

MAIWAND BANK
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT 31/06/1400 (22 SEPTEMBER 2021)

	Note	22-Sep-21 AFN '000'	20-Dec-20 AFN '000'
Assets			
Cash and bank balances	4	5,603,568	16,521,485
Investment in DAB Capital Notes	5	19,745	199,814
Loans and advances to customers	6	5,774,748	5,398,865
Operating fixed assets	7	769,561	788,454
Investment Property		99,376	99,376
Intangible assets	8	15,954	7,200
Other assets	9	680,031	567,732
Non-Current assets - Held for sale	10	1,541,752	1,472,962
Deferred tax assets -Net		457,390	174,194
Total assets		14,962,125	25,230,082
Liabilities			
Deposits from customers	11	12,901,001	23,454,566
Other liabilities	12	268,828	283,265
Total liabilities		13,169,830	23,737,831
Equity			
Authorized share capital		5,000,000	5,000,000
Paid-up capital		3,783,860	3,783,860
Accumulated loss		(1,991,564)	(2,291,609)
Total equity		1,792,296	1,492,251
Total liabilities and equity		14,962,125	25,230,082
Contingencies and Commitments	13		

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



Chairman

Chief Executive Officer

Chief Finance Officer

M. BASTIN

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MAIWAND BANK
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTH-PERIOD ENDED 31/06/1400 (22 SEPTEMBER 2021)

	Note	Nine months ended		Three months ended	
		22-Sep-21	21-Sep-20	22-Sep-21	21-Sep-20
		AFN '000'	AFN '000'	AFN '000'	AFN '000'
Interest income	14	73,348	113,431	25,683	29,410
Interest expense	14	(40,984)	(43,256)	(7,517)	(14,238)
Net interest income		32,365	70,175	18,166	15,171
Profit / return on Islamic financing		3,179	-	613	-
Return on Islamic deposits		(4)	(3)	-	(2)
Net spread earned		3,175	(3)	613	(2)
Fee and commission income	15	293,089	213,233	61,102	79,905
Fee and commission expense	15	(3,020)	(27,418)	7,043	(8,642)
Net fee and commission income		290,069	185,815	68,145	71,263
Foreign exchange (loss) / gain		202,053	(32,506)	128,666	18,200
Other income		10,390	1,870	(2,553)	1,770
Operating income		538,052	225,350	213,038	106,402
Personnel expenses	16	(174,266)	(176,590)	(50,035)	(60,922)
Allowance for impairment loss	6.1.1	(44,284)	(43,053)	(54,909)	(37,648)
Depreciation and amortization	7 & 8	(52,611)	(56,183)	(15,736)	(22,723)
Other operating expenses	17	(247,973)	(222,454)	(73,210)	(76,073)
		(519,134)	(498,279)	(193,889)	(197,366)
PROFIT / (LOSS) BEFORE TAX		18,918	(272,929)	19,148	(90,964)
Taxation - net		281,127	-	-	-
PROFIT / (LOSS) AFTER TAX		300,045	(272,929)	19,148	(90,964)
Other comprehensive income		-	-	-	-
TOTAL COMPREHENSIVE (LOSS) / INCOME		300,045	(272,929)	19,148	(90,964)
(Loss) / Earnings per share		0.79	(0.72)	0.05	(0.24)

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



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Chief Executive Officer

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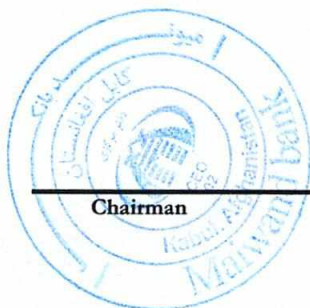
Chief Finance Officer

