

**REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION TO THE
SHAREHOLDERS OF GHAZANFAR BANK****Introduction**

We have reviewed the accompanying condensed interim statement of financial position of **Ghazanfar Bank** (the Bank) as at **30 September 2024**, and the related condensed interim statement of comprehensive income, changes in equity and cash flows for the nine months then ended, and notes to the condensed interim financial information ('here-in-after referred to as the condensed interim financial information'). Management is responsible for the preparation and fair presentation of this condensed interim financial information in accordance with the requirement of the Law of Banking in Afghanistan and International Accounting Standards 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this condensed interim financial information 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 condensed interim financial information 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 condensed interim financial information is not prepared in all material respects, in accordance with the requirements of Law of Banking in Afghanistan and International Accounting Standards 34 "Interim Financial Reporting".

Emphasis of Matter

We draw attention to note 6.1.2 to the condensed financial information which shows that additional impairment allowance would be required for loan and advances if asset classification provisioning regulation was effective as of 30 September 2024.

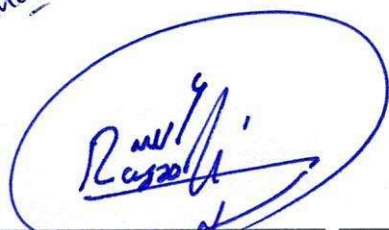
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Chartered Accountants
Engagement Partner: Muhammad Saqlain Siddiqui
Date: 14 November 2024
Place: Kabul, Afghanistan

GHAZANFAR BANK
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT 30 SEPTEMBER 2024

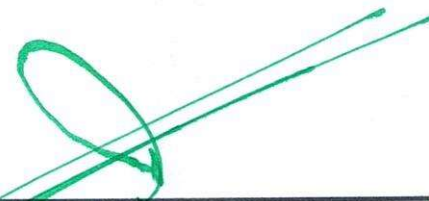
		30-Sep-2024 (Un-audited)	31-Dec-23 (Audited)
	Note AFN '000'	
ASSETS			
Cash and cash equivalents	4	6,941,517	6,200,234
Investments	5	2,400,273	1,089,568
Loans and advances	6	1,521,527	1,666,837
Property and equipment	7	262,328	245,544
Deferred tax assets		57,637	63,267
Other assets	8	1,650,666	2,192,659
Total assets		12,833,948	11,458,109
EQUITY AND LIABILITIES			
EQUITY			
Share capital		1,244,040	1,244,040
Capital Reserves		68,743	68,743
Retained earnings		547,381	525,844
Revaluation deficit on financial instruments at FVOCI		(71,512)	(61,887)
Total equity		1,788,652	1,776,740
LIABILITIES			
Deposits from customers	9	8,993,606	8,157,030
Deposits from financial institutions	10	1,824,137	1,356,970
Other liabilities	11	183,444	139,288
Lease liability	12	43,632	27,604
Provision for taxation		477	477
Total liabilities		11,045,296	9,681,369
Total equity and liabilities		12,833,948	11,458,109
Contingencies and commitments	13		

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

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Chief Financial Officer



Chief Executive Officer



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GHAZANFAR BANK
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED ON 30 SEPTEMBER 2024

	Note	Nine Months Ended		Quarter Ended	
		30-Sep-24	30-Sep-23	30-Sep-24	30-Sep-23
		AFN '000'	AFN '000'	AFN '000'	AFN '000'
Profit/Interest income		198,329	122,311	84,218	31,405
Profit expensed		(20,862)	(9,981)	(8,779)	(3,179)
Net profit/interest income	14	177,467	112,330	75,439	28,226
Fee and commission income		422,557	338,505	175,533	122,821
Fee and commission expense		(25,043)	(19,313)	(13,487)	(5,147)
Net fee and commission income	15	397,514	319,192	162,046	117,674
Losses from dealing in foreign currencies		(126,376)	(179,241)	(118,356)	(166,895)
		448,605	252,281	119,129	(20,995)
Other income	16	12,646	(11,164)	4,676	(22,501)
Impairment allowances	6.1.3	(5,326)	(37,458)	-	(7,881)
Gain on sale of securities		10,582	1,565	1,769	568
Employee compensation	17	(138,804)	(115,541)	(48,857)	(39,500)
Operating lease expenses		(2,073)	(2,196)	(674)	(1,472)
Finance cost on lease liability		(3,748)	(2,874)	(1,226)	107
Depreciation		(36,198)	(35,774)	(12,065)	(11,676)
Administrative expense	18	(253,821)	(240,739)	(56,182)	(125,517)
		(429,388)	(433,017)	(117,234)	(185,371)
Profit / (loss) before tax		31,863	(191,900)	6,569	(228,868)
Taxation		(10,326)	-	(5,279)	7,394
Profit / (loss) for the period		21,537	(191,900)	1,290	(221,474)
Other comprehensive income					
Items to be reclassified subsequently to profit or loss					
- Unrealized losses on revaluation of AFS investment		(89,390)	(110,019)	1,319	(3,116)
- Related deferred tax		17,878	22,004	(264)	623
		(71,512)	(88,015)	1,055	(2,493)
Total comprehensive loss for the period		(49,975)	(279,915)	2,345	(223,966)

