



Crowe Horwath - Afghanistan

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The Board of Supervisors
Pashtany Bank
Kabul, Afghanistan

May 04, 2022

Dear All,

**CONDENSED INTERIM FINANCIAL STATEMENTS - FOR THREE MONTHS ENDED
MARCH 20, 2022**

We are pleased to enclose four copies of the draft condensed interim financial statements of Pashtany Bank ("the Bank"), for the three months ended March 20, 2022, prepared by the management, together with draft review report thereon. The condensed interim financial statements have been initialed by us for the purpose of identification only. We shall be pleased to sign our report in its present or amended form after:

- these condensed interim financial statements have been approved by the Board, with or without modification, and signed by the Chief Executive Officer and the Chief Financial Officer, authorized in this behalf by the Board;
- we have received minutes of the meeting of the Board to evidence approval of the condensed interim financial statements; and
- we have received the management representation letter duly signed by the Chief Executive Officer and Chief Financial Officer of the Bank.

**2 RESPONSIBILITIES OF THE AUDITORS AND THE MANAGEMENT IN RELATION
TO THE FINANCIAL STATEMENTS**

We have conducted the review of the interim financial statements of the Bank in accordance with the International Standard on Review Engagements (ISRE) 2410. 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 the 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. Our responsibility is to express a conclusion on the accompanying condensed interim financial information based on our review.

The responsibility for preparation and presentation of the condensed interim financial statements in accordance with the accounting standards as applicable to interim financial information is primarily that of the Bank's management. This includes maintenance of adequate accounting records and internal controls, the selection and

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application of accounting policies, safeguarding of the assets of the Bank and prevention and detection of fraud and irregularities. The review of interim financial statements does not relieve the management of its responsibilities.

3 SIGNIFICANT MATTERS FOR THE ATTENTION OF BOARD

Fraud and errors

We have been informed by management that to the best of their knowledge, there have been no instance of fraud or irregularity during the period.

Contingencies and commitments

We have been informed by management that there are no contingencies and commitments other than those disclosed in note 15 to the condensed interim financial statements.

Related party transactions

We have been informed by management that related party transactions have been properly disclosed in note 21 to the condensed interim financial statements and there are no other related party transactions which have not been recorded in the financial statements.

We also take this opportunity to place on record our appreciation for the co-operation extended to us by the management of the Bank during the course of our review. *CHA*

Yours truly,

Crowe Horwath Afghanistan

Crowe Horwath Afghanistan
Auditors & Business Advisors



	Un-Audited 29 Hoot 1400 (20 March 2022)	Un-Audited 30 Hoot 1399 (20 March 2021)
	AFN	AFN
17. NET FEE AND COMMISSION INCOME		
Fee and commission income		
Fee	3,856,069	4,571,120
Commission	15,895,262	20,967,278
	19,751,331	25,538,398
Fee and commission expense		
Fund transfer charges	(92,021)	(441,363)
Account maintenance charges	(401,682)	(118,846)
	(493,703)	(560,209)
Net fee and commission income	19,257,628	24,978,189
18. OTHER INCOME		
Recovery of loans written-off		
Loan principal	552,101	21,466,901
Loan interest	62,236	167,388
Rental income	11,557,748	12,579,177
Other	95,384	554,369
	12,267,469	34,767,835
19. EMPLOYEE COMPENSATION		
Salaries, wages and benefits	37,996,259	36,420,349
Bonus	-	5,919,473
Staff welfare	-	60,000
	37,996,259	42,399,822
20. OTHER OPERATING EXPENSES		
Repair and maintenance	1,576,757	1,601,478
Travel and conveyance	188,945	605,668
Advertisement and publicity	80,340	1,437,493
Software's support services	-	-
Building rent and tax	95,046	7,450
Deposit insurance	8,677,909	13,716,495
Internet expense	2,000,728	2,416,029
Security expense	200,587	10,349,273
Printing and stationery	1,157,842	892,624
Communication	129,203	268,478
Electricity	2,059,896	2,985,730
Fuel expenses	1,433,379	605,174
Auditor's remuneration	-	3,860
Cleaning and water	102,411	200,425
Employees training expenses	12,000	593,952
Others	12,028,428	8,209,798
	29,743,471	43,893,927

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

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Pashtany Bank** ("the Bank") as at 29 Hoot 1400 (20 March 2022) 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

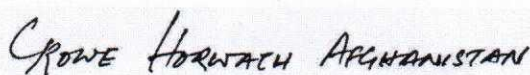
We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial 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.

