

**Afghan United Bank**  
**Kabul, Afghanistan**  
**Condensed Interim Financial Statements**  
**Along with Accompanying Information**  
**For the quarter ended 30 September 2024**

**Afghan United Bank**

**Kabul, Afghanistan**

**Condensed Interim Financial Statements**

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**For the quarter ended 30 September 2024**



## REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

To the shareholders of Afghan United Bank

### *Introduction*

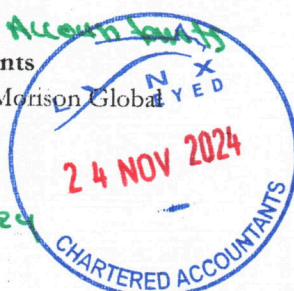
We have reviewed the accompanying statement of condensed interim financial position of **Afghan United bank** ("the bank") as of **September 30, 2024**, and the related statement of condensed interim comprehensive income, statement of condensed interim changes in equity and statement of condensed interim cash flows for the Nine-month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of this interim financial information in accordance with International Accounting Standards (IAS) 34 "Interim Financial Reporting", the requirements of the Law of Banking in Afghanistan and directives issued by the Da Afghanistan Bank (DAB). Our responsibility is to express a conclusion on this interim financial information based on our review.

### *Scope of Review*

We conducted our review in accordance with International Standards on Review Engagements (ISRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". 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 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 does not give a true and fair view of the financial position of the bank as at September 30, 2024, and of its financial performance and its cash flows for the Nine-month period then ended in accordance with International Accounting Standards (IAS) 34 "Interim Financial Reporting" issued by the International Accounting Standards Board (IASB), the requirements of the Law of Banking in Afghanistan and directives issued by Da Afghanistan Bank (DAB) rules and regulations.

*Lynx Eyed Chartered Accountants*  
**Lynx Eyed Chartered Accountants**  
An independent member firm of Morison Global  
Kabul Afghanistan  
Date: *24-NOVEMBER-2024*  


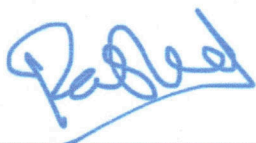
**AFGHAN UNITED BANK**

Condensed Interim Statement of Financial Position (Un-audited)

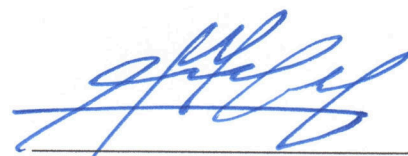
As at 30 September 2024

		<u>30-Sept-24</u>	<u>31-Dec-23</u>
		<u>Un-audited</u>	<u>Audited</u>
	<i>Note</i>	<u>AFN '000'</u>	
<b>ASSETS</b>			
Cash and balances with the Central Bank	4	6,721,903	6,688,103
Balances with other banks	5	6,386,886	5,399,929
Investments	6	1,632,542	1,514,828
Loans and advances to customers - net	7	4,243,751	4,333,110
Property and equipment	8	1,046,783	1,129,513
Intangible assets	9	7,068	4,315
Deferred tax asset - net		85,082	103,725
Other assets	10	2,958,460	2,750,413
<b>Total assets</b>		<b>23,082,475</b>	<b>21,923,936</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Issued and paid up capital	11	1,925,210	1,925,210
Retained earnings		(475,208)	(611,778)
Revaluation reserve on property and equipment	12	455,818	522,056
Revaluation reserve on Available for Sale Investments		78,603	(20,104)
<b>Total equity</b>		<b>1,984,422</b>	<b>1,815,384</b>
<b>LIABILITIES</b>			
Deposits from customers	13	20,380,634	19,599,242
Other liabilities	14	717,419	509,310
<b>Total liabilities</b>		<b>21,098,053</b>	<b>20,108,552</b>
<b>Total equity and liabilities</b>		<b>23,082,475</b>	<b>21,923,936</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	15		

The annexed notes 1 to 25 form an integral part of these financial statements.



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**AFGHAN UNITED BANK**
**Condensed Interim Statement of Comprehensive Income (Un-audited)**
*For the nine months ended 30 September 2024*

