

Afghan United Bank

**Un-Audited Condensed Interim
Financial Statements along with
Accompanying Information**

For the period ended March 31, 2021

Report on Review of Condensed Interim Financial Statements to the Shareholders of Afghan United Bank

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Afghan United Bank ("the Bank") as at 31 March 2021 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), Law of Banking in Afghanistan and the directives issued by Da Afghanistan Bank. 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.

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 31 March 2021, 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), Law of Banking in Afghanistan and the directives issued by the Da Afghanistan Bank.

Other Matters

The condensed interim financial statements for the three months ended 31 March 2020 and the financial statements for the year ended 31 December 2020 were reviewed and audited, respectively, by another auditor who expressed unqualified review conclusion on the condensed interim financial statements for the three months ended 31 March 2020 on 14 June 2020 and qualified audit opinion on the financial statements for the year ended 31 December 2020 on 25 March 2021.

Crowe Horwath Afghanistan
Crowe Horwath Afghanistan

Engagement Partner: Muhammad Najmussaqib Shah - FCA

Location: Kabul, Afghanistan

Date:




AFGHAN UNITED BANK

Condensed Interim Statement of Financial Position

As at 31 March 2021

		Unaudited	Audited
		31-Mar-21	31-Dec-20
	Note	AFN '000'	
ASSETS			
Cash and unrestricted balances with DAB	4	6,053,295	8,267,623
Balances with other banks	5	589,782	1,472,780
Investments	6	2,600,180	2,578,900
Loans and advances to customers	7	6,098,793	6,077,515
Property and equipment	8	1,279,851	1,314,402
Intangible assets	9	17,081	17,643
Other assets	10	3,414,886	2,859,940
Total assets		20,053,868	22,588,803
EQUITY AND LIABILITIES			
EQUITY			
Share capital		2,022,030	2,022,030
Retained earnings		388,532	216,805
Revaluation reserve on property and equipment		735,363	756,767
Total equity		3,145,925	2,995,602
LIABILITIES			
Deposits from customers	11	16,248,589	18,759,555
Deferred tax liability		218,820	218,820
Provision for tax		19,499	11,644
Other liabilities	12	421,035	603,182
Total liabilities		16,907,943	19,593,201
Total equity and liabilities		20,053,868	22,588,803
CONTINGENCIES AND COMMITMENTS			
	13		

The annexed notes 1 to 21 form an integral part of these financial statements.



CHIEF FINANCIAL OFFICER (ACTING)



CHIEF EXECUTIVE OFFICER

AFGHAN UNITED BANK


Condensed Interim Statement of Comprehensive Income (Unaudited)

For the three months ended 31 March 2021

	Note	Three months ended	
		31-Mar-21	31-Mar-20
		AFN '000'	
Mark-up/ return/ interest earned		215,555	199,217
Mark-up/ return/ interest expense		(21,773)	(17,632)
Net mark-up/ return/ interest income	14	193,782	181,585
Fee and commission income		124,181	102,701
Fee and commission expense		(2,897)	(2,117)
Net fee and commission income	15	121,284	100,584
Other income	16	82,548	4,387
Net operating income		397,614	286,556
Provision against non-performing loans and advances to customers	7.5	(29,935)	66,496
Net provision against off balance sheet items and other assets		773	(764)
Depreciation	9	(41,275)	(30,525)
Amortization	9	(2,193)	(921)
Employee compensation	17	(64,318)	(62,039)
Finance cost		(731)	(1,189)
Short term and low value leases		(1,924)	(2,929)
Other expenses	18	(70,107)	(76,852)
Profit before tax		187,904	177,833
Income tax expense		(37,581)	(35,567)
Profit for the period		150,323	142,268
Other comprehensive income		-	-
Total comprehensive income for the period		150,323	142,268

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The annexed notes 1 to 21 form an integral part of these financial statements.



