

REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION TO THE SHAREHOLDERS OF BANK E MILLIE

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Bank-e-Millie Afghan** (the Bank) as at 31 Sunbula 1400 (22 September 2021), and the related condensed interim statement of comprehensive income, changes in equity and cash flows for the nine months then ended, and notes to the condensed interim financial information ("here-in-after referred to as the condensed interim financial information"). Management is responsible for the preparation and fair presentation of this condensed interim financial information in accordance with the requirement of the Law of Banking in Afghanistan and International Accounting Standards 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review

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

Basis for Qualified Conclusion

- a) The Bank has investment in a wholly owned subsidiary "Afghan American Trading Co. Inc." (AATC) which is carried at a cost of USD 2.2 million (AFN 193.732 million). The Bank has not prepared the consolidated financial information in respect of its above subsidiary as required under International Financial Reporting Standard (IFRS) – 10 'Consolidated Financial Statements' due to lack of availability of financial information relating to the subsidiary. Further, for the reasons disclosed in note 7.1.1 to the condensed interim financial information, we have not been able to obtain sufficient and appropriate evidence regarding the existence and recoverability of the above referred investment and the current account balance.

- b) The International Financial Reporting Standard (IFRS)-16 "Leases" became applicable from 01 January 2019. The management is currently in the process of assessing the impact of IFRS 16 on the Bank's condensed interim financial information. Therefore, this condensed interim financial information does not incorporate the impact of IFRS 16 which constitutes a departure from applicable financial reporting framework as disclosed in note 2 to the condensed interim financial information.

Qualified Conclusion

Based on our review, except for the possible effects of the matter described in under the "Basis for Qualified Conclusion" paragraph, based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared in all material respects, in accordance with the requirements of Law of Banking in Afghanistan and International Accounting Standards 34 "Interim Financial Reporting".

Other Matters

The condensed interim financial information for the nine months ended 31 Sunbula 1399 (21 September 2020) and the financial statements for the year ended 30 Qaws 1399 (20 December 2020) were reviewed and audited, respectively, by another auditor who expressed a modified review conclusion on condensed interim financial information for the nine months ended 31 Sunbula 1399 (21 September 2020) on 03 November 2020 and unmodified audit opinion on the financial statements for the year ended 30 Qaws 1399 (20 December 2020) on 17 March 2021.

Mazars Afghanistan Limited

Chartered Accountants

Engagement Partner: Muhammad Saqlain Siddiqui

Date: 14 November 2021

Place: Kabul, Afghanistan

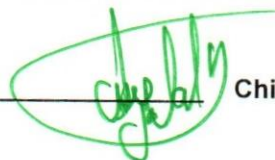


BANK-E-MILLIE AFGHAN
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 31 Sunbula 1400 (22 September 2021)

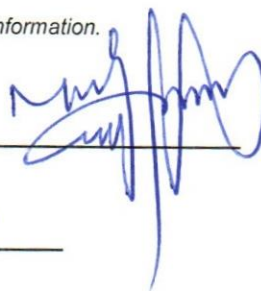
		22 September 2021 31 Sunbula 1400 Un-Audited AFN	20 December 2020 30 Qaws 1399 Audited AFN
Assets			
Cash and cash equivalents	4	19,799,483,123	14,628,752,629
Short-term investments	5	9,311,337,882	14,731,125,171
Loans and advances to customers - net	6	4,709,483,792	4,487,998,836
Long term investments	7	1,165,238,130	1,141,126,130
Property and equipment		1,230,148,524	1,234,910,848
Intangible assets		8,160,903	10,975,538
Investment properties	8	5,463,875,928	4,391,960,252
Other assets	9	1,917,766,039	1,338,133,650
Total assets		43,605,494,321	41,964,983,054
Liabilities			
Deposits from customers	10	33,261,794,032	32,429,831,991
Current tax liability		52,288,471	12,487,269
Deferred tax liability		896,113,623	684,315,450
Other liabilities	11	467,960,877	604,191,002
Total liabilities		34,678,157,004	33,730,825,712
Equity			
Share capital	12	1,000,000,000	1,000,000,000
Retained earnings		7,092,835,540	6,399,655,565
Surplus on revaluations - net		792,247,503	792,247,503
Exchange translation reserves		34,313,024	34,313,024
General reserve		7,941,250	7,941,250
Total equity		8,927,337,317	8,234,157,342
Total liabilities and equity		43,605,494,321	41,964,983,054
Contingencies and Commitments	13		

The annexed notes from 1 to 24 form an integral parts of this condensed interim financial information.