	Note	Nine months ended		Three months ended	
		30-Sep-24	30-Sep-23	30-Sep-24	30-Sep-23
		AFN '000'			
Mark-up/ return/ interest earned		71,865	36,473	21,010	26,530
Mark-up/ return/ interest expense		(4,103)	(14,739)	(1,240)	(4,218)
<b>Net mark-up/ return/ interest income</b>	<b>16</b>	<b>67,762</b>	<b>21,734</b>	<b>19,770</b>	<b>22,312</b>
Fee and commission income		633,879	620,495	205,425	218,961
Fee and commission expense		(67,188)	(52,556)	(23,659)	(26,226)
<b>Net fee and commission income</b>	<b>17</b>	<b>566,691</b>	<b>567,939</b>	<b>181,766</b>	<b>192,735</b>
Loss on sale of foreign currency bonds - net		(30,919)	(10,996)	-	(10,996)
Foreign exchange (loss) - net	18	(63,496)	(492,604)	(110,837)	(380,911)
Other income	19	37,292	33,819	11,453	11,091
		<b>(57,123)</b>	<b>(469,781)</b>	<b>(99,384)</b>	<b>(380,816)</b>
<b>Net operating income / (loss)</b>		<b>577,330</b>	<b>119,892</b>	<b>102,152</b>	<b>(165,769)</b>
Provision against non-performing loans and advances to customers	7	20,863	(451)	14,085	(905)
Net provision against investment, off balance sheet items and other assets		(1,197)	(5,046)	(2,622)	(6,784)
Depreciation	8	(111,272)	(121,581)	(35,820)	(39,846)
Amortization of intangible	9	(2,884)	(6,372)	(977)	(1,522)
Employee compensation	20	(212,337)	(208,729)	(73,475)	(71,342)
Finance cost		(5,869)	(6,944)	(1,799)	(2,475)
Short term and low value leases		(5,293)	(3,259)	(771)	(1,043)
Other expenses	21	(165,875)	(206,414)	(60,939)	(80,368)
		<b>(483,864)</b>	<b>(558,796)</b>	<b>(162,318)</b>	<b>(204,285)</b>
<b>Profit / (Loss) before tax</b>		<b>93,466</b>	<b>(438,904)</b>	<b>(60,166)</b>	<b>(370,054)</b>
Income tax expense		(22,381)	87,781	12,033	74,011
<b>Profit / (Loss) for the period</b>		<b>71,086</b>	<b>(351,123)</b>	<b>(48,133)</b>	<b>(296,043)</b>
<b>Other comprehensive income</b>					
Items that will be reclassified to profit and loss account in subsequent periods:					
Net Gain on remeasurement of available for sale investments		98,707	33,593	40,535	309
<b>Total comprehensive (loss)/ income for the period</b>		<b>169,793</b>	<b>(317,531)</b>	<b>(7,598)</b>	<b>(295,735)</b>

The annexed notes 1 to 25 form an integral part of these financial statements.


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**AFGHAN UNITED BANK**

Condensed Interim Statement of Changes in Equity (Un-audited)

For the nine months ended 30 September 2024

	Share capital	Retained earnings	Revaluation reserve on property and equipment	Revaluation reserve on Available for Sale Investments	Total
	AFN '000'				
Balance as at 1 January 2023 - Audited	1,925,210	(97,907)	660,319	(75,903)	2,411,719
Incremental depreciation on revaluation surplus on property and equipment - net of tax	-	65,484	(65,484)	-	-
Total comprehensive income for the period					
Loss for the period	-	(351,123)	-	-	(351,123)
Other comprehensive income	-	-	-	33,593	33,593
	-	(351,123)	-	33,593	(317,530)
<b>Balance as at 30 September 2023 - Unaudited</b>	<b>1,925,210</b>	<b>(383,546)</b>	<b>594,835</b>	<b>(42,311)</b>	<b>2,094,189</b>
Balance as at 1 January 2024 - Audited	1,925,210	(611,778)	522,056	(20,104)	1,815,384
Incremental depreciation on revaluation surplus on property and equipment - net of tax	-	65,484	(65,484)	-	-
Total comprehensive income for the period					
Profit for the period	-	71,086	-	-	71,086
Other comprehensive income	-	-	(754)	98,707	97,953
	-	71,086	(754)	98,707	169,038
<b>Balance as at 30 September 2024 - Unaudited</b>	<b>1,925,210</b>	<b>(475,208)</b>	<b>455,818</b>	<b>78,603</b>	<b>1,984,422</b>

The annexed notes 1 to 25 form an integral part of these financial statements.



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# AFGHAN UNITED BANK

Condensed Interim Statement of Cash Flows (Un-audited)

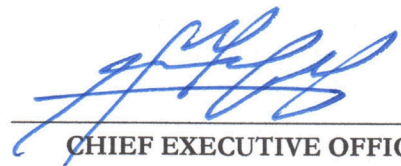
For the nine months ended 30 September 2024

