

MAIWAND BANK
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 31/03/1400 (21 JUNE 2020)

	Note	(Un-audited) 21-Jun-2021 AFN '000'	(Audited) 20-Dec-2020 AFN '000'
Assets			
Cash and cash equivalents	4	13,278,793	16,521,485
Investment Capital Notes	5	396,741	199,814
Loans and advances to customers	6	5,385,505	5,398,865
Operating fixed assets	7	779,483	788,454
Investment property		99,376	99,376
Intangible assets	8	16,270	7,200
Other assets	9	598,623	567,732
Non-current assets held for sale	10	1,483,430	1,472,962
Deferred tax assets -Net		174,194	174,194
Total assets		22,212,416	25,230,082
Liabilities			
Deposits from customers	11	20,533,469	23,454,566
Other liabilities	12	186,926	283,265
Total liabilities		20,720,395	23,737,831
Equity			
Authorized share capital		5,000,000	5,000,000
Paid-up capital		3,783,860	3,783,860
Accumulated loss		(2,291,839)	(2,291,609)
Total equity		1,492,021	1,492,251
Total liabilities and equity		22,212,416	25,230,082
Contingencies and Commitments	13		

The annexed notes from 1 to 22 form an integral part of these condensed interim financial statements.



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M. Sarsen

Chief Executive Officer

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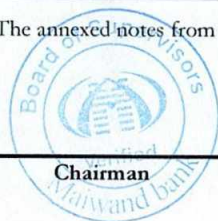
Chief Financial Officer

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MAIWAND BANK
 CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
 FOR THE SIX MONTHS PERIOD ENDED 31/03/1400 (21 JUNE 2021)

	Note	Six months ended		Three months ended	
		21-Jun-2021 AFN '000'	20-June-2020 AFN '000'	21-Jun-2021 AFN '000'	20-June-2020 AFN '000'
interest income	14	47,666	84,021	22,497	30,965
Interest expense	14	(33,467)	(29,018)	(15,666)	(13,792)
Net interest income		14,199	55,003	6,831	17,172
Profit / return on Islamic financing		2,566	-	2,566	-
Return on Islamic deposits		(4)	(1)	-	-
Net spread earned		2,562	(1)	2,566	-
Fee and commission income	15	231,987	133,328	111,326	63,088
Fee and commission expenses	15	(10,063)	(18,776)	(2,446)	(7,988)
Net fee and commission income		221,924	114,552	108,880	55,100
Foreign exchange (loss) / gain		73,387	(50,706)	33,311	20,971
Other income		12,942	100	10,947	-
Operating income		325,015	118,947	162,535	93,243
Personnel expenses	16	(124,232)	(115,668)	(61,669)	(57,641)
Reversal/ (Allowance) for impairment loss		10,625	(50,146)	1,723	(26,701)
Depreciation and amortization	6 & 7	(36,875)	(33,460)	(22,439)	(16,410)
Other operating expenses	17	(174,763)	(148,324)	(85,040)	(65,904)
		(325,245)	(345,655)	(167,425)	(164,557)
(LOSS) / PROFIT BEFORE TAX		(230)	(226,708)	(4,890)	(71,314)
Taxation - net		-	-	-	-
(LOSS) / PROFIT AFTER TAX		(230)	(226,708)	(4,890)	(71,314)
Other comprehensive income		-	-	-	-
TOTAL COMPREHENSIVE (LOSS) / INCOME		(230)	(226,708)	(4,890)	(71,314)
(Loss) / Earnings per share		(0.00)	(0.60)	(0.01)	(0.19)

The annexed notes from 1 to 22 form an integral part of these condensed interim financial statements.



Chairman

M. BASIR

Chief Executive Officer

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Chief Financial Officer

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MAIWAND BANK
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR SIX MONTHS PERIOD ENDED 31/03/1400 (21 JUNE 2021)