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

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Chief Financial Officer

Chief Executive Officer

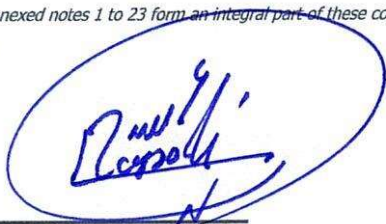
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GHAZANFAR BANK
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED ON 30 SEPTEMBER 2024

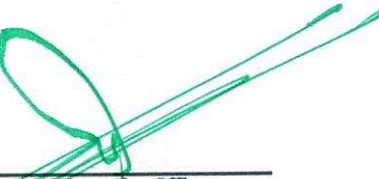
	Issued, subscribed and paid-up share capital	Capital Reserves	Retained Earnings	Revaluation deficit on financial instruments	Total
	AFN '000'				
Balance as at December 31, 2022 (Audited)	1,267,000	60,932	784,233	(133,287)	1,978,878
Loss for the period	-	-	(191,900)	-	(191,900)
Revaluation surplus on financial instruments	-	-	-	45,272	45,272
	-	-	(191,900)	45,272	(146,628)
Balance as at September 30, 2023 (Un-audited)	1,267,000	60,932	592,333	(88,015)	1,832,250
Balance as at December 31, 2023 (Audited)	1,244,040	68,743	525,844	(61,887)	1,776,740
Profit for the period	-	-	21,537	-	21,537
Revaluation deficit on financial instruments	-	-	-	(9,625)	(9,625)
	-	-	21,537	(9,625)	11,912
Balance as at September 30, 2024 (Un-audited)	1,244,040	68,743	547,381	(71,512)	1,788,652

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

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Chief Financial Officer



Chief Executive Officer



Chairman

GHAZANFAR BANK
CONDENSED INTERIM STATEMENT OF CASH FLOW (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED ON 30 SEPTEMBER 2024

	30-Sep-24 (Un-audited)	30-Sep-23 (Un-audited)
 AFN '000'	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) before tax	31,863	(191,900)
Adjustments for:		
Impairment allowances	5,326	37,458
Finance cost on lease liability	3,748	2,874
Exchange gain on lease liability	(771)	-
Depreciation	36,198	35,774
	<u>76,364</u>	<u>(115,794)</u>
Changes in assets		
Loans and advances	139,984	460,933
Other assets	541,993	258,513
	<u>681,977</u>	<u>719,446</u>
Changes in liabilities		
Deposits from customers	836,576	(2,068,244)
Deposits from financial institutions	467,167	(210,173)
Other liabilities	44,157	4,864
	<u>1,347,900</u>	<u>(2,273,553)</u>
Net cash flow from / (used in) operating activities before tax	<u>2,106,240</u>	<u>(1,669,901)</u>
Tax paid	(2,290)	(36,823)
Net cash from / (used in) operating activities	<u>2,103,950</u>	<u>(1,706,724)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(12,467)	(2,747)
Acquisition of right of use assets	(39,970)	-
Capital work in progress	(3,900)	-
Investments	(1,323,513)	85,881
Net cash generated (used in) / from investing activities	<u>(1,379,850)</u>	<u>83,134</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Acquisition of right of use assets	39,970	-
Repayment of lease liability	(22,787)	(17,911)
Net cash from / (used) in financing activities	<u>17,183</u>	<u>(17,911)</u>
Net increase / (decrease) in cash and cash equivalents	<u>741,283</u>	<u>(1,641,500)</u>
Cash and cash equivalents, beginning of the year	6,200,234	7,330,956
Cash and cash equivalents, end of period	<u>6,941,517</u>	<u>5,689,456</u>

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

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Chief Financial Officer

Chief Executive Officer

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GHAZANFAR BANK**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED ON 30 SEPTEMBER 2024**

1 STATUS AND NATURE OF BUSINESS

Ghazanfar Bank ("the Bank") is a commercial Bank incorporated under the Banking Laws of Afghanistan. The registered office of the Bank is located at Wazir Akbar Khan, Sher Pur, District 10, Kabul, Afghanistan.