Emphasis of Matter – Material uncertainty related to Going Concern

We draw attention to note 1.2 to the financial statements, which indicates that prevailing economic situation of Afghanistan has resulted in significant reduction in income of the Bank. As stated in note 1.2, these events or conditions, along with other matters as set forth in note 1.2, indicate that material uncertainty exist relating to going concern for which management has implemented mitigating plans. Significant steps taken by Da Afghanistan Bank including strict limits on cash withdrawals, reduction in mandatory reserve requirements provide essential support for sustainability of the Bank. Our conclusion is not modified in respect to this matter.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that these accompanying interim financial statements do not give a true and fair view of the condensed interim statement of financial position of the Bank as at 29 Hoot 1400 (20 March 2022), and of its condensed interim financial performance and its condensed interim statement of 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.



Crowe Horwath Afghanistan

Engagement Partner: Muhammad Najmussaib Shah - FCA

Location: Kabul, Afghanistan

Date:



PASHTANY BANK
Statement of Financial Position
As at 29 Hoot 1400 (20 March 2022)

		Un-Audited 29 Hoot 1400 (20 March 2022)	Audited 30 Qaws 1400 (21 Dec 2021)
	Note	AFN	AFN
Assets			
Cash and cash equivalents	4	7,116,505,197	6,340,194,486
Receivable from Financial Institution	5	-	1,301,000,000
Loans and Advances	6	30,282,709	31,771,422
Investments and placements	7	9,100,380,677	12,083,230,237
Investment in governmental entities	8	105,752,501	105,752,501
Property and equipment	9	1,337,443,969	1,344,863,485
Intangible assets	10	49,039,957	50,597,807
Investment properties		2,063,513,776	2,063,513,776
Deferred tax assets - net		49,735,175	49,735,175
Other assets	11	2,468,635,438	2,293,343,705
Total assets		22,321,289,399	25,664,002,594
Equity and liabilities			
Equity			
Share capital		3,820,257,000	3,820,257,000
Accumulated losses		(553,107,380)	(239,604,561)
Surplus on revaluation of property and equipment- net		875,934,706	875,934,706
Total equity		4,143,084,326	4,456,587,145
Liabilities			
Deposits from banks	12	43,655,834	1,044,220,574
Deposits from customers	13	17,837,003,538	19,860,755,903
Deferred grant		52,328,142	56,067,547
Other liabilities	14	245,217,559	246,371,425
Total liabilities		18,178,205,073	21,207,415,449
Total equity and liabilities		22,321,289,399	25,664,002,594
Contingencies and commitments			

The annexed notes from 1 to 22 form an integral part of the financial statements.

For: 
Chief Executive Officer

For: 
Chief Finance Officer

PASHTANY BANK
Statement of Comprehensive Income
For the period ended 29 Hoot 1400 (20 March 2022)

		Un-audited 29 Hoot 1400 (20 March 2022)	Un-audited 30 Hoot 1399 (20 March 2021)
	Notes	AFN	AFN
Interest income		2,018,498	70,394,807
Interest expense		-	(969,402)
Net interest income	16	2,018,498	69,425,405
Fee and commission income		19,751,331	25,538,398
Fee and commission expense		(493,703)	(560,209)
Net fee and commission income		19,257,628	24,978,189
		21,276,126	94,403,594
Other income	17	12,267,469	34,767,835
Amortization of deferred grant		3,739,405	3,742,038
Employee compensation	18	(37,996,259)	(42,399,822)
Depreciation on property and equipment		(6,688,808)	(8,359,347)
Depreciation on right of use asset		(2,723,038)	(3,285,275)
Amortization on intangible assets		(1,557,850)	(1,454,454)
Finance cost on lease liabilities		(142,621)	(238,649)
Other operating expenses	19	(29,743,471)	(43,893,927)
Exchange loss		(271,933,772)	(2,159,909)
(Loss)/ Profit before tax		(313,502,819)	31,122,084
Income tax		-	(1,149,151)
(Loss)/ Profit for the period		(313,502,819)	29,972,933
Other comprehensive income		-	-
Total comprehensive (loss)/ income for the period		(313,502,819)	29,972,933

