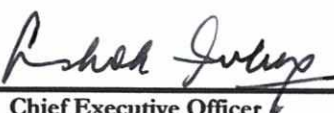


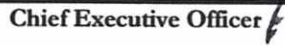
MAIWAND BANK
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 30/12/1399 (20 MARCH 2021)

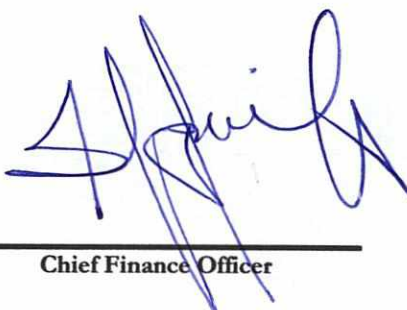
	Note	20-Mar-21 (Un-audited) AFN '000'	20-Dec-20 (Audited) AFN '000'
Assets			
Cash and bank balances	5	11,193,449	16,521,485
Investment in DAB capital notes	6	199,795	199,814
Loans and advances to customers	7	5,420,978	5,398,865
Operating fixed assets	8	780,209	788,454
Investment property		99,376	99,376
Intangible assets	9	9,171	7,200
Other assets	10	566,716	567,732
Non current assets held for sale	11	1,476,103	1,472,962
Deferred tax assets -net		174,194	174,194
Total assets		19,919,991	25,230,082
Liabilities			
Deposits from customers	12	18,135,813	23,454,566
Other liabilities	13	287,267	283,265
Total liabilities		18,423,080	23,737,831
Equity			
Authorized share capital		5,000,000	5,000,000
Paid-up capital		3,783,860	3,783,860
Accumulated loss		(2,286,949)	(2,291,609)
Total equity		1,496,911	1,492,251
Total liabilities and equity		19,919,991	25,230,082
Contingencies and commitments	14	-	-

The annexed notes from 1 to 23 form an integral part of these condensed interim financial information.

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 Chairman


 Chief Executive Officer


 Chief Finance Officer



MAIWAND BANK
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE THREE MONTHS ENDED 30/12/1399 (MARCH 20, 2021)

	Note	For Three months ended	
		20-Mar-21	19-Mar-20
		AFN '000'	AFN '000'
Interest income	15	25,169	53,057
Interest expense	15	(17,801)	(15,226)
Net interest income		7,368	37,831
Profit / return on Islamic financing		-	-
Return on Islamic deposits		(4)	(1)
Net spread earned		(4)	(1)
Fee and commission income	16	120,661	70,239
Fee and commission expense	16	(7,617)	(10,788)
Net fee and commission income		113,044	59,451
Foreign exchange gain / (loss)		40,076	(71,677)
Other income		1,996	100
		42,072	(71,577)
Operating income		162,480	25,705
Personnel expenses	17	(62,563)	(58,027)
Allowance for impairment loss		8,902	(23,445)
Depreciation and amortization	7 & 8	(14,435)	(17,050)
Other operating expenses	18	(89,723)	(82,577)
		(157,820)	(181,099)
Profit / (loss) before tax		4,660	(155,394)
Taxation - net		-	-
Profit / (loss) after tax		4,660	(155,394)
Other comprehensive income		-	-
Total comprehensive income		4,660	(155,394)
Earning per share		0.01	(0.41)

The annexed notes from 1 to 23 form an integral part of these condensed interim financial information.

Chairman

Chief Executive Officer

Chief Finance Officer



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MAIWAND BANK

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE THREE MONTHS ENDED 30/12/1399 (MARCH 20, 2021)**