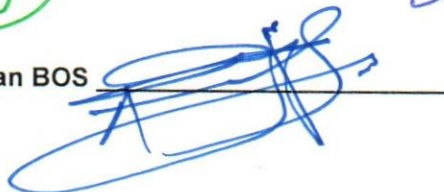
Chief Executive Officer



Chief Financial Officer



Chairman BOS



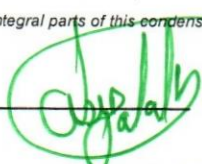
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BANK-E-MILLIE AFGHAN
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Un-audited)
FOR NINE MONTHS PERIOD ENDED ON 31 SUNBULA 1400 (22 SEPTEMBER 2021)

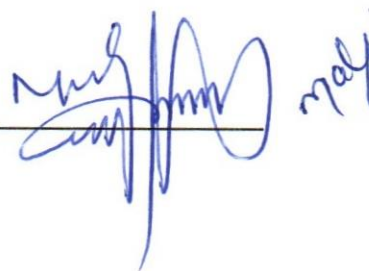
	Note	Nine months ended on		Three months ended on	
		22 September 2021	22 September 2020	22 September 2021	22 September 2020
		31 Sunbula 1400 Un-Audited AFN	31 Sunbula 1399 Un-Audited AFN	31 Sunbula 1400 Un-Audited AFN	31 Sunbula 1399 Un-Audited AFN
Interest income and expenses					
Interest income	14	559,008,699	590,934,092	218,590,377	194,889,467
Interest expense	14	(8,097,303)	(33,963,196)	(1,480,486)	(7,876,401)
Net interest income		550,911,396	556,970,896	217,109,891	187,013,066
Commission income and expenses					
Commission income	15	118,815,538	110,479,135	31,762,582	49,404,648
Commission expense		(2,125,802)	(2,011,286)	(786,119)	(683,366)
Net commission income		116,689,736	108,467,850	30,976,463	48,721,282
Other income					
Income from dealing in foreign currencies -net		12,349,755	9,465,119	2,811,712	586,046
Gain on revaluation of investment propertie	8	1,058,990,863	-	-	-
Other operating income	16	84,899,933	76,242,631	23,618,683	21,152,646
Total other income		1,156,240,552	85,707,750	26,430,395	21,738,692
Total operating income		1,823,841,683	751,146,496	274,516,749	257,473,040
Operating expenses					
Provision for losses on loans and advances	6.1	80,036,925	196,330,850	1,801,981	12,120,264
Provision for loss on Murabaha deposit in RAK Bank	5.2.1	74,141,197	-	-	-
Personnel expenses	17	220,149,463	227,191,748	71,861,064	61,150,445
Depreciation		18,737,029	15,995,938	6,366,589	5,552,021
Amortization		2,851,135	4,607,647	954,019	131,583
Other expenses	18	192,592,180	175,047,960	52,450,161	65,255,574
Net unrealized exchange gain / (loss)		(209,445,160)	35,209,705	(175,836,597)	(10,112,567)
Total operating expenses		379,062,769	654,383,848	(42,402,782)	134,097,321
Total operating profit		1,444,778,914	96,762,648	316,919,532	123,375,719
Profit before taxation		1,444,778,914	96,762,648	316,919,532	123,375,719
Taxation - net	19	(251,598,939)	(13,089,040)	(19,434,094)	24,675,144
Profit for the period		1,193,179,975	83,673,608	297,485,438	148,050,863

The annexed notes from 1 to 24 form an integral parts of this condensed interim financial information.

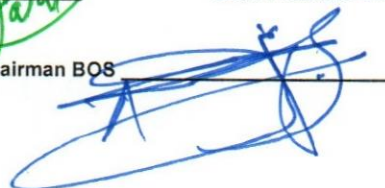
Chief Executive Officer



Chief Financial Officer



Chairman BOS



BANK-E-MILLIE AFGHAN
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Un-audited)
FOR NINE MONTHS PERIOD ENDED ON 31 SUNBULA 1400 (22 SEPTEMBER 2021)