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MAIWAND BANK
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTH-PERIOD ENDED 31/06/1400 (22 SEPTEMBER 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 period ended 21 September 2020			
Loss after taxation for the period ended 21 September 2020	-	(272,929)	(272,929)
Other comprehensive income - net of tax	-	-	-
	-	(272,929)	(272,929)
Transactions with owners, recorded directly in equity			
Capital injected during the period	-	-	-
Balance as at 21 September 2020	<u>3,783,860</u>	<u>(2,253,543)</u>	<u>1,530,317</u>
Change in equity for three months period ended December 21, 2020			
Total comprehensive income for the three months period ended December 21, 2020			
Profit after taxation for the three months period ended December 21, 2020	-	(38,066)	(38,066)
Other comprehensive income - net of tax	-	-	-
	-	(38,066)	(38,066)
Transactions with owners, recorded directly in equity			
Capital injected during the period	-	-	-
Balance as at 21 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 nine-month period ended 22 September 2021			
Profit after taxation for the period ended 22 September 2021	-	300,045	300,045
Other comprehensive income - net of tax	-	-	-
	-	300,045	300,045
Transactions with owners, recorded directly in equity			
Capital injected during the period	-	-	-
Balance as at 22 September 2021	<u>3,783,860</u>	<u>(1,991,564)</u>	<u>1,792,296</u>

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



Chairman

M. BASIV

Chief Executive Officer

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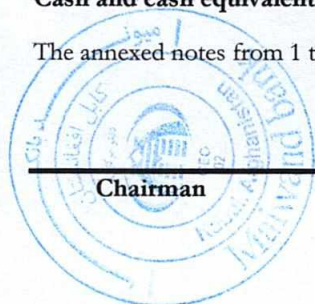
Chief Finance Officer

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MAIWAND BANK
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE NINE MONTH-PERIOD ENDED 31/06/1400 (22 SEPTEMBER 2021)

	Note	Nine months ended 22-Sep-2021 AFN '000'	Nine months ended 21-Sep-2020 AFN '000'
CASH FLOW FROM OPERATING ACTIVITIES			
Profit / (Loss) before taxation		18,918	(272,929)
Adjustments for non-cash charges:			
Depreciation and amortization		52,611	56,183
Net interest income		(32,365)	(70,175)
Net spread earned		(3,175)	3
Loss / (gain) on disposal of other banking assets		(10,390)	(1,870)
Allowance/ (Reversal) for impairment loss		44,284	43,053
Allowance for impairment of bank guarantees and other assets		9,731	(3,263)
		<u>60,697</u>	<u>23,930</u>
		79,615	(248,999)
Working capital changes:			
Change in loans and advances to customers		(420,167)	246,205
Changes in deposits with banks		615,521	(662,032)
Change in other assets		(122,030)	12,667
Change other banking assets		-	-
Change in non current asset held for sale		(68,790)	29,469
Change in deposits from customers		(10,553,565)	3,341,339
Change in other liabilities		(14,437)	269,655
		<u>(10,563,467)</u>	<u>3,237,303</u>
Income Tax paid		(2,069)	-
Interest / profit received		76,527	113,431
Interest / profit paid		(40,988)	(43,259)
		<u>33,471</u>	<u>70,172</u>
Net cash used in operating activities		<u>(10,450,382)</u>	<u>3,058,476</u>
CASH FLOW FROM INVESTING ACTIVITIES			
(Investment made in) / proceeds from capital notes		180,069	-
Purchase of property and equipment		(28,787)	(18,081)
Proceeds from sale of other banking assets		10,390	1,870
Purchase of intangible assets		(13,685)	(3,758)
(Purchase)/ Proceeds from sale of investment property		(0)	(15,412)
Net cash used in investing activities		<u>147,986</u>	<u>(35,381)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from capital injection		-	-
Net cash flow from financing activities		<u>-</u>	<u>-</u>
Decrease in cash and cash equivalents		(10,302,396)	3,023,095
Cash and cash equivalents at beginning of the period	19	<u>14,685,686</u>	<u>10,994,351</u>
Cash and cash equivalents at the end of the period	19	<u>4,383,290</u>	<u>14,017,446</u>