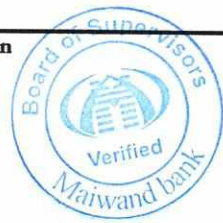
	Paid-up capital	Accumulated loss	Total
	AFN '000'		
Balance as at 21 December 2019	3,783,860	(1,980,614)	1,803,246
Total comprehensive income for the period ended 19 March 2020			
Loss after taxation for three months period ended 19 March 2020	-	(155,394)	(155,394)
Other comprehensive income - net of tax	-	-	-
	-	(155,394)	(155,394)
Transactions with owners, recorded directly in equity			
Capital injected during the period	-	-	-
Balance as at 19 March 2020	<u>3,783,860</u>	<u>(2,136,008)</u>	<u>1,647,852</u>
Change in equity for nine months period ended December 20, 2020			
Total comprehensive income for the nine months period ended December 20, 2020			
Loss after taxation for nine months period ended 20 December 2020	-	(155,601)	(155,601)
Other comprehensive income - net of tax	-	-	-
	-	(155,601)	(155,601)
Transactions with owners, recorded directly in equity			
Capital injected during the period	-	-	-
Balance as at 20 December 2020	<u>3,783,860</u>	<u>(2,291,609)</u>	<u>1,492,251</u>
Total comprehensive income for the period ended 20 March 2021			
Loss after taxation for three months period ended 20 March 2021	-	4,660	4,660
Other comprehensive income - net of tax	-	-	-
	-	4,660	4,660
Transactions with owners, recorded directly in equity			
Capital injected during the period	-	-	-
Balance as at 20 March 2021	<u>3,783,860</u>	<u>(2,286,949)</u>	<u>1,496,911</u>

The annexed notes from 1 to 23 form an integral part of these condensed interim financial information.

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Chairman
Chief Executive Officer
Chief Finance Officer



MAIWAND BANK
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE THREE MONTHS ENDED 30/12/1399 (MARCH 20, 2021)

	Note	Three months ended:	
		20-Mar-21 AFN '000'	19-Mar-20 AFN '000'
CASH FLOW FROM OPERATING ACTIVITIES			
Profit / (loss) before taxation		4,660	(155,394)
Adjustments for non-cash items:			
Depreciation and amortization	7 & 8	14,435	17,050
Net interest income	15	(7,368)	(37,831)
Net spread earned		4	1
Provision booked for professional charges		5,012	-
Unwinding of discount		373	698
(Re-integration) / allowance for impairment		(8,902)	23,445
Allowance for impairment of bank guarantees and other assets		(1,996)	-
		<u>1,559</u>	<u>3,363</u>
		<u>6,218</u>	<u>(152,031)</u>
Working capital changes:			
Change in loans and advances to customers		(13,212)	173,121
Changes in deposits with banks		(726,336)	(16,848)
Change in other assets		1,016	13,888
Change in non current asset held for sale		(3,141)	19,141
Change in deposits from customers		(5,318,752)	(2,298,590)
Change in other liabilities		4,002	375,259
		<u>(6,056,422)</u>	<u>(1,734,029)</u>
Interest / profit received		25,169	53,057
Interest / profit paid		(17,805)	(15,227)
		<u>7,364</u>	<u>37,830</u>
Net cash used in operating activities		<u>(6,042,840)</u>	<u>(1,848,229)</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Investment (made) / matured		19	-
Purchase of property and equipment (Net)		(4,990)	(5,238)
Proceeds from sale of investment property		-	-
Purchase of intangible assets		(3,171)	-
Net cash (used in)/generated from investing activities		<u>(8,142)</u>	<u>(5,238)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Payment against lease liability		(3,390)	(6,820)
Net cash used in financing activities		<u>(3,390)</u>	<u>(6,820)</u>
Increase / (Decrease) in cash and cash equivalents		(6,054,372)	(1,860,289)
Cash and cash equivalents at beginning of the period	20	14,685,686	10,994,351
Cash and cash equivalents at the end of the period	20	<u>8,631,314</u>	<u>9,134,062</u>

The annexed notes from 1 to 23 form an integral part of these condensed interim financial information.

Chairman



Chief Executive Officer

Chief Finance Officer

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MAIWAND BANK

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE THREE MONTHS ENDED 30/12/1399 (MARCH 20, 2021)**

1. STATUS AND NATURE OF BUSINESS

- 1.1 Maiwand Bank (the Bank) is a commercial bank registered and operating in Afghanistan. The Bank is primarily involved in commercial banking in Afghanistan. The Bank has obtained business license from Afghanistan Investment Support Agency (AISA) to operate as a limited liability company. The Bank obtained its banking license from Da Afghanistan Bank ("DAB") under the Law of Banking in Afghanistan on December 31, 2008 and commenced its operations on January 01, 2009. Currently, the Bank is being operated with 48 branches in different parts of Afghanistan.
- 1.2 The registered office of the Bank is situated at Charrahi Torabaz Khan, Shar-e-Naw, Kabul, Afghanistan.
- 1.3 Owing to sectorial unprivileged circumstances which has affected bank's operations and CAMEL rating, DAB has imposed restrictions on the Bank for issuance of new bank loans, re-scheduling of existing loans and advances, and imposed conditions for issuance of bid guarantees with 30% cash margin and issuance of performance/advance payment guarantees with 50% cash margin plus 70% IPs. Due to which incomes from interest, fee and commission are adversely affected. The accumulated losses have reached AFN 2,287 million (2020: AFN 2,291 million). This indicates that material uncertainties exists that may cast significant doubts on the Bank's ability to continue as going concern.