		Nine months ended	
		30-Sep-24	30-Sep-23
		AFN '000'	
	Note		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit / (Loss) before tax		93,466	(438,904)
<b>Adjustments for:</b>			
Provision against non-performing loans and advances to customers		(20,863)	451
Provision against investments, off balance sheets items and other assets		1,197	5,046
Depreciation	8	111,272	121,581
Amortization	9	2,884	6,372
Finance cost		5,869	6,944
		<b>193,825</b>	<b>(298,510)</b>
<b>(Increase)/ Decrease in assets</b>			
Loans and advances to customers		110,222	309,658
Other assets		(208,047)	(472,727)
<b>Increase/ (Decrease) in liabilities</b>			
Deposits from customers		781,392	5,113,596
Other liabilities		235,243	(81,106)
Deferred tax		18,643	(79,346)
		<b>1,131,278</b>	<b>4,491,565</b>
Income tax paid		(20,077)	84,969
<b>Net cash generated from operating activities</b>		<b>1,111,201</b>	<b>4,576,534</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property and equipment	8	(29,081)	(28,123)
Purchase / Adjustment of intangible assets		(5,637)	1,486
Investments		(20,204)	(182,162)
<b>Net cash used in investing activities</b>		<b>(54,922)</b>	<b>(208,799)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of lease liabilities		(35,523)	44,601
Borrowing from financial institution		-	(143,817)
<b>Net cash generated from / (used in) financing activities</b>		<b>(35,523)</b>	<b>(99,216)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>1,020,757</b>	<b>4,268,519</b>
Cash and cash equivalents at beginning of the year		<b>12,088,032</b>	<b>8,710,481</b>
<b>Cash and cash equivalents at end of the period</b>		<b>13,108,789</b>	<b>12,979,000</b>

The annexed notes 1 to 25 form an integral part of these financial statements.



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## **AFGHAN UNITED BANK**

Notes to the Condensed Interim Financial Statements - (Un-audited)

*For the nine months ended 30 September 2024*

### **1 LEGAL STATUS AND OPERATIONS**

- 1.1 The Bank commenced its operations on 4 October 2007 under the license of commercial banking issued by Da Afghanistan bank (DAB) under the Law of Banking in Afghanistan. It is a full fledge bank principally engaged in the business of commercial banking with a network of 25 branches including two full fledge Islamic banking branches in different provinces of Afghanistan. The bank also holds license from Afghanistan Investment Support Agency (AISA) bearing license no: D-27284. The registered office of the Bank is located at Shahr-e-Naw, Kabul, Afghanistan.

### **2 BASIS OF PREPARATION**

- 2.1 The condensed interim financial statements of the Bank for the Nine months period ended 30 September 2024 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 Da Afghanistan Bank (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.
- 2.2 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 2023.

### **3 ACCOUNTING POLICIES**

- 3.1 The accounting policies adopted in preparation of the condensed interim financial statements are consistent with those followed in the preparation of the annual financial statements of the Bank for the year ended 31 December 2023.
- 3.2 The estimates / judgments assumptions used in the preparation of this condensed interim financial statements are consistent with those applied in the preparation of the annual financial statements of the Bank for the year ended 31 December 2023.
- 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 2023. *un*

# AFGHAN UNITED BANK

Notes to the Condensed Interim Financial Statements - (Un-audited)

For the nine months ended 30 September 2024

	30-Sept-24	31-Dec-23
	Un-audited	Audited
	AFN '000'	
<b>4 CASH AND BALANCES WITH THE CENTRAL BANK</b>		
<b>In hand:</b>		
Local currency	1,641,894	1,121,247
Foreign currencies	1,702,272	1,986,698
	<b>3,344,166</b>	<b>3,107,945</b>
<b>With Da Afghanistan Bank in:</b>		
Local currency current accounts	2,881,591	1,537,541
Foreign currency current accounts	496,138	2,042,609
Overnight deposit with Central Bank	8	8
	<b>3,377,737</b>	<b>3,580,158</b>
	<b>6,721,903</b>	<b>6,688,103</b>
<b>5 BALANCES WITH OTHER BANKS</b>	<i>Note</i>	
<b>Current account - Afghanistan</b>		
National Bank of Pakistan	515	528
Pashtany Bank	1,773	1,812
New Kabul Bank	24	29
Maiwand Bank	39,264	40,260
	<b>41,577</b>	<b>42,629</b>
<b>Outside Afghanistan</b>		
CSC Bank, Lebanon	5.1 (11,968)	133,016
Aktif Bank, Turkey	73,274	52,281
BMCE Bank, Spain	380,597	229,919
Nurol Bank, Turkey	511,582	583,477
Transkapital Bank, Russia	11,322	9,735
Ziraat Bank Uzbekistan	707,807	725,677
SBM Bank India	14,896	27,576
Al Salam Bank Bahrain	1,917,257	1,500,338
Orien Bank, Tajikistan	520,112	529,013
Yes Bank India	114,436	47,704
Turkmenbashi Bank, Turkmanistan	1,454,232	1,143,485
Siraj Finance PJSC, UAE	271,974	265,415
Zhejiang Chouzhou Commercial Bank, China	231,831	109,664
Euroasian Saving Bank	13,658	-
Asaka Bank Uzbekistan	93,187	-
Octo Bank Uzbekistan	41,112	-
	<b>6,345,309</b>	<b>5,357,300</b>
	<b>6,386,886</b>	<b>5,400,200</b>

5.1 The negative balance is due to a recent policy modification by CSC Bank, affecting ATM replenishment settlements with AUB.