The annexed notes from 1 to 22 form an integral part of the financial statements.

For: 
Chief Executive Officer

For: 
Chief Financial Officer

PASHTANY BANK

Statement of Cash Flows

For the period ended '29 Hoot 1400 (20 March 2022)

	Un-audited 29 Hoot 1400 (20 March 2022)	Un-audited 30 Hoot 1399 (20 March 2021)
	AFN	AFN
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	(313,502,819)	31,122,084
Adjustments for:		
Depreciation on property and equipment	6,688,808	8,359,347
Amortization on intangible assets	1,557,850	1,454,454
Foreign exchange (gain) / loss	-	(10,690)
Finance cost on lease liabilities	142,621	238,649
Depreciation on right of use asset	2,723,038	3,285,275
Adjustment in property and equipment	-	141,220
Amortization of deferred grants	(3,739,405)	(3,742,038)
	(306,129,907)	40,848,301
Deposits from banks	(1,000,564,740)	998,021,271
Deposits from customers	(2,023,752,365)	(570,701,221)
Receivable from financial institutions	1,301,000,000	(964,875,000)
Loan and Advances	1,488,713	(3,161,265)
Other assets	(175,291,733)	(669,482,870)
Other liabilities	1,520,406	58,864,230
Net cash used in operating activities	(2,201,729,626)	(1,110,486,554)
Tax paid	-	(12,460,174)
Net cash used in operating activities	(2,201,729,626)	(1,122,946,728)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(1,992,330)	(1,730,194)
Placements and investments	2,982,849,560	(3,170,301,723)
Net cash used in investing activities	2,980,857,230	(3,172,031,917)
CASH FLOWS FROM FINANCING ACTIVITIES		
Lease rentals paid	(2,816,893)	(3,463,810)
Net cash used in financing activities	(2,816,893)	(3,463,810)
Net decrease in cash and cash equivalents	776,310,711	(4,298,442,455)
Cash and cash equivalents at beginning of the year	6,340,194,486	9,555,570,113
Cash and cash equivalents at the end of the period	7,116,505,197	5,257,127,658

The annexed notes from 1 to 22 form an integral part of the financial statements. *CHA*

For: 
 Chief Executive Officer

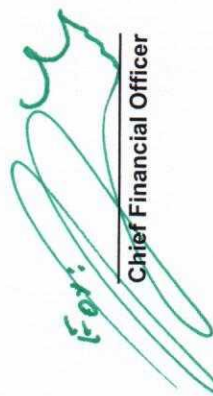
For: 
 Chief Financial Officer

PASHTANY BANK**Statement of Changes in Equity****For the period ended '29 Hoot 1400 (20 March 2022)**

	Share capital	Retained earnings	Surplus on revaluation of property and equipment	Total
		AFN		
Balance as at 20 December 2020 - audited	3,820,257,000	(1,466,690,615)	439,812,600	2,793,378,985
Total comprehensive income for the period	-	29,972,933	-	29,972,933
Balance as at 20 March 2021 - un-audited	3,820,257,000	(1,436,717,682)	439,812,600	2,823,351,918
Balance as at 21 December 2021 - audited	3,820,257,000	(239,604,561)	875,934,706	4,456,587,145
Total comprehensive loss for the period	-	(313,502,819)	-	(313,502,819)
Balance as at 20 March 2022 - un-audited	3,820,257,000	(553,107,380)	875,934,706	4,143,084,326

The annexed notes from 1 to 22 form an integral part of the financial statements.