CHIEF FINANCIAL OFFICER (ACTING)



CHIEF EXECUTIVE OFFICER

AFGHAN UNITED BANK

Condensed Interim Statement of Changes in Equity (Unaudited)

For the three months ended 31 March 2021

	Share capital	Retained earnings	Revaluation reserve on property and equipment	Total
	AFN '000'			
Balance as at 1 January 2020-Audited	1,757,020	135,393	431,018	2,323,431
Incremental depreciation on revaluation surplus	-	8,113	(8,113)	-
Total comprehensive income for the period				
Profit for the period	-	142,268	-	142,268
Other comprehensive income	-	-	-	-
	-	142,268	-	142,268
Balance as at 31 March 2020-Unaudited	<u>1,757,020</u>	<u>285,774</u>	<u>422,905</u>	<u>2,465,698</u>
Balance as at 1 January 2021-Audited	2,022,030	216,805	756,767	2,995,602
Incremental depreciation on revaluation surplus	-	21,404	(21,404)	-
Total comprehensive income for the period				
Profit for the period	-	150,323	-	150,323
Other comprehensive income	-	-	-	-
	-	150,323	-	150,323
Balance as at 31 March 2021-Unaudited	<u>2,022,030</u>	<u>388,532</u>	<u>735,363</u>	<u>3,145,925</u>

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The annexed notes 1 to 21 form an integral part of these financial statements.



CHIEF FINANCIAL OFFICER (ACTING)



CHIEF EXECUTIVE OFFICER

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Condensed Interim Statement of Cash Flows (Unaudited)

For the three months ended 31 March 2021

		Three months ended	
		31-Mar-21	31-Mar-20
		AFN '000'	
Note			
	CASH FLOWS FROM OPERATING ACTIVITIES		
	Profit before tax	187,904	177,834
	Adjustments for:		
	Net impairment loss on financial assets	29,935	(66,496)
	Provision against off balance sheet items	(773)	764
9	Depreciation	41,275	30,525
9	Amortization	2,193	921
		<u>260,534</u>	<u>143,548</u>
	Increase/ decrease in current assets and liabilities		
6	Investments	(20,507)	834,958
7	Loans and advances to customers	(51,213)	278,064
10	Other assets	(554,946)	(23,010)
11	Deposits from customers	(2,510,966)	(2,909,914)
12	Other liabilities	(162,421)	26,478
		<u>(3,039,519)</u>	<u>(1,649,876)</u>
	Income tax paid	(29,726)	(19,951)
	Net cash used in operating activities	<u>(3,069,245)</u>	<u>(1,669,827)</u>
	CASH FLOWS FROM INVESTING ACTIVITIES		
8	Purchase of property and equipment	(4,193)	(2,994)
	Purchase of intangible assets	(1,631)	-
	Net cash used in investing activities	<u>(5,824)</u>	<u>(2,994)</u>
	CASH FLOWS FROM FINANCING ACTIVITIES		
	Proceeds from issue of shares	-	-
	Repayment of lease liabilities	(22,257)	(1,786)
	Cash generated from financing activities	<u>(22,257)</u>	<u>(1,786)</u>
	Net increase/ (decrease) in cash and cash equivalents	<u>(3,097,326)</u>	<u>(1,674,607)</u>
	Cash and cash equivalents, beginning of year	<u>9,740,403</u>	<u>9,644,448</u>
	Cash and cash equivalents, end of period	<u><u>6,643,077</u></u>	<u><u>7,969,841</u></u>
	Cash and cash equivalents comprise of:		
4	Cash and unrestricted balances with DAB	6,053,295	6,378,376
5	Balances with other banks	589,782	1,591,465
		<u><u>6,643,077</u></u>	<u><u>7,969,841</u></u>

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The annexed notes 1 to 21 form an integral part of these financial statements.

CHIEF FINANCIAL OFFICER (ACTING)

CHIEF EXECUTIVE OFFICER

AFGHAN UNITED BANK

Notes to the Condensed Interim Financial Statements

For the three months ended 31 March 2021

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

The condensed interim financial statements of the Bank for the three months period ended 31 March 2021 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.

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 2020.