	Paid-up capital	Accumulated loss	Total
	AFN '000'		
Balance as at 21 December 2019	3,783,860	(1,980,614)	1,803,246
Total comprehensive income for the six month period ended 20 June 2020			
Loss for the period ended 20 June 2020	-	(226,708)	(226,708)
Other comprehensive income	-	-	-
	-	(226,708)	(226,708)
Transactions with owners, recorded directly in equity:			
Capital injected during the period	-	-	-
Balance as at 20 June 2020	<u>3,783,860</u>	<u>(2,207,322)</u>	<u>1,576,538</u>
Change in equity for six months period ended December 20, 2020			
Total comprehensive income for the six months period ended 20 December 2020			
Loss for the six months period ended December 20, 2020	-	(84,287)	(84,287)
Other comprehensive income	-	-	-
	-	(84,287)	(84,287)
Transactions with owners, recorded directly in equity:			
Capital injected during the period	-	-	-
Balance as at 20 December 2020	<u>3,783,860</u>	<u>(2,291,609)</u>	<u>1,492,251</u>
Balance as at 21 December 2020	3,783,860	(2,291,609)	1,492,251
Total comprehensive income for the period ended 21 June 2021			
Loss for the period ended 21 June 2021	-	(230)	(230)
Other comprehensive income	-	-	-
	-	(230)	(230)
Transactions with owners, recorded directly in equity:			
Capital injected during the period	-	-	-
Balance as at 21 June 2021	<u>3,783,860</u>	<u>(2,291,839)</u>	<u>1,492,021</u>

The annexed notes from 1 to 22 form an integral part of these condensed interim financial statements.



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M. BASIK

Chief Executive Officer

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Chief Financial Officer

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MAIWAND BANK
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED 31/03/1400 (21 JUNE 2021)

	Note	Six months ended	
		21-Jun-2021 AFN '000'	20-Jun-2020 AFN '000'
CASH FLOW FROM OPERATING ACTIVITIES			
Loss before taxation		(230)	(226,708)
Adjustments for:			
Depreciation and amortization	6 & 7	36,875	33,460
Net interest income		(14,199)	(55,003)
Net spread earned		(2,562)	1
ADIC insurance payable		11,612	-
Provision for professional charges		1,785	-
Allowance/ (Reversal) for impairment loss		(10,625)	50,146
Unwinding of discount	12.1	666	1,267
Provision against bank guarantees and other assets		(3,404)	(1,943)
Foreign exchange (gain)/loss		(73,387)	50,706
		(53,239)	78,634
		(53,469)	(148,074)
Changes in operating assets and liabilities:			
Change in loans and advances to customers		23,985	125,867
Change in required reserves		(673,137)	(480,440)
Change in other assets		(30,891)	(9,291)
Change in non-current asset held for sale		(10,468)	12,412
Change in deposits from customers		(2,921,097)	2,662,602
Change in other liabilities		(96,339)	464,663
		(3,707,948)	2,775,812
Interest / profit received		50,231	84,021
Interest / profit paid		(33,470)	(29,018)
		16,761	55,003
Net cash used in operating activities		(3,744,656)	2,682,741
CASH FLOW FROM INVESTING ACTIVITIES			
(Investment made in) capital notes		(196,927)	-
Purchase of property and equipment	7	(25,199)	(7,810)
Purchase of intangible assets	8	(11,775)	(3,758)
Net cash used in investing activities		(233,902)	(11,568)
CASH FLOW FROM FINANCING ACTIVITIES			
Payment against lease liability	12.1	(10,659)	(16,858)
Net cash flow from financing activities		(10,659)	(16,858)
Decrease in cash and cash equivalents		(3,989,216)	2,654,315
Cash and cash equivalents at the beginning of the period	19	14,685,686	10,994,351
Effect of exchange rate differences		73,387	(50,706)
Cash and cash equivalents at the end of the period	19	10,769,857	13,597,960

The annexed notes from 1 to 22 form an integral part of these condensed interim financial statements.



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M. Basia

Chief Executive Officer

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Chief Financial Officer

MAIWAND BANK

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED 31/03/1400 (21 JUNE 2021)

