



Islamic Bank of Afghanistan

**Condensed Interim financial statements
For the Nine months period ended
30 September 2021**

Review report issued by

Crowe Horwath - Afghanistan

Address: 6th floor, Kabul Business
Center, Shahr-e-Naw, Haji Yaqoob Square
Kabul-Afghanistan

Report on Review of Condensed Interim Financial Statements to the Shareholders of Islamic Bank of Afghanistan

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Islamic Bank of Afghanistan** ("the Bank") as at 30th September 2021 and the related condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows, and the related notes to the condensed interim financial statements for the nine months then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and fair presentation of these interim financial statements in accordance with the International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), Law of Banking in Afghanistan and the directives issued by Da Afghanistan Bank. Our responsibility is to express a conclusion on these interim financial statements 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 interim financial statements 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 interim financial statements do not give a true and fair view of the financial position of the Bank as at 30 September 2021, and of its financial performance and its cash flows for the nine months period then ended in accordance International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), Law of Banking in Afghanistan and the directives issued by the central bank of Afghanistan.

CHA

Other Matter

The condensed interim financial statements for the nine months ended 30 September 2020 and the financial statements for the year ended 31 December 2020 were reviewed and audited, respectively, by another auditor who expressed unqualified review conclusion on the condensed interim financial statements for the nine months ended 30 September 2020 on 09 November 2020 and unqualified audit opinion on the financial statements for the year ended 31 December 2020 on 1 March 2021.

Crowe Horwath Agg

Crowe Horwath Afghanistan

Engagement Partner: Muhammad Najmussagib Shah, FCA



ISLAMIC BANK OF AFGHANISTAN
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2021

		Un-Audited 30 September 2021	Audited 31 December 2020
	Note	----- AFN '000' -----	
ASSETS			
Cash and cash equivalents	3	9,612,655	11,720,429
Due from financial institutions	4	3,832,338	2,460,144
Islamic financings and related assets	5	601,978	499,180
Investments	6	9,560,982	9,238,877
Property and equipment		424,293	452,886
Intangible assets		198,135	261,554
Investment in real estate	7	104,589	95,543
Deferred tax asset		30,572	65,198
Other assets	8	4,594,796	5,072,817
Total Assets		28,960,338	29,866,628
LIABILITIES, EQUITY OF INVESTMENT ACCOUNTHOLDERS AND OWNERS' EQUITY			
LIABILITIES			
Current account from customers	9	9,823,691	14,681,504
Short-term placement from financial institutions	10	6,805,152	1,161,750
Other liabilities	11	799,200	569,749
Total Liabilities		17,428,043	16,413,003
Equity of Unrestricted Investment Account Holders	12	9,860,128	11,919,962
Owner's Equity			
Share capital	13	1,775,000	1,775,000
Retained earnings		(102,833)	(241,337)
Total Owner's equity		1,672,167	1,533,663
Total Liabilities, Equity of Investment Accountholders and Owners' Equity		28,960,338	29,866,628
CONTINGENCIES AND COMMITMENTS			
	14		

CHA

The annexed notes from 1- 23 form an integral part of this condensed interim financial information.


Chief Executive Officer


Chief Financial Officer

ISLAMIC BANK OF AFGHANISTAN
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021