# AFGHAN UNITED BANK

Notes to the Condensed Interim Financial Statements - (Un-audited)

For the nine months ended 30 September 2024

		30-Sept-24	31-Dec-23
		Un-audited	Audited
		AFN '000'	
	Note		
<b>6 INVESTMENTS</b>			
<b>Placements - held to maturity</b>			
AL Salam Bank Bahrain		548,160	421,500
Aktif Bank "Turkey"		147,700	173,600
Siraj Finance P JSC		342,600	349,664
Yes Bank India		-	140,500
Nurol Bank Turkey		120,285	-
	6.1	<b>1,158,745</b>	<b>1,085,264</b>
General provision on investments	6.4	(11,587)	(10,853)
<b>Total placements-net of provision</b>		<b>1,147,158</b>	<b>1,074,412</b>
<b>Sovereign Sukuks</b>			
Available For Sale	6.2	192,537	192,453
<b>Investment in gold bullion</b>			
Available for sale	6.3	292,847	234,452
<b>Investment in equity securities</b>			
Available for sale		-	13,511
<b>Investment-net</b>		<b>1,632,542</b>	<b>1,514,828</b>

6.1 This represents foreign currency fixed term placements under Islamic Wakala agreements carrying profit rates ranging from 3.00% to 32.00% (2023: 3.00% to 32.00%) per annum and having maturities up to Nov 12, 2024 (2023: Nov 12, 2023)

6.2 This represents investment in sukuks with Kindom of Saudi Arabia, UAE, and Dubai Islamic Bank having maturity ranging 2026 to 2030 (2023: 2026 to 2030) and carry profit rates ranging from 1.96% to 2.97% (2023: 1.96% to 2.97%) per annum.

6.3 This represents investment in gold, delivered under the custody of an specialized agent in UAE. The Bank can dispose the investment with ease and without incurring any other costs.

		30-Sept-24	31-Dec-23
		Un-audited	Audited
		AFN '000'	
	Note		
<b>6.4 Particulars of provision against investments</b>			
Opening balance		10,853	4,461
(Reversal) / Charge for the year		3,790	6,392
Closing balance	6.4.1	<b>14,642</b>	<b>10,853</b>

6.4.1 General provision is maintained against held to maturity placements as per DAB's Asset Classification and Provisioning Regulation @ 1% of the gross amount of those investments.



# AFGHAN UNITED BANK

Notes to the Condensed Interim Financial Statements - (Un-audited)

For the nine months ended 30 September 2024

		30-Sept-24	31-Dec-23
		Un-audited	Audited
		AFN '000'	
	Note		
<b>7 LOANS AND ADVANCES TO CUSTOMERS</b>			
<b>Conventional financing</b>			
Running finance	7.2	3,453,057	3,517,622
Term finance	7.3	1,363,845	1,413,237
		<b>4,816,903</b>	<b>4,930,859</b>
<b>Islamic financing</b>			
Murabaha	7.4	123,336	126,450
<b>Total loans and advances to customers - gross</b>		<b>4,940,239</b>	<b>5,057,309</b>
Provision against non-performing loans and advances	7.5	(696,488)	(724,199)
<b>Loans and advances to customers - net of provision</b>		<b>4,243,751</b>	<b>4,333,110</b>
<b>7.1 Particulars of loans and advances to customers - gross</b>			
In local currency		3,129,912	3,138,021
In foreign currency		1,810,327	1,919,288
		<b>4,940,239</b>	<b>5,057,309</b>
7.2 These carry interest rate ranging between 10% to 15% (2023: 10% to 15%). These are secured against personal guarantees, mortgage of immoveable properties and hypothecation over stock in trade.			
7.3 These carry interest rate at 10% to 15% (2023: 10% to 15%) per annum. These loans are secured against personal guarantees, mortgage of immoveable commercial and residential properties and assignment of receivables.			
7.4 These represent sale and purchase agreements under which the Bank had paid finance for the purchase of goods and then sold the requisite goods to the customer on profit margin which is ranging from 12% to 15% (2023: 12% to 15%) per annum. These facilities are extended for the period of two months to five years (2023: two months to five years) and secured against personal guarantees, mortgage of immovable properties and goods supplied under the sale and purchase agreement.			