	Share capital		Retained earnings	Revaluation surplus	Exchange translation reserve		General reserve	Total
	AFN	AFN			AFN	AFN		
Balance as at 30 Qaws 1398 (21 December 2019) - Audited	1,000,000,000	6,277,097,432	792,247,503	34,313,024	7,941,250	8,111,599,209		
Balance as at 30 Qaws 1398 (21 December 2019) - Audited	1,000,000,000	6,277,097,432	792,247,503	34,313,024	7,941,250	8,111,599,209		
Profit for the nine months period ended on 31 Sunbula 1399 (22 September 2020)	-	83,673,608	-	-	-	83,673,608		
Other comprehensive income	-	-	-	-	-	-		
Balance as at 31 Sunbula 1399 (22 September 2020) - Un - Audited	1,000,000,000	6,360,771,040	792,247,503	34,313,024	7,941,250	8,195,272,817		
Balance as at 30 Qaws 1399 (21 December 2020) - Audited	1,000,000,000	6,399,655,565	792,247,503	34,313,024	7,941,250	8,234,157,342		
Profit for the Nine months period ended on 31 Sunbula 1400 (22 September 2021)	-	1,193,179,975	-	-	-	1,193,179,975		
Other comprehensive income	-	-	-	-	-	-		
Divident paid to Shareholder	-	(500,000,000)	-	-	-	(500,000,000)		
Balance as at 31 Sunbula 1400 (22 September 2021) - Un-audited	1,000,000,000	7,092,835,540	792,247,503	34,313,024	7,941,250	8,927,337,317		

The annexed notes from 1 to 24 form an integral parts of this condensed interim financial information.

Chief Executive Officer _____



Chairman BOS

Chief Financial Officer _____




BANK-E-MILLIE AFGHAN
CONDENSED INTERIM STATEMENT OF CASHFLOWS (Un-audited)
FOR NINE MONTHS PERIOD ENDED ON 31 SUNBULA 1400 (22 SEPTEMBER 2021)

		22 September 2021 31 Sunbula 1400 AFN	22 September 2020 31 Sunbula 1399 AFN
	Note	Un-Audited	Un-Audited
Operating activities			
Profit (loss) before taxation		1,444,778,914	96,762,648
<i>Adjustments for:</i>			
Depreciation		18,737,029	15,995,938
Amortization		2,851,135	4,607,647
Provision for losses on loans and advances to customers	6.1	80,036,925	194,260,535
Provision for other assets		-	74,923,597
Gain on revaluation of investment properties	8.1	(1,058,990,863)	-
		<u>(957,365,774)</u>	<u>289,787,718</u>
		487,413,140	386,550,366
<i>(Increase)/decrease in operating assets and liabilities:</i>			
Loans and advances to customers		(301,521,881)	(577,148,254)
Other assets		(579,632,389)	(136,956,270)
Deposits from customers		831,962,041	3,633,779,508
Deposits with banks (DAB required reserve)		-	(414,467,904)
Other liabilities		(136,230,125)	(56,612,049)
		<u>(185,422,354)</u>	<u>2,448,595,031</u>
Tax paid		-	(72,599,440)
		-	(72,599,440)
Net cash generated from operating activities		<u>301,990,786</u>	<u>2,762,545,957</u>
Investing activities			
Placements with other banks	5.2	7,003,093,602	(210,103,704)
Capital Notes with DAB	5.1	(1,583,306,313)	(1,028,837,078)
Long term Investments		(24,112,000)	3,498,000
Purchase of intangible assets		(36,064)	(39,260)
Capital expenditure on investment properties		(12,924,813)	-
Non-current assets Held for Sale		-	7,017,349
Purchase of property and equipment		(13,974,706)	(18,946,914)
Net cash flows from (used in) investing activities		<u>5,368,739,706</u>	<u>(1,247,411,606)</u>
Financing activities			
Dividend paid		(500,000,000)	-
Net cash used in financing activities		<u>(500,000,000)</u>	<u>-</u>
Net increase in cash and cash equivalents		<u>5,170,730,493</u>	<u>1,515,134,351</u>
Cash and cash equivalents at beginning of year		<u>14,628,752,629</u>	<u>12,698,020,949</u>
Cash and cash equivalents at end of period	4	<u><u>19,799,483,122</u></u>	<u><u>14,213,155,300</u></u>

The annexed notes from 1 to 24 form an integral parts of this condensed interim financial information.

Chief Executive Officer

Chief Financial Officer

Chairman BOS

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**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (Un-audited)
FOR NINE MONTHS PERIOD ENDED ON 31 SUNBULA 1400 (22 SEPTEMBER 2021)**

1 Status and nature of operations

Bank-e-Millie Afghan (the Bank) is domiciled in The Islamic Republic of Afghanistan. The Bank was incorporated in 1935 and it has been granted license for commercial banking by Da Afghanistan Bank (DAB) on 26 June 2004. The Bank also obtained a private investment license on 08 November 2004 under the Law of Domestic and Foreign Investment and is primarily engaged in the business of banking as mentioned in Law of Banking in Afghanistan. Ministry of Finance is the majority shareholder of the Bank having shareholding of 96.75%. The Bank has 35 branches (2020: 36 branches) in operation.