		Nine months ended September 30, 2021	Nine months ended September 30, 2020	Quarter ended September 30, 2021	Quarter ended September 30, 2020
	Note	----- AFN '000' -----			
Deferred sales and diminishing musharaka rentals	15	37,359	83,512	14,785	22,673
Profit on investment	16	294,829	159,582	95,707	58,887
Return on unrestricted investment accounts	17	(175,273)	(129,459)	(57,286)	(47,618)
Bank share as Mudarib		156,915	113,635	53,206	33,942
Revenue from banking services	18	78,439	92,012	10,412	39,243
Expense on banking services	19	(28,813)	(19,369)	(10,037)	(10,452)
Net fee and commission income		49,626	72,643	375	28,791
Foreign exchange gain / (loss)		610,877	411,378	280,847	115,465
Gain on disposal of investments		84,879	130,926	84,879	120,587
Other non-operating Income		106,829	108,205	(62,627)	38,369
Total Bank Revenue / Operating income		1,009,126	836,787	356,680	337,154
Administrative and general expenses	20	(699,720)	(649,663)	(221,464)	(203,020)
Depreciation		(44,897)	(47,946)	(15,307)	(15,104)
Amortization		(63,777)	(29,781)	(21,259)	(9,927)
Total Operating Expenses		(808,394)	(727,390)	(258,030)	(228,051)
Provision for impairment - net	5.2	27,602	80,240	23,682	94,692
Profit before taxation		173,130	29,157	74,968	14,411
Provision for taxation					
Deferred		(34,626)	(5,832)	(14,091)	(2,883)
Profit for the period		138,504	23,325	60,877	11,528
Other Comprehensive Income		-	-	-	-
Total comprehensive income for the period		138,504	23,325	60,877	11,528

CMA

The annexed notes from 1- 23 form an integral part of this condensed interim financial information.

Chief Executive Officer

Chief Financial Officer

ISLAMIC BANK OF AFGHANISTAN
 CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
 FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021

	Share Capital	Retained Earnings AFN '000'	Total
Balance as at January 01, 2020	1,775,000	(393,546)	1,381,454
Comprehensive income:			
Net profit for the period	-	23,325	72,009
Transactions with owners:			
Ordinary shares Issued	-	-	-
Balance as at September 30, 2020 - Unaudited	<u>1,775,000</u>	<u>(370,221)</u>	<u>1,453,463</u>
 Balance as at January 01, 2021	 1,775,000	 (241,337)	 1,533,663
Comprehensive income:			
Net profit for the period	-	138,504	138,504
Transactions with owners:			
Ordinary shares Issued	-	-	-
Balance as at September 30, 2021 - Unaudited	<u>1,775,000</u>	<u>(102,833)</u>	<u>1,672,167</u>

The annexed notes from 1- 23 form an integral part of this condensed interim financial information.


 Chief Executive Officer


 Chief Financial Officer

ISLAMIC BANK OF AFGHANISTAN
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021

		Un-Audited Nine months ended September 30, 2021	Audited Nine months ended September 30, 2020
Note		..... AFN '000'	
CASH FLOWS FROM OPERATING ACTIVITIES			
		173,130	29,157
Profit before taxation			
Adjustments for:			
Depreciation		44,897	47,946
Amortization		63,777	29,781
Accrued profit on islamic financings and related assets	8	80,556	(111,660)
Impairment (gain)/ loss on financings	5.2	27,602	80,240
		<u>389,962</u>	<u>75,464</u>
Increase / decrease in operating assets and liabilities:			
Islamic financings and related assets		(126,994)	172,703
Due from financial institutions		(1,372,194)	-
Required reserve with Da Afghanistan Bank		800,936	(366,577)
Other assets		(406,877)	(85,400)
Current accounts from customers		(4,857,813)	(627,418)
Unrestricted investment account holders		(2,059,834)	1,462,675
Short term financing		5,643,402	(260,790)
Other liabilities		<u>229,451</u>	<u>63,461</u>
		<u>(1,759,961)</u>	<u>434,118</u>
Tax paid		-	5,831
Net cash (used) / generated from operating activities		<u>(1,759,961)</u>	<u>439,949</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investments - Net of Profits		(322,105)	(3,013,521)
Investment in real estate		(9,046)	923
Acquisition of property and equipment - net of adjustment		(16,304)	(50,352)
Acquisition of intangible assets - net of adjustment		(358)	-
Net cash used in investing activities		<u>(347,813)</u>	<u>(3,062,950)</u>
Net increase in cash and cash equivalents		<u>(2,107,774)</u>	<u>(2,623,002)</u>
Cash and cash equivalents at beginning of the period		<u>11,720,429</u>	<u>12,781,912</u>
Cash and cash equivalents at the end of the period	3	<u><u>9,612,655</u></u>	<u><u>10,158,910</u></u>

The annexed notes from 1- 23 form an integral part of this condensed interim financial information.