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Chief Executive Officer
Chief Financial Officer

PASHTANY BANK

Notes To The Condensed Interim Financial Statements
For the period ended '29 Hoot 1400 (20 March 2022)

1. STATUS AND NATURE OF OPERATIONS

Pashtany Bank ("the Bank") got registered with Afghanistan Investment Support Agency (AISA) on 26 June 2004 as a limited liability company and received formal commercial bank license from Da Afghanistan Bank (DAB) to operate nationwide at the same date. The principal business place of the Bank is at Muhammad Jan Khan Watt, Kabul, Afghanistan with 21 (2021: 21) branches nationwide.

The financial statements for the three months ended 20 March 2022 have been approved and authorized for issue by the Board of Supervisors on 5/11/2022 2022.

- 1.1 Financial sector of Afghanistan has been deeply impacted by the economic fallout resulting from actions taken by the United States, International Monetary Fund (IMF), the World Bank and western countries post takeover of Afghanistan by the Islamic Emarat of Afghanistan on 15 August 2021. These actions included freezing of the foreign reserves of USD 9 billion by the US Treasury's Office of Foreign Assets Control (OFAC), suspending access to Special Drawing Rights (SDRS) and additional funding of USD 370 million by IMF, and halting of aid by the World Bank and Germany – the biggest donor. Economy of Afghanistan has been heavily reliant on foreign aid whereby foreign aid constituted around 42% of GDP and three-quarter of the budget. Lack of access to foreign exchange can lead to balance of payment crisis since Afghanistan also runs a large trade deficit constituting around 28% of GDP or economy might significantly contract in response to severe lack of foreign exchange.

Political situation emanating from withdrawal of United States and NATO forces, collapse of previous government and take over by the Islamic Emarat of Afghanistan, caused extreme panic and fear amongst masses.

All these factors together brought run on the banks. However, in a move to control the crisis and ease pressure on banks, the Central Bank of Afghanistan (DAB) imposed strict limits on the cash withdrawals. DAB further moved to reduce the cash reserve requirements for the banks by bringing down cash reserve requirements from 10% on local currency deposits to 7% and from 12% to 9% on foreign currency deposits. DAB also imposed restrictions on international transactions to stem the capital outflows.

Interest income on capital notes and overnight deposits constituted major sources of income for the Bank and currently, DAB has suspended interest on capital notes and overnight deposits pending further decision by the Cabinet. Offshore correspondent banks have been de-risking in the past and now would be further reluctant to engage with the banks in Afghanistan with concerns associated with sanctions. Therefore, the Bank might lose source of income on placements with foreign banks. Situation can further aggravate if sanctions are formally imposed by the United States on Afghanistan. These events or conditions indicate material uncertainties exist that may cast significant doubt on the Bank's ability to continue as a going concern.

Management is closely monitoring the situation and has implemented the plans to mitigate the risks emanating from current situation. These include:

- ▶ The Bank has reduced interest/mark-up on saving and fixed deposits to zero.
- ▶ Cost cutting measures have been taken including all major contracts with vendors have been renegotiated for significant reduction which include leases.
- ▶ The Bank continues to enhance its commission income on custom duties collection and electricity bills collection.

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► Western union continue to provide services in Afghanistan, and international money transfer services are made through this.

► The Bank currently holds sufficient liquid assets and net turnover in the local deposits has remained positive since regime change.

► Measures taken by the Central Bank including strict limits on cash withdrawals, reducing reserve requirements provide essential support for sustainability.

► New depositors from corporate clients have been increased which contributes in additional liquidity for bank.

As a result, these interim financial statements have been prepared on a going concern basis.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The condensed interim financial statements of the Bank for the three months period ended 20 March 2022 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 21 December 2021.

Comparative statement of financial position is extracted from the annual financial statements as at 21 December 2021 whereas comparative statement of comprehensive income, statement of changes in equity and statement of cash flows have been taken from un-audited condensed interim financial statements for the three months period ended 20 March 2021.