The registered office of the Bank is at Pashtanistan Square, Kabul, Afghanistan.

2 Basis of preparation**2.1 Statement of compliance**

This condensed interim financial information has been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board (IASB) and the Law of Banking in Afghanistan and the directives issued by DAB. Whenever the requirement of the Law of Banking in Afghanistan differs with the requirements of the IFRS, the requirement of the Law of Banking in Afghanistan takes precedence.

Bank-e-Millie Afghan holds one wholly owned subsidiaries namely 'Afghan American Trading Co. Inc.'. As per International Financial Reporting Standard (IFRS) 10 'Consolidated Financial Statements', being a parent, Bank-e-Millie Afghan is required to prepare consolidated financial statements, but the same cannot be prepared by the management, due to non-availability of latest audited financial statements of the subsidiaries for the reasons disclosed in note 'Long term investments'.

2.2 Mandatory Departure

Mandatory departure of International Financial reporting Standards (IFRS) - 9 "Financial Instruments", based on the decision of Da Afghanistan Bank until further notice.

2.3 Basis of measurement

The condensed interim financial information has been prepared on the historical cost basis except for investment property, land and building which are measured at revalued amount.

2.4 Functional and presentation currency

This condensed interim financial information is presented in Afghani, which is the Bank's functional currency. The amounts in the condensed interim financial information has been rounded to the nearest Afghani.

2.5 Use of estimates and judgments

The estimates / judgments assumptions used in the preparation of this condensed interim financial information is consistent with those applied in the preparation of the annual financial statements of the Bank for the year ended 30 Qaws 1399 - (20 December 2020).

3 Significant accounting policies

The accounting policies adopted in preparation of this condensed interim financial information are consistent with those followed in the preparation of the annual financial statements of the Bank for the year ended 30 Qaws 1399 (20 December 2020).

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (Un-audited)
FOR NINE MONTHS PERIOD ENDED ON 31 SUNBULA 1400 (22 SEPTEMBER 2021)**

		22 September 2021	20 December 2020
		31 Sunbula 1400 Un-Audited AFN	30 Qaws 1399 Audited AFN
4	Cash and cash equivalents		
	Cash in hand	4.1 608,241,924	1,311,096,322
	Balances with Da Afghanistan Bank	4.2 15,482,472,444	7,011,368,656
	Nostros account balances with financial institutions	4.3 3,676,059,591	6,273,578,487
	Gold at bank vault	4.4 32,709,164	32,709,164
		19,799,483,123	14,628,752,629
4.1	Cash in hand		
	Local currency	4.1.1 328,556,100	425,617,952
	Foreign currency	4.1.2 250,259,145	764,609,104
	Cash at ATMs - AFN	24,482,110	113,853,166
	Cash at ATMs - USD	4,944,569	7,016,100
		608,241,924	1,311,096,322
4.1.1	This represents cash at vaults in all the branches of the bank.		
4.1.2	This represents cash at vaults in all the branches of the bank in foreign currencies consist of the following currencies:		
	Foreign currency		
	USD	224,418,147	596,913,999
	GBP	23,204,668	22,502,069
	PKR	82,845	78,442
	EUR	2,553,485	145,114,594
		250,259,145	764,609,104
4.2	Balances with Da Afghanistan Bank		
	Local currency in:		
	Current accounts (interest free)	579,891,207	1,592,012,800
	Overnight account	722,835,616	4,025,483
	Required Reserves accounts	4.2.1 793,363,083	1,029,157,702
		2,096,089,906	2,625,195,985
	Foreign currency in:		
	Current accounts	4.2.2 11,794,977,113	5,415,330,372
	Required Reserves accounts	4.2.3 1,591,405,425	1,958,975,416
		13,386,382,538	7,374,305,788
		15,482,472,444	9,999,501,773

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BANK-E-MILLIE AFGHAN

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (Un-audited)
FOR NINE MONTHS PERIOD ENDED ON 31 SUNBULA 1400 (22 SEPTEMBER 2021)