3 ACCOUNTING POLICIES

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 2020.

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 2020.

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 2020.

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Notes to the Condensed Interim Financial Statements

For the three months ended 31 March 2021

		Un-audited 31-Mar-21	Audited 31-Dec-20
	Note	AFN '000'	
4 CASH AND UNRESTRICTED BALANCES WITH DAB			
In hand			
Local currency		1,056,365	721,740
Foreign currencies		1,687,135	1,518,803
		2,743,500	2,240,543
With Da Afghanistan Bank in:			
Local currency current accounts		2,072,426	2,620,660
Foreign currency current accounts		1,032,585	1,991,700
Overnight deposit with Central Bank		204,784	1,414,720
		3,309,795	6,027,080
		6,053,295	8,267,623
5 BALANCES WITH OTHER BANKS			
In Afghanistan			
National Bank of Pakistan		579	578
Pashtany Bank		1,967	1,964
New Kabul Bank		47	28
		2,593	2,570
Outside Afghanistan			
CSC Bank, Lebanon		49,822	81,603
Aktif Bank, Turkey		13,826	16,484
Axis Bank, India		23,065	10,795
Ziraat Bank Uzbekistan		13,311	12,878
BMCE Bank, Spain		255,416	378,149
Nurol Bank, Turkey		135,659	548,686
Bahrain Middle East Bank		9,287	78,190
Transkapital Bank, Russia		85,874	337,185
SBM Bank India		929	6,240
		587,189	1,470,210
		589,782	1,472,780
6 INVESTMENTS			
Held to maturity			
Capital notes	6.1	829,683	937,827
Placements			
Aktif Bank, Turkey		502,645	501,150
Ziraat Bank Uzbekistan		231,990	308,400
Nurol Bank, Turkey		463,980	462,600
Islamic Bank of Afghanistan		386,650	385,500
	6.2	1,585,265	1,657,650
General provision on investments	6.3	(15,853)	(16,577)
		1,569,412	1,641,073
Available for Sale			
Bond (Sukuk)		201,085	-
Investments - net of provision		2,600,180	2,578,900

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Notes to the Condensed Interim Financial Statements

For the three months ended 31 March 2021

- 6.1 This represents capital notes issued by Da Afghanistan Bank carrying interest rate from 1.81% to 3.86% (2020: 0.96% to 2.97%) per annum and maximum maturity up to January 2022.
- 6.2 These represent foreign currency fixed term placements with foreign banks carrying interest rate ranging from 2.00% to 4.40% (2020: 1.50% to 5.25%) per annum and having maturity by December 2021.

6.3 Particulars of provision against investments

	Un-audited 31-Mar-21	Audited 31-Dec-20
	AFN '000'	
Opening balance	16,577	13,168
Charge for the period/ year	(724)	3,409
Write off during the period/ year	-	-
	(724)	3,409
Closing balance	15,853	16,577

General provision against investments 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	6,624,648	6,761,042
Term finance	7.3	600,002	426,187
		7,224,650	7,187,229

Islamic financing

Murabaha	7.4	922,091	919,611
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Total loans and advances to customers - gross

		8,146,741	8,106,840
Provision against non-performing loans and advances	7.5	(2,047,948)	(2,029,325)
Loans and advances to customers - net of provision		6,098,793	6,077,515

7.1 Particulars of loans and advances to customers - gross

In local currency	3,019,038	3,226,242
In foreign currencies	5,127,703	4,880,598
	8,146,741	8,106,840

- 7.2 Running finance carry interest ranging between 10% to 16% (2020: 10% 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.

- 7.3 Term finance carry interest rate at 13% to 14% (2020: 13% to 15%) per annum. These loans have been 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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Notes to the Condensed Interim Financial Statements

For the three months ended 31 March 2021

- 7.4 These represent sale and purchase agreements under which the Bank had paid advance for the purchase of goods and then sold the purchased goods to the customers on profit margin ranging from 12% to 18% (2020: 12% to 18%) per annum. These facilities are extended for the period of two months to five years and are secured against personal guarantees, mortgage of immovable properties and goods supplied under the sale and purchase agreement.

