.1** These represent investments in sovereign bonds having maturity ranging from October 2022 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 October 2022 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 13,487 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 by ACPR.

		30 September 2022 (Un-audited)	31 December 2021 (Audited)
		----- AFN in '000 -----	
<b>8 Loan and advances to customers - net</b>	<b>Note</b>		
Overdrafts	8.1	1,087,017	2,231,309
Term loans	8.2	358,987	724,916
Consumer loans	8.3	23,904	29,184
		<b>1,469,908</b>	2,985,409
General provision	8.4	(198,585)	(155,595)
Allowance for ECL / impairment losses	8.5	(174,339)	(1,010,286)
		<b>1,096,984</b>	1,819,528



## Afghanistan International Bank

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

For the nine months period ended on 30 September 2022

## Particulars of loans and advances - (gross)

Short term (for up to one year)	<b>1,439,006</b>	2,665,982
Non-current (for over one year)	<b>30,901</b>	319,381
	<b>1,469,907</b>	2,985,363

- 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 1,087,008 (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 330,203 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>30 September 2022 (Un-audited)</b>	<b>31 December 2021 (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>75,071</b>	310,317
Amounts written off during the period/ year	<b>(935,215)</b>	(1,096)
Exchange rate differences and other adjustments	<b>20,495</b>	11,617
<b>Closing balance</b>	<b>170,636</b>	1,010,285

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## Afghanistan International Bank

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

For the nine months period ended on 30 September 2022

		30 September 2022 (Un-audited)	31 December 2021 (Audited)
	Note	----- AFN in '000 -----	
<b>9 Operating fixed assets</b>			
Property and equipment	9.1	<b>3,015,809</b>	3,223,918
Capital work-in-progress	9.2	<b>233,389</b>	169,043
		<b>3,249,198</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>19,342</b>	10,010
Derecognized		-	(143,612)
Adjustments/ write-off		<b>(3,942)</b>	(44,398)
		<b>15,400</b>	(169,084)
<i>Movement in depreciation:</i>			
Depreciation charge		<b>223,509</b>	281,712
Adjustments/ write-off		-	(139,401)
		<b>223,509</b>	142,311
<i>Closing balance</i>			
Cost		<b>4,332,997</b>	4,317,597
Accumulated depreciation		<b>(1,317,188)</b>	(1,093,679)
Net book value		<b>3,015,809</b>	3,223,918
<b>9.2 Capital work-in-progress - movement</b>			
Opening		<b>169,043</b>	48,078
Additions during the year		<b>64,346</b>	138,424
Transferred to operating fixed assets		-	(8,915)
Transferred to intangible assets		-	(8,544)
Adjustments/write-offs		-	-
Closing		<b>233,389</b>	169,043

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### 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 September 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)	(259,021)	-	(503,743)
Provision on investments placements and other assets	5,177	482	-	5,659	1,181	-	6,840
Provision on guarantees and commercial letter of credits	5,888	1,906	-	7,794	2,174	-	9,968
Carry forward taxable losses	414,339	87,122	-	501,461	(114,447)	-	387,014
Revaluation reserve on investments	(36,711)	-	33,852	(2,859)	-	40,057	37,198
	87,543	145,938	33,852	267,333	(370,113)	40,057	(62,723)



## Afghanistan International Bank

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

For the nine months period ended on 30 September 2022

11	Other assets	Note	30 September 2022 (Un-audited)	31 December 2021 (Audited)
			----- AFN in '000 -----	-----
	Advances to employees		40,790	63,357
	Security deposits		1,436	1,444
	Prepayments		107,240	202,380
	Interest receivable		103,035	207,087
	Advance income tax - net		42,670	40,564
	Other receivable and advances	11.1	561,872	1,120,385
			857,042	1,635,217
	Allowance for ECL / impairment losses	11.2	(957)	(2,008)
			856,085	1,633,210