DAB has conducted full scope audit and highlighted violations in compliances of laws, regulations, circulars, DAB guidelines and Banks's internal policies and issued enforcement action order along with guidelines and a corrective action plan was required to be submitted by the Bank. Consequently bank has prepared and submitted a detailed corrective action plan for DAB's appraisal and its implementation has been commenced. The plan is scheduled from November 2020 to April 2022, focusing on capital injection, recovery of NPLs and repossessed assets, reduction in expenses, improvement in income, and strengthening the internal controls and corporate governance.

Owing to losses, the Bank's repossessed assets, comprise of "non-current assets held for sale" and "investment property", have reached 7.91% of the Bank's total assets. The guidelines issued by DAB require the Bank to not exceed repossessed assets by 5%.

Since the scope of raising interest income (the sole major source) is limited, the bank has initiated various measures to reduce the expenditure as a result of which, the operational expense of the bank were reduced by almost 12.85% during the first quarter ended 20 March 2021 when compared to the quarter ended 19 March 2020. However, as disclosed in the statement of cash flows, the bank used net cash of AFN 6,066.35 million in operating activities.

Furthermore, the Bank is in the process of recovering loans by all means including filing cases against defaulters. The exact outcome of legal cases is not yet determined.

Key management positions (i.e., Chief Financial Officer, Chief Credit Officer, Chief Risk Officer, and Chief Internal Auditor) of the bank are lying vacant. However, the Bank is in the process to recruit suitably qualified and experienced professionals and have subsequently introduced two candidates to DAB for recruitment against the post of Chief Internal Auditor and Chief Financial Officer, the outcome of results are not yet delivered.

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In view of above, these condensed interim financial statements have been prepared ongoing concern basis as management believes that they will be able to address anomalies in due course of time in line with corrective action plan and bank will be able to continue as going concern for at least next foreseeable future.

2 STATEMENT OF COMPLIANCE

- 2.1 The condensed interim financial statements have been prepared in accordance with 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 shall prevail.

3 BASIS OF MEASUREMENT

- 3.1 These condensed interim financial statements have been prepared on the historical cost basis under accrual basis of accounting except as otherwise disclosed in accounting policies.

3.2 Functional and presentation currency

Items included in the condensed interim financial statements of the Bank are measured using the currency of the primary economic environment in which the entity operates. The financial statements are presented in Afghani (AFN), which is the Bank's functional and presentation currency.

3.3 Significant accounting policies

The significant accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of the audited annual financial statements of the Bank for the year ended December 20, 2020.

3.4 Critical accounting estimates and judgements

The basis for accounting estimates adopted in the preparation of these condensed interim financial statements are the same as that applied in the preparation of the financial statements for the year ended December 20, 2020.

3.5 Financial risk management

The financial risk management objectives and policies adopted by the Bank are consistent with those disclosed in the audited financial statements for the year ended December 20, 2020.

4 DISCLOSURES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The condensed interim financial statements do not include all the information and disclosures as required in the audited annual financial statements, and should be read in conjunction with the audited annual financial statements for the financial year ended 20 December 2020.

Summary of accounting policies will be read with the last year's audited financial statements.

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MAIWAND BANK

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED 30/12/1399 (MARCH 20, 2021)