The Bank obtained business license from Afghanistan Ministry of Commerce and industries bearing license no: D-29098 renewed in 2016 and is registered as a limited liability company. The bank commenced its operations on 01 March 2009 under the license for commercial banking issued by the Da Afghanistan Bank (DAB) under the Law of Banking in Afghanistan. Currently, the Bank is being operated with Fifteen branches with Islamic Banking operations (2023: Fifteen branches with Islamic banking operations) in different provinces of Afghanistan.

This condensed interim financial information for the period ended September 30, 2024 (including comparatives) have been approved and authorized for issue by the Board of Supervisors on _____, 2024.

2 STATEMENT OF COMPLIANCE

- 2.1** This condensed interim financial information of the Bank for the nine months period ended 30 September 2024 has been prepared in accordance with the requirements of the International Accounting Standard 34 -" Interim Financial Reporting" and the Law of Banking in Afghanistan and other laws and regulations issued by Da Afghanistan Bank. Whenever the requirement of the Law of Banking in Afghanistan differs with the requirements of the IAS 34, the requirement of the Law of Banking in Afghanistan and other laws and regulations issued by Da Afghanistan Bank takes precedence.
- 2.2** The disclosures made in this condensed interim financial information 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, this condensed interim financial information should be read in conjunction with the annual financial statements of the Bank for the year ended 31 December 2023.
- 2.3** Comparative statement of financial position is extracted from the annual financial statements as at 31 December 2023 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 9th months period ended 30 September 2023.

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

There are certain new and amended standards and interpretations that are mandatory for the Bank's accounting periods beginning on or after 1 January 2024 but are considered not to be relevant or do not have any significant effect on the Bank's operations.

3 ACCOUNTING POLICIES

- 3.1** The accounting policies adopted in preparation of this condensed interim financial information are consistent with those followed in the preparation of the annual financial statements of the Bank for the year ended 31 December 2023.
- 3.2** The estimates / judgments assumptions used in the preparation of this condensed interim financial information is consistent with those applied in the preparation of the annual financial statements of the Bank for the year ended 31 December 2023.
- 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 31 December 2023.

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GHAZANFAR BANK
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED ON 30 SEPTEMBER 2024

		30-Sep-24 (Un-audited) AFN '000'	31-Dec-23 (Audited) AFN '000'
4 CASH AND CASH EQUIVALENTS	Note		
Cash in hand	4.1	1,261,702	1,100,648
Balances with banks	4.2	1,279,137	3,009,098
Balances with investment managers	4.3	786,249	179,688
Short term placements	4.4	3,614,430	1,910,800
		<u>6,941,517</u>	<u>6,200,234</u>
4.1 Cash in hand			
Local currency		704,772	543,578
Foreign currencies		556,929	557,070
		<u>1,261,702</u>	<u>1,100,648</u>
4.2 Balances with banks			
<i>Balances with central bank</i>			
Local currency current accounts		176,366	930,572
Foreign currency current accounts		533,730	366,096
		<u>710,096</u>	<u>1,296,668</u>
Balances with other banks (domestic)		28	29
Balances with other banks (foreign)		569,013	1,712,401
		<u>1,279,137</u>	<u>3,009,098</u>
4.3 Balances with investment managers			
This represents balances maintained with the investment management companies for future investment opportunities.			
4.4 Short term placements			
Al-Wakala deposits	4.4.1	2,603,760	878,125
Short term placements	4.4.2	1,010,670	1,032,675
		<u>3,614,430</u>	<u>1,910,800</u>

4.4.1 This represents Al-Wakala deposits with Al-Salam bank Bahrain, with expected profit returns ranging from 4.25% to 4.50%, with maturity dates from 15 October 2024 to 12 December 2024 (2023: 4% to 4.25%). The bank has no credit risk ratings.

4.4.2 This represents placements with maturity less than 3 months with Aktif bank and Nural bank, carrying interest rates ranging from 4.10% to 5.25% (2023: 4.50% to 5.25%), these banks have BB credit risk rating.