3. ACCOUNTING POLICIES

3.1 The accounting policies adopted in preparation of the condensed interim financial statements are consistent with those followed in the preparation of the annual financial statements of the Bank for the year ended 21 December 2021.

3.2 The estimates / judgments assumptions used in the preparation of this condensed interim financial statements are consistent with those applied in the preparation of the annual financial statements of the Bank for the year ended 21 December 2021.

3.3 The financial risk management policies and procedures are the same as those disclosed in annual financial statements of the Bank for the year ended 21 December 2021.

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Notes To The Condensed Interim Financial Statements

For the period ended '29 Hoot 1400 (20 March 2022)

		29 Hoot 1400 (20 March 2022)	30 Qaws 1400 (21 Dec 2021)
	Note	AFN	AFN
4. CASH AND CASH EQUIVALENTS			
Cash in hand	4.1	1,141,656,520	393,185,191
Cash at ATM	4.2	7,060,051	1,495,160
Balances with Da Afghanistan Bank	4.3	5,472,184,009	4,367,971,561
Balances with other banks	4.4	495,604,617	1,577,542,574
		7,116,505,197	6,340,194,486
4.1 Cash in hand			
Local currency		334,197,342	257,496,266
Foreign currency		807,459,178	135,688,925
		1,141,656,520	393,185,191
4.2 Cash at ATM			
Local currency		6,888,500	1,287,000
Foreign currency		171,551	208,160
		7,060,051	1,495,160
4.3 Balances with Da Afghanistan Bank			
Current accounts:			
Local currency		1,463,152,263	1,036,735,836
Foreign currency		4,007,017,250	3,329,221,229
		5,470,169,513	4,365,957,065
Overnight deposit	4.3.1	2,014,496	2,014,496
		5,472,184,009	4,367,971,561
4.3.1	This represent overnight deposit with Da Afghanistan Bank in local currency which are interest free.		
		29 Hoot 1400 (20 March 2022)	30 Qaws 1400 (21 Dec 2021)
	Note	AFN	AFN
4.4 Balances with other banks			
In Afghanistan			
Current accounts:			
Azizi Bank		1,927,692	2,280,582
Bank Millie Afghan		46,981,945	48,162,234
New Kabul Bank		3,593,235	4,253,107
		52,502,872	54,695,923
Outside Afghanistan			
Current accounts:			
Aktif Bank, Turkey		216,989,974	256,734,576
BMCE, Spain		43,991,448	52,042,643
Nurol Bank, Turkey		182,120,323	632,652,644
Trans Kapital Bank, Russia		-	581,416,788
		443,101,745	1,522,846,651
4.4.1		495,604,617	1,577,542,574
4.4.1	These represent non-interest bearing balances available on demand basis.		

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		29 Hoot 1400 (20 March 2022)	30 Qaws 1400 (21 Dec 2021)
	Note	AFN	AFN
5. RECEIVABLE FROM FINANCIAL INSTITUTIONS	5.1	-	1,301,000,000

- 5.1 The Bank entered into Memorandum of Understanding effective 07 January 2021 with Islamic Bank of Afghanistan (IBA), for back-to-back interest free deposit exchange arrangement with IBA whereby an amount of AFN 1,000,000,000 was received from IBA against a deposit of USD 12,500,000 made by the Bank with IBA (repo transaction). These deposit maintained over a period of one year matured during the current period.

		29 Hoot 1400 (20 March 2022)	30 Qaws 1400 (21 Dec 2021)
	Note	AFN	AFN
6. LOANS AND ADVANCES	6.1	30,282,709	31,771,422

- 6.1 Consumer loans are funded facilities designed for permanent government employees with a service period of 5 to 33 years. The limit of the loan facilities is 45% of the net annual income of the employee secured by two governmental employee personal guarantee and these loans carry an interest rate of 10% p.a.