	Note	20-Mar-21 (Un-audited) AFN '000'	20-Dec-20 (Audited) AFN '000'
5 CASH AND BANK BALANCES			
Cash in hand:			
Local currency		1,267,192	1,456,610
Foreign currency	5.1	3,384,759	2,452,833
		4,651,951	3,909,443
Balances with Da Afghanistan Bank (DAB)	5.2	5,960,536	11,635,863
Balances with other banks	5.3	580,963	976,179
		6,541,498	12,612,042
		11,193,449	16,521,485
5.1 Foreign currency profile			
US Dollar		3,036,271	2,083,895
Euro		313,818	335,285
GB Pound		34,670	33,653
		3,384,759	2,452,833
5.2 Balances with Da Afghanistan Bank (DAB)			
Current accounts:			
Local currency		1,319,239	3,821,665
Foreign currency	5.2.1	2,075,607	5,975,632
		3,394,846	9,797,297
Saving accounts - local currency:			
Over-night deposits	5.2.2	3,555	2,767
		3,555	2,767
Required reserve with DAB	5.2.3	2,562,135	1,835,799
		2,562,135	1,835,799
		5,960,536	11,635,863
5.2.1 Foreign currency profile:			
US Dollar		1,886,416	5,726,003
Euro		189,191	249,629
		2,075,607	5,975,632

5.2.2 This represents overnight deposit facility provided by DAB. These deposits earn interest at 3.5% (2020: 0.099%) per annum and have maximum maturity of 7 days.

5.2.3 This represents the required reserve account being maintained with DAB which is denominated in AFN, USD and EUR to meet minimum reserve requirement in accordance with Article 3 "Required Reserves Regulation" of the Banking Regulations issued by DAB. These balances are interest free and are not available for use in the Bank's day-to-day operations.

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MAIWAND BANK

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 30/12/1399 (MARCH 20, 2021)**

	Note	20-Mar-20 (Un-audited) AFN '000'	20-Dec-20 (Audited) AFN '000'
5.3 Balances with other banks			
HDFC Bank, India		84,444	1,341
YES Bank, India		19,689	1,548
Pashtanay Bank, Afghanistan		863	859
Bank-e-Millie Afghan, Afghanistan		29,861	29,861
New Kabul Bank, Afghanistan		11,000	165,000
Emirates NBD Bank, UAE		122,775	100,247
Western Union		23,511	17,963
TransKapital, Russia		52,870	382,423
Aktif Yatirim Banasi A.S., Turkey		126	126
Yinzhou Bank, China		2,818	2,803
BMCE, Spain		212,618	271,933
National Bank of Uzbekistan, Uzbekistan		20,386	2,075
		<u>580,963</u>	<u>976,179</u>
5.3.1 Currency profile of balances with other banks and financial institutions is as follows:			
Current accounts:			
Local currency		40,892	215,524
Foreign currency	5.3.1.1	516,560	760,655
		<u>557,452</u>	<u>976,179</u>
5.3.1.1 Foreign currency profile:			
US Dollar		448,367	587,499
Euro		62,760	173,090
GB Pound		5,434	66
		<u>516,560</u>	<u>760,655</u>
5.3.2 Geographic profile of balances with other banks and financial institutions is as follows:			
Europe		265,615	654,482
USA		-	17,963
Asia		127,338	7,769
Middle East		122,775	100,247
Afghanistan		41,724	195,720
		<u>557,452</u>	<u>976,181</u>
6 INVESTMENT IN DAB CAPITAL NOTES	Note	20-Mar-20 (Un-audited) AFN '000'	20-Dec-20 (Audited) AFN '000'
DAB Capital Notes	6.1	199,795	199,814
		<u>199,795</u>	<u>199,814</u>
6.1 The capital notes carry interest @ 1.320 % (2020: 1.200%) per annum.			

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MAIWAND BANK

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE THREE MONTHS ENDED 30/12/1399 (MARCH 20, 2021)**

		20-Mar-20 (Un-audited)	20-Dec-20 (Audited)
	Note	----- (AFN '000) -----	
7 LOANS AND ADVANCES TO CUSTOMERS			
Conventional - at amortized cost	7.1	4,450,739	4,349,665
Islamic - at amortized cost	7.2	945,566	1,024,878
		5,396,305	5,374,543
Legal fees and direct cost on acquisition of defaulters' property		24,674	24,322
		<u>5,420,978</u>	<u>5,398,865</u>

		March 20, 2021 (Un-audited)			December 20, 2020 (Audited)		
	Note	Gross amount	Impairment allowance	Carrying amount	Gross amount	Impairment allowance	Carrying amount
7.1 Conventional - at amortized cost			--				
Running finances	7.1.1	5,927,647	(1,479,363)	4,448,284	5,911,022	(1,564,674)	4,346,348
Short term loans to employees	7.1.2	2,455	-	2,455	3,317	-	3,317
		<u>5,930,102</u>	<u>(1,479,363)</u>	<u>4,450,739</u>	<u>5,914,339</u>	<u>(1,564,674)</u>	<u>4,349,665</u>

7.1.1 Running finance facilities are extended to borrowers for a period of one year renewable every year with proper sanction on satisfactory conduct of account. These facilities carry interest ranging from 15% to 20% (2020: 15% to 20%) per annum. The facilities are secured against immovable properties, stocks and receivables of the borrowers and personal guarantees. All these loans are subject to mandatory cleanup for 5 days in terms of DAB guidelines and most of them are non-performing where we have stopped charging interest on the overdue balances.

