

# **Afghan United Bank**

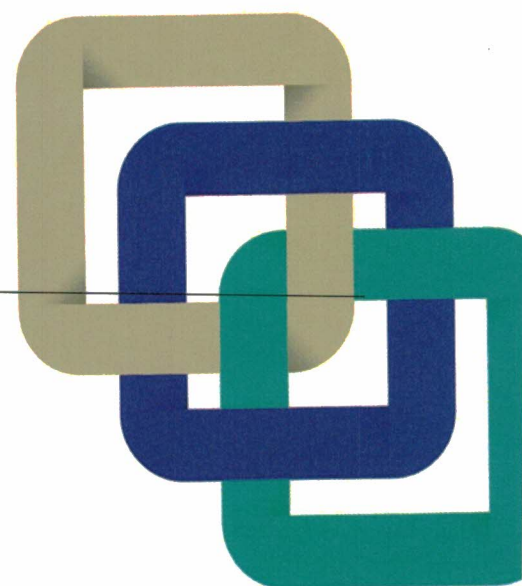
## **Condensed interim financial statements and auditors' review report**

**For the 1<sup>st</sup> quarter ended March 31, 2020**

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# Independent auditors' review report on 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 March 31, 2020 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 three 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) and the requirements of the Law of Banking in 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 March 31, 2020, and of its financial performance and its cash flows for the three 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 Af.*

**Grant Thornton Afghanistan**

**Chartered Accountants**

Location: Kabul, Afghanistan

Date:

*14th JUN, 2020*



**AFGHAN UNITED BANK**

Condensed Interim Statement of Financial Position  
As at 31 March 2020

		<u>Unaudited</u>	<u>Audited</u>
		<u>31-Mar-20</u>	<u>31-Dec-19</u>
	<i>Note</i>	<u>AFN '000'</u>	
<b>ASSETS</b>			
Cash and balances with central bank	4	6,378,377	7,430,578
Balances with other banks	5	1,591,465	2,213,871
Investments	6	1,912,749	2,747,707
Loans and advances to customers	7	6,405,563	6,617,895
Property and equipment	8	917,492	945,023
Intangible assets	9	6,365	7,286
Other assets		2,827,811	2,804,801
<b>Total assets</b>		<b><u>20,039,821</u></b>	<b><u>22,767,160</u></b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital		1,757,020	1,757,020
Revaluation reserve on property and equipment		422,905	431,018
Retained earnings		285,774	135,393
<b>Total equity</b>		<b><u>2,465,698</u></b>	<b><u>2,323,431</u></b>
<b>LIABILITIES</b>			
Deposits from customers	10	16,707,958	19,617,872
Deferred tax liability		123,923	123,924
Provision for tax		19,748	6,155
Other liabilities		722,494	695,779
<b>Total liabilities</b>		<b><u>17,574,123</u></b>	<b><u>20,443,729</u></b>
<b>Total equity and liabilities</b>		<b><u>20,039,821</u></b>	<b><u>22,767,160</u></b>

**CONTINGENCIES AND COMMITMENTS**

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


  
CHIEF FINANCIAL OFFICER


  
CHIEF EXECUTIVE OFFICER

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**AFGHAN UNITED BANK**

## Condensed Interim Statement of Comprehensive Income (Unaudited)

For the three months ended 31 March 2020

	Note	Three months ended	
		31-Mar-20	31-Mar-19
		AFN '000'	
Mark-up/ return/ interest earned		199,217	214,528
Mark-up/ return/ interest expense		(17,632)	(27,379)
<b>Net mark-up/ return/ interest income</b>		<b>181,585</b>	<b>187,149</b>
Fee and commission income		102,701	79,079
Fee and commission expense		(2,117)	(1,509)
<b>Net fee and commission income</b>		<b>100,584</b>	<b>77,570</b>
Other expense/ income		4,387	(7,584)
<b>Net operating income</b>		<b>286,556</b>	<b>257,135</b>
Provision against non-performing loans and advances	7.5	66,496	(255,390)
Net provision against off balance sheet items and other assets		(764)	79,212
Loss on disposal and de-recognition of fixed assets - net		-	-
Depreciation	8	(30,525)	(16,388)
Amortization	9	(921)	(1,252)
Employee compensation		(62,039)	(58,465)
Operating lease expenses		(2,929)	(12,096)
Other expenses		(78,040)	(65,506)
<b>Profit/ (loss) before tax</b>		<b>177,834</b>	<b>(72,749)</b>
Income tax expense		(35,567)	14,550
<b>Profit/ (loss) for the period</b>		<b>142,268</b>	<b>(58,199)</b>
<b>Other comprehensive income</b>			
Profit/ (loss) for the period		142,268	(58,199)
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>142,268</b>	<b>(58,199)</b>