CHA

Chief Executive Officer

Chief Financial Officer

ISLAMIC BANK OF AFGHANISTAN
CONDENSED INTERIM NOTES TO THE FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021

1 STATUS AND NATURE OF OPERATIONS

Islamic Bank of Afghanistan (formerly Bakhtar Bank) ("the Bank") is wholly owned subsidiary of Azizi Bank, Kabul Afghanistan. The Bank has been licensed for Islamic Banking activities by Da Afghanistan Bank (DAB) ("the Central Bank of Afghanistan"). The Bank obtained a business license from Afghanistan Investment Support Agency and is a limited liability company. The principal activities of the Bank are taking demand, saving and investment accounts, providing Murabaha, Ijara, Diminishing Musharaka and other Shari'a compliant forms of financing as well as managing investors' money on the basis of Mudaraba or agency for a fee, providing commercial banking services and other investment activities. The registered office of the Bank is located at Malalai Zezhantoon Square Square, Quway – E – Markaz, Shahr – E – Naw, District 10, Kabul, Afghanistan.

Da Afghanistan Bank (DAB) had granted in principle approval for Islamic Banking business to the bank in January 2016. After in principle approval the bank initiated the process of procurement of Core banking system for Islamic banking, appointment of experienced Islamic banking management and development of Islamic banking policies and procedures to comply with DAB's requirements. From April 1, 2018 till April 8, 2018 the Bank was in conversion process and upon completion of conversion process, the DAB had granted full fledge Islamic Banking License to the Bank on April 9, 2018. Currently bank is operating 59 Branches and 02 cash counters.

2 BASIS OF PREPARATION

2.1 Statement of compliance

The Bank has adopted the Financial Accounting Framework of AAOIFI after conversion in to Islamic Banking. The financial statements are prepared in accordance with the Financial Accounting Standards (FAS) issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), the Shari'a Rules and Principles as determined by the Shari'a Supervisory Board of the Bank and in conformity with the Law of Banking in Afghanistan and directives issued by DAB takes precedence. In accordance with the requirements of AAOIFI, for matters, which are not covered by the AAOIFI standards, the Bank uses the relevant International Financial Reporting Standards ('the IFRS') issued by International Accounting Standards Board.

Financial Statements are in conformity with Shari'ah rules and regulations after obtaining License from DAB.

The condensed interim financial statements of the Bank for the nine months period ended 30 September 2021 have been prepared in accordance with the requirements of the International Accounting Standard 34 - "Interim Financial Reporting", the Law of Banking in Afghanistan, and other laws and regulations issued by DAB. In case where requirements differ, the requirement of the Law of Banking in Afghanistan, and other laws and regulations issued by DAB take precedence.

The disclosures made in this condensed interim financial statements 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, the condensed interim financial statements should be read in conjunction with the annual financial statements of the Bank for the year ended 31 December 2020.

Comparative statement of financial position is extracted from the annual financial statements as at 31 December 2020 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 six months period ended 30 September 2020.

CHA

ISLAMIC BANK OF AFGHANISTAN
CONDENSED INTERIM NOTES TO THE FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021

		Un-Audited 30 September 2021	Audited 31 December 2020
	Note	..... AFN '000'	
3 CASH AND CASH EQUIVALENTS			
Cash in hand			
Local currency		463,605	1,364,329
Foreign currency		571,798	2,229,224
		<u>1,035,403</u>	<u>3,593,553</u>
Balances with banks			
Balances with Da Afghanistan Bank	3.1	4,474,634	5,108,982
Balances with other banks	3.2	4,102,618	3,017,894
		<u>8,577,252</u>	<u>8,126,876</u>
		<u>9,612,655</u>	<u>11,720,429</u>
3.1 Balances with Da Afghanistan Bank			
Current account			
Local currency		243,966	2,892,945
Foreign currency		4,230,668	2,216,037
		<u>4,474,634</u>	<u>5,108,982</u>
3.2 Balances with Other Banks			
Nostro accounts		3,879,834	3,017,894
Wakala deposit		222,784	-
		<u>4,102,618</u>	<u>3,017,894</u>
4 DUE FROM FINANCIAL INSTITUTIONS			
Local		3,050,001	2305001
Foreign		782,337	155143
		<u>3,832,338</u>	<u>2460144</u>