DAB has carried out a comprehensive assessment of running finances in 2018 and communicated the assessment results via letter no. FSD F 5851 dated 30.08.1397. After that all the running finances which may fall in doubtful or loss categories based on their overdue days but are backed with 100% collateral value, are classified as standard but without accruing any interest there against. However, had all the running finances been classified and provisioned purely based on the DAB Assets Classification and Provisioning Regulation, based on their statements seen from December 2019, the total provision would have been AFN 3.172 bn which would have further increased accumulated losses.

These include 9 overdraft accounts total amounting to USD 8,834,166 (equivalent AFN 683,941,115) gross value with 100% provision there against, classified as loss for more than 12 months. As per DAB Asset Classification and Provisioning Regulation, and the Board of Supervisors' resolution dated April 04, 2021, subsequently in April 2021 these loans have been written off from accounts against their 100% provision. However, as per Board recommendations the recovery team continues to put all their efforts for recovery of these loans through all available and legitimate means till complete recovery of these loans.

Directives issued to commercial banks by Da Afghanistan Bank via letter no. 9074 dated 10-10-1399, that the overdraft loans portfolio shall not be greater than 50% of all loans and advances issued by the bank. In light of that letter, the bank has initiated the process to restructure some of their overdraft accounts and have subsequently restructured two overdraft accounts to term loans.

		20-Mar-21 (Un-audited)	20-Dec-20 (Audited)
	Note	----- (AFN '000) -----	
Impairment Allowance			
Opening balance		1,564,674	1,456,593
Charge / (re-integration) for the period / year		(88,375)	108,081
Loans written off during the period / year		-	-
Currency fluctuation		3,064	-
		(85,311)	108,081
Closing balance		<u>1,479,363</u>	<u>1,564,674</u>

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MAIWAND BANK

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE THREE MONTHS ENDED 30/12/1399 (MARCH 20, 2021)**

7.1.2 Short term loans to employees were repayable within twelve months. These loans carry interest at the rate of 6% (2020: 6%) per annum.

		March 20, 2021 (Un-audited)			December 20, 2020 (Audited)		
		Gross amount	Impairment allowance	Carrying amount	Gross amount	Impairment allowance	Carrying amount
Note						(AFN'000)	
7.2	Islamic - at amortized cost						
	Musharaka financing	7.2.1 52,160	-	52,160	51,878	-	51,878
	Diminishing Musharaka	7.2.1 111,895	(153)	111,742	111,288	(13,980)	97,308
	Murabaha finance	7.2.2 1,074,074	(292,411)	781,663	1,074,161	(198,469)	875,692
	Qarza-e-Hasna	-	-	-	-	-	-
		1,238,130	(292,564)	945,566	1,237,327	(212,449)	1,024,878

7.2.1 Musharaka and Diminishing Musharaka facilities are extended to customers on profit / loss sharing basis. These carry profit sharing ratio of 10% to 16% (2020: 10% to 16%) on annual basis. These are secured against immovable properties and stocks. No impairment allowance has been accounted for these loans.

	Note	20-Mar-21 (Un-audited)	20-Dec-20 (Audited)
Impairment Allowance			
Opening balance		212,449	283,984
Charge / (re-integration) during the period / year		79,473	(71,535)
Loans written off during the period / year		-	-
Currency fluctuation		642	-
		80,115	(71,535)
Closing balance		292,564	212,449

7.2.2 Murabaha facilities are extended to customers for purchase of immovable properties. These are secured against the underlying properties.