		30-Sept-24	31-Dec-23
		Un-audited	Audited
		AFN '000'	
	Note		
<b>7.5 Particulars of provision against non-performing loans and advances to customers</b>			
Opening balance		724,199	1,252,159
Charge for the period/ year	7.5.1	(20,863)	259
Write-off during the period/ year		-	-
Impact of translation		(6,848)	(528,219)
		<b>(27,711)</b>	<b>(527,960)</b>
Closing balance		<b>696,488</b>	<b>724,199</b>

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## AFGHAN UNITED BANK

Notes to the Condensed Interim Financial Statements - (Un-audited)

For the nine months ended 30 September 2024

- 7.5.1 Circular reference number RSR No: 11068 dated December 22, 2021, issued by the Da Afghanistan Bank provides relief to the banks to maintain the asset classification as of June 30, 2021 and loan loss provision made as of that date. Consequently, the Bank has maintained the asset classification and provisioning as of June 30, 2021. Subsequent deterioration in the assets classification and any resulting increase has not been incorporated.

During the year, with regard to waiving off the implications of 'Asset Classification and Provisioning Regulations 2017' issued by Da Afghanistan Bank (DAB) was granted through letter no. 12398/12923 dated 22 Ramzan 1444- Islamic Hijri Date, 24 Hamal 1402 Hijri Shamsi Date (April 13, 2023) till April 02, 2024.

All the Banks have approached the Da Afghanistan Bank (DAB) through the forum of the Afghanistan Banking Association vide letter reference ABA-2404 dated 24 Dalwa 1402 for further waiver of the ACPR implications till the end of 2024. In response to this vide letter no. 11227/11096 dated 27-09-1445 Islamic Hijri Date (April 04, 2024) Da Afghanistan bank has extended another waiver of Asset Classification and Provisioning regulations (ACPR) implementation date till October 02, 2024. Subsequently, after expiry of this recent extension, banks have submitted their plans through Afghanistan Banking Association and final response is awaited for further extension by Da Afghanistan Bank (DAB).

This regulation deals with provisioning against loans and advances, suspension of interest on non-performing loans, re-possessed assets, classification of off-balance sheet items, classification of investments and other assets, credit risk management, etc. The objective was to protect the banking sector from immense risk of default and financial impact of current economic turmoil. Despite the lack of involvement from the courts and justice departments in loan recovery and property sales, the bank successfully reached out-of-court settlements and compromise agreements. As a result, the recovery amount increased by 264% compared to the previous year.

		30-Sept-24 Un-audited	31-Dec-23 Audited
	Note	AFN '000'	
<b>8 PROPERTY AND EQUIPMENT</b>			
Fixed assets - owned	8.1	909,065	969,402
Right of use assets - buildings	8.2	137,717	160,111
		<b>1,046,783</b>	<b>1,129,513</b>
<b>8.1 Fixed assets - owned</b>			
<b>Cost</b>			
Opening balance		2,294,696	2,256,202
Additions during the period/ year		15,309	41,307
Reclassification Adjustment		-	-
Revaluation adjustment during the period/year		(1,338)	(2,813)
Closing balance		<b>2,308,670</b>	<b>2,294,696</b>
<b>Less: Accumulated depreciation</b>			
Opening balance		1,325,294	1,211,844
Charge during the period/ year	8.3	75,397	116,263
Adjustment/Disposals during the period/ year		(1,088)	(2,812)
Closing balance		<b>1,399,603</b>	<b>1,325,294</b>
<b>Written down value</b>		<b>909,065</b>	<b>969,402</b>

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# AFGHAN UNITED BANK

Notes to the Condensed Interim Financial Statements - (Un-audited)

For the nine months ended 30 September 2024

		30-Sept-24	31-Dec-23
		Un-audited	Audited
		AFN '000'	
	Note		
<b>8.2 Right of use assets - building</b>			
<b>Cost</b>			
Opening balance		318,834	242,861
Additions during the period /year		12,434	78,272
Deletion during the period/year		-	-
Modification		-	(1,896)
Adjustment		(403)	(403)
Closing balance		330,865	318,834
<b>Less: Accumulated depreciation</b>			
Opening balance		158,723	114,067
Depreciation expense for the period/year	8.3	35,876	45,452
Deletion during the period/year		-	-
Adjustment		(1,452)	(796)
Closing balance		193,147	158,723
<b>Written down value as of</b>		<b>137,717</b>	<b>160,111</b>
<b>8.3 Depreciation operating fixed assets</b>			
Fixed assets - owned		75,397	116,263
Right of use assets - buildings		35,876	45,452
		<b>111,273</b>	<b>161,715</b>
<b>9 INTANGIBLE ASSETS</b>			
<b>Cost</b>			
Opening balance		275,530	277,016
Additions during the period/ year		5,637	1,122
Reclassification Adjustment		-	(2,608)
Closing balance		281,167	275,530
<b>Less: Accumulated amortization</b>			
Opening balance		271,215	263,414
Charge for the period/ year		2,884	7,801
Reclassification Adjustment		-	-
Closing balance		274,100	271,215
<b>Written down value as of</b>		<b>7,068</b>	<b>4,315</b>

- 9.1 Intangible assets include computer software and licenses. The amortization rate of intangible assets is 33.33% (2023: 33.33%). The gross carrying amount of fully amortized intangible assets still in use is AFN 267.908 thousand (2023: AFN 260.621 thousand).