		30-Sep-24 (Un-audited) AFN '000'	31-Dec-23 (Audited) AFN '000'
5 INVESTMENTS			
Available for sale			
Investment in bonds	5.1	11,760	10,714
Investment in equity instruments	5.2	158,988	194,473
		<u>170,748</u>	<u>205,187</u>
Loss reserve on debt instruments		<u>(10,278)</u>	<u>(10,538)</u>
		<u>160,470</u>	<u>194,649</u>
Held to maturity			
Investments in Sukuk	5.3	737,517	284,377
Investments in T-bills	5.4	769,739	-
		<u>1,507,256</u>	<u>284,377</u>
Investments in:			
Emerging market infrastructure funds	5.5	253,524	259,925
Emerging real estate development funds	5.5	341,983	350,618
SIL Emerging Real Estate funds	5.5	137,040	-
		<u>732,547</u>	<u>610,543</u>
		<u>2,400,273</u>	<u>1,089,568</u>

5.1 This include foreign currency investment in; Sovereign bond of Republic of Sri Lanka having risk rating (D) and coupon rate of 5.70% per annum with the maturity of April 18, 2024. Daman is acting as the investment custodian of this investment.

Cost - net	Unrealized gain/ (loss)	Market value
..... (AFN '000) (AFN '000) (AFN '000)
<u>20,534</u>	<u>(8,774)</u>	<u>11,760</u>

5.2 This represents investment in equity market which are listed on NYSE and NASDAQ stock exchanges. FAB & STP-Partners Ltd is acting as the securities custodian of these investments.

Cost	Unrealized gain/ (loss)	Market value
..... (AFN '000) (AFN '000) (AFN '000)
<u>239,604</u>	<u>(80,616)</u>	<u>158,988</u>

Shares of listed entities

5.3 These represent an investments in Sovereign Sukuk of Oman (risk rating BB+), UAE (risk rating A+), and Bahrain (risk rating B+) having coupon rates ranging from 1.83% to 6.88% per annum, with maturity dates from 20 March 2025 to 31 October 2025, managed through, FAB and STP-Partners Ltd, the asset managers of the bank.

5.4 This represents investments in US Treasury Bills (risk rating AA+), carrying coupon rates ranging from 3.95% to 5.34% for the period, with maturity dates from 19 December 2024 to 7 August 2025, managed through FAB, DAMAN & STP-Partners Ltd, the asset managers of the bank.

5.5 This represents investments in Emerging Market Infrastructure (Carrying 7% coupon and having maturity dates from 06 February 2025 to 16 September 2026), Emerging Real Estate Development Funds (Carrying coupon rates ranging from 5% to 7%, having maturity date of 30 November 2026), and SIL Emerging Real Estate funds (Carrying coupon rate of 5.93% having maturity date of 31 August 2026), issued by UAE Corporations. The UAE country risk is (AA) (31 December 2023: AA). These investments are made through DAMAN and STP-Partners Ltd asset managers of the bank.

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GHAZANFAR BANK
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED ON 30 SEPTEMBER 2024

		30-Sep-24 (Un-audited)	31-Dec-23 (Audited)
	Note	----- AFN '000 -----	
6 LOANS AND ADVANCES TO CUSTOMERS - NET			
Conventional loans		1,412,667	1,568,246
Islamic loans		357,438	353,366
		<u>1,770,105</u>	<u>1,921,612</u>
IMPAIRMENT			
Conventional loans		(243,045)	(249,103)
Islamic loans		(5,533)	(5,672)
	6.1	<u>(248,578)</u>	<u>(254,775)</u>
		<u>1,521,527</u>	<u>1,666,837</u>

6.1 Impairment allowance - summary

Balance at the beginning of the period / year		254,775	339,799
Charge for the period / year		16,981	37,093
Exchange rate differences		(6,197)	(62,016)
		<u>265,559</u>	<u>314,876</u>
Write offs		(16,981)	(60,101)
Balance at the end of the period / year	6.1.1	<u>248,578</u>	<u>254,775</u>