Un-audited	Audited
31-Mar-21	31-Dec-20
AFN '000'	

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

Opening balance	2,029,325	1,715,499
Charge/ (reversal) for the period/ year	29,935	645,208
Write-off during the period/ year	-	(342,487)
Foreign currency fluctuation effect	(11,312)	11,104
	18,623	313,826
	2,047,948	2,029,325

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AFGHAN UNITED BANK

Notes to the Condensed Interim Financial Statements

For the three months ended 31 March 2021

		Un-audited	Audited	
		31-Mar-21	31-Dec-20	
		AFN '000'		
8	PROPERTY AND EQUIPMENT	Note		
	Operating fixed assets			
	Owned	8.1	1,233,440	1,260,801
	Leased			
	- Right of use asset - building	8.2	46,411	53,601
			1,279,851	1,314,402
8.1	Cost			
	Opening balance		2,206,467	1,699,156
	Additions during the period/ year		4,193	27,799
	Revaluation adjustment during the period/year		-	479,512
	Disposals during the period/ year		-	-
	Closing balance		2,210,660	2,206,467
Less:	Accumulated depreciation			
	Opening balance		945,666	836,555
	Charge during the period/ year	8.3	31,554	109,110
	Disposals during the period/ year		-	-
	Closing balance		977,220	945,666
	Written down value		1,233,440	1,260,801
8.2	Right of use assets - building			
	Cost			
	Opening balance		164,229	143,596
	Additions during the period /year		2,531	20,633
	Closing balance		166,760	164,229
Less:	Accumulated depreciation			
	Opening balance		110,628	61,173
	Depreciation expense for the period/year	8.3	9,721	49,455
	Closing balance		120,349	110,628
	Written down value		46,411	53,601
8.3	Depreciation operating fixed assets			
	Owned		31,554	109,110
	Leased			
	- Right of use asset - building		9,721	49,455
			41,275	158,565

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Notes to the Condensed Interim Financial Statements
For the three months ended 31 March 2021

		Un-audited 31-Mar-21	Audited 31-Dec-20
		AFN '000'	
9	INTANGIBLE ASSETS		
	Cost		
	Opening balance	260,621	244,624
	Additions during the period/ year	1,631	15,997
	Closing balance	262,252	260,621
	Less: Accumulated amortization		
	Opening balance	242,978	237,339
	Charge for the period/ year	2,193	5,639
	Closing balance	245,171	242,978
	Written down value	17,081	17,643
10	OTHER ASSETS		
	Advances to suppliers and employees	24,898	18,969
	Security deposits	561,827	560,279
	Prepayments	46,002	23,763
	Repossessed Assets	10.1	174,246
	Receivable from Xpress Money and Money Gram	171,765	78,877
	Restricted deposits with Da Afghanistan Bank	10.2	1,758,068
	Income/ mark-up accrued	203,470	185,312
	Balance with asset manager	30,957	-
	Others	55,463	60,426
		3,414,886	2,859,940
10.1	The properties were not transferred in the name of the bank during the time stipulated by DAB and accordingly de-recognized during the period.		
10.2	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		
11	DEPOSITS FROM CUSTOMERS		
	Conventional		
	Current deposits	9,287,592	10,560,107
	Saving deposits	11.1	446,833
	Term deposits	11.2	476,970
	Margin deposits	1,375,783	2,497,725
		11,594,587	13,981,635
	Islamic		
	Current deposits	2,726,723	2,592,554
	Saving deposits	11.3	713,264
	Term deposits	11.4	941,578
	Margin deposits	360,026	530,524
		4,654,002	4,777,920
		16,248,589	18,759,555

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AFGHAN UNITED BANK

Notes to the Condensed Interim Financial Statements

For the three months ended 31 March 2021

- 11.1 Saving deposits carry interest ranging from 1% to 3% per annum (2020: 1% to 3%) per annum.
- 11.2 Term deposits carry interest ranging from 1.5% to 4% per annum (2020: 1.5% to 4%) per annum, based on the term, with maturity ranging from three to twelve months (2020: three to
- 11.3 The profit disbursed during the period on the Islamic saving deposits ranged from 0.18% to 0.25% per annum (2020: 0.18% to 0.46%) per annum.
- 11.4 Profit distribution rates on Islamic term deposits during the period ranged from 0.57% to 1.15% (2020: 1.50% to 2.40%) per annum.