C HA

ISLAMIC BANK OF AFGHANISTAN
CONDENSED INTERIM NOTES TO THE FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021

				Un-Audited 30 September 2021	Audited 31 December 2020
				..... AFN '000' .....	..... AFN '000'
5 ISLAMIC FINANCINGS AND RELATED ASSETS					
Financing - at amortized cost					
				5.1	
				601,978	499,180
5.1	Islamic Financing	Gross amount	Jointly Financed	Self Financed	Impairment allowance
					Carrying amount
30 September 2021					
..... Afn '000'					
	Murahaba receivables	536,718	536,718	-	67,683
	Diminishing musharaka	132,943	132,943	-	-
		669,661	669,661	-	67,683
					469,035
					132,943
					601,978
31 December 2020					
..... AFN '000'					
	<u>Islamic Financing</u>				
	Murahaba receivables	487,667	-	-	43,487
	Diminishing musharaka	55,000	-	-	-
		542,667	-	-	43,487
					444,180
					55,000
					499,180
				Un-Audited	Audited
				30 September	31 December
				2021	2020
				..... AFN '000' .....	..... AFN '000'
5.2	Movement in Impaired Islamic Financing and Related Assets				
	Opening balance			43,487	26,345
	Charged for the period/year			24,196	17,142
	Closing balance			67,683	43,487

CMA

ISLAMIC BANK OF AFGHANISTAN
CONDENSED INTERIM NOTES TO THE FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021

6 INVESTMENTS

	Jointly Financed		Self Financed		Gross Amount	
	Un-Audited 30 September 2021	Audited 31 December 2020	Un-Audited 30 September 2021	Audited 31 December 2020	Un-Audited 30 September 2021	Audited 31 December 2020
	AFN '000'					
Available for Sale						
Quasi Sovereign Sukuk		-	-	-	-	-
Sovereign Sukuk	-	-	-	-	-	-
Surplus / (Deficit)	-	-	-	-	-	-
	-	-	-	-	-	-
Held to Maturity						
Quasi Sovereign Sukuk	4,364,381	5,014,283	-	-	4,364,381	5,014,283
Sovereign Sukuk	5,076,641	4,123,881	-	-	5,076,641	4,123,881
	9,441,022	9,138,164	-	-	9,441,022	9,138,164
	9,441,022	9,138,164	-	-	9,441,022	9,138,164
Other investments						
Investment is equity instrument - Afghanistan Payment System	-	-	-	-	-	-
Money Market Fund	119,960	100,714	-	-	119,960	100,714
	119,960	100,714	-	-	119,960	100,714
	9,560,982	9,238,878	-	-	9,560,982	9,238,878

CHA

ISLAMIC BANK OF AFGHANISTAN
CONDENSED INTERIM NOTES TO THE FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021

7 INVESTMENT IN REAL ESTATE

During the year 2019 management has re-classified the Non-Current Asset Held for Sale to Investment in Real Estate on the basis of approval letter for full-fledge conversion to Islamic Bank, via Da Afghanistan Bank Letter No. 6786/6808 Dated 26-10-1396, whereby the bank is allowed to invest in real estate upto 20% of its regulatory capital.