1. STATUS AND NATURE OF BUSINESS

- 1.1 Maiwand Bank (the Bank) is a commercial bank registered and operating in Afghanistan. The Bank is primarily involved in commercial banking in Afghanistan. The Bank has obtained business license from Afghanistan Investment Support Agency (AISA) to operate as a limited liability company. The Bank obtained its banking license from Da Afghanistan Bank ("DAB") under the Law of Banking in Afghanistan on December 31, 2008 and commenced its operations on January 01, 2009. Currently, the Bank is being operated with 48 branches in different parts of Afghanistan.
- 1.2 The registered office of the Bank is situated at Charrahi Torabaz Khan, Shar-e-Naw, Kabul, Afghanistan.
- 1.3 Owing to sectorial unprivileged circumstances which has affected bank's operations and CAMEL rating, DAB has imposed restrictions on the Bank for issuance of new bank loans, re-scheduling of existing loans and advances, and imposed conditions for issuance of bid guarantees with 30% cash margin and issuance of performance/advance payment guarantees with 50% cash margin plus 70% IPs. Due to which incomes from interest, fee and commission are adversely affected. The accumulated losses have reached AFN 2,291.839 million (2020: AFN 2,291.609 million). This indicates that material uncertainties exists that may cast significant doubts on the Bank's ability to continue as going concern.

DAB has conducted full scope audit and highlighted violations in compliances of laws, regulations, circulars, DAB guidelines and Banks's internal policies and issued enforcement action order along with guidelines and a corrective action plan was required to be submitted by the Bank. Consequently bank has prepared and submitted a detailed corrective action plan for DAB's appraisal and its implementation has been commenced. The plan is scheduled from November 2020 to April 2022, focusing on capital injection, recovery of NPLs and repossessed assets, reduction in expenses, improvement in income, and strengthening the internal controls and corporate governance.

Owing to losses, the Bank's repossessed assets, comprise of "non-current assets held for sale" and "investment property", have reached 7.13% of the Bank's total assets. The guidelines issued by DAB require the Bank to not exceed repossessed assets by 5%.

Since the scope of raising interest income (the sole major source) is limited, the bank has initiated various measures to reduce the expenditure as a result of which, the operational expense of the bank were reduced by almost 5.90% during the second quarter ended 21 June 2021 when compared with the quarter ended 20 June 2020. However, as disclosed in the statement of cash flows, the bank used net cash of AFN 3.7 billion in operating activities.

Furthermore, the Bank is in the process of recovering loans by all means including filing cases against defaulters. The exact outcome of legal cases is not yet determined.

Key management positions (i.e., Chief Financial Officer, Chief Credit Officer, Chief Risk Officer, and Chief Internal Auditor) of the bank are lying vacant. However, the Bank is in the process to recruit suitably qualified and experienced professionals and have subsequently introduced two candidates to DAB for recruitment against the post of Chief Internal Auditor and Chief Financial Officer, the outcome of results are not yet delivered.

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MAIWAND BANK

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED 31/03/1400 (21 JUNE 2021)**

In view of above, these financial statements have been prepared on going concern basis as management believes that they will be able to address the anomalies and significant doubts about the going concern assumption in due course of time in line with corrective action plan and bank will be able to continue as going concern for at least next foreseeable future (i.e. 12 months from the end of the reporting period).

2 STATEMENT OF COMPLIANCE

- 2.1 These condensed interim financial statements have been prepared in accordance with International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) and the requirements of the Law of Banking in Afghanistan. In case requirements differ, the provisions of the Law of Banking in Afghanistan shall prevail.

3 BASIS OF MEASUREMENT

- 3.1 These condensed interim financial statements have been prepared on the historical cost basis under accrual basis of accounting except as otherwise disclosed in accounting policies.

3.2 Functional and presentation currency

Items included in the condensed interim financial statements of the Bank are measured using the currency of the primary economic environment in which the entity operates. The financial statements are presented in Afghani (AFN), which is the Bank's functional and presentation currency.

3.3 Significant accounting policies

The significant accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of the audited annual financial statements of the Bank for the year ended December 20, 2020.

3.4 Critical accounting estimates and judgements

The basis for accounting estimates adopted in the preparation of these condensed interim financial statements are the same as that applied in the preparation of the financial statements for the year ended December 20, 2020.

In view of the uncertainty about timings of taxable profits in the foreseeable future against which the accumulated tax losses as carry forward can be utilized, the Bank has not recognized deferred tax asset on accumulated losses.

3.5 Financial risk management

The financial risk management objectives and policies adopted by the Bank are consistent with those disclosed in the audited financial statements for the year ended December 20, 2020.

3.6 Disclosures

The condensed interim financial statements do not include all the information and disclosures as required in the audited annual financial statements, and should be read in conjunction with the audited annual financial statements for the financial year ended 20 December 2020.