	22 September 2021 31 Sunbula 1400 Un-Audited AFN	20 December 2020 30 Qaws 1399 Audited AFN
4.2.2 These represent foreign currency accounts balances in:		
Current accounts:		
USD	11,397,119,891	4,970,429,993
GBP	199,701,383	174,645,344
PKR	594,167	562,587
EURO	197,561,672	269,692,447
	11,794,977,113	5,415,330,372
Required Reserve accounts		
Foreign currency - USD	1,564,885,200	1,908,973,922
Foreign currency - EUR	26,520,225	50,001,494
	1,591,405,425	1,958,975,416
4.2.3 This represents required reserve amount being maintained with DAB in order to meet minimum reserve requirement of Article 3 "Required Reserves Regulation" of the Banking Regulations of Afghanistan. Required reserves are not available for use in the Bank's day-to-day operations. It is calculated by applying 8% to deposits denominated in AFN and 10% to deposits denominated in foreign currency.		
4.3 Nostro current account balances		
Local currency	4.3.1 744,393	746,193
Foreign currency	4.3.2 3,675,315,198	3,284,699,176
	3,676,059,591	3,285,445,369
4.3.1 Local currency		
Pashtany Bank	124,386	126,186
Azizi Bank	620,007	620,007
	744,393	746,193
4.3.2 Foreign currency		
Pashtany Bank	348,253	317,849
New Kabul Bank	441,259	398,676
Azizi Bank	1,565,384	1,370,170
Citi Bank New York	2,511,263,284	2,271,048,264
Canara Bank	826,787	723,884
Habib Bank - Pakistan	24,257,588	22,958,616
BMCE Spain	256,012,651	216,881,724
Islamic Bank of Afghanistan	880,600,000	771,000,000
National Westminster Bank	275,127	240,608
Mitsuho Bank	46,908	41,070
BNP Paribas Bank	15,324	14,058
BCCI Bank	23,981,139	21,018,140
Gross Balances	3,699,633,703	3,306,013,057

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**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (Un-audited)
FOR NINE MONTHS PERIOD ENDED ON 31 SUNBULA 1400 (22 SEPTEMBER 2021)**

Less: Provisions on the Bank Balances

Provision against deposits at BCCI	(23,981,146)	(21,018,146)
Provision against deposits at Mitsuho Bank	(46,908)	(41,070)
Provision against deposits at National Westminster Bank	(275,127)	(240,608)
Provision against deposits at BNP Paribas Bank	(15,324)	(14,058)
Net Balances	3,675,315,198	3,284,699,176

- 4.4 This represents gold coins in the vault acquired in the early years after inception of BMA in Afghanistan. However, these gold coins were last revalued during the year 2019, accordingly the revaluation impact was taken to the P&L, based on the approval of BOS and DAB.

	22 September 2021 31 Sunbula 1400 Un-Audited AFN	20 December 2020 30 Qaws 1399 Audited AFN
5 Short-term investments		
Capital notes with DAB	5.1 8,425,189,660	6,841,883,347
Placements with banks (Foreign Banks)	5.2 886,148,222	7,889,241,824
	9,311,337,882	14,731,125,171
5.1 Capital Notes		
Capital notes with DAB	8,246,901,004	6,759,073,074
Accrued Interest on Capital Notes	178,288,656	82,810,273
	8,425,189,660	6,841,883,347
5.2 Placements in banks (Foreign Banks)		
Canara Bank London	-	1,696,200,000
State Bank of India - London	-	2,158,800,000
Citi Bank New York	-	1,181,221,814
Murabaha Deposit in RAK Bank - by IBW	168,161,592	147,232,100
ADGMC ITI CITI Bank	-	1,927,742,390
First Abu Dhabi Bank	880,600,000	771,000,000
	1,048,761,592	7,882,196,303
Accrued Interest	5,548,222	80,661,603
less: Provision for 100% loss on Murabaha deposit in RAK Bank	5.2.1 (168,161,592)	(73,616,082)
	886,148,222	7,889,241,824
5.2.1 Placements provisioning movement during the year	22 September 31 Sunbula 1400 Un-Audited AFN	20 December 2020 30 Qaws 1399 Audited AFN
Balance at the beginning of the year	73,616,082	-
Charge for the year	74,141,197	73,616,082
Exchange rate differences	20,404,313	-
Balance at the end of year	168,161,592	73,616,082

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (Un-audited)
FOR NINE MONTHS PERIOD ENDED ON 31 SUNBULA 1400 (22 SEPTEMBER 2021)**

		22 September 2021 31 Sunbula 1400	20 December 2020 30 Qaws 1399
	Note	Un-Audited	Audited
7 Long term investments			
Investment in subsidiaries	7.1	193,732,000	169,620,000
Investment in associates	7.2	810,144,298	810,144,298
Investment in equity instruments	7.3	161,361,832	161,361,832
		1,165,238,130	1,141,126,130
7.1 Investment in subsidiaries			
Afghan American Trading Co. Inc. (Cost USD 2,200,000)	7.1.1	193,732,000	169,620,000
		193,732,000	169,620,000