## AFGHAN UNITED BANK

Notes to the Condensed Interim Financial Statements - (Un-audited)

For the nine months ended 30 September 2024

		30-Sept-24	31-Dec-23
		Un-audited	Audited
		AFN '000'	
10	OTHER ASSETS		
	Advances to suppliers and employees	23,374	23,959
	Sarqulfi Properties	95,928	98,350
	Security deposits	396,795	405,570
	Prepayments	10,455	10,084
	Balances with Daman Investments	15,606	3,129
	Receivable from Money Gram	325,183	151,785
	Restricted deposits with Da Afghanistan Bank	1,835,480	1,683,488
	Income/ mark-up accrued	210,546	198,400
	Advance tax - net	23,579	23,544
	Receivable from UN	4,197	135,460
	Others	17,317	16,644
		<b>2,958,460</b>	<b>2,750,413</b>

10.1 These are properties owned by the bank under Sarqulfi contracts.

10.2 This also includes margin money of AFN 342.6 million deposited with Pashtany Bank for a guarantee in favour of Da Afghanistan Breshna Sherkat (DABS) for the collection of electricity bills by the Bank on behalf of DABS.

10.3 This represents statutory reserve maintained with DAB as minimum reserve in accordance with Banking Regulations issued by Da Afghanistan Bank. These minimum reserves carry no interest. During the year minimum reserve rates on deposits for AFN 8% and for foreign currency 10%.

10.4 This includes the AFN 190.737 million (2023: 189.607 million) interest receivables on loan and advances which is outstanding from August 2021. The interest receivable is not reversed due to suspension of ACPR as disclosed fully in note 7.5.1.

## 11 SHARE CAPITAL

### 11.1 Authorized capital

2024	2023		30-Sept-24	31-Dec-23
Number of shares			Un-audited	Audited
			AFN '000'	
<b>40,000,000</b>	<b>40,000,000</b>	Ordinary shares of AFN 250 each	<b>10,000,000</b>	<b>10,000,000</b>

### 11.2 Issued and paid up capital

2024	2023		30-Sept-24	31-Dec-23
<b>7,700,840</b>	<b>7,700,840</b>	Ordinary shares of AFN 250 each fully paid in cash	<b>1,925,210</b>	<b>1,925,210</b>

111

# AFGHAN UNITED BANK

Notes to the Condensed Interim Financial Statements - (Un-audited)

For the nine months ended 30 September 2024

		30-Sept-24	31-Dec-23
	Note	Un-audited	Audited
		AFN '000'	
12 REVALUATION RESERVE ON PROPERTY AND EQUIPMENT			
Vehicles		32,191	32,442
Furniture and fixtures		30,377	30,377
Computer equipment		70,724	70,724
Office equipment		44,034	44,588
Land		294,916	294,916
Building		979,904	979,904
		1,452,147	1,452,952
Accumulated incremental depreciation		(735,765)	(670,281)
Related deferred tax liability		(260,565)	(260,615)
		(996,329)	(930,896)
Net revaluation reserve		455,818	522,056
13 DEPOSITS FROM CUSTOMERS			
Conventional			
Current deposits		13,522,406	12,746,150
Saving deposits	13.1	469,259	389,811
Term deposits	13.2	380,851	390,467
Margin deposits		2,552,925	2,573,134
		16,925,441	16,099,562
Islamic			
Current deposits		1,999,027	2,218,976
Saving deposits	13.3	675,072	731,163
Term deposits	13.4	235,281	37,300
Margin deposits		545,813	512,241
		3,455,193	3,499,680
		20,380,634	19,599,242

- 13.1 Saving deposits carries zero interest rate (January 2023: 1% to 3%). However, from the month of February 2023 it was resolved through Board approval to charged zero percent interest rate on saving deposits.
- 13.2 Term Deposits carry zero accounts interest rate (January 2023: 1.6% to 4%) per annum with maturity date ranging from three to twelve months. However, from the month of February 2023 it was resolved through Board approval to charged zero percent interest rate on term deposits.
- 13.3 The profit disbursed during the period on the Islamic saving deposits ranged from 0.25% to 0.38%(2023: 0.25% to 0.38%) per annum.
- 13.4 Profit distribution rates on Islamic term deposits during the period ranged from 1.73% to 3.456% (2023: 1.73% to 3.456% ) per annum.