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



Chairman

Chief Executive Officer

Chief Finance Officer

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MAIWAND BANK

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTH-PERIOD ENDED 31/06/1400 (22 SEPTEMBER 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 1,991.564 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 10.97% 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 but is currently unable to achieve the desired results as the operational expense of the bank were increased by almost 4.19% during the period ended 22 September 2021 when compared with the period ended 21 September 2020. However, as disclosed in the statement of cash flows, the bank used net cash of AFN 10.45 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 NINE MONTH-PERIOD ENDED 31/06/1400 (22 SEPTEMBER 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 (UN-AUDITED)
FOR THE NINE MONTH-PERIOD ENDED 31/06/1400 (22 SEPTEMBER 2021)**

	Note	September 22, 2021 (Un-audited) AFN '000'	December 20, 2020 (Audited) AFN '000'
4 CASH AND BANK BALANCES			
Cash in hand:			
Local currency		458,764	1,456,610
Foreign currency	4.1	520,343	2,452,833
		979,107	3,909,443
Balances with Da Afghanistan Bank (DAB)	4.2	3,865,939	11,635,863
Balances with other banks	4.3	758,522	976,179
		4,624,461	12,612,042
		5,603,568	16,521,485
4.1 Foreign currency profile			
US Dollar		193,438	2,083,895
Euro		299,649	335,285
GB Pound		27,256	33,653
		520,343	2,452,833
4.2 Balances with Da Afghanistan Bank (DAB)			
Current accounts:			
Local currency		1,430,679	3,821,665
Foreign currency	4.2.1	1,199,478	5,975,632
		2,630,157	9,797,297
Saving accounts - local currency:			
Over-night deposits	4.2.2	15,503	2,767
		15,503	2,767
Required reserve with DAB	4.2.3	1,220,278	1,835,799
		1,220,278	1,835,799
		3,865,939	11,635,863
4.2.1 Foreign currency profile:			
US Dollar		1,023,055	5,726,003
Euro		176,423	249,629
		1,199,478	5,975,632

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MAIWAND BANK

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTH-PERIOD ENDED 31/06/1400 (22 SEPTEMBER 2021)**

4.2.2 This represent overnight deposit facility provided by DAB. These deposits earn interest at 3% (2020: 0.099%) per annum and have maximum maturity of 7 days.

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 Maiwand 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.

	September 22, 2021 (Un-audited) AFN '000'	December 20, 2020 (Audited) AFN '000'
4.3 Balances with other banks		
HDFC Bank, India	117,193	1,341
Yes Bank, India	23,968	1,548
Pashtanay Bank, Afghanistan	946	859
Bank-e-Millie Afghan, Afghanistan	29,857	29,861
New Kabul Bank, Afghanistan	-	165,000
Emirates NBD Bank, UAE	121,442	100,247
Western Union, USA	44,064	17,963
Aktif Yatirim Banasi A.S., Turkey	26	126
Yinzhou Bank, China	3,134	2,803
BMCE, Spain	141,382	271,933
Transkapital, Russia	89,507	382,423
National Bank of Uzbekistan, Uzbekistan	187,003	2,075
	758,522	976,179

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

	September 22, 2021 (Un-audited) AFN '000'	December 20, 2020 (Audited) AFN '000'
Current accounts:		
Local currency	29,888	215,524
Foreign currency	728,634	760,655
	758,522	976,179

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MAIWAND BANK

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTH-PERIOD ENDED 31/06/1400 (22 SEPTEMBER 2021)**

4.3.1.1 Foreign currency profile:

US Dollar	683,193	587,499
Euro	43,803	173,156
GBP	1,638	-
	<u>728,634</u>	<u>760,655</u>

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

	September 22, 2021 (Un-audited) AFN '000'	December 20, 2020 (Audited) AFN '000'
Note		
Europe	230,914	654,482
Western	44,064	17,963
South Asia	331,298	7,769
Middle East	121,442	100,247
Afghanistan	30,803	195,720
	<u>758,522</u>	<u>976,179</u>

5 INVESTMENTS

DAB Capital notes	5.1	19,745	199,814
		<u>19,745</u>	<u>199,814</u>

5.1 The capital notes carry interest at 4.600% to 5.100% per annum and there were no investment in capital notes after September 22, 2021.