6.1.1 Impairment - details

		30 September 2024			31 December 2023		
		Gross amount	Impairment allowance	Carrying amount	Gross amount	Impairment allowance	Carrying amount
		----- AFN '000' -----					
Conventional financing							
Running finance	6.1.2	785,061	(172,148)	612,912	805,033	(176,423)	628,610
SME loans		533	(26)	507	7,129	(26)	7,103
Term loans		627,073	(70,870)	556,203	756,084	(72,654)	683,430
		<u>1,412,667</u>	<u>(243,045)</u>	<u>1,169,622</u>	<u>1,568,246</u>	<u>(249,103)</u>	<u>1,319,143</u>
Islamic financing							
Murabaha		357,438	(5,533)	351,905	353,366	(5,672)	347,694
		<u>1,770,105</u>	<u>(248,578)</u>	<u>1,521,527</u>	<u>1,921,612</u>	<u>(254,775)</u>	<u>1,666,837</u>

6.1.2 During the period, the DAB has issued a circular to the banks, notifying further deferral of the ACPR application on loans and advances to customers up to 02 Oct 2024. Accordingly, the bank has opted for deferral in the application of ACPR, in preparing the condensed interim financial information for the period ended on 30 Sep 2024. The ACPR if effective as of 30 September 2024, would have result in additional provision amounting to AFN 698.889mn.

6.1.3 Impairment (charge)/reversal on financial assets

	30-Sep-24 (Un-audited)	31-Dec-23 (Audited)
	----- AFN '000 -----	
Impairment reversal on receivables from financial institutions	11,655	74,980
Net impairment allowance on non-funded facilities	-	(365)
Net provision on accrued interest/ profit	-	(1,803)
Loan charged off during the period / year	(16,981)	(37,093)
Provisions on funded facilities - Net	<u>(5,326)</u>	<u>35,719</u>

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GHAZANFAR BANK
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED ON 30 SEPTEMBER 2024

			30-Sep-24	31-Dec-23
			(Un-audited)	(Audited)
		 AFN '000'	
7	PROPERTY AND EQUIPMENT	Note		
	Operating fixed assets			
	Owned	7.1	183,940	186,744
	Right of use asset	7.2	74,409	58,721
	Capital work in progress		3,979	79
			262,328	245,544
7.1	Cost			
	Opening balances		504,538	505,633
	Additions during the period / year		12,467	3,601
	Transfer from capital work in progress		-	2,037
	Disposals during the period / year		-	(6,733)
	Closing balances		517,005	504,538
	Accumulated Depreciation			
	Opening balances		317,794	301,279
	Charge for the period / year		15,271	23,135
	Disposals during the period / year		-	(6,620)
	Closing balances		333,065	317,794
	Written down value		183,940	186,744
7.2	Right of use assets			
	Cost			
	Opening balance		179,865	162,902
	Additions during the period / year		39,970	21,371
	Lease modification		-	(4,408)
	Write-Off		(3,294)	-
	Closing balances		216,541	179,865
	Accumulated Depreciation			
	Opening balance		121,144	97,188
	Charge for the period / year		20,988	23,956
	Closing balances		142,132	121,144
	Carrying Amount		74,409	58,721

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GHAZANFAR BANK
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED ON 30 SEPTEMBER 2024

		30-Sep-24 (Un-audited)	31-Dec-23 (Audited)
	Note AFN '000'	
8 OTHER ASSETS			
Restricted deposits with DAB	8.1	853,253	574,518
Prepayments	8.2	87,021	89,511
Receivable from Western Union		78,785	44,472
Profit receivable	8.3	27,708	8,321
Interest receivable		20,269	12,295
Security deposits	8.4	413,059	484,274
Receivable from humanitarian organization	8.5	157,855	969,154
Others		12,716	10,114
		1,650,666	2,192,659
8.1 Restricted deposits with DAB			
Local currency		200,676	123,096
Foreign currencies		652,577	451,422
	8.1.1	853,253	574,518
8.1.1	This represents non-interest bearing statutory reserves maintained with DAB as minimum reserve calculated at 7% for local currency and 9% of foreign currency deposits in accordance with Article 3 "Required Reserves Regulation" of the Banking Regulations issued by DAB.		
8.2	This includes 20 years prepayment rental expense for the hairatan branch to the related party of the bank AFN to 46.59 million (2023: AFN 47.83mn), Malakut insurance brokers AFN 30.45 million (2023: AFN 18.74mn and ICA AFN 16mn) and Oracle corporation AFN 7.61 million (2023: AFN 3.94mn).		
8.3	This includes profit receivable on account of Murabaha investments, Sovereign sukuks and Murabaha facility.		
		30-Sep-24 (Un-audited)	31-Dec-23 (Audited)
		----- AFN '000 -----	
8.4 Security Deposits			
Pashtany bank	8.4.1	342,600	351,250
Ziraat bank	8.4.2	46,454	108,725
CSC Bank & Western union		24,005	24,299
		413,059	484,274
8.4.1	Security deposits for providing DABs bills collections.		
8.4.2	Cash margin on issuance letter of credits		
8.5	This represents receivables against the provision of cash distribution services to the international humanitarian organization, which was subsequently received by the bank.		