8 OPERATING FIXED ASSETS

Cost:

Opening balance	8.1	1,235,827	1,212,347
Additions/Adjustment during the period / year		4,990	23,480
Write-off		-	-
Closing balance		1,240,817	1,235,827

Accumulated depreciation

Opening balance	8.1	447,373	378,309
Depreciation charged during the period/year		13,235	69,064
Write off		-	-
Closing balance		460,608	447,373

Net book value

	780,209	788,454
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8.1 This includes balance amounting to AFN 101.4 million and AFN 78.25 million respectively, representing right of use asset and corresponding accumulated depreciation recognized by the Bank on adoption of IFRS 16 "Leases".

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MAIWAND BANK
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 30/12/1399 (MARCH 20, 2021)

		20-Mar-21 (Un-audited) AFN '000'	20-Dec-20 (Audited) AFN '000'
9	INTANGIBLE ASSETS		
	Cost	21,410	17,075
	Additions during the period / year	3,171	4,335
	Closing balance	<u>24,581</u>	<u>21,410</u>
	Accumulated amortization:		
	Opening balance	<u>14,210</u>	<u>9,702</u>
	Charged for the period / year	<u>1,200</u>	<u>4,508</u>
		<u>15,410</u>	<u>14,210</u>
	Net book value	<u><u>9,171</u></u>	<u><u>7,200</u></u>
10	OTHER ASSETS		
	Prepayments	15,284	17,712
	Advances to employees	1,209	1,577
	Security deposit - Western Union	15,484	15,400
	Security deposit - others	802	802
	Advance and withholding tax receivable	49,508	48,979
	Markup receivable on Musharka investment	45,596	45,348
	Receivable on Sale of Other Banking Assets	7,742	7,700
	Interest receivable on capital notes	29	180
	Margin money with Bank-e-Millie, Kabul	390,816	388,695
	Margin money with Afghan United Bank against BG in favor of MoF	40,000	40,000
	Others	246	1,339
		<u>566,716</u>	<u>567,732</u>
		<u><u>566,716</u></u>	<u><u>567,732</u></u>
		20-Mar-21 (Un-audited) AFN '000'	20-Dec-20 (Audited) AFN '000'
11	NON CURRENT ASSETS HELD FOR SALE		
	Other banking assets - acquired through out-of-court settlement	11.1 897,224	897,224
	Acquired through court settlement	578,878	575,738
		<u>1,476,103</u>	<u>1,472,962</u>
		<u><u>1,476,103</u></u>	<u><u>1,472,962</u></u>

11.1 This represents the value of collateral recovered from customers, acquired through out of court settlement for 08 loans and advances. These are US Dollar dominated properties of those defaulted borrowers and are converted into AFN at transaction date. Moreover, the repossessed assets acquired out of court settlement were required to be disposed-off within five years as per the DAB's latest instructions via letter no 3279/4394 dated 10/5/1397. However, all these assets have still not been disposed off by the end of the period.

11.2 During the period the Bank has acquired nil properties of defaulted borrowers (NPA accounts) in satisfaction of claims. Moreover, central bank through their correspondence dated 06 February 2019 has allowed banks to consider non-current assets held for sale as monetary assets and to revalue repossessed assets at each reporting date.

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MAIWAND BANK
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 30/12/1399 (MARCH 20, 2021)

		20-Mar-21 (Un-audited) AFN '000'	20-Dec-20 (Audited) AFN '000'
	Note		
12 DEPOSITS FROM CUSTOMERS			
Conventional deposits	12.1	13,589,782	18,756,199
Islamic deposits	12.2	2,467,543	2,552,307
Margin money against letters of guarantee		1,960,736	2,027,273
Deposits under lien		117,752	118,787
		<u>18,135,813</u>	<u>23,454,566</u>
12.1 Conventional deposits			
Term deposits	12.1.1	238,127	309,613
Current deposits	12.1.2	9,929,355	14,074,819
Saving deposits	12.1.3	3,422,301	4,371,767
		<u>13,589,782</u>	<u>18,756,199</u>

12.1.1 Term deposits carry interest ranging from 0.25% to 4% (2020: 0.25% to 4%) per annum.

12.1.2 Current deposits are interest free.

12.1.3 Saving deposits carry interest ranging from 0.25% to 2.5% (2020: 0.25% to 2.5%) per annum.

		20-Mar-21 (Un-audited) AFN '000'	20-Dec-20 (Audited) AFN '000'
	Note		
12.2 Islamic Deposits			
Term deposits	12.2.1	7,230	7,195
Current deposits	12.2.2	338,808	337,153
Saving deposits	12.2.3	2,121,506	2,207,959
		<u>2,467,543</u>	<u>2,552,307</u>

12.2.1 Term deposits include Meaadi Certificates carrying profit at 1% (2020: 1%) per annum.

12.2.2 Current deposits (Al-Wadiah accounts) are being operated at no profit or loss basis.

12.2.3 Saving deposits include the following:

1. Musharaka Saving
2. Mutalim Musharaka
3. Khas Musharaka

These deposits carry profit at 0.25% (2020: 0.25%) per annum.