8 OTHER ASSETS

Required reserve with Da Afghanistan Bank
 Prepayments
 Security deposit
 Advance income tax
 Money Gram Inc.
 Murabaha profit receivable / Accrued Profit
 Others

Un-Audited 30 September 2021	Audited 31 December 2020
..... AFN '000'	
1,142,139	1,943,075
90,727	101,560
8,639	8,639
151,762	149,731
196,171	67,324
154,630	235,186
2,955,317	2,567,302
<u>4,699,385</u>	<u>5,072,817</u>

9 CUSTOMER DEPOSITS - CURRENT ACCOUNTS

Demand / Current account
 Deposits against Financial Commitments

9,120,755	13,253,881
702,936	1,427,623
<u>9,823,691</u>	<u>14,681,504</u>

10 SHORT TERM PLACEMENTS FROM FINANCIAL INSTITUTIONS

The Bank obtained placement from Daman Investments capital for short term basis at the rate of one month LIBOR + 0.90% p.a. This placement is based on commodity Murabaha (2020: one year @ 4.5% p.a).

11 OTHER LIABILITIES

Withholding tax payable
 Creditors and accruals
 Profit payable
 Deferred income
 Others

Un-Audited 30 September 2021	Audited 31 December 2020
..... AFN '000'	
68,574	52,361
353,149	336,748
10	1,059
30,627	18,377
346,840	161,204
<u>799,200</u>	<u>569,749</u>

12 EQUITY OF UN-RESTRICTED INVESTMENT ACCOUNT HOLDERS

Mudarabah Saving Deposits - Customers
 Wakala Deposits - Customers
 Wakala Deposits - Financial Institutions

9,042,159	11,919,962
725,719	-
92,250	-
<u>9,860,128</u>	<u>11,919,962</u>

13 SHARE CAPITAL

Authorized

250,000 ordinary shares of AFN 10,000 each

<u>2,500,000</u>	<u>2,500,000</u>
------------------	------------------

Issued and paid up

1,775,000 ordinary shares (2019: 1,775,000) of AFN 10,000 each

<u>1,775,000</u>	<u>1,775,000</u>
------------------	------------------

CHA

ISLAMIC BANK OF AFGHANISTAN
CONDENSED INTERIM NOTES TO THE FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021

	Un-Audited 30 September 2021	Audited 31 December 2020
	..... AFN '000'	
14 CONTINGENCIES AND COMMITMENTS		
Guarantees and Letter of credit issued on behalf of customers	<u>6,979,584</u>	<u>6,199,231</u>
14.1 Da Afghanistan Bank has marked lien on the amount of USD 5 million from account of the bank against the bank guarantee issued to Haji Khalil in favour of the Ministry of Power and Energy. The claim was lodged on April 19, 2016 by the Ministry, however, the bank guarantee was expired on April 30, 2015. Shareholders have undertaken that incase matter is upheld by the court of law, they will settle the liability. Management has also communicated the matter to Presidential office.		
	Un-audited Nine months ended September 30, 2021	Un-audited Nine months ended September 30, 2020
	..... AFN '000'	
15 DEFERRED SALES AND DIMINISHING MUSHARAKA RENTALS		
Unearned murabaha income	34,380	92,667
Diminishing musharaka rentals	<u>2,979</u>	<u>14,145</u>
	<u>37,359</u>	<u>106,812</u>
16 PROFIT ON INVESTMENT		
Return on Sukuk - Sovereign Guaranteed	142,314	24,826
Return on Sukuk - Corporate	135,321	45,360
Return on Placements and ICD Money Market fund	-	16,519
Return on Placements (Commodity Murabaha & Wakalah)	<u>17,194</u>	<u>40,324</u>
	<u>294,829</u>	<u>127,029</u>
17 RETURN ON UNRESTRICTED INVESTMENT ACCOUNT		
Profit payment on saving accounts	136,555	138,471
Return on Shuaa Capital Borrowing	<u>38,718</u>	<u>13,061</u>
	<u>175,273</u>	<u>151,532</u>
18 REVENUE FROM BANKING SERVICES		
Commission income	77,451	122,856
Account servicing fee	<u>988</u>	<u>678</u>
	<u>78,439</u>	<u>123,534</u>
19 EXPENSE ON BANKING SERVICES		
Inter-bank transaction fees	<u>28,813</u>	<u>11,272</u>

