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# Report on Review of Condensed Interim Financial Statements

To the Shareholders of Afghan United Bank

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## Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Afghan United Bank** ("the Bank") as at 30 September 2019 and the related condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows, and the notes to the condensed interim financial statements for the nine months then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and fair presentation of these interim financial statements in accordance with the International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), the requirements of the Law of Banking in Afghanistan and directives issued by the Central Bank of Afghanistan. Our responsibility is to express a conclusion on these interim financial statements based on our review.

## Scope of Review

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

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### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements do not give a true and fair view of the financial position of the Bank as at 30 September 2019, and of its financial performance and its cash flows for the nine months period then ended in accordance International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), the requirements of the Law of Banking in Afghanistan and directives issued by the Central Bank of Afghanistan.

*Grant Thornton Afgh*

**Grant Thornton Afghanistan**

**Chartered Accountants**

Engagement Partner: Saqib Rehman Qureshi

Location: Kabul, Afghanistan

Date: *13 November 2019*



**AFGHAN UNITED BANK**

## Condensed Interim Statement of Financial Position

As at 30 September 2019

		<b>Unaudited</b>	<b>Audited</b>
		<b>30-Sep-19</b>	<b>31-Dec-18</b>
		<b>AFN '000'</b>	
	<i>Note</i>		
<b>ASSETS</b>			
Cash and balances with central bank	4	5,043,720	6,436,196
Balances with other banks	5	2,956,317	2,681,935
Investments	6	1,638,097	1,479,313
Loans and advances to customers	7	6,662,792	6,747,327
Property and equipment	8	961,530	904,139
Intangible assets	9	4,123	6,184
Other assets		2,073,825	2,012,841
<b>Total assets</b>		<b>19,340,405</b>	<b>20,267,936</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital		1,757,020	1,522,030
Revaluation reserve on property and equipment		439,131	463,472
Retained earnings		249,800	123,104
<b>Total equity</b>		<b>2,445,951</b>	<b>2,108,606</b>
<b>LIABILITIES</b>			
Deposits from customers	10	16,293,685	17,562,438
Deferred tax liability		132,419	132,419
Provision for tax		24,662	9,086
Lease liabilities		81,470	-
Other liabilities		362,217	455,387
<b>Total liabilities</b>		<b>16,894,454</b>	<b>18,159,330</b>
<b>Total equity and liabilities</b>		<b>19,340,404</b>	<b>20,267,936</b>

**CONTINGENCIES AND COMMITMENTS**

11

The annexed notes 1 to 14 form an integral part of these financial statements.



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Condensed Interim Statement of Comprehensive Income (Unaudited)

For the nine months ended 30 September 2019

		<div> <div>Nine months ended</div> <div>30-Sep-19</div> <div>30-Sep-18</div> </div>		<div> <div>Three months ended</div> <div>30-Sep-19</div> <div>30-Sep-18</div> </div>	
	Note	AFN '000'			
Mark-up/ return/ interest earned		647,423	682,726	211,174	227,298
Mark-up/ return/ interest expense		(76,349)	(69,569)	(21,108)	(22,169)
<b>Net mark-up/ return/ interest income</b>		<b>571,074</b>	<b>613,157</b>	<b>190,066</b>	<b>205,129</b>
Fee and commission income		256,998	179,054	88,262	62,526
Fee and commission expense		(5,998)	(5,585)	(2,021)	(1,485)
<b>Net fee and commission income</b>		<b>251,000</b>	<b>173,469</b>	<b>86,241</b>	<b>61,041</b>
Other expense/ income		(3,155)	169,263	23,367	65,266
<b>Net operating income</b>		<b>818,919</b>	<b>955,889</b>	<b>299,674</b>	<b>331,436</b>
Provision against non-performing loans and advances to customers	7.5	(279,710)	(495,628)	(211,868)	(554,699)
Net provision against off balance sheet items and other assets		70,131	5,324	(2,348)	(17,833)
Loss on disposal and de-recognition of fixed assets - net		-	(7,226)	-	(7,226)
Depreciation	8	(96,048)	(24,517)	(32,035)	(8,592)
Amortization	9	(3,986)	(3,900)	(1,392)	(1,341)
Employee compensation		(170,206)	(179,950)	(56,963)	(57,886)
Operating lease expenses		(5,154)	(35,241)	(2,087)	(11,841)
Other expenses		(206,001)	(212,152)	(70,368)	(77,715)
<b>Profit/ (loss) before tax</b>		<b>127,945</b>	<b>2,599</b>	<b>(77,386)</b>	<b>(405,696)</b>
Income tax expense		(25,589)	(520)	15,477	81,139
<b>Profit/ (loss) for the period</b>		<b>102,356</b>	<b>2,079</b>	<b>(61,909)</b>	<b>(324,557)</b>
<b>Other comprehensive income</b>					
Profit/ (loss) for the period		102,356	2,079	(61,909)	(324,557)
Other comprehensive income - not reclassified to the income statement		-	-	-	-
Other comprehensive income - reclassified to the income statement		-	-	-	-
<b>Total comprehensive income for the period ended</b>		<b>102,356</b>	<b>2,079</b>	<b>(61,909)</b>	<b>(324,557)</b>