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NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED ON 30 SEPTEMBER 2024

		30-Sep-24	31-Dec-23
		(Un-audited)	(Audited)
	Note AFN '000'
9	DEPOSITS FROM CUSTOMERS		
	Conventional		
	Current deposits	4,331,072	3,772,312
	Saving deposits	656,474	530,029
	Term deposits	76,835	79,617
		5,064,381	4,381,958
	Islamic		
	Current deposits	1,159,566	1,009,985
	Saving deposits	873,705	804,741
	Mudarabah fixed deposits	383,716	413,080
		2,416,987	2,227,806
	Margin deposits		
	Margin deposits - expired	14,275	14,631
	Margin deposits - unexpired	1,497,963	1,532,635
		1,512,238	1,547,266
		8,993,606	8,157,030

9.1 This represent cash margin money held against bank guarantee ranging from 5% to 100% of the guarantee amount.

		30-Sep-24	31-Dec-23
		(Un-audited)	(Audited)
	 AFN '000'
10	DEPOSITS FROM FINANCIAL INSTITUTIONS		
	Deposits from Banks		
	Demand Deposits of Banks	251,515	138,035
	Deposits from OFI's		
	Current deposits	50,382	75,935
	Term deposits	1,522,240	1,143,000
		1,572,622	1,218,935
		1,824,137	1,356,970

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GHAZANFAR BANK
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED ON 30 SEPTEMBER 2024

		30-Sep-24 (Un-audited)	31-Dec-23 (Audited)
	Note AFN '000' AFN '000'
11 OTHER LIABILITIES			
Interest payable on customer deposits		9,825	12,376
Profit payable on Islamic customer deposits		28,381	10,403
Withholding tax		14,382	10,176
Unearned commission on bank guarantees		15,164	6,517
Accrued expenses		26,098	22,578
Dividend payable	11.1	17,274	17,274
Payable against canceled shares		22,960	22,960
Payable to donor	11.2	13,559	2,030
Other liabilities	11.3	35,802	34,974
		<u>183,444</u>	<u>139,288</u>
11.1	This represents dividend payable to disputed shareholder declared in 2020.		
11.2	This represents balance received from ACGF against providing loans to SMEs under AMAD project and recovery of guaranteed loans.		
11.3	This includes sundry deposits, rent payable, CSC intermediary account and other suspend liabilities.		
12 LEASE LIABILITY			
Opening balance		27,604	34,516
Addition during the period / year		39,970	21,170
Payment during the period / year - principal		(22,787)	(23,516)
Accrued finance cost for the period / year		3,748	5,485
Lease modification		-	(6,597)
Write off		(4,132)	-
Exchange gain		(771)	(3,454)
Carrying amount		<u>43,632</u>	<u>27,604</u>
13 CONTINGENCIES AND COMMITMENTS			
Contingencies			
Contingencies - Bank guarantees issued		5,476,559	5,298,260
Letters of credits		46,454	141,402
		<u>5,523,013</u>	<u>5,439,662</u>
Commitments - Un-used portion of Overdraft		<u>4,111</u>	<u>4,215</u>
14 PROFIT/INTEREST INCOME			
Interest income			
Profit/Interest income on al-wakala deposits and placements		100,383	27,318
Loans and advances		45,648	58,367
Bonds and Sukuk		52,298	36,626
Total interest income		<u>198,329</u>	<u>122,311</u>
Profit expense			
Customer deposits	14.1	20,862	9,981
Net interest income		<u>177,468</u>	<u>112,330</u>
14.1 Profit expense on customers deposits			
Term deposits		17,977	8,653
Saving deposits		2,885	1,328
		<u>20,862</u>	<u>9,981</u>

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GHAZANFAR BANK
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED ON 30 SEPTEMBER 2024