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


  
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CHIEF EXECUTIVE OFFICER

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

For the three months ended 31 March 2020

	Share capital	Revaluation reserve	Retained earnings	Total
	AFN '000'			
Balance as at 1 January 2019	1,522,030	463,472	123,104	2,108,606
Incremental depreciation on revaluation surplus	-	(8,113)	8,113	-
Total comprehensive income for the period				
Profit for the period	-	-	(58,199)	(58,199)
Other comprehensive income	-	-	-	-
	-	-	(58,199)	(58,199)
Balance as at 31 March 2019	<u>1,522,030</u>	<u>455,359</u>	<u>73,019</u>	<u>2,050,407</u>
 <b>Balance as at 1 January 2020</b>	<b>1,757,020</b>	<b>431,018</b>	<b>135,393</b>	<b>2,323,431</b>
Incremental depreciation on revaluation surplus	-	(8,113)	8,113	-
<b>Total comprehensive income for the period</b>				
Profit for the period	-	-	142,268	142,268
Other comprehensive income	-	-	-	-
	-	-	142,268	142,268
<b>Balance as at 31 March 2020</b>	<u><b>1,757,020</b></u>	<u><b>422,905</b></u>	<u><b>285,774</b></u>	<u><b>2,465,698</b></u>

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


  
CHIEF FINANCIAL OFFICER


  
CHIEF EXECUTIVE OFFICER

**AFGHAN UNITED BANK**

Condensed Interim Statement of Cash Flows (Unaudited)

For the three months ended 31 March 2020

		Three months ended	
		31-Mar-20	31-Mar-19
	Note	AFN '000'	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		177,834	(72,749)
<b>Adjustments for:</b>			
Net impairment loss on financial assets		(66,496)	255,390
Provision against off balance sheet items		764	(79,212)
Depreciation	8	30,525	16,388
Amortization	9	921	1,252
		<b>143,548</b>	<b>121,069</b>
<b>Increase/ decrease in current assets and liabilities</b>			
Investments		834,958	(359,541)
Loans and advances to customers		278,064	338,414
Other assets		(23,010)	(642)
Deposits from customers		(2,909,914)	(1,604,022)
Other liabilities		26,478	(145,715)
		<b>(1,649,876)</b>	<b>(1,650,437)</b>
Income tax paid		(19,951)	5,464
<b>Net cash used in operating activities</b>		<b>(1,669,827)</b>	<b>(1,644,973)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property and equipment	8	(2,994)	(2,485)
Purchase of intangible assets		-	-
<b>Net cash used in investing activities</b>		<b>(2,994)</b>	<b>(2,485)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Lease liabilities		(1,786)	-
<b>Cash generated from financing activities</b>		<b>(1,786)</b>	<b>-</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(1,674,607)</b>	<b>(1,647,458)</b>
Cash and cash equivalents, beginning of period		9,644,448	9,118,131
<b>Cash and cash equivalents, end of period</b>	4 & 5	<b>7,969,841</b>	<b>7,470,673</b>

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


  
CHIEF FINANCIAL OFFICER


  
CHIEF EXECUTIVE OFFICER

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# **AFGHAN UNITED BANK**

Notes to the Condensed Interim Financial Statements (Unaudited)

*For the three months ended 31 March 2020*

## **1 LEGAL STATUS AND OPERATIONS**

Afghan United Bank commenced its operations on 4th October, 2007 under the commercial banking license issued by Da Afghanistan bank (DAB). Today the bank has a network of 26 branches including two full fledged Islamic banking outlets in different provinces of Afghanistan. The bank also holds license from Afghanistan Investment Support Agency (AISA) bearing license no: D-27284. The registered office 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 2019.

Comparative statement of financial position is extracted from the annual audited financial statements as of 31 December 2019, 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 three months period ended 31 March 2019.

**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 2020 but are considered not to be relevant or do not have any significant effect on the Bank's operations.