The annexed notes 1 to 14 form an integral part of these financial statements.



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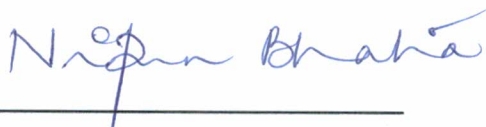
# AFGHAN UNITED BANK

Condensed Interim Statement of Cash Flows (Unaudited)

For the nine months ended 30 September 2019

		Nine months ended	
		30-Sep-19	30-Sep-18
	Note	AFN '000'	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		127,945	2,599
<b>Adjustments for:</b>			
Net impairment loss on financial assets		279,710	495,628
Provision against off balance sheet items		(70,131)	(5,324)
Depreciation	8	96,048	24,517
Amortization	9	3,986	3,900
Net loss on disposal of fixed assets		-	7,292
		<b>437,558</b>	<b>528,612</b>
<b>Increase/ decrease in current assets and liabilities</b>			
Investments		(158,784)	(163,123)
Loans and advances to customers		(125,044)	671,946
Other assets		(60,984)	(193,718)
Deposits from customers		(1,268,753)	(1,777,388)
Other liabilities		(94,706)	56,690
		<b>(1,270,714)</b>	<b>(876,981)</b>
Income tax paid		(8,477)	(22,950)
<b>Net cash used in operating activities</b>		<b>(1,279,190)</b>	<b>(899,931)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property and equipment	8	(153,439)	(28,599)
Purchase of intangible assets		(1,924)	(3,330)
<b>Net cash used in investing activities</b>		<b>(155,364)</b>	<b>(31,929)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of shares		234,990	-
Lease liabilities		81,470	-
<b>Cash generated from financing activities</b>		<b>316,460</b>	<b>-</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(1,118,093)</b>	<b>(931,860)</b>
Cash and cash equivalents, beginning of period		9,118,131	10,858,730
<b>Cash and cash equivalents, end of period</b>	4 & 5	<b>8,000,038</b>	<b>9,926,870</b>

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**AFGHAN UNITED BANK**

## Condensed Interim Statement of Changes in Equity (Unaudited)

For the nine months ended 30 September 2019

	Share capital	Revaluation reserve	Retained earnings	Total
	AFN '000'			
Balance as at 1 January 2018	1,522,030	508,407	176,853	2,207,289
Incremental depreciation on revaluation surplus	-	-	-	-
Total comprehensive income for the period				
Profit for the period	-	-	2,079	2,079
Other comprehensive income	-	(12,482)	-	(12,482)
	-	(12,482)	2,079	(10,403)
Balance as at 30 September 2018	<u>1,522,030</u>	<u>495,925</u>	<u>178,932</u>	<u>2,196,886</u>
<b>Balance as at 1 January 2019</b>	<b>1,522,030</b>	<b>463,472</b>	<b>123,104</b>	<b>2,108,606</b>
Incremental depreciation on revaluation surplus	-	(24,341)	24,341	-
Issuance of share capital	234,990	-	-	234,990
<b>Total comprehensive income for the period</b>				
Profit for the period	-	-	102,356	102,356
Other comprehensive income	-	-	-	-
	-	-	102,356	102,356
<b>Balance as at 30 September 2019</b>	<b><u>1,757,020</u></b>	<b><u>439,131</u></b>	<b><u>249,800</u></b>	<b><u>2,445,951</u></b>

The annexed notes 1 to 14 form an integral part of these financial statements.