# AFGHAN UNITED BANK

Notes to the Condensed Interim Financial Statements - (Un-audited)

For the nine months ended 30 September 2024

		30-Sept-24	31-Dec-23
		Un-audited	Audited
		AFN '000'	
	Note		
<b>14 OTHER LIABILITIES</b>			
Creditors and accruals		40,062	45,726
Withholding tax payable		4,593	2,476
Lease liability		96,852	126,103
Murabaha risk and equalization reserve		85,465	85,645
Mark-up/ return/ interest payable		21,887	23,337
Deferred income on bank guarantees and letter of credits		37,989	18,097
Profit in suspense		135,929	137,197
Others		294,642	70,729
		<b>717,419</b>	<b>509,310</b>
<b>15 CONTINGENCIES AND COMMITMENTS</b>			
LCs and BGs issued on behalf of the customers	15.1	<b>3,394,012</b>	<b>3,229,014</b>
Un-used commitments		<b>229,563</b>	<b>221,753</b>
15.1 This include outstanding BGs amounting to AFN 950.2 million (2023: AFN 518 million) issued under Islamic mode of finance.			
<b>16 NET MARK-UP/ RETURN/ INTEREST INCOME</b>			
<b>Mark-up/ return/ interest earned</b>			
- On loans and advances to customers		(5,347)	2,919
- On held to maturity investments		71,808	24,752
- On available for sale investments		4,442	5,291
- On overnight nostro deposits		962	3,511
		<b>71,865</b>	<b>36,473</b>
<b>Mark-up/ return/ interest expense</b>			
-Borrowing from financial institution		(1,235)	(10,102)
-Deposits from customers		(2,868)	(4,637)
		<b>(4,103)</b>	<b>(14,739)</b>
		<b>67,762</b>	<b>21,734</b>

2024



# AFGHAN UNITED BANK

Notes to the Condensed Interim Financial Statements - (Un-audited)

For the nine months ended 30 September 2024

		Nine months ended	
		30-Sept-24	30-Sep-23
		AFN '000'	
		Note	
<b>17</b>	<b>NET FEE AND COMMISSION INCOME</b>		
	<b>Fee and commission income</b>		
	- Commission and processing fee on guarantees issued		83,940
	- Commission and processing fee on letters of credit issued		7,431
	- Funds transfer, cheque books issuance fee and other service charges		542,508
			<b>633,879</b>
	<b>Fee and commission expense</b>		
	- Inter bank transaction fee		(67,188)
			<b>566,691</b>
<b>18</b>	<b>FOREIGN EXCHANGE (LOSS)/ GAIN - NET</b>	<b>18.1</b>	<b>(63,496)</b>
<b>18.1</b>	<b>Foreign exchange (loss)/ gain - net</b>		
	- On dealing in foreign currencies		181,012
	- On translation of monetary assets and liabilities		(244,508)
			<b>(63,496)</b>
<b>19</b>	<b>OTHER INCOME</b>		
	Recovery against loans written off		-
	Others		37,291
			<b>37,292</b>
<b>20</b>	<b>EMPLOYEE COMPENSATION</b>		
	Salaries and wages		174,895
	BOS remuneration and meeting expenses		5,602
	Other allowances and benefits		31,840
			<b>212,337</b>
<b>21</b>	<b>OTHER EXPENSES</b>		
	Communication		14,532
	Travelling and conveyance		1,451
	Insurance	<b>22.1</b>	19,894
	Advertisement		10,542
	Fuel expenses		10,977
	Food expenses		4,408
	Audit fee		1,087
	Repairs and maintenance		19,220
	Legal and professional charges		716
	Stationery and printing		7,031
	Staff training		(259)
	Utilities		14,498
	Security services		37,920
	Miscellaneous		23,858
			<b>165,875</b>
			<b>206,413</b>

2024

## AFGHAN UNITED BANK

Notes to the Condensed Interim Financial Statements - (Un-audited)

For the nine months ended 30 September 2024

- 21.1 These represents charges against deposit insurance as required by the Central Bank and is payable to Afghan Deposit Insurance Corporation (ADIC) @ 0.15% (2023: at 0.15%) per annum of the total deposits.

## 22 RELATED PARTY TRANSACTIONS

### Parent and ultimate controlling party

The Bank is owned by individual shareholders who owns Bank's shares in different proportions.

### Key management personnel

Key management personnel includes Board of Supervisors, Chief Executive Officer, Deputy Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Chief Credit Officer, Chief Risk Officer and Chief Compliance Officer.

### Transactions with related parties

Transactions and balances with related parties, including remuneration and benefits paid to key management personnel under the terms of their employment are as follows:

Balances		Transactions	
Un-audited Six months ended	Audited Year ended	Un-audited Six months ended	Un-audited Six months ended
30-Sep-24	31-Dec-23	30-Sep-24	30-Sep-23
AFN '000'			

### Shareholders

Deposits	3,255	1,720	-	-
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### Transactions with key management personnel

Salary and other benefits	-	-	19,156	31,668
Advance salary	137	1,042	-	-
Board of Supervisors fee	-	-	5,602	7,154

## AFGHAN UNITED BANK

Notes to the Condensed Interim Financial Statements - (Un-audited)

For the nine months ended 30 September 2024

### 23 CAPITAL MANAGEMENT

#### Regulatory capital

The Banks' 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 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.
- Regulatory capital is the sum of Tier 1 and Tier 2 capital. Besides, Tier 2 capital cannot exceed from total amount of Tier 1 capital. The Bank complies with these regulations.