## **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 2019.

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# AFGHAN UNITED BANK

Notes to the Condensed Interim Financial Statements (Unaudited)

For the three months ended 31 March 2020

	Note	31-Mar-20 AFN '000'	31-Dec-19
<b>4 CASH AND BALANCES WITH CENTRAL BANK</b>			
<b>In hand</b>			
Local currency		1,093,384	779,738
Foreign currencies		1,569,681	1,872,495
		<b>2,663,066</b>	<b>2,652,232</b>
<b>With Da Afghanistan Bank in:</b>			
Local currency current accounts		960,022	1,704,822
Foreign currency current accounts		2,754,902	3,070,188
Overnight deposit with Central Bank		388	3,335
		<b>3,715,311</b>	<b>4,778,346</b>
		<b>6,378,377</b>	<b>7,430,578</b>
<b>5 BALANCES WITH OTHER BANKS</b>			
<b>In Afghanistan</b>			
National Bank of Pakistan		577	583
Pashtany Bank		1,957	1,972
New Kabul Bank		5	8,002
		<b>2,539</b>	<b>10,557</b>
<b>Outside Afghanistan</b>			
CSC Bank, Lebanon		13,506	56,813
Aktif Bank, Turkey		187,143	186,863
Axis Bank, India		8,412	23,386
Ziraat Bank Uzbekistan		76,680	77,460
BMCE Bank, Spain		510,682	966,684
Nurol Bank, Turkey		384,502	225,433
Bahrain Middle East Bank		11,308	294,410
Transkapital Bank, Russia		396,693	372,264
		<b>1,588,926</b>	<b>2,203,314</b>
		<b>1,591,465</b>	<b>2,213,871</b>
<b>6 INVESTMENTS</b>			
Capital notes	6.1	546,312	1,444,055
<b>Held to maturity</b>			
Aktif Bank, Turkey		498,420	503,490
Ziraat Bank Uzbekistan		230,040	232,380
BMCE Bank, Spain		-	154,920
Bahrain Middle East Bank		-	-
Nurol Bank, Turkey		421,740	426,030
RAK Bank, UAE		230,040	-
	6.2	<b>1,380,240</b>	<b>1,316,820</b>
General provision on investments	6.3	(13,802)	(13,168)
<b>Investments - net of provision</b>		<b>1,912,749</b>	<b>2,747,707</b>

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# AFGHAN UNITED BANK

## Notes to the Condensed Interim Financial Statements (Unaudited)

For the three months ended 31 March 2020

- 6.1 This represents capital notes from Da Afghanistan bank carrying interest rate from 1.29% to 1.39% (2019: 0.80% to 1.60% ) per annum and having maturity date in Jun 2020.
- 6.2 This represents foreign currency fixed term placements with foreign banks carrying interest ranging from 1.50% to 5.25% (2019: 1.50% to 5.25% ) per annum and having maturity by Nov 2020.

	31-Mar-20	31-Dec-19
	AFN '000'	
<b>6.3 General provision against investments</b>		
Opening balance	13,168	10,920
Charge for the period/ year	634	2,248
Write off during the period/ year	-	-
	<b>634</b>	<b>2,248</b>
Closing balance	<b>13,802</b>	<b>13,168</b>

General provision against investments is calculated as per DAB's *Asset Classification and Provisioning Regulations* i.e. @ 1% of the gross amount of investments.

	Note	31-Mar-20	31-Dec-19
		AFN '000'	
<b>7 LOANS AND ADVANCES TO CUSTOMERS</b>			
<b>Conventional financing</b>			
Running finance	7.2	5,988,848	5,903,728
Term finance	7.3	734,196	774,417
		<b>6,723,044</b>	<b>6,678,145</b>
<b>Islamic financing</b>			
Murabaha	7.4	1,256,443	1,655,249
<b>Loans and advances to customers - gross</b>		<b>7,979,487</b>	<b>8,333,394</b>
Provision against non-performing loans and advances	7.5	(1,573,924)	(1,715,499)
<b>Loans and advances to customers - net of provision</b>		<b>6,405,563</b>	<b>6,617,895</b>

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

In local currency	3,258,104	3,480,341
In foreign currencies	4,721,383	4,853,053
	<b>7,979,487</b>	<b>8,333,394</b>

- 7.2 Running Finance carry interest ranging between 10% - 6% p.a. (2019: 10% - 16%). 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.

- 7.3 Term Finance carry interest ranging between 13% - 15% p.a. (2019: 13% - 15%). These facilities are extended for periods ranging from one and a half year to five years and are secured against personal guarantees, mortgage of immoveable commercial and residential properties and assignment of receivables.

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## AFGHAN UNITED BANK

Notes to the Condensed Interim Financial Statements (Unaudited)

For the three months ended 31 March 2020

- 7.4 Murabaha represent sale and purchase agreements under which the Bank pay for the purchase of goods and then sold these goods to the customers on profit margin ranging from 12% - 18% p.a. (2019: 12% - 18%). These facilities are extended for the period of two months to five years and are generally secured against personal guarantees, mortgage of immovable properties and goods supplied under the sale and purchase agreement.