		29 Hoot 1400 (20 March 2022)	30 Qaws 1400 (21 Dec 2021)
	Note	AFN	AFN
7. INVESTMENTS AND PLACEMENTS			
Capital notes issued by Da Afghanistan Bank	7.1	5,133,243,246	7,391,759,707
Placements	7.2	3,967,137,431	4,691,470,530
		9,100,380,677	12,083,230,237

- 7.1 These represent capital notes having original maturity to 364 days and carry interest rate of 4.1% to 9% (21 December 2021: 3.8% to 9%) per annum.

		29 Hoot 1400 (20 March 2022)	30 Qaws 1400 (21 Dec 2021)
	Note	AFN	AFN
7.2 Placements			
Outside Afghanistan			
Citi Bank, UAE		3,086,291,003	3,649,544,301
First Abu Dhabi Bank		880,846,428	1,041,926,229
	7.2.1	3,967,137,431	4,691,470,530

- 7.2.1 These placements are having original maturity up to 95 days and carry interest rate of ranging from 0.13% to 0.18% (21 December 2021: 0.06% to 0.18%) p.a.

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		29 Hoot 1400 (20 March 2022)	30 Qaws 1400 (21 Dec 2021)
Note		AFN	AFN
8.	INVESTMENT IN GOVERNMENTAL ENTITIES		
8.1		105,752,501	105,752,501
		105,752,501	105,752,501
8.1	<i>At cost:</i>		
	Shirkat-e-Ariyana	281,240	281,240
	Hotel Intercontinental	64,435	64,435
	Afghan Card Corporation	2,822,884	2,822,884
	Pakht-e-Herat	65,542	65,542
	Shirkat Nasaji Afghan	83,518,400	83,518,400
	Bank-e-Millie Afghan	11,340,000	11,340,000
	Afghan National Insurance Company	7,660,000	7,660,000
		105,752,501	105,752,501
		29 Hoot 1400 (20 March 2022)	30 Qaws 1400 (21 Dec 2021)
Note		AFN	AFN
9.	PROPERTY AND EQUIPMENT AND RIGHT OF USE ASSETS		
	Operating fixed assets	1,325,828,033	1,330,524,511
	Right of use assets - buildings	11,615,936	14,338,974
		1,337,443,969	1,344,863,485

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PASHTANY BANK

Notes To The Condensed Interim Financial Statements
For the period ended '29 Hoot 1400 (20 March 2022)

		29 Hoot 1400 (20 March 2022)	30 Qaws 1400 (21 Dec 2021)
	Note	AFN	AFN
9.1 PROPERTY AND EQUIPMENT			
Gross Carrying Amount			
At beginning of the period/ year		1,624,175,267	1,086,871,277
Additions during the period/ year		1,992,330	6,869,790
Reclassification during the period/ year		-	120,430,912
Surplus on revaluation of the period/ year		-	486,989,762
Disposals of the period/ year		-	(76,986,474)
Closing balance		1,626,167,597	1,624,175,267
Accumulated Depreciation			
At beginning of the period/ year		293,650,756	337,713,300
Charge for the period/ year		6,688,808	31,905,594
Accumulated depreciation on disposal		-	(75,968,138)
Closing balance		300,339,564	293,650,756
Carrying Value		1,325,828,033	1,330,524,511
		29 Hoot 1400 (20 March 2022)	30 Qaws 1400 (21 Dec 2021)
	Note	AFN	AFN
9.2 RIGHT OF USE ASSET			
Cost			
Opening Balance		40,295,406	36,604,521
Additions during the period/year		-	7,280,321
Lease modifications	9.2.1	-	(3,589,436)
Closing balance		40,295,406	40,295,406
Accumulated depreciation			
Opening balance		25,956,432	11,956,470
Charge for the period/year		2,723,038	13,999,962
Closing balance		28,679,470	25,956,432
Carrying amount as of the year end		11,615,936	14,338,974

- 9.2.1 As a result of leases of branches renegotiated by the Bank after 15 August 2021, lease rentals have been reduced. Reduction in rent has been treated as lease modification in accordance with para 44 of IFRS 16.