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MAIWAND BANK
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 30/12/1399 (MARCH 20, 2021)

		20-Mar-21 (Un-audited) AFN '000'	20-Dec-20 (Audited) AFN '000'
13 OTHER LIABILITIES			
Afghan Deposit Insurance Corporation (ADIC) premium payable		16,476	15,477
Interest / Markup payable to customer deposit accounts		2,131	2,929
Accrued expenses and other payables		87,825	96,838
Amount payable to Da Afghanistan Breshna Sherkat		136,826	127,018
Provision on Bank Guarantees		11,785	13,781
Lease Liability	13.1	32,224	27,222
		<u>287,267</u>	<u>283,265</u>

- 13.1** The Bank applied IFRS 16 using the modified retrospective approach, under which the Bank has recognized right of use assets and lease liabilities at the date of initial recognition for leases previously classified as operating leases under IAS 17 at the present value of the remaining lease payments using the Bank's incremental borrowing rate at the initial application date. The Bank has chosen to measure the right of use assets at an amount equal to the lease liabilities adjusted by the amount of prepaid lease payments relating to the operating leases recognized in the statement of financial position as at January 01, 2019.

However, during the quarter ended March 20, 2021, no depreciation has been charged on the right-of-use asset, no effect of unwinding of discount and lease rental payments have been made to the lease liability, which would be adjusted subsequently.

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MAIWAND BANK

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE MONTHS ENDED 30/12/1399 (MARCH 20, 2021)

		20-Mar-21	19-Mar-20
		(Un-audited)	Audited
	Note	AFN '000'	AFN '000'
14 CONTINGENCIES AND COMMITMENTS			
14.1 Contingencies			
Letters of guarantee		<u>2,531,943</u>	<u>2,600,869</u>
These are guarantees extended to corporate entities against performance of contracts and bids.			
14.2 Commitments			
There are no outstanding commitments as at period end (2020: Nil).			
		Un-audited	
		For the three months ended	
		20-Mar-21	19-Mar-20
	Note	AFN '000'	AFN '000'
15 INTEREST INCOME			
Interest income			
Cash and cash equivalents		811	45
Loans and advances to customers	15.1	<u>24,358</u>	<u>53,012</u>
		<u>25,169</u>	<u>53,057</u>
Interest expense			
Deposits from customers		<u>17,801</u>	<u>15,226</u>
		<u>7,368</u>	<u>37,831</u>
15.1 Interest income - loans and advances to customers			
Retail customers - running finances		24,309	52,967
Short term loan to employees		49	45
		<u>24,358</u>	<u>53,012</u>
16 Fee & Commission income			
Commission from credits		6,576	6,338
Accounts & service charges		53,397	21,059
Remittance charges		53,302	35,231
Commission from western union		4,977	6,498
Master card & breshna / water bills		<u>2,409</u>	<u>1,113</u>
		<u>120,661</u>	<u>70,239</u>
Fee & Commission expense			
Remittance charges		824	211
Master card and DAB charges		<u>6,793</u>	<u>10,577</u>
		<u>7,617</u>	<u>10,788</u>
17 PERSONNEL EXPENSES			
Salaries and wages		59,212	54,872
Staff welfare		<u>3,351</u>	<u>3,155</u>
		<u>62,563</u>	<u>58,027</u>

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MAIWAND BANK

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE MONTHS ENDED 30/12/1399 (MARCH 20, 2021)**