**7.5 Provision against non-performing loans and advances**

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

Closing balance

	31-Mar-20	31-Dec-19
	AFN '000'	
	1,715,499	1,229,773
	(66,496)	517,143
	(63,741)	(10,226)
	(11,338)	(21,190)
	(141,575)	485,726
	1,573,924	1,715,499

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# AFGHAN UNITED BANK

Notes to the Condensed Interim Financial Statements (Unaudited)

For the three months ended 31 March 2020

		31-Mar-20	31-Dec-19	
		AFN '000'		
8	PROPERTY AND EQUIPMENT			
	Operating fixed assets			
	Owned	8.1	848,745	862,600
	Leased			
	- Right of use asset - building	8.2	68,746	82,423
			917,492	945,023
8.1	Cost			
	Opening balances		1,699,156	1,681,993
	Additions during the period/ year		2,994	23,290
	Disposals during the period/ year		-	(6,127)
	Closing balances		1,702,150	1,699,156
	Accumulated depreciation			
	Opening balances		836,556	777,854
	Charge during the period/ year		16,848	64,829
	Disposals during the period/ year		-	(6,127)
	Closing balances		853,405	836,556
	Written down value		848,745	862,600
8.2	Right of use assets - building			
	Balance created upon the adoption of IFRS 16		-	143,596
	Opening Balance		82,423	-
	Depreciation expense for the period		(13,677)	(61,173)
	Closing Balance		68,746	82,423
9	INTANGIBLE ASSETS			
	Cost			
	Opening balance		244,624	238,165
	Additions during the period/ year		-	6,460
	Closing balance		244,624	244,624
	Less: Accumulated amortization			
	Opening balance		237,339	231,980
	Charge for the period/ year		921	5,358
	Closing balance		238,260	237,339
	Written down value		6,365	7,286

- 9.1 Intangible assets include computer software and licenses. The amortization rate of intangible assets is 33.33% (2019: 33.33%). The gross carrying amount of fully amortized intangible assets still in use is AFN 233,571 thousand (2019: AFN 233,579 thousand).

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# AFGHAN UNITED BANK

Notes to the Condensed Interim Financial Statements (Unaudited)

For the three months ended 31 March 2020

	Note	31-Mar-20 AFN '000'	31-Dec-19
<b>10 DEPOSITS FROM CUSTOMERS</b>			
<b>Conventional</b>			
Current deposits		9,776,622	10,858,074
Saving deposits	10.1	710,534	764,464
Term deposits	10.2	439,777	439,783
Margin deposits		1,419,816	2,569,951
		<b>12,346,749</b>	<b>14,632,272</b>
<b>Islamic</b>			
Current deposits		2,271,852	2,673,124
Saving deposits	10.3	684,234	796,519
Term deposits	10.4	1,019,296	1,011,546
Margin deposits		385,827	504,411
		<b>4,361,209</b>	<b>4,985,600</b>
		<b>16,707,958</b>	<b>19,617,872</b>

10.1 Saving deposits carry interest ranging from 1% to 3% p.a. (2019: 1% to 3%) .

10.2 Term deposits carry interest ranging from 1.5% to 4% p.a. (2019: 1.5% to 4%), based on the term, with maturity ranging from three to twelve months (2019: three to twelve months).

10.3 The profit disbursed during the year on the Islamic saving deposits ranged from 0.18% to 0.25% p.a. (2019: 0.18% to 0.46% ).

10.4 Profit distribution rates on Islamic term deposits during the year ranged from 0.9% to 1.80% p.a. (2019: 2.40% to 3.04% )

## 11 CONTINGENCIES AND COMMITMENTS

	31-Mar-20 AFN '000'	31-Dec-19
LCs and BGs issued on behalf of the customers	<b>9,335,822</b>	<b>10,175,057</b>

This include outstanding BGs amounting to AFN 1,774 million (2019: 1,944 million) issued in Islamic mode of finance.