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# AFGHAN UNITED BANK

Notes to the Condensed Interim Financial Statements (Unaudited)

*For the nine months ended 30 September 2019*

## 1 LEGAL STATUS AND OPERATIONS

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 26 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

These condensed interim financial statements have been prepared in accordance with the 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 will prevail.

The disclosures in these condensed interim financial statements do not include those reported for full annual audited financial statements and should therefore be read in conjunction with the annual audited financial statements for the year ended 31 December 2018.

Comparative statement of financial position is extracted from the annual audited financial statements as of 31 December 2018, whereas comparative statement of comprehensive income, statement of changes in equity and statement of cash flows have been taken from unaudited condensed interim financial statements for the nine months period ended 30 September 2018.

### **Standards, interpretations and amendments to published approved accounting standards that are effective in the current period**

There are certain new and amended standards and interpretations that are mandatory for the Bank's accounting periods beginning on or after 1 January 2019 but are considered not to be relevant or do not have any significant effect on the Bank's operations and therefore not detailed in this condensed interim financial statements. IFRS 16 "Leases" became effective from 1 January 2019, its impact has been incorporated in these condensed interim financial statements.

At the date of adoption of IFRS 16 i.e. 1 January 2019, the Bank has 'grand fathered' its assessment of the property leases as previously under IAS 17. There were no finance leases previously and all property leases were treated as operating leases. The Bank has adopted modified retrospective approach for adoption of IFRS 16 whereby right of use asset is recognized equivalent to the amount of lease liability recognized as of January 1, 2019 plus any prepaid lease while lease liability has been recognized for remaining lease rentals as of 1 January 2019.

## 3 ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS

The accounting policies, significant judgements made in the application of accounting policies, key sources of estimations, the methods of computation adopted in preparation of these interim financial statements and financial risk management policies are the same as those applied in preparation of annual audited financial statements for the year ended 31 December 2018.



# AFGHAN UNITED BANK

Notes to the Condensed Interim Financial Statements (Unaudited)

For the nine months ended 30 September 2019

		30-Sep-19	31-Dec-18
	Note	AFN '000'	
<b>4 CASH AND BALANCES WITH CENTRAL BANK</b>			
<b>In hand</b>			
Local currency		621,074	810,537
Foreign currencies		1,209,887	1,224,708
		<b>1,830,961</b>	<b>2,035,245</b>
<b>With Da Afghanistan Bank in:</b>			
Local currency current accounts		2,059,160	2,109,030
Foreign currency current accounts		1,145,272	1,386,319
Overnight deposit with Central Bank		8,327	905,602
		<b>3,212,759</b>	<b>4,400,951</b>
		<b>5,043,720</b>	<b>6,436,196</b>
<b>5 BALANCES WITH OTHER BANKS</b>			
<b>In Afghanistan</b>			
National Bank of Pakistan		589	566
Pashtany Bank		395,246	380,366
New Kabul Bank		40,009	-
		<b>435,843</b>	<b>380,933</b>
<b>Outside Afghanistan</b>			
CSC Bank, Lebanon		66,536	21,963
Aktif Bank, Turkey		157,656	400,774
Axis Bank, China		6,379	18,151
Ziraat Bank Uzbekistan		78,260	-
BMCE Bank, Spain		890,492	1,061,283
Nurol Bank, Turkey		424,538	1,843
Bahrain Middle East Bank		673,632	796,987
Transkapital Bank, Russia		222,982	-
		<b>2,520,474</b>	<b>2,301,002</b>
		<b>2,956,317</b>	<b>2,681,935</b>
<b>6 INVESTMENTS</b>			
Capital notes	6.1	398,459	398,238
<b>Held to maturity</b>			
Aktif Bank, Turkey		273,910	263,585
Ziraat Bank Uzbekistan		234,780	-
BMCE Bank, Spain		313,040	225,930
Bahrain Middle East Bank		-	376,550
Nurol Bank, Turkey		430,430	225,930
	6.2	<b>1,252,160</b>	<b>1,091,995</b>
General provision on investments	6.3	(12,522)	(10,920)
<b>Investments - net of provision</b>		<b>1,638,097</b>	<b>1,479,313</b>



# AFGHAN UNITED BANK

Notes to the Condensed Interim Financial Statements (Unaudited)

For the nine months ended 30 September 2019

**6.1** This represents capital notes from Da Afghanistan bank carrying interest rate from 0.73% to 0.80% (2018: 0.12% to 4.1%) per annum and having maturity date in January 2020.