11.1 This includes balances with Credit Card Service Company.

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

12	Customers' deposits	Note	30 September 2022 (Un-audited)	31 December 2021 (Audited)
			----- AFN in '000 -----	-----
	Current deposits		55,718,622	67,351,630
	Saving deposits		104,852	132,109
	Islamic deposits	12.1	1,261,987	1,686,969
	Cash margin held against bank guarantees and letters of credit		999,239	1,188,414
			58,084,700	70,359,122

12.1 Islamic deposits can be further analyzed as follows:

Current deposits	141,122	193,892
Saving deposits	1,120,865	1,482,041
Term deposits	-	11,036
	1,261,987	1,686,969

13	Lease liabilities	Note	30 September 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		2,206	4,404
	Exchange (gain)/ loss		(54,012)	52,558
			269,635	323,255

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**Afghanistan International Bank**  
**Notes to the condensed interim financial information (Un-audited)**  
**For the nine months period ended on 30 September 2022**

		<b>30 September 2022 (Un-audited)</b>	<b>31 December 2021 (Audited)</b>
	<b>Note</b>	<b>----- AFN in '000 -----</b>	
<b>14 Other liabilities</b>			
Accruals and other payables		<b>55,415</b>	7,699
Amounts pending transfers to customers' accounts	14.1	<b>4,987</b>	5,738
Retention money payable		-	1,317
Payable from sale of collateral against loans and advances written off		<b>1,642</b>	1,248
Others		<b>167,631</b>	107,427
Provision on financial guarantees		<b>28,101</b>	38,971
		<b>257,776</b>	162,400

- 14.1** This represents amounts received on behalf of the customers, however, not credited in the respective customer accounts due to incomplete identification data.

		<b>30 September 2022 (Un-audited)</b>	<b>31 December 2021 (Audited)</b>
		<b>----- AFN in '000 -----</b>	
<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)		<b>1,465,071</b>	1,465,071

- 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.

		<b>30 September 2022 (Un-audited)</b>	<b>31 December 2021 (Audited)</b>
	<b>Note</b>	<b>----- AFN in '000 -----</b>	
<b>16 Contingencies and commitments</b>			
<b>Contingencies</b>			
Financial guarantees	16.1	<b>6,735,735</b>	8,354,500

- 16.1** 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.

**Commitments**

(a) Undrawn loan and overdraft facilities	<b>530,240</b>	942,955
(b) Commercial letters of credit	<b>44,130</b>	553,918
	<b>574,370</b>	1,496,873

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**Afghanistan International Bank**  
**Notes to the condensed interim financial information (Un-audited)**  
**For the nine months period ended on 30 September 2022**

		Nine months ended	
		30 September 2022 (Un-audited)	30 September 2021 (Un-audited)
17	Interest income	----- AFN in '000 -----	
	Placements	83,378	101,027
	Debt instruments at FVOCI	64,555	138,586
	Debt instruments at amortized cost	68,283	136,651
	Loans and advances to customers	103,803	149,062
		<u>320,019</u>	<u>525,325</u>
18	Fee and commission income		
	Loans and advances to customers	6,364	6,000
	Trade finance products	3,542	13,005
	Cash withdrawals / Cash transfers	880,387	345,136
	Customers' account service charges	59,104	75,606
	Income from ATMs	98,023	76,651
	Income from guarantee arrangements	43,758	48,604
	Payroll services	43,077	43,540
	Cash management income	1,158,021	-
	Others	182,186	18,503
		<u>2,474,463</u>	<u>627,044</u>
19	Credit losses (expense) / reversal -net		
The table below shows the ECL charges on financial instruments for the year recorded in the income statement:			
	Placements	6.2	17,151 (6,375)
	Investments	7.3	(12,297) (3,912)
	Loans and advances	8.5	226,744 129,836
	Other assets	11.2	(1,051) 1,039
	Financial guarantees	0	(10,870) 4,419
	Letter of credit	0	- (687)
			<u>219,677</u> <u>124,320</u>