12 OTHER LIABILITIES

	Un-audited 31-Mar-21	Audited 31-Dec-20
	AFN '000'	
Creditors and accruals	39,264	40,891
Withholding tax payable	7,058	2,677
Properties lease liability	31,601	51,327
Murabaha risk and equalization reserve	85,376	75,005
Mark-up/ return/ interest payable	19,670	18,575
Deferred income on Murabaha Islamic Financing	6,582	6,667
Deferred Income/ Repossessed Assets	-	174,246
Deferred income on bank guarantees and letter of credits	69,798	86,322
Others	160,459	147,472
Auditor's remuneration payable	1,227	-
	421,035	603,182

13 CONTINGENCIES AND COMMITMENTS

LCs and BGs issued on behalf of the customers	11,281,256	12,193,455
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This include outstanding BGs amounting to AFN 2.396 million (2020: 2.425 million) issued under Islamic mode of finance.

14 NET MARK-UP/ RETURN/ INTEREST INCOME

	Three months ended	
	31-Mar-21	31-Mar-20
	AFN '000'	
Mark-up/ return/ interest earned		
- On loans and advances to customers	194,623	181,239
- On placements and balances with Da Afghanistan Bank	7,244	3,113
- On held to maturity investments	10,437	12,871
- On available for sale investments	51	-
- On overnight nostro deposits	3,199	1,994
	215,555	199,217
Mark-up/ return/ interest expense		
Deposits from banks	-	-
Deposits from customers	(21,773)	(17,632)
	(21,773)	(17,632)
	193,782	181,585

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Notes to the Condensed Interim Financial Statements
For the three months ended 31 March 2021

		Three months ended	
		31-Mar-21	31-Mar-20
		AFN '000'	
15	NET FEE AND COMMISSION INCOME		
	Fee and commission income		
	- Commission and processing fee on guarantees issued	86,981	68,033
	- Commission and processing fee on letters of credit issued	512	741
	- Funds transfer, cheque books issuance fee and other service charges	-	-
		36,688	33,927
		124,181	102,701
	Fee and commission expense		
	- Inter bank transaction fee	(2,897)	(2,117)
		121,284	100,584
16	OTHER INCOME		
	Foreign exchange gain - net	575	(2,863)
	Recovery against loans written off	74,190	1,833
	Loan processing fee	3,858	1,332
	Other income	3,925	4,085
		82,548	4,387
16.1	Foreign exchange gain - net		
	- On dealing in foreign currencies	10,924	31,126
	- On translation of monetary assets and liabilities	(10,349)	(33,989)
		575	(2,863)
17	EMPLOYEE COMPENSATION		
	Salaries and wages	52,001	48,350
	BOS remuneration and meeting expenses	1,785	1,727
	Other allowances and benefits	10,532	11,962
		64,318	62,039
18	OTHER EXPENSES		
	Communication	6,162	6,462
	Travelling and conveyance	515	1,058
	Insurance	17,560	17,568
	Advertisement	948	1,005
	Fuel expenses	2,388	2,697
	Food expenses	122	131
	Audit fee	1,607	1,503
	Repairs and maintenance	15,131	15,438
	Legal and professional charges	206	206
	Stationery and printing	2,128	2,029
	Staff training	223	62
	Utilities	3,941	3,600
	Security services	17,660	18,633
	Miscellaneous	1,514	6,460
		70,107	76,852

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Notes to the Condensed Interim Financial Statements

For the three months ended 31 March 2021

19 RELATED PARTY TRANSACTIONS**Parent and ultimate controlling party**

The Bank is owned by individual shareholders who own 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	
	Un-audited	Audited	Un-audited	
	31-Mar-21	31-Dec-20	31-Mar-21	31-Mar-20
	AFN '000'			
Shareholders				
Deposits	1,990	1,979	-	675
Transactions with key management personnel				
Short-term employee benefits				
Salary and other benefits	-	-	9,729	13,437
Advance salary	329	1,311	-	268

20 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.