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MAIWAND BANK
 NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
 FOR THE SIX MONTHS PERIOD ENDED 31/03/1400 (21 JUNE 2021)

	Note	(Un-audited) 21-Jun-2021 AFN '000'	(Audited) 20-Dec-2020 AFN '000'
4 CASH AND CASH EQUIVALENTS			
Cash in hand:			
Local currency		1,607,945	1,456,610
Foreign currency	4.1	2,429,257	2,452,833
		4,037,202	3,909,443
Balances with Da Afghanistan Bank (DAB)	4.2	7,789,862	11,635,863
Balances with other banks	4.3	1,451,729	976,179
		9,241,591	12,612,042
		13,278,793	16,521,485
4.1 Foreign currency profile			
US Dollar		2,036,949	2,083,895
Euro		356,880	335,285
GB Pound		35,428	33,653
		2,429,257	2,452,833
4.2 Balances with Da Afghanistan Bank (DAB)			
Current accounts:			
Local currency		1,120,668	3,821,665
Foreign currency	4.2.1	3,046,819	5,975,632
		4,167,487	9,797,297
Saving accounts - local currency:			
Over-night deposits	4.2.2	1,113,438	2,767
		1,113,438	2,767
Required reserve with DAB	4.2.3	2,508,936	1,835,799
		2,508,936	1,835,799
		7,789,862	11,635,863
4.2.1 Foreign currency profile:			
US Dollar		2,876,616	5,726,003
Euro		170,203	249,629
		3,046,819	5,975,632
4.2.2	This represent overnight deposit facility provided by DAB. These deposits earn interest at 3% (2019: 0.099%) per annum and have maximum maturity of 7 days.		

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MAIWAND BANK

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS PERIOD ENDED 31/03/1400 (21 JUNE 2021)

4.2.3 This represents the required reserve account maintained with Da Afghanistan Bank in local and foreign currencies to meet minimum reserve requirement in accordance with Article 64 "Required reserve for banks" of Da Afghanistan Bank Law. Furthermore, Da Afghanistan Bank (DAB) made it mandatory vide their circular no. 9072 dated 10/10/1399, that all Banks have to maintain required reserve on all customer deposits' accepted in local and foreign currencies in accordance with the Bank's CAMEL rating. As the New Kabul Bank's CAMEL rating is 5, so according to those instructions the Bank is required to maintain required reserves of @ 12% and 14% for local and foreign currencies respectively. These balances are interest free and are not available for use in the Bank's day-to-day operations.

	Note	(Un-audited) 21-Jun-2021 AFN '000'	(Audited) 20-Dec-2020 AFN '000'
4.3 Balances with other banks			
HDFC Bank, India		91,696	1,341
Yes Bank, India		56,911	1,548
Pashtanay Bank, Afghanistan		869	859
Bank-e-Millie Afghan, Afghanistan		29,851	29,861
New Kabul Bank, Afghanistan		-	165,000
Emirates NBD Bank, UAE		115,852	100,247
Western Union, USA		16,214	17,963
Transkapital, Russia		811,444	382,423
Aktif Yatirim Banasi A.S., Turkey		24	126
Yinzhou Bank, China		2,851	2,803
BMCE, Spain		242,768	271,933
National Bank of Uzbekistan, Uzbekistan		83,248	2,075
		<u>1,451,729</u>	<u>976,179</u>

4.3.1 Currency profile of balances with other banks and financial institutions is as follows:

	Note	(Un-audited) 21-Jun-2021 AFN '000'	(Audited) 20-Dec-2020 AFN '000'
Current accounts:			
Local currency		29,888	215,524
Foreign currency	4.3.1.1	1,421,841	760,655
		<u>1,451,729</u>	<u>976,179</u>

4.3.1.1 Foreign currency profile:

US Dollar		1,394,141	587,499
Euro and GBP		27,700	173,156
		<u>1,421,841</u>	<u>760,655</u>

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MAIWAND BANK
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED 31/03/1400 (21 JUNE 2021)

4.3.2 Geographic profile of balances with other banks and financial institutions is as follows:

	Note	(Un-audited) 21-Jun-2021 AFN '000'	(Audited) 20-Dec-2020 AFN '000'
Europe		1,054,236	654,482
America		16,214	17,963
South Asia		234,707	7,769
Middle East		115,852	100,247
Afghanistan		30,720	195,720
		<u>1,451,729</u>	<u>976,179</u>

5 INVESTMENTS

	Note	(Un-audited) 21-Jun-2021 AFN '000'	(Audited) 20-Dec-2020 AFN '000'
DAB Capital notes	5.1	396,741	199,814
		<u>396,741</u>	<u>199,814</u>

5.1 The capital notes carries interest at 4.600% to 5.100% per annum and there were no investment in capital notes in the comparative period as at 20 June 2020.