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			Nine months ended	
			30 September 2022 (Un-audited)	30 September 2021 (Un-audited)
20	General and administrative expenses	Note	----- AFN in '000 -----	
	Salaries and benefits		383,311	388,218
	Rental, rates and taxes		32,737	35,010
	Electricity, generator and fuel		95,708	73,518
	Repairs and maintenance		24,489	17,118
	Information technology cost		98,150	73,354
	Security cost		32,104	65,436
	Depreciation	9.1	223,509	197,856
	Amortization		70,920	66,177
	Directors fee and their meeting expenses		12,299	9,685
	Travelling and accommodation		15,869	18,900
	Communication, swift and internet		25,207	20,218
	Stationery and printing		15,573	23,390
	Legal and professional charges		94,591	90,283
	Asset management fee to investment advisors		29,593	30,183
	Auditors' remuneration		7,009	9,923
	Marketing and promotion		3,096	8,132
	Money service providers charges		18,189	1,228
	Insurance		145,885	150,349
	Subscriptions and memberships		5,432	746
	Other charges		46,435	55,235
	Taxes and penalties		1,064	1,059
	Corporate social responsibility		11,972	2,775
	Corona virus costs		115	1,526
	Others		15,380	10,206
			<u>1,408,639</u>	<u>1,350,524</u>
			Nine months ended	
			30 September 2022 (Un-audited)	30 September 2021 (Un-audited)
21	Taxation	Note	----- AFN in '000 -----	
	<b>Current:</b>			
	For the year	21.1	-	-
	Prior periods		-	-
	<b>Deferred:</b>			
	For the year		370,113	118,064
			<u>370,113</u>	<u>118,064</u>

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 nine months period ended on 30 September 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 year:

Nature of transactions	Directors and other key management personnel (and close family members)		Shareholders and its associated companies	
	30	31	30	31
	September 2022 (Un-audited)	December 2021 (Audited)	September 2022 (Un-audited)	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 year	-	-	16,555	159,997
Loans repayments during the year	(2,120)	-	(12,500)	(172,935)
Exchange gain	-	-	-	-
Loans outstanding at the end of the period	558	2,678	164,052	159,997
Interest income earned	50	964	7,291	181,217

Nature of transactions	Directors and other key management personnel (and close family members)		Shareholders and its associated companies	
	30	31	30	31
	September 2022 (Un-audited)	December 2021 (Audited)	September 2022 (Un-audited)	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	-	-	151,599	1,585,446
Deposits repaid during the year	-	-	(152,356)	(1,651,968)
Exchange rate difference	-	-	3,334	6,887
Deposits at the end of the period	18,333	18,333	7,415	4,839
Interest expense on deposits	-	-	-	-

Nature of transactions	Directors and other key management personnel (and close family members)		Shareholders and its associated companies	
	30	30	30	30
	September 2022 (Un-audited)	September 2021 (Un-audited)	September 2022 (Un-audited)	September 2021 (Un-audited)
	----- AFN '000 -----			

**(c) Other related party transactions**

Fee and commission income	-	-	41	3,403
Directors' fee	12,299	9,685	-	-
Rental expenses	-	-	21,763	58,523

**(d) Key Management compensation**

Salaries and other short-term benefits			30 September 2022 (Un-audited)	30 September 2021 (Un-audited)
			48,059	41,546
			48,059	41,546

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

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**Afghanistan International Bank**  
**Notes to the condensed interim financial information (Un-audited)**  
**For the nine months period ended on 30 September 2022**

	<b>30 September 2022 (Un-audited)</b>	<b>30 September 2021 (Un-audited)</b>
	<b>----- AFN in '000 -----</b>	
<b>23 Cash and cash equivalents</b>		
Cash in hand and at ATM	<b>28,717,759</b>	875,472
Balances with DAB (other than minimum reserve requirement)	<b>1,481,003</b>	16,872,745
Balances with other banks (other than held as a cash margin)	<b>4,887,769</b>	13,740,092
Placements (with maturity less than three months)	<b>2,297,065</b>	3,345,323
	<b><u>37,383,596</u></b>	<u>34,833,632</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 - November 2022 M

  
**Chief Executive Officer**

  
**Chief Financial Officer**