7.1.1 Afghan American Trading Co. Inc.

Afghan American Trading Co. Inc. is wholly owned subsidiary of the bank wherein investment cost is USD 2.2 million. There is a dispute with the management of Afghan American Trading Co. Inc. (AATC) and the Bank plans to launch an investigation into the affairs of the AATC. The latest audited financial statements of AATC are not available and the Bank cannot assess the recoverability of its investment in AATC as well as the current account balance maintained with AATC. This matter has also been raised by the Bank at the National Security Council of the country and the management of AATC has been terminated.

7.2 Investment in associates

The Bank use equity method of accounting for determining the carrying value of the investment in Pashtany Bank.

7.3 Investment in equity instruments

Afghan National Insurance Company
Ariana Afghan Airlines Company

18,605,169	18,605,169
142,756,663	142,756,663
161,361,832	161,361,832

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (Un-audited)
FOR NINE MONTHS PERIOD ENDED ON 31 SUNBULA 1400 (22 SEPTEMBER 2021)**

		22 September 2021 31 Sunbula 1400 Un-Audited AFN	20 December 2020 30 Qaws 1399 Audited AFN
8 Investment Property			
Opening balance		4,391,960,252	3,359,281,174
Additions during the year		-	1,032,679,078
Revaluation gain on property	8.1	1,058,990,863	-
Exchange rate differences		12,924,813	-
Closing balance		<u>5,463,875,928</u>	<u>4,391,960,252</u>

8.1 This represents revaluation gain on revaluation of investment properties held by the bank during the year 2020. However, the recognition of the gain was approved by the DAB during 2021 in accordance with letter number 1853/1226 dated 1400/02/09.

		22 September 2021 31 Sunbula 1400 Un-Audited AFN	20 December 2020 30 Qaws 1399 Audited
9 Other assets			
Receivable from subsidiaries	9.1	28,809,622	25,223,959
Prepaid expenses		139,903,697	102,741,757
Advance tax	9.2	611,184,684	634,313,256
Rent receivable against investment properties		48,427,598	33,497,082
Accrued interest on loans and advances - Conventional		228,846,135	180,271,835
Accrued profit on loans and advances - Islamic		8,955,993	1,792,169
Receivable against cash misappropriation	9.3	55,654,020	53,063,218
Security deposit with DAB and Western union		10,567,200	9,252,000
Suspense advance		30,805,891	25,532,451
Receivable from sale of property		129,441,932	113,331,512
Advances against construction project	9.4	273,454,515	-
Other receivables		388,663,707	195,760,016
		<u>1,954,714,995</u>	<u>1,374,779,254</u>
less: Provision held on other assets		<u>(36,948,956)</u>	<u>(36,645,604)</u>
Net Other Receivable		<u>1,917,766,039</u>	<u>1,338,133,650</u>

9.1 This represents the share of profit receivable from Afghan American Trading Company.

9.2 This represents outstanding amount of advance income tax paid on 18 September 2019 to Ministry of Finance (MoF), based on approval of the BOS, which is adjustable against the future tax liabilities to MoF.

9.3 This includes various receivables of the Bank against cash misappropriations, thefts, unsettled advances and other such events.

9.4 This represents advance payment to National Development Corporation, against the construction work on investment property located in Dehmazang area of Kabul.