	31-Mar-20 AFN '000'	31-Dec-19
<b>Commitment for operating lease</b>		
- not later than one year	11,716	6,710
- later than one year and not later than five year	46,864	26,840
	<b>58,580</b>	<b>33,550</b>

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## AFGHAN UNITED BANK

Notes to the Condensed Interim Financial Statements (Unaudited)

For the three months ended 31 March 2020

### 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, Chief Financial 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	
	31-Mar-20	31-Dec-19	31-Mar-20	31-Mar-19
	AFN '000'			
<b>Shareholders</b>				
Deposits	675	686		
<b>Transactions with key management personnel</b>				
Short-term employee benefits				
Salary and other benefits	-	-	13,437	14,594
Advance salary	268	1,084		

### 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 31 March 2020 was as follows:

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# AFGHAN UNITED BANK

Notes to the Condensed Interim Financial Statements (Unaudited)  
For the three months ended 31 March 2020

	31-Mar-20	31-Dec-19
	AFN '000'	
<b>Tier 1 capital</b>		
Total Equity	2,465,698	2,323,431
<b>Less:</b>		
Intangible assets	6,365	7,286
Profit for the year	142,268	-
Revaluation reserve on property and equipment	422,905	431,018
	571,537	438,304
<b>Total tier 1 (core) capital</b>	<b>1,894,161</b>	<b>1,885,127</b>
<b>Tier 2 capital</b>		
General loss reserves on credits	-	-
Profit for the year	142,268	-
Revaluation reserve on property and equipment	422,905	431,018
<b>Total tier 2 (supplementary) capital</b>	<b>565,173</b>	<b>431,018</b>
<b>Total regulatory capital</b>	<b>2,459,334</b>	<b>2,316,145</b>
<b>Risk-Weight Categories</b>		
<b>0% risk weight:</b>		
Cash in Afghani and fully-convertible foreign currencies	2,663,066	2,652,232
Direct claims on DAB	5,948,989	7,802,162
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>8,612,054</b>	<b>10,454,395</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	510,682	1,121,604
Short-term Claims on Banks Licensed In Non-Category A Countries		
Guaranteed by Multilateral Lending Institutions	2,461,022	2,409,087
Cash Items in Process of Collection	-	-
Other	-	-
<b>Total</b>	<b>2,971,705</b>	<b>3,530,691</b>
<b>20% Risk-Weight Total (Above Total x 20%)</b>	<b>594,341</b>	<b>706,138</b>

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# AFGHAN UNITED BANK

Notes to the Condensed Interim Financial Statements (Unaudited)  
For the three months ended 31 March 2020

	31-Mar-20	31-Dec-19
	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	10,057,540	10,524,634
Minus: Intangible Assets	6,365	7,286
Net Deferred Tax Assets	-	-
Deducted Equity Investments	-	-
<b>Equals: Total</b>	<b>10,051,175</b>	<b>10,517,348</b>
<b>100% Risk-Weight Total (Above Total x 100%)</b>	<b>10,051,175</b>	<b>10,517,348</b>
<b>Off-balance-sheet items with 0% Credit Conversion Factor</b>		
Unused Portions of Commitments with Original Maturity of 1 Year or Less	516,281	379,726
Unused Portions of Commitments that are Unconditionally Cancellable	-	-
<b>Total</b>	<b>516,281</b>	<b>379,726</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	9,242	22,586
20% Risk Weight	-	-
50% Risk Weight	-	-
100% Risk Weight	83,174	143,871
<b>Total</b>	<b>92,415</b>	<b>166,457</b>
<b>Risk-Weighted Total</b>	<b>83,174</b>	<b>143,871</b>
<b>20% Credit Conversion Factor Total (Risk-Weighted Total x 20%)</b>	<b>16,635</b>	<b>28,774</b>
<b>Off-balance sheet items with 100% Credit Conversion Factor</b>		
Guarantees and Standby Letter of Credits		
0 % Risk Weight	5,721,151	6,482,008
20% Risk Weight	-	-
50% Risk Weight	-	-
100% Risk Weight	3,005,974	3,146,865
<b>Total</b>	<b>8,727,125</b>	<b>9,628,873</b>

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## AFGHAN UNITED BANK

Notes to the Condensed Interim Financial Statements (Unaudited)  
For the three months ended 31 March 2020

	31-Mar-20	31-Dec-19
	AFN '000'	
<b>100% Credit Conversion Factor Total</b> (Risk-Weighted Totals x 100%)	<u>3,005,974</u>	<u>3,146,865</u>
<b>Total Risk-Weighted Assets</b>	<u>13,668,125</u>	<u>14,399,125</u>
	31-Mar-20	31-Dec-19
	PERCENT	
<b><u>Tier 1 Capital Ratio</u></b>	<u>13.86%</u>	<u>13.09%</u>
<b><u>Regulatory Capital Ratio</u></b>	<u>17.99%</u>	<u>16.09%</u>

### 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 have been approved and authorized for issue by the Board of Supervisors on 14 June 2020.

  
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CHIEF FINANCIAL OFFICER  
\_\_\_\_\_  
CHIEF EXECUTIVE OFFICER

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