CHA

ISLAMIC BANK OF AFGHANISTAN
CONDENSED INTERIM NOTES TO THE FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021

20 ADMINISTRATIVE AND GENERAL EXPENSE

	Un-audited Nine months ended September 30, 2021	Un-audited Nine months ended September 30, 2020
	..... AFN '000'	
Salaries and wages	257,834	203,049
Staff welfare	27,904	28,921
Repair and maintenance	23,684	25,808
Travelling expense	7,431	8,562
Advertising and publicity	70,543	66,423
Operating Lease	67,333	69,000
Printing and stationery	13,625	15,428
Communication	2,253	2,938
Internet and connectivity	19,550	16,149
Electricity and power	22,371	25,841
Office supplies	2,344	3,677
Security expenses	106,823	103,206
Audit fee	6,055	4,487
Legal and professional charges	6,014	4,857
Postage and courier	15	53
Software maintenance fee	15,482	4,995
Deposit insurance premium	26,544	19,846
Others	23,915	33,131
	<u>699,720</u>	<u>636,371</u>

21 Related party disclosure

Parent and ultimate controlling party

The Bank is a 100% owned subsidiary of Azizi bank, therefore all subsidiaries and associated entities are related parties of the Bank. The related entities also comprises entities in which directors are able to exercise significant influence and key management. At the stage of conversion process on standing instructions of Da Afghanistan Bank (DAB) bank has ensured the zero balance of counter deposits and onward there are no transactions occurred.

Key management personnel

Key management personnel includes the following:

Chief Executive Officer
Deputy Chief executive Officer
Chief Credit Officer
Chief Financial Officer
Chief Operations Officer
Chief Risk Officer
Chief Compliance Officer
Chief Internal Auditor

Key management personnel compensation for the period comprised:

	Un-Audited 30 September 2021	Un-Audited 30 September 2020
	..... Afn '000'	
Short term employee benefits	<u>36,890</u>	<u>26,664</u>

In addition to the salaries the Bank also provides non cash benefits to the executives which includes furnished accommodations, meals and travel.

CMA

ISLAMIC BANK OF AFGHANISTAN
CONDENSED INTERIM NOTES TO THE FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021

Performance guarantee - Azizi Bank

Un-Audited 30 September 2021	Audited 31 December 2020
..... AFN '000' .....	..... AFN '000'
40,000	40,000

22 Capital management

Regulatory capital

The Bank's regulator Da Afghanistan Bank sets and monitors capital requirements for the Bank. The capital adequacy of the Bank is assessed in two tiers as per regulations of the Da Afghanistan Bank.

- Tier 1 or core capital, consisting of the highest quality capital elements that fully meet all the essential characteristics of capital; to be minimum 6% of risk weighted assets.

- Tier 2 or supplementary capital, which includes other instruments which, to a varying degree, fall short of

the quality of Tier 1 capital, but nonetheless contribute to the overall strength of a bank as a going concern.

The Bank's regulatory capital position at 30 September 2021 and 31 December 2020 was as follows:

	Un-Audited 30 September 2021	Audited 31 December 2020
	.....AFN '000' .....	.....AFN '000'
Tier 1 capital		
Total equity capital	1,672,167	1,533,663
Less: Intangible assets	(198,135)	(261,554)
Less: Deferred tax assets	(30,572)	(65,198)
Less: Profit during the period/year	(138,504)	(152,209)
Total tier 1 (core) capital	1,304,956	1,054,703
Tier 2 capital		
Add: Profit for the period/year	138,504	152,209
	138,504	152,209
Less: Equity Investment	-	-
Total regulatory capital (Tier 1 and Tier 2)	1,443,460	1,206,912
Tier 1 capital ratio	13.81%	12.23%
Regulatory Capital ratio	15.44%	14.00%

23 AUTHORIZATION

These condensed interim financial statements were authorized for issue by the Shareholders on November 14, 2021.

C.H.A

Chief Executive Officer

Chief Financial Officer