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MAIWAND BANK
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTH-PERIOD ENDED 31/06/1400 (22 SEPTEMBER 2021)

	Note	22-Sep-21 (Un-audited) ----- (AFN in '000) -----	20-Dec-20 (Audited)
6 LOANS AND ADVANCES TO CUSTOMERS			
Conventional - at amortized cost	6.1	4,781,460	4,349,665
Islamic - at amortized cost	6.2	968,283	1,024,878
		5,749,743	5,374,543
Legal fees and direct cost on acquisition of defaulters' property		25,005	24,322
		<u>5,774,748</u>	<u>5,398,865</u>

	Note	September 22, 2021 (Un-audited)			December 20, 2020 (Audited)		
		Gross amount	Impairment allowance	Carrying amount	Gross amount	Impairment allowance	Carrying amount
6.1 Conventional - at amortized cost							
Overdrafts	6.1.1	4,754,883	(618,587)	4,136,295	5,911,022	(1,564,674)	4,346,348
Term Loans	6.1.2	640,918	-	640,918	-	-	-
Short term loans to employees	6.1.3	4,247	-	4,247	3,317	-	3,317
		<u>5,400,048</u>	<u>(618,587)</u>	<u>4,781,460</u>	<u>5,914,339</u>	<u>(1,564,674)</u>	<u>4,349,665</u>

6.1.1 Overdraft 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 4,279.25 million which would have further increased accumulated losses.

6.1.2 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 and restructured five overdraft accounts to term loans.

	Note	22-Sep-21 (Un-audited) ----- (AFN in '000) -----	20-Dec-20 (Audited)
Allowance for impairment:			
Opening balance		1,564,674	1,456,593
Loans written off during the period / year		(684,118)	-
Charge to profit / (loss)			
Reversal		(90,098)	-
Exchange rate differences		(216,155)	-
Impairment loss for the period / year		44,284	108,081
		<u>(261,969)</u>	<u>108,081</u>
Closing balance		<u>618,587</u>	<u>1,564,674</u>

6.1.3 Short term loans to employees are repayable within twelve months. These loans carry interest at the rate of 10% (2020: 10%) per annum. No impairment allowance has been accounted for on these loans.

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MAIWAND BANK
 NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
 FOR THE NINE MONTH-PERIOD ENDED 31/06/1400 (22 SEPTEMBER 2021)

	Note	September 22, 2021 (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	58,076	-	58,076	51,878	-	51,878
Diminishing Musharaka	6.2.2	124,414	-	124,414	111,288	(13,980)	97,308
Murahaba finance	6.2.2	1,073,346	(287,553)	785,793	1,074,161	(198,469)	875,692
		<u>1,255,836</u>	<u>(287,553)</u>	<u>968,283</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 1,161.58 million which would have further increased accumulated losses.

	Note	22-Sep-21 (Un-audited)	20-Dec-20 (Audited)
Allowance for impairment:		----- (AFN in '000) -----	-----
Opening balance		212,449	283,984
Loans written off during the period / year		-	-
Charge to profit / (loss)			
Reversal		-	(71,535)
Exchange rate differences		(4,369)	-
Charge for the period / year		79,473	-
		<u>75,104</u>	<u>(71,535)</u>
Closing balance		<u>287,553</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. No impairment allowance has been accounted for on these loans.

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MAIWAND BANK
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTH-PERIOD ENDED 31/06/1400 (22 SEPTEMBER 2021)