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		29 Hoot 1400 (20 March 2022)	30 Qaws 1400 (21 Dec 2021)
	Note	AFN	AFN
10. Intangible assets			
Cost			
Opening balance	10.1	64,003,541	58,178,178
Additions during the year - Core Banking System		-	5,825,363
Closing balance		64,003,541	64,003,541
Less: Accumulated amortization			
Opening balance		13,405,734	7,239,952
Charge for the period/ year		1,557,850	6,165,782
Closing balance		14,963,584	13,405,734
Written down value		49,039,957	50,597,807

- 10.1 Intangible assets include cost amounting to AFN 58,178,178 for licenses acquired for Core Banking System (Oracle) as a part of the IT infrastructure development financed by the World Bank project to modernize Afghan State-Owned Banks. The amortization rate of intangible assets determined is 10% p.a.

		29 Hoot 1400 (20 March 2022)	30 Qaws 1400 (21 Dec 2021)
	Note	AFN	AFN
11. OTHER ASSETS			
Required reserves with Da Afghanistan Bank	11.1	1,389,828,132	1,734,177,116
Advance tax		510,648,624	510,648,625
Advances to employees		8,071,259	8,427,816
Advances to suppliers		12,041,417	5,158,677
Interest accrued on capital notes and time deposits		907,138	1,565,706
Security deposit		6,140,860	7,107,160
Receivable from Western Union		533,494,482	23,805,332
Receivable from financial institution		28,750,691	31,856,951
Others		7,503,526	2,453,273
		2,497,386,129	2,325,200,656
Provision against receivable from financial institution	11.2	(28,750,691)	(31,856,951)
Net carrying amount		2,468,635,438	2,293,343,705

		29 Hoot 1400 (20 March 2022)	30 Qaws 1400 (21 Dec 2021)
		AFN	AFN
11.1 Currency profile of required reserve with DAB			
Local currency		661,781,406	839,189,923
Foreign currencies		728,046,726	894,987,193
		1,389,828,132	1,734,177,116

CAA

This represents statutory reserve maintained with DAB as minimum reserve in accordance with Banking Regulations issued by Da Afghanistan Bank. These minimum reserves carry no interest (2021: nil).

- 11.2 This amount relates to a time deposit maintained with UBL Peshawar branch matured several years ago however could not be received by the Bank despite several reminders and attempts. Inspection team of DAB, in their review report of 2019, concluded that this amount should be written-off. Accordingly full provision has been maintained against this balance.

		29 Hoot 1400 (20 March 2022)	30 Qaws 1400 (21 Dec 2021)
	Note	AFN	AFN
12. DEPOSITS FROM BANKS			
Current deposit			
Bank-e-Millie Afghan		40,363,177	40,426,375
Maiwand Bank		950,095	1,109,451
Afghan United Bank		2,160,418	2,467,913
Azizi Bank		113,268	135,253
New Kabul Bank		30,703	37,572
Ghazanfar Bank		38,173	46,410
Islamic Bank of Afghanistan	5.1	-	999,997,600
		43,655,834	1,044,220,574
13. DEPOSITS FROM CUSTOMERS			
Fixed deposits	13.1	37,470,980	38,355,612
Saving deposits		6,392,658,910	7,619,864,299
Current deposits		11,406,873,648	12,202,535,992
		17,837,003,538	19,860,755,903

- 13.1 This includes fixed deposit of USD 54,925 (equivalent AFN 4.83 million) from the Ministry of Commerce which carry no interest rate (31 December 2021: 0.5% p.a.). The remaining amount of AFN 32.64 million from Seloo Markazi which is interest free with indefinite maturity.

CMA

PASHTANY BANK

Notes To The Condensed Interim Financial Statements
For the period ended '29 Hoot 1400 (20 March 2022)

		29 Hoot 1400 (20 March 2022)	30 Qaws 1400 (21 Dec 2021)
14. OTHER LIABILITIES	Note	AFN	AFN
Employees pension fund		98,670,514	106,315,420
Accrued expenses		17,446,830	4,580,410
Other payables		111,864,471	119,008,189
Withholding tax payable		590,821	1,222,480
Lease liability		12,493,966	15,168,238
Inter-branch unreconciled balance		4,150,957	76,688
		245,217,559	246,371,425

15. CONTINGENCIES AND COMMITMENTS

Bank guarantees issued	15.1	1,670,324,780	1,862,382,452
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15.1 Bank guarantees issued by the Bank are backed up by 100% cash margin.