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MAIWAND BANK
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED 31/03/1400 (21 JUNE 2021)

		(Un-audited) 21-Jun-2021	(Audited) 20-Dec-2020
	Note(AFN '000').....	
6 LOANS AND ADVANCES TO CUSTOMERS			
Conventional - at amortized cost	6.1	4,412,109	4,349,665
Islamic - at amortized cost	6.2	948,685	1,024,878
		5,360,794	5,374,543
Legal fees and direct cost on acquisition of defaulters' property		24,711	24,322
		<u>5,385,505</u>	<u>5,398,865</u>

	Note	June 21, 2021 (Un-audited)			December 20, 2020 (Audited)		
		Gross amount	Impairment allowance	Carrying amount	Gross amount	Impairment allowance	Carrying amount
	(AFN'000').....		(AFN'000').....		
6.1 Conventional - at amortized cost							
Retail customers - running finances	6.1.1	5,211,934	(802,705)	4,409,229	5,911,022	(1,564,674)	4,346,348
Short term loans to employees	6.1.2	2,880	-	2,880	3,317	-	3,317
		<u>5,214,814</u>	<u>(802,705)</u>	<u>4,412,109</u>	<u>5,914,339</u>	<u>(1,564,674)</u>	<u>4,349,665</u>

6.1.1 Running finance facilities are extended to borrowers for a period of one year renewable every year with proper sanction on satisfactory conduct of account. These facilities carry interest ranging from 15% to 20% (2020: 15% to 20%) per annum. The facilities are secured against immovable properties, stocks and receivables of the borrowers and personal guarantees. All these loans are subject to mandatory cleanup for 5 days in terms of DAB guidelines and most of them are non-performing where we have stopped charging interest on the overdue balances.

DAB has carried out a comprehensive assessment of running finances in 2018 and communicated the assessment results via letter no. FSD F 5851 dated 30.08.1397. Accordingly, all the running finances which may fall in doubtful or loss categories based on their overdue days but are backed with at least 100% collateral value, are classified as standard but without accruing any interest there against. However, had all the running finances been classified and provisioned purely based on the DAB Assets Classification and Provisioning Regulation (ACPR), based on their statements seen from December 2019, the total provision would have been AFN 4,180.12 million which would have further increased accumulated losses.

Directives issued to commercial banks by Da Afghanistan Bank via letter no. 9074 dated 10-10-1399, that the overdraft loans portfolio shall not be greater than 50% of all loans and advances issued by the bank. In light of that letter, the bank has initiated the process to restructure some of their overdraft accounts to term loans.

		(Un-audited) 21-Jun-2021	(Audited) 20-Dec-2020
	Note(AFN'000').....	
Allowance for impairment:			
Opening balance		1,564,674	1,456,593
Charge / (re-integration) for the period / year		(90,098)	108,081
Loans written off during the period / year		(684,118)	-
Currency fluctuation		12,246	-
		(761,969)	108,081
Closing balance		<u>802,705</u>	<u>1,564,674</u>

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED 31/03/1400 (21 JUNE 2021)

6.1.2 Short term loans to employees are repayable within twelve months. These loans carry interest at the rate of 6% (2020: 6%) per annum.

	Note	June 21, 2020 (Un-audited)			December 20, 2020 (Audited)		
		Gross amount	Impairment allowance	Carrying amount	Gross amount	Impairment allowance	Carrying amount
6.2 Islamic - at amortized cost							
Musharaka financing	6.2.1	52,821	-	52,821	51,878	-	51,878
Diminishing Musharaka	6.2.1	113,311	(155)	113,156	111,288	(13,980)	97,308
Murahaba finance	6.2.1	1,078,820	(296,112)	782,708	1,074,161	(198,469)	875,692
		<u>1,244,952</u>	<u>(296,267)</u>	<u>948,685</u>	<u>1,237,327</u>	<u>(212,449)</u>	<u>1,024,878</u>

6.2.1 Musharaka and Diminishing Musharaka facilities are extended to customers on profit / loss sharing basis. These carry profit sharing ratio of 10% to 16% (2020: 10% to 16%) on annual basis. These are secured against immovable properties and stocks.