	Note	For the three months ended	
		20-Mar-21 AFN '000'	19-Mar-20 AFN '000'
18 OTHER OPERATING EXPENSES			
Rent		12,836	8,508
Internet and connectivity		6,453	7,149
Electricity and power		9,286	9,634
Legal and professional charges		5,012	1,735
Advertisement expenses		1,588	3,401
Travel		781	782
ADIC insurance charges		17,155	14,695
Repair and maintenance		3,306	3,039
Printing and stationery		1,417	1,604
Software maintenance fee		2,043	3,603
Security expenses		27,139	25,179
Communication		759	574
Directors' remuneration		499	260
Office expenses		3,149	1,502
Provision re-integration against bank guarantees		(1,996)	156
Lease liability interest expense		-	698
Others		297	56
		<u>89,723</u>	<u>82,577</u>

19 RELATED PARTY TRANSACTIONS

The Bank has related party relationship with its shareholders, their related entities, directors and key management personnel. Outstanding balances and transactions during the period with related parties are as under:

	Key management personnel (and close family members)		Directors, Shareholders and their associated companies	
	Three months ended 20 March 2021 (Un-audited) AFN '000'	Year ended 20 December 2020 (Audited)	Three months ended 20 March 2021 (Un-audited) AFN '000'	Year ended 20 December 2020 (Audited)
19.1 Deposits from related parties				
Deposits at beginning of the period / year	56	282	1,873	135
Deposits received during the period / year	3,401	10,202	2,181	27,023
Deposits repaid during the period / year	(3,131)	(10,422)	(3,828)	(25,282)
Exchange rate difference	-	(6)	11	3
Deposits at end of the period / year	<u>326</u>	<u>56</u>	<u>238</u>	<u>1,873</u>
19.2 Other transactions with related parties				
Sitting fee paid to members of Board of Supervisors	-	-	260	1,252

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MAIWAND BANK

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE MONTHS ENDED 30/12/1399 (MARCH 20, 2021)**

	Three months ended	
	20-Mar-21	19-Mar-20
	(Un-audited) AFN '000'	(Un-audited) AFN '000'
19.3 Key management compensation		
Salaries and other short term benefits	3,832	14,045

Key management personnel of the Bank include the Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Chief Credit Officer, Chief Risk Officer & Chief Compliance Officer.

In addition to their salaries, the Bank also provides non-cash benefits to executives which includes furnished accommodation, meals and travel.

	Note	20-Mar-21	20-Dec-20
		(Un-audited)	(Audited)
		AFN '000'	AFN '000'
20 CASH AND CASH EQUIVALENT			
Cash and bank balances		11,169,938	16,521,485
Required reserve with DAB	20.1	(2,562,135)	(1,835,799)
		<u>8,607,804</u>	<u>14,685,686</u>

20.1 The deposits with DAB are not available to finance the Bank's day to day operations and are therefore not part of cash and cash equivalents.

21 CAPITAL MANAGEMENT

Regulatory Capital

The Bank's 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 and Tier 2 capital cannot exceed amount of Tier 1 capital. The Bank complies with these regulations.

The Bank's regulatory capital position at 20 March, 2021 was as follows:

	Un-audited 20-Mar-21	Audited 20-Dec-20
	----- AFN '000' -----	
Tier 1 capital		
Total Equity	1,496,911	1,492,251
Less:		
Profit for the period/ year	(4,660)	-
Less:		
Intangible assets	(9,171)	(7,200)
Deferred tax assets - Net	(174,194)	(174,194)
Total tier 1 (core) capital	<u>1,308,886</u>	<u>1,310,857</u>

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MAIWAND BANK

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE MONTHS ENDED 30/12/1399 (MARCH 20, 2021)**

	Un-audited 20-Mar-21	Audited 20-Dec-20
	----- AFN '000' -----	
Tier 2 capital		
General loss reserves on credits	-	118,578
Profit for the period / year	4,660	-
Total tier 2 (supplementary) capital	<u>4,660</u>	<u>118,578</u>
Total regulatory capital (Tier 1 + Tier 2)	<u>1,313,546</u>	<u>1,429,435</u>
Total risk-weighted assets	<u>9,211,720</u>	<u>9,486,204</u>
Tier - 1 capital ratio (Tier 1 capital as % of total risk weighted assets)	<u>14.21%</u>	<u>13.82%</u>
Regulatory capital ratio (Regulatory capital as % of total risk-weighted assets)	<u>14.26%</u>	<u>15.07%</u>

22 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified wherever necessary for better presentation.

23 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue by the board of Supervisor of the Bank on June 14th 2021. hca

Chairman

Chief Executive Officer

Chief Finance Officer