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Notes to the Condensed Interim Financial Statements

For the three months ended 31 March 2021

	Un-audited 31-Mar-21	Audited 31-Dec-20
	AFN '000'	
The Bank's regulatory capital position at 31 March 2021 was as follows:		
Tier 1 capital		
Total Equity	3,145,925	2,995,602
Less:		
Intangible assets	17,081	17,643
Profit for the year	150,323	23,552
Revaluation reserve on property and equipment	735,363	756,767
	902,767	797,962
Total tier 1 (core) capital	2,243,158	2,197,640
Tier 2 capital		
General loss reserves on credits	-	-
Profit for the year	150,323	23,552
Revaluation reserve on property and equipment	735,363	756,767
Total tier 2 (supplementary) capital	885,686	780,319
Total regulatory capital	3,128,844	2,977,959
Risk-Weight Categories		
0% risk weight:		
Cash in Afghani and fully-convertible foreign currencies	2,743,500	2,240,543
Direct claims on DAB	6,459,983	8,722,975
Total	9,203,483	10,963,518
0% Risk-Weight Total (Above Total x 0%)	-	-
20% risk weight		
Direct Claims on banks licensed in Category A countries	255,416	378,149
Short-term Claims on Banks Licensed In Non-Category A Countries		
Guaranteed by Multilateral Lending Institutions	1,919,631	2,752,281
Total	2,175,047	3,130,430
20% Risk-Weight Total (Above Total x 20%)	435,009	626,086
	Un-audited	Audited
	31-Mar-21	31-Dec-20
	AFN '000'	
100% risk weight		
All Other Assets	10,755,712	10,552,559
Minus: Intangible Assets	17,081	17,643
Equals: Total	10,738,631	10,534,916
100% Risk-Weight Total (Above Total x 100%)	10,738,631	10,534,916

CWA

AFGHAN UNITED BANK

Notes to the Condensed Interim Financial Statements

For the three months ended 31 March 2021

	Un-audited 31-Mar-21	Audited 31-Dec-20
	AFN '000'	
Off-balance-sheet items with 0% Credit Conversion Factor		
Unused Portions of Commitments with Original Maturity of 1 Year or Less	390,712	516,190
Total	390,712	516,190
0% Credit Conversion Factor Total (Above Total x 0%)	-	-
Off-balance-sheet items with 20% Credit Conversion Factor		
Commercial Letter of Credits		
0 % Risk Weight	6,081	76,060
100% Risk Weight	54,727	130,260
Total	60,808	206,320
Risk-Weighted Total	54,727	130,260
20% Credit Conversion Factor Total (Risk-Weighted Total x 20%)	10,945	26,052
Off-balance sheet items with 100% Credit Conversion Factor		
Guarantees and Standby Letter of Credits		
0 % Risk Weight	3,521,707	4,089,067
100% Risk Weight	7,308,029	7,381,878
Total	10,829,736	11,470,945
100% Credit Conversion Factor Total (Risk-Weighted Totals x 100%)	7,308,029	7,381,878
Total Risk-Weighted Assets	18,492,614	18,568,932
	31-Mar-21	31-Dec-20
	PERCENTAGE	
<u>Tier 1 Capital Ratio</u>	12.13%	11.84%
<u>Regulatory Capital Ratio</u>	16.92%	16.04%

21 GENERAL

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

21.2 These condensed interim financial statements for the have been approved and authorized for issue by the Board of Supervisors on 11-May-2021.

CHIEF FINANCIAL OFFICER (ACTING)

CHIEF EXECUTIVE OFFICER