**6.2** This represents foreign currency fixed term placements with foreign banks carrying interest ranging from 1.92% to 5.25% (2018: 1.25% to 4.65%) per annum and having maturity by October 2020.

## 6.3 Particulars of provision against investments

	30-Sep-19	31-Dec-18
	AFN '000'	
Opening balance	10,920	9,064
Charge for the period/ year	1,602	1,856
Write off during the period/ year	-	-
	1,602	1,856
Closing balance	12,522	10,920

General provision against investment is held as per the DAB's *Asset Classification and Provisioning Regulation* @ 1% of the gross amount of investments.

## 7 LOANS AND ADVANCES TO CUSTOMERS

### Conventional financing

Running finance	7.2	5,234,761	4,673,180
Term finance	7.3	837,838	382,882
		6,072,599	5,056,062

### Islamic financing

Murabaha	7.4	2,158,281	2,921,038
<b>Loans and advances to customers - gross</b>		<b>8,230,880</b>	<b>7,977,100</b>
Provision against non-performing loans and advances	7.5	(1,568,088)	(1,229,773)
<b>Loans and advances to customers - net of provision</b>		<b>6,662,792</b>	<b>6,747,327</b>

### 7.1 Particulars of loans and advances to customers - gross

In local currency	2,758,668	1,442,026
In foreign currencies	5,472,212	6,535,074
	8,230,880	7,977,100

**7.2** These carry interest ranging between 12% to 16% per annum (2018: 12% to 16% per annum). All facilities are extended for maximum period of 12 months and are expected to be recovered within 12 months of the reporting date. These are secured against personal guarantees, mortgage of immoveable properties and hypothecation over stock in trade.

## AFGHAN UNITED BANK

Notes to the Condensed Interim Financial Statements (Unaudited)

For the nine months ended 30 September 2019

- 7.3** These carry interest rate at 13% to 15% per annum (2018: 13% to 15% per annum). These loans have been extended for periods ranging from one and a half year to five years (2018: one year to five years) and 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 18% per annum (2018: 12% to 18% per annum). These facilities are secured against personal guarantees, mortgage of immovable properties and goods supplied under the sale and purchase agreement.

**7.5 Particulars of provision against non-performing loans and advances to customers**

Opening balance  
 Charge for the period/ year  
 Write-off during the period/ year  
 Foreign currency fluctuation effect  
 Closing balance

	30-Sep-19	31-Dec-18
	AFN '000'	
	1,229,773	634,222
	279,710	627,965
	-	(91,951)
	58,605	59,536
	<b>338,315</b>	<b>595,550</b>
	<b>1,568,088</b>	<b>1,229,773</b>

**AFGHAN UNITED BANK**

Notes to the Condensed Interim Financial Statements (Unaudited)

For the nine months ended 30 September 2019

		30-Sep-19	31-Dec-18
		AFN '000'	
<b>8</b>	<b>PROPERTY AND EQUIPMENT</b>		
	<b>Operating fixed assets</b>		
	Owned	8.1	865,884
	Leased		904,139
	- Right of use asset - building	8.2	95,646
			-
		<b>961,530</b>	<b>904,139</b>
<b>8.1</b>	<b>Cost</b>		
	Opening balances	1,681,993	1,683,449
	Additions during the period/ year	10,145	29,349
	Disposals during the period/ year	(6,127)	(30,805)
	<b>Closing balances</b>	<b>1,686,012</b>	<b>1,681,993</b>
	<b>Accumulated depreciation</b>		
	Opening balances	777,854	723,538
	Charge during the period/ year	48,401	65,347
	Disposals during the period/ year	(6,127)	(11,031)
	<b>Closing balances</b>	<b>820,128</b>	<b>777,854</b>
	<b>Written down value</b>	<b>865,884</b>	<b>904,139</b>
<b>8.2</b>	<b>Right of use assets - building</b>		
	Balance as of 1 January 2019 upon adoption of IFRS 16	143,294	-
	Depreciation expense for the period	(47,648)	-
	<b>Balance as at 30 September 2019</b>	<b>95,646</b>	<b>-</b>
<b>9</b>	<b>INTANGIBLE ASSETS</b>		
	<b>Cost</b>		
	Opening balance	238,165	234,835
	Additions during the period/ year	1,924	3,330
	<b>Closing balance</b>	<b>240,089</b>	<b>238,165</b>
	<b>Less: Accumulated amortization</b>		
	Opening balance	231,980	226,813
	Charge for the period/ year	3,986	5,167
	<b>Closing balance</b>	<b>235,966</b>	<b>231,980</b>
	<b>Written down value</b>	<b>4,123</b>	<b>6,184</b>

- 9.1** Intangible assets include computer software and licenses. The amortization rate of intangible assets is 33.33% (2018: 33.33%). The gross carrying amount of fully amortized intangible assets still in use is AFN 223,195 thousand (2018: AFN 223,136 thousand).