BANK-E-MILLIE AFGHAN

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	22 September 2021 31 Sunbula 1400 Un-Audited AFN	20 December 2020 30 Qaws 1399 Audited AFN
10 Deposits from customers		
Local currency		
Conventional deposits	13,666,637,906	11,662,581,721
Islamic deposits	63,606,803	85,519,943
Margin against letter of guarantee	484,417,612	525,967,317
Total local currency	14,214,662,322	12,274,068,982
Foreign Currency:		
Conventional deposits	18,663,886,623	19,423,508,774
Islamic deposits	351,533,008	321,631,586
Margin against letter of guarantee	31,712,079	410,622,650
Total foreign currency	19,047,131,711	20,155,763,009
	33,261,794,032	32,429,831,991
	22 September 2021 31 Sunbula 1400 Un-Audited AFN	20 December 2020 30 Qaws 1399 Audited AFN
11 Other liabilities		
Accrued interest on deposits - conventional	1,632,816	9,285,747
Accrued profit on deposits - islamic	3,902,430	3,706,978
Deferred income	20,494,189	25,646,906
Retention deposits	1,396,031	2,409,068
Security deposits payable	27,135,984	28,410,653
Withholding tax payable	8,267,773	14,035,400
Dividend payable	69,215,268	69,215,268
Bills payable	13,268,637	11,620,582
Defined benefit plan (pension scheme)	201,134,562	211,768,080
Accrued expenses	19,665,669	26,940,585
Others	101,847,519	201,151,734
	467,960,877	604,191,002
12 Share capital		
12.1 Authorised		
100,000 (2020: 100,000) ordinary shares of AFN 10,000 each	1,000,000,000	1,000,000,000
12.2 Issued, Subscribed and Paid up Capital		
100,000 (2020: 100,000) ordinary shares of AFN 10,000 each	1,000,000,000	1,000,000,000
12.3 The issued shares are subscribed by the following parties:		
Ministry of Finance	967,508,024	967,508,024
Afghan Red Crescent	20,731,432	20,731,432
Pashtany Bank	11,343,832	11,343,832
Afghan Air Force Commander	370,411	370,411
Kabul Municipality	46,301	46,301
	1,000,000,000	1,000,000,000
13 Contingencies and Commitments		
Off Balance sheet assets - AFN	484,417,612	525,967,317
Off Balance sheet assets - USD	31,712,079	410,622,650
	516,129,691	936,589,967

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BANK-E-MILLIE AFGHAN
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	22 September 2021 31 Sunbula 1400	22 September 2020 31 Sunbula 1399
Note	Un-Audited AFN	Un-Audited AFN
14 Interest income and expenses		
Interest income		
Interest on cash and cash equivalents	259,338,852	245,036,128
Interest on loans and advances - conventional	256,977,166	302,300,672
Profit on loans and advances - islamic	42,692,681	43,597,291
	559,008,699	590,934,092
Interest expense		
Interest on deposits - conventional	8,097,303	33,963,196
Profit to murabaha customers - Islamic	-	-
	550,911,396	556,970,896
15 Commission income and expenses		
Fee and commission income		
Commission income	107,417,381	99,606,121
Customer account service charges	2,118,802	3,966,645
Loan processing fee	9,279,354	6,871,441
Fund transfer fee	-	34,928
	118,815,538	110,479,135
Fee and commission expense		
Funds transfers	935,864	946,641
Inter bank transaction fee	1,165,939	1,041,744
Others	24,000	22,900
	2,125,802	2,011,286
	116,689,736	108,467,849
16 Other operating income		
Rental income	62,418,365	46,844,265
Bad debts recovered	22,481,083	24,475,780
Others	485	4,922,586
	84,899,933	76,242,631
17 Personnel expenses		
Salaries and benefits	178,044,036	175,252,038
Bonus	40,158,221	51,221,703
Charge for the retirement benefits	-	-
Training expenses	1,947,206	718,006
	220,149,463	227,191,748
18 Other expenses		
Advertising and publicity	2,378,308	4,512,964
Repairs and maintenance	25,095,586	8,775,076
Postage and telegram	42,987	72,477
Utility charges	8,107,785	7,785,607
Rent	13,874,176	12,076,768
Fuel expenses	3,468,540	3,397,055
Printing and stationery	6,042,883	3,114,522
Travelling	3,439,459	2,218,188
Telephone and communication	13,128,113	16,533,037
Security charges	34,809,193	42,593,549
Audit fee	5,417,232	6,005,054
Penalties imposed by DAB	1,423,000	936,000
Others	75,364,918	68,875,934
	192,592,180	176,896,230
19 Taxation - net		
Current	39,800,766	(13,089,040)
Deferred	211,798,173	-
	251,598,939	(13,089,040)

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**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (Un-audited)
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20 Related parties

The Bank has a related party relationship with its shareholders, subsidiaries and associated companies, directors and key management personnel. Details is as follows:

	22 September 2021 31 Sunbula 1400 Un-Audited AFN	20 December 2020 30 Qaws 1399 Audited AFN
Shareholders (percentage)		
Ministry of Finance	96.751	96.751
Afghan Red Crescent	2.073	2.073
Pashtany Bank	1.134	1.134
Afghan Air Force	0.037	0.037
Kabul Municipality	0.005	0.005
	100	100
Shareholders (Amount in AFN)		
Ministry of Finance	967,508,024	967,508,024
Afghan Red Crescent	20,731,432	20,731,432
Pashtany Bank	11,343,832	11,343,832
Afghan Air Force	370,411	370,411
Kabul Municipality	46,301	46,301
	1,000,000,000	1,000,000,000
Subsidiaries and associated companies		
	Country of Incorporation	Ownership Percentage
Afghan American Trading Co. Inc.	USA	100%
Afghanistan Payment System LLC	Afghanistan	16.66%
Pashtany Bank	Afghanistan	28.77%
Afghan National Insurance Company	Afghanistan	7.66%
Ariana Afghan Airlines Company	Afghanistan	6.25%