30-Sept-24	31-Dec-23
Un-audited	Audited
AFN '000'	

The Bank's regulatory capital position at 30 September 2023 was as follows:

#### Tier 1 capital

Total Equity

1,984,422

1,815,384

Less:

Intangible assets

7,068

4,315

Net Deferred Tax Assets

85,082

103,725

Profit for the year

71,086

-

Revaluation reserve on property and equipment

455,818

522,056

Revaluation reserve on Available for Sale Investments

78,603

(20,104)

697,656

609,992

Total tier 1 (core) capital

1,286,767

1,205,392

#### Tier 2 capital

Profit for the period/ year

71,086

-

Revaluation reserve on property and equipment

455,818

522,056

Revaluation reserve on Available for Sale Investments

35,371

(9,047)

562,275

513,009

Total tier 2 (supplementary) capital

Total regulatory capital

1,849,041

1,718,401

#### Risk-Weight Categories

0% risk weight:

Cash in Afghani and fully-convertible foreign currencies

3,344,166

3,107,945

Direct claims on DAB

5,213,217

5,263,646

Total

8,557,383

8,371,591

0% Risk-Weight Total (Above Total x 0%)

-

-



# AFGHAN UNITED BANK

Notes to the Condensed Interim Financial Statements - (Un-audited)

For the nine months ended 30 September 2024

	30-Sept-24 Un-audited	31-Dec-23 Audited
	AFN '000'	
<b>20% risk weight</b>		
Direct Claims on banks licensed in Category A countries	380,597	229,919
Short-term Claims on Banks Licensed In Non-Category A		
Countries guaranteed by Multilateral Lending Institutions	7,165,034	6,255,274
<b>Total</b>	<b>7,545,632</b>	<b>6,485,193</b>
<b>20% Risk-Weight Total (Above Total x 20%)</b>	<b>1,509,126</b>	<b>1,297,039</b>
<b>100% risk weight</b>		
All Other Assets	7,904,214	8,024,666
Minus: Intangible Assets	7,068	4,315
Net Deferred Tax Assets	85,082	103,725
	<b>92,150</b>	<b>108,040</b>
<b>Total</b>	<b>7,812,064</b>	<b>7,916,626</b>
<b>100% Risk-Weight Total (Above Total x 100%)</b>	<b>7,812,064</b>	<b>7,916,626</b>
<b>Off-balance-sheet items with 0% Credit Conversion Factor</b>		
Unused Portions of Commitments with Original Maturity		
of 1 Year or Less	229,563	221,753
<b>0% Credit Conversion Factor Total (Above Total x 0%)</b>	<b>-</b>	<b>-</b>
<b>Off-balance-sheet items with 20% Credit Conversion Factor</b>		
Commercial Letter of Credits		
0 % Risk Weight	-	-
100% Risk Weight	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b>Risk-Weighted Total</b>	<b>-</b>	<b>-</b>
<b>20% Credit Conversion Factor Total</b>		
<b>(Risk-Weighted Total x 20%)</b>	<b>-</b>	<b>-</b>
<b>Off-balance sheet items with 100% Credit Conversion Factor</b>		
Guarantees and Standby Letter of Credits		
0 % Risk Weight	1,282,685	1,018,815
100% Risk Weight	2,111,328	2,210,199
<b>Total</b>	<b>3,394,012</b>	<b>3,229,014</b>
<b>100% Credit Conversion Factor Total</b>		
<b>(Risk-Weighted Totals x 100%)</b>	<b>2,111,328</b>	<b>2,210,199</b>
<b>Total Risk-Weighted Assets</b>	<b>11,432,518</b>	<b>11,423,864</b>
<b>Tier 1 Capital Ratio</b>	<b>11.26%</b>	<b>10.55%</b>
<b>Regulatory Capital Ratio</b>	<b>16.17%</b>	<b>15.04%</b>

2024

**AFGHAN UNITED BANK**

Notes to the Condensed Interim Financial Statements - (Un-audited)

*For the nine months ended 30 September 2024*

**24 GENERAL**

Figures have been rounded-off to the nearest thousand of AFN, unless otherwise stated.

**25 APPROVAL OF THE FINANCIAL STATEMENTS**

These condensed interim financial statements for the period have been approved and authorized for issue by the Board of Supervisors on 24-May-2024 *see*

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CHIEF FINANCIAL OFFICER

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CHIEF EXECUTIVE OFFICER