		Un-Audited 29 Hoot 1400 (20 March 2022)	Un-Audited 30 Hoot 1399 (20 March 2021)
16. NET INTEREST INCOME	Note	AFN	AFN
Interest income calculated using the effective interest method			
Cash and cash equivalents		1,259,606	69,712,556
Loan and advances		758,892	682,251
		2,018,498	70,394,807
Interest expense			
Term deposits		-	(2,391)
Saving deposits		-	(967,011)
		-	(969,402)
Net interest income		2,018,498	69,425,405

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PASHTANY BANK

Notes To The Condensed Interim Financial Statements

For the period ended '29 Hoot 1400 (20 March 2022)

21 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

Chief Executive Officer

Deputy Chief Executive Officer

Chief Financial Officer

Chief Operating 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:

Transactions		Balances	
Un-audited			
20-Mar-22	20-Mar-21	20-Mar-22	20-Mar-21
AFN		AFN	

Transactions with key management

Salaries and other	3,971,850	5,060,431	-	-
benefits				

22 Capital management

The Bank's objective when managing capital, which is

- (i) To comply with the capital requirement set by the DAB
- (ii) To safeguard
- (iii) To maintain strong capital base to support the development of its business.

The Bank regulatory capital position as at 20 March 2022 is as follows:

	29 Hoot 1400 (20 March 2022)	30 Qaws 1400 (21 Dec 2021)
	AFN	AFN
Core (Tier 1) Capital:		
Total shareholder's equity	4,143,084,326	4,456,587,145
Less:		
Profit for the year	-	(1,351,598,116)
Deferred tax assets - Net	(49,735,175)	(49,735,175)
Intangible assets	(49,039,957)	(50,597,807)
Surplus on revaluation of fixed assets	(875,934,706)	(875,934,706)
	3,168,374,488	2,128,721,341

CHM

Supplementary (Tier 2) Capital:

Profit for the year
 Surplus on revaluation of fixed assets
 Allowable deduction - equity investment

Total regulatory capital**Risk-weight categories****0% risk weight:**

Cash in Afghani and fully-convertible foreign currencies
 Direct claims on DAB

Total

0% risk-weight total (above total x 0%)

20% risk weight:

Balances with other banks
 20% risk-weight total (above total x 20%)

100% risk weight:

All other assets
 Allowable deduction-equity investment
 Intangible assets
 Net deferred tax asset
 100% risk-weight total (above total x 100%)

0% risk weight:**Guarantees**

0% credit conversion factor total (risk-weighted total x 0%)

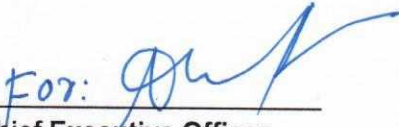
Total risk-weighted assets**Tier 1 Capital Ratio**

(Tier 1 capital as % of total risk-weighted assets)

Regulatory Capital Ratio

(Regulatory capital as % of total risk-weighted assets)

29 Hoot 1400 (20 March 2022)	30 Qaws 1400 (21 Dec 2021)
AFN	AFN
-	1,351,598,116
875,934,706	875,934,706
(105,752,501)	(105,752,501)
770,182,205	2,121,780,321
3,938,556,693	4,250,501,662
1,148,716,571	393,185,191
11,995,255,387	13,493,908,384
13,143,971,958	13,887,093,575
4,462,742,048	7,570,013,104
892,548,410	1,514,002,621
4,743,326,084	4,237,257,706
(105,752,501)	(105,752,501)
(49,039,957)	(50,597,807)
(49,735,175)	(49,735,175)
4,538,798,451	4,031,172,223
1,670,324,780	1,862,382,452
5,431,346,861	5,545,174,844

For: 
 Chief Executive Officer

For: 
 Chief Financial Officer

CHM