20.1 Transactions with related parties

The Bank had transactions with following related parties at mutually agreed terms during the period

	22 September 2021 31 Sunbula 1400 Un-Audited AFN	22 September 2020 31 Sunbula 1399 Un-Audited AFN
Supervisors and key management personnel:		
Basic salary & Bonus	6,253,911	5,284,911
Board of Supervisor's meeting fee	900,000	900,000
	7,153,911	6,184,911

In addition to salaries, the Bank also provides non-cash benefits to supervisors and key management personnel, and contributes to a post-employment defined benefit plan for them.

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21 Capital management

Regulatory capital

DAB sets and monitors capital requirements for the Bank. The Bank is required to maintain at all times the paid up capital plus reserves in excess of Afs 1,000 million and regulatory capital to be 12% of the risk weighted assets. The capital adequacy of the Bank is assessed in two tiers as per regulations of the DAB.

- 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.

	22 September 2021 31 Sunbula 1400 Un-Audited AFN	20 December 2020 30 Qaws 1399 Audited AFN
Tier 1 capital		
Total equity	8,927,337,317	8,234,157,342
Less: Current year profit	(1,193,179,975)	(122,558,133)
Less: Surplus on revaluation of property and equipment - net	(792,247,503)	(792,247,503)
Less: Exchange translation reserve	(34,313,024)	(34,313,024)
Less: Intangible assets	(8,160,903)	(10,975,538)
Total Tier 1	6,899,435,912	7,274,063,144
Tier 2 capital		
Profit for the period / year	1,193,179,975	122,558,133
Surplus on revaluation of property and equipment - net	792,247,503	792,247,503
Exchange translation reserve	34,313,024	34,313,024
General loss reserves on credits Allowable Portion	2,428,696	2,795,454
Allowable deduction-equity investment	(1,165,238,130)	(1,141,126,130)
Total Tier 2	856,931,067	(189,212,016)
Total regulatory capital (Tier 1 + Tier 2)	<u>7,756,366,980</u>	<u>7,084,851,128</u>
Risk-weight categories		
0% risk weight:		
Cash in Afghani and fully-convertible foreign currencies	608,241,924	1,343,805,486
DAB Capital notes	8,246,901,004	6,759,073,074
Direct claims on DAB	15,482,472,444	9,999,501,774
Precious metals and precious stones	32,709,164	-
0% risk-weight total (above total x 0%)	<u>24,370,324,536</u>	<u>18,102,380,334</u>
	-	-
20% risk weight:		
Balances with other banks	4,724,821,183	11,167,641,672
20% risk-weight total (above total x 20%)	<u>944,964,237</u>	<u>2,233,528,334</u>

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	22 September 2021 31 Sunbula 1400 Un-Audited AFN	20 December 2020 30 Qaws 1399 Audited AFN
50% risk weight:		
Balances with other banks	-	-
50% risk-weight total (above total x 50%)	-	-
100% risk weight:		
All other assets	15,336,437,634	13,330,251,311
Less: intangible assets	(8,160,903)	(10,975,538)
Allowable deduction-equity investment	(1,165,238,130)	(1,141,126,130)
100% risk-weight total (above total x 100%)	14,163,038,602	12,178,149,643
	14,163,038,602	12,178,149,643
0% risk weight:		
Guarantees	516,129,691	936,589,967
0% credit conversion factor total (risk-weighted total x 0%)	-	-
Total risk-weighted assets	15,108,002,839	14,411,677,978
Tier 1 Capital Ratio (Tier 1 capital as % of total risk-weighted assets)	45.67%	50.47%
Regulatory Capital Ratio (Regulatory capital as % of total risk-weighted assets)	51.34%	49.14%

22 Reclassifications

Corresponding figures have been re-arranged and re-classified where necessary for more appropriate presentation of transactions and events for the purpose of comparison.

23 General

The amounts have been rounded off to nearest AFN.

24 Date of authorisation for issue

These condensed financial statements were authorised for issue by the Board of Supervisors of the Bank-e-Mille Afghan on 14 NOV 2021

Chief Executive Officer

Chief Financial Officer

Chairman BOS