Further as reasoned in paragraph 2 of note no. 6.1.1 above for running finances, Islamic finances have also been classified as standard assets based on the at least 100% collateral value subject to non-accrual status, which other wise would have classified as doubtful or loss depending on their overdue days as per ACPR. Had these assets been classified purely as per DAB's ACPR, based on their statements seen from December 2019, the total provision against Islamic finances would have been AFN 1,113.49 million which would have further increased accumulated losses.

	Note	(Un-audited) 21-Jun-2021	(Audited) 20-Dec-2020
Allowance for impairment:			
Opening balance		212,449	283,984
Charge / (re-integration) during the period / year		79,473	(71,535)
Loans written off during the period / year		-	-
Currency fluctuation		4,345	-
		83,818	(71,535)
Closing balance		<u>296,267</u>	<u>212,449</u>

6.2.2 Murabaha facilities are extended to customers for purchase of immovable properties. These are secured against the underlying properties.

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MAIWAND BANK
 NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
 FOR THE SIX MONTHS PERIOD ENDED 31/03/1400 (21 JUNE 2021)

	Note	(Un-audited) 21-Jun-2021 AFN'000'	(Audited) 20-Dec-2020 AFN'000'
7 OPERATING FIXED ASSETS			
Cost:			
Opening balance	7.1	1,235,827	1,212,347
Additions during the period / year		25,199	23,480
Closing balance		1,261,026	1,235,827
Accumulated depreciation			
Opening balance	7.1	447,373	378,309
Depreciation charged during the period/year		34,170	69,064
Closing balance		481,543	447,373
Net book value		779,483	788,454
7.1 This includes balance amounting to AFN 101.4 million and AFN 85.967 million respectively, representing right of use asset and corresponding accumulated depreciation recognized by the Bank on adoption of IFRS 16 "Leases".			
8 INTANGIBLE ASSETS			
Cost			
Opening balance		21,410	17,075
Additions during the period / year		11,775	4,335
Closing balance		33,185	21,410
Accumulated amortization:			
Opening balance		14,210	9,702
Charged for the period / year		2,705	4,508
		16,915	14,210
Net book value		16,270	7,200

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED 31/03/1400 (21 JUNE 2021)

	Note	(Un-audited) 21-Jun-2021 AFN '000'	(Audited) 20-Dec-2020 AFN '000'
9 OTHER ASSETS			
Prepayments		32,979	17,712
Advances to employees		561	1,577
Security deposit - Western Union		15,680	15,400
Security deposit - others		1,282	802
Advance and withholding tax receivable		52,737	48,979
Markup receivable on Musharka investment		46,173	45,348
Receivable on Sale of Other Banking Assets		7,840	7,700
Interest receivable on capital notes/ claims from banks		599	180
Margin Money with Bank-e-Millie Afghan		395,763	388,695
Margin money with Afghan United Bank for guarantee in favor of MoF		40,000	40,000
Others		5,009	1,339
		<u>598,623</u>	<u>567,732</u>

10 NON CURRENT ASSETS HELD FOR SALE

Other banking assets- acquired through out of court settlement	10.1	897,224	897,224
Acquired through court settlement	10.2	586,206	575,738
	10.3	<u>1,483,430</u>	<u>1,472,962</u>

10.1 This represents the value of collateral recovered from customers, acquired through out of court settlement for 08 loans and advances. These are US\$ dominated properties of those defaulted borrowers and are converted into AFN at transaction date. Moreover, the other banking assets acquired through out of court settlement were required to be disposed-off within five months as per the DAB's instructions via letter no 3279/4394 dated 10/5/1397. However, these assets have still not been disposed off by the end of the period.

10.2 During the period the Bank has acquired nil properties of defaulted borrowers (NPA accounts) in satisfaction of claims. Moreover, the Central Bank has allowed via email dated 06 February 2019 to consider non-current assets held for sale as monetary assets and revalue repossessed assets at each reporting date.