	Note	22-Sep-21 (Un-audited) AFN '000'	20-Dec-20 (Audited) AFN '000'
7 OPERATING FIXED ASSETS			
Cost:			
Opening balance		1,235,827	1,212,347
Additions during the period / year		28,629	23,480
Closing balance		<u>1,264,456</u>	<u>1,235,827</u>
Accumulated depreciation			
Opening balance		447,373	378,309
Depreciation charged during the period/year		47,680	69,064
Reversal / Adjustments		(158)	-
Closing balance		<u>494,895</u>	<u>447,373</u>
Net book value		<u><u>769,561</u></u>	<u><u>788,454</u></u>
7.1 These include right-of-use assets with a net book value of AFN 15.435 Million.			
8 INTANGIBLE ASSETS			
Cost			
Opening balance		21,410	17,075
Additions during the period / year		13,685	4,335
Closing balance		<u>35,095</u>	<u>21,410</u>
Accumulated amortisation:			
Opening balance		14,210	9,702
Charged for the period / year		4,931	4,508
Net book value		<u><u>19,141</u></u>	<u><u>14,210</u></u>
		<u><u>15,954</u></u>	<u><u>7,200</u></u>

22/9/21

MAIWAND BANK

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTH-PERIOD ENDED 31/06/1400 (22 SEPTEMBER 2021)**

	Note	22-Sep-21 (Un-audited) AFN '000'	20-Dec-20 (Audited) AFN '000'
9 OTHER ASSETS			
Prepayments		29,097	17,712
Advances to employees		887	1,577
Security deposit - Western Union		17,240	15,400
Security deposit - others		802	802
Advance and withholding tax receivable		54,244	48,979
Markup receivable on Musharka investment		50,767	45,348
Receivable on Sale of Other Banking Assets		8,620	7,700
Receivable on Accounts		34,480	-
Interest receivable on capital notes/ claims from banks		3,578	180
Margin Money with Bank-e-Millie, Kabul		435,138	388,695
Margin Money with Afghan United Bank in favor of MoF		40,480	40,000
Others		4,698	1,339
		680,031	567,732
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	10.3	644,528	575,738
		1,541,752	1,472,962

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 the DAB has allowed the Bank until June 2022 vide letter no. 11068/9581 dated 30/9/1400.

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MAIWAND BANK

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTH-PERIOD ENDED 31/06/1400 (22 SEPTEMBER 2021)**

	Note	22-Sep-21 (Un-audited) AFN '000'	20-Dec-20 (Audited) AFN '000'
11 DEPOSITS FROM CUSTOMERS			
Conventional deposits	11.1	9,117,897	18,756,199
Islamic deposits	11.2	1,665,998	2,552,307
Margin money against letters of guarantee		1,997,916	2,027,273
Deposits under lien		119,189	118,787
		<u>12,901,001</u>	<u>23,454,566</u>

11.1 Conventional deposits

Term deposits	11.1.1	212,759	309,613
Current deposits	11.1.2	6,456,399	14,074,819
Saving deposits	11.1.3	2,448,740	4,371,767
		<u>9,117,897</u>	<u>18,756,199</u>

11.1.1 Term deposits carry interest at 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	22-Sep-21 (Un-audited) AFN '000'	20-Dec-20 (Audited) AFN '000'
11.2 Islamic Deposits			
Term deposits	11.2.1	5,586	7,195
Current deposits	11.2.1	186,229	337,153
Saving deposits	11.2.3	1,474,183	2,207,959
		<u>1,665,998</u>	<u>2,552,307</u>

11.2.1 Term deposits include Meaadi Certificates carrying profit at the rate of 1% (2019: 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% (2019: 0.25%) per annum.

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MAIWAND BANK

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTH-PERIOD ENDED 31/06/1400 (22 SEPTEMBER 2021)**

	22-Sep-21 (Un-audited) AFN '000'	20-Dec-20 (Audited) AFN '000'
12 OTHER LIABILITIES		
Afghan Deposit Insurance Corporation (ADIC) premium payable	12,980	15,477
Interest / Markup payable to customer deposit accounts	7,289	2,929
Accrued expenses and other payables	104,129	96,838
Amount payable to Da Afghanistan Breshna Shirkat	104,016	127,018
Provision on Bank Guarantees and other assets	23,185	13,781
Lease Liabilities	17,229	27,222
	<u>268,828</u>	<u>283,265</u>

11.1 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.

13 CONTINGENCIES AND COMMITMENTS

13.1 Contingencies

Letters of guarantee	<u>2,539,586</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 period end (2020: Nil).

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