**AFGHAN UNITED BANK**

Notes to the Condensed Interim Financial Statements (Unaudited)

For the nine months ended 30 September 2019

		30-Sep-19	31-Dec-18
	Note	AFN '000'	
<b>10 DEPOSITS FROM CUSTOMERS</b>			
<b>Conventional</b>			
Current deposits		9,366,456	8,709,050
Saving deposits	10.1	473,024	246,649
Term deposits	10.2	440,505	727,613
Margin deposits		1,535,569	2,843,333
		<b>11,815,555</b>	<b>12,526,645</b>
<b>Islamic</b>			
Current deposits		2,155,963	2,524,028
Saving deposits	10.3	931,791	751,225
Term deposits	10.4	1,045,958	1,318,184
Margin deposits		344,418	442,356
		<b>4,478,130</b>	<b>5,035,793</b>
		<b>16,293,685</b>	<b>17,562,438</b>

10.1 Saving deposits carry interest ranging from 1% to 3% (2018: 1% to 3% per annum) per annum.

10.2 Term deposits carry interest ranging from 1.5% to 4.75% per annum (2018: 1.5% to 4.75% per annum), based on the term, with maturity ranging from three to twelve months (2018: three to twelve months).

10.3 The profit disbursed during the period on the Islamic saving deposits ranged from 0.23% to 0.34% (2018: 0.39% to 0.61%) per annum.

10.4 Profit distribution rates on Islamic term deposits during the period ranged from 1.36% to 2.72% (2018: 2.05% to 4.60%) per annum.

**11 CONTINGENCIES AND COMMITMENTS**

	30-Sep-19	31-Dec-18
	AFN '000'	
LCs and BGs issued on behalf of the customers	<b>9,165,610</b>	<b>7,292,469</b>

This includes outstanding BGs amounting to AFN 1,680.79 million (2018: 1,489.43 million) issued in Islamic mode of finance.

	30-Sep-19	31-Dec-18
	AFN '000'	
<b>Commitment for operating lease</b>		
- not later than one year	10,308	46,802
- later than one year and not later than five year	41,232	187,208
	<b>51,540</b>	<b>234,010</b>

## AFGHAN UNITED BANK

Notes to the Condensed Interim Financial Statements (Unaudited)

For the nine months ended 30 September 2019

### 12 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 and Chief Risk 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	
30-Sep-19	30-Sep-18	30-Sep-19	30-Sep-18
AFN '000'			

#### Transactions with key management personnel

Short-term employee benefits

Salary and other benefits	-	-	13,246	6,820
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### 13 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.

The Bank's regulatory capital position at 30 September 2019 was as follows:

**AFGHAN UNITED BANK**

Notes to the Condensed Interim Financial Statements (Unaudited)

*For the nine months ended 30 September 2019*

	30-Sep-19	31-Dec-18
	AFN '000'	
<b>Tier 1 capital</b>		
Total Equity	2,445,951	2,108,606
<b>Less:</b>		
Intangible assets	4,123	6,184
Profit for the year	102,356	-
Revaluation reserve on property and equipment	439,131	463,472
	<b>545,610</b>	<b>469,656</b>
<b>Total tier 1 (core) capital</b>	<b>1,900,341</b>	<b>1,638,950</b>
<b>Tier 2 capital</b>		
General loss reserves on credits	-	9,374
Profit for the year	102,356	-
Revaluation reserve on property and equipment	439,131	463,472
<b>Total tier 2 (supplementary) capital</b>	<b>541,487</b>	<b>472,846</b>
<b>Total regulatory capital</b>	<b>2,441,828</b>	<b>2,111,796</b>
<b>Risk-Weight Categories</b>		
<b>0% risk weight:</b>		
Cash in Afghani and fully-convertible foreign currencies	1,830,961	2,035,245
Direct claims on DAB	5,247,367	6,354,396
Direct claims on Central Banks and Central Governments of Category A countries	-	-
Precious metals and precious stones	-	-
Direct claims on DAB	-	-
Loans collateralized by blocked deposits	-	-
Other	-	-
<b>Total</b>	<b>7,078,328</b>	<b>8,389,641</b>
<b>0% Risk-Weight Total (Above Total x 0%)</b>	<b>-</b>	<b>-</b>
<b>20% risk weight</b>		
Loans Collateralized by Claims on Central Banks and Central Governments of Category A Countries	-	-
Direct Claims on banks licensed in Category A countries	1,203,532	2,179,345
Short-term Claims on Banks Licensed In Non-Category A Countries Guaranteed by Multilateral Lending Institutions	3,004,946	1,594,585
Cash Items in Process of Collection	-	-
Other	-	-
<b>Total</b>	<b>4,208,477</b>	<b>3,773,930</b>
<b>20% Risk-Weight Total (Above Total x 20%)</b>	<b>841,695</b>	<b>754,786</b>