10.3 Da Afghanistan Bank issued standing instructions to the Bank through their letter no. 5517/4589 dated 16/04/1400 to write-off both Other Banking Assets and Repossessed Assets within one month after the issue of that letter and inform the Financial Supervision Department in writing. However, management has approached Da Afghanistan Bank (DAB) to allow for the cushion period of two years, however, response is still awaited in official manner till the issuance of these financial statements.

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MAIWAND BANK
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED 31/03/1400 (21 JUNE 2021)

	Note	(Un-audited) 21-Jun-2021 AFN'000'	(Audited) 20-Dec-2020 AFN'000'
11 DEPOSITS FROM CUSTOMERS			
Conventional deposits	11.1	16,276,811	18,756,199
Islamic deposits	11.2	2,203,023	2,552,307
Margin money against letters of guarantee		1,934,268	2,027,273
Deposits under lien		119,368	118,787
		<u>20,533,469</u>	<u>23,454,566</u>
11.1 Conventional deposits			
Term deposits	11.1.1	227,553	309,613
Current deposits	11.1.2	12,124,491	14,074,819
Saving deposits	11.1.3	3,924,766	4,371,767
		<u>16,276,811</u>	<u>18,756,199</u>

11.1.1 Term deposits carry interest at the rates ranging from 0.25% and 4% (2020: 0.25% and 4%) per annum.

11.1.2 Current deposits are interest free.

11.1.3 Saving deposits carry interest at rates ranging from 0.25% and 2.5% (2020: 0.25% and 2.5%) per annum.

	Note	(Un-audited) 21-Jun-2021 AFN'000'	(Audited) 20-Dec-2020 AFN'000'
11.2 Islamic Deposits			
Term deposits	11.2.1	7,308	7,195
Current deposits	11.2.1	232,878	337,153
Saving deposits	11.2.3	1,962,837	2,207,959
		<u>2,203,023</u>	<u>2,552,307</u>

11.2.1 Term deposits include Meaadi Certificates carrying profit at the rate of 1% (2020: 1%) per annum.

11.2.1 Current deposits (Al-Wadiah accounts) are being operated at no profit or loss basis.

11.2.3 Saving deposits include the following:

1. Musharaka Saving
2. Mutalim Musharaka
3. Khass Musharaka

These deposits carry profit at rate of 0.25% (2020: 0.25%) per annum.

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MAIWAND BANK
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED 31/03/1400 (21 JUNE 2021)

	Note	(Un-audited) 21-Jun-2021 AFN '000'	(Audited) 20-Dec-2020 AFN '000'
12 OTHER LIABILITIES			
Afghan Deposit Insurance Corporation (ADIC) premium payable		11,612	15,477
Interest / Markup payable to customer deposit accounts		2,352	2,929
Accrued expenses and other payables		118,014	96,838
Amount payable to Da Afghanistan Breshna Sherkat		20,533	127,018
Provision on Bank Guarantees		17,185	13,781
Lease Liability	12.1	17,229	27,222
		<u>186,926</u>	<u>283,265</u>

12.1 The Bank applied IFRS 16 using the modified retrospective approach, under which the Bank has recognized right of use assets and lease liabilities at the date of initial recognition for leases previously classified as operating leases under IAS 17 at the present value of the remaining lease payments using the Bank's incremental borrowing rate at the initial application date. The Bank has chosen to measure the right of use assets at an amount equal to the lease liabilities adjusted by the amount of prepaid lease payments relating to the operating leases recognized in the statement of financial position as at January 01, 2019.

The movement in lease liability is as follows;

	Note	(Un-audited) 21-Jun-2021 AFN '000'	(Audited) 20-Dec-2020 AFN '000'
Lease liability			
Lease liability (Right of use)			
Opening balance		27,222	51,769
Unwinding of discount		666	2,170
Payments during the year		(10,659)	(26,717)
Closing balance		<u>17,229</u>	<u>27,222</u>

13 CONTINGENCIES AND COMMITMENTS

13.1 Contingencies

Letters of guarantee		<u>2,498,191</u>	<u>2,600,869</u>
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These are guarantees extended to corporate entities against performance of contracts and bids.

13.2 Commitments

There are no outstanding commitments at the period end (2020: Nil).

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