**AFGHAN UNITED BANK**

Notes to the Condensed Interim Financial Statements (Unaudited)

For the nine months ended 30 September 2019

	30-Sep-19	31-Dec-18
	AFN '000'	
<b>50% risk weight</b>		
Qualifying Residential Mortgage Loans	-	-
Qualifying Real Estate Construction Loans	-	-
Other	-	-
<b>Total</b>	-	-
<b>50% Risk-Weight Total (Above Total x 50%)</b>	-	-
<b>100% risk weight</b>		
All Other Assets	9,640,470	9,345,058
Minus: Intangible Assets	4,123	6,184
Net Deferred Tax Assets	-	-
Deducted Equity Investments	-	-
<b>Equals: Total</b>	<b>9,636,347</b>	<b>9,338,873</b>
<b>100% Risk-Weight Total (Above Total x 100%)</b>	<b>9,636,347</b>	<b>9,338,873</b>
<b>Off-balance-sheet items with 0% Credit Conversion Factor</b>		
Unused Portions of Commitments with Original Maturity of 1 Year or Less	574,072	-
Unused Portions of Commitments that are Unconditionally Cancelable	-	-
<b>Total</b>	<b>574,072</b>	-
<b>0% Credit Conversion Factor Total (Above Total x 0%)</b>	-	-
<b>Off-balance-sheet items with 20% Credit Conversion Factor</b>		
Commercial Letter of Credits		
0 % Risk Weight	133,418	14,676
20% Risk Weight	-	-
50% Risk Weight	-	-
100% Risk Weight	-	179,862
<b>Total</b>	<b>133,418</b>	<b>194,539</b>
<b>Risk-Weighted Total</b>	-	<b>179,862</b>
<b>20% Credit Conversion Factor Total (Risk-Weighted Total x 20%)</b>	-	<b>35,972</b>
<b>Off-balance sheet items with 100% Credit Conversion Factor</b>		
Guarantees and Standby Letter of Credits		
0 % Risk Weight	5,683,461	426,439
20% Risk Weight	-	-
50% Risk Weight	-	6,614,235
100% Risk Weight	2,774,660	2,963,707
<b>Total</b>	<b>8,458,121</b>	<b>10,004,381</b>

**AFGHAN UNITED BANK**


Notes to the Condensed Interim Financial Statements (Unaudited)

*For the nine months ended 30 September 2019*

	30-Sep-19	31-Dec-18
	AFN '000'	
<b>100% Credit Conversion Factor Total</b>		
<b>(Risk-Weighted Totals x 100%)</b>	<b>2,774,660</b>	<b>6,270,825</b>
<b>Total Risk-Weighted Assets</b>	<b>13,252,702</b>	<b>16,400,456</b>
	<b>30-Sep-19</b>	<b>31-Dec-18</b>
	PERCENT	
<b><u>Tier 1 Capital Ratio</u></b>	<b>14.34%</b>	<b>9.99%</b>
<b><u>Regulatory Capital Ratio</u></b>	<b>18.43%</b>	<b>12.88%</b>

**14 GENERAL**

- 14.1** Figures have been rounded-off to the nearest Afghani (AFN), unless otherwise stated.
- 14.2** These condensed interim financial statements for the Quarter ended 30 September 2019 have been approved and authorized for issue by the Board of Supervisors on 13 November 2019.

  
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**CHIEF FINANCIAL OFFICER**

  
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**CHIEF EXECUTIVE OFFICER**