	30-Sep-24 (Un-audited)	30-Sep-23 (Un-audited)
 AFN '000'	
15 NET FEE AND COMMISSION INCOME		
Fee and commission income		
Commission on bank guarantees	44,251	35,818
Commission on letter of credits	1,383	1,603
Fund transfer fee	313,641	255,751
Deposit accounts servicing	23,987	26,924
Commission on cash distribution	39,295	18,409
Total fee and commission income	422,557	338,505
Fee and commission expense		
Inter bank transaction fee	(11,097)	(8,390)
Electronic banking fee	(13,946)	(10,923)
Net fee and commission income	397,514	319,192
16 OTHER INCOME		
Loss on revaluation of investment in gold	-	(23,924)
Recovery of loan previously written off	3,643	2,280
Other	9,003	10,480
	12,646	(11,164)
17 EMPLOYEE COMPENSATION		
Salaries and wages	134,825	108,678
Food allowances	2,870	2,589
Staff bonus	1,085	4,274
	138,804	115,541
18 ADMINISTRATIVE EXPENSE		
Security guards expenses	22,266	16,955
Software annual maintenance	11,260	11,569
Insurance	49,067	25,395
Communication	4,023	4,280
Advertisement	8,334	15,234
Travelling and conveyance	9,609	6,933
Utilities	8,972	8,411
Fuel	3,354	3,172
Repair and maintenance	11,408	6,618
Stationery and printing	5,212	5,299
Directors meeting fees	10,529	8,018
Donation	48,050	57,215
Food expenses	3,188	2,821
Staff training	3,351	1,493
Audit fee	1,152	780
Consultancy & advisory	40,176	56,579
Other expenses	13,871	9,967
	253,821	240,739

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GHAZANFAR BANK
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED ON 30 SEPTEMBER 2024

19 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Parent and ultimate controlling entity

The Bank is owned by individual shareholders owing equity shares in different proportions. Mr. Mohammad Ibrahim Ghazanfar and Mr. Mohammad Ismail Ghazanfar each holds 36.16% and 36.15% respectively of issued, subscribed and paid up capital while remaining 27.69% is held by Mrs. Shukria Amin. This is based on the revised article of association approved from the DAB.

Associated entities

Associated entities include all sister companies under Ghazanfar Group including Ghazanfar Naft and Gas, Ghazanfar investments and Ghazanfar Foundation.

Key management personnel

Key management personnel includes Board of Supervisors, Chief Executive Officer, Deputy Chief Executive Officer, Chief Financial Officer, Chief Credit Officer, Chief Operation Officer and Chief Islamic Banking 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:

Nature of transactions

(a) Loans and advances to related parties

Loans outstanding at the beginning of the period / year
Loans issued during the period / year
Loans repayments during the period / year
Exchange gain
Loans outstanding at the end of the period / year

Directors and other key management personnel (and close family members)		Shareholders and its associated companies	
30-Sep-24 (Un-audited)	31-Dec-23 (Audited)	30-Sep-24 (Un-audited)	31-Dec-23 (Audited)
----- AFN '000 -----			
-	-	47,476	57,657
-	-	-	-
-	-	(8,107)	(10,181)
-	-	-	-
-	-	39,369	47,476
-	-	2,075	3,717

Interest income earned

The facilities provided to related parties carry mark-up of 7% p.a. (31 December 2023: 7% p.a.) payable on monthly basis and are secured against mortgage of residential property and personal guarantees of directors and representative of shareholders of the bank.

Nature of transactions

(b) Deposits from related parties

Deposits at the beginning of the period / year
Deposits received during the period / year
Deposits repaid during the period / year
Deposits at the end of the period / year

Directors and other key management personnel (and close family members)		Shareholders and its associated companies	
30-Sep-24 (Un-audited)	31-Dec-23 (Audited)	30-Sep-24 (Un-audited)	31-Dec-23 (Audited)
----- AFN '000 -----			
18,549	10,030	20,634	9,001
64,634	79,246	193,812	601,809
63,231	70,727	204,771	590,176
19,952	18,549	9,675	20,634

Nature of transactions

(c) Other related party transactions with shareholders and its associated

Prepayment / Security Deposit for Hairatan Branch

30-Sep-24 (Un-audited)	31-Dec-23 (Audited)
----- AFN '000' -----	
46,558	47,827

(d) Other related party expenses during the period

Directors' fee
Rent paid

Directors and other key management personnel (and close family members)		Shareholders and its associated companies	
30-Sep-24 (Un-audited)	30-Sep-23 (Un-audited)	30-Sep-24 (Un-audited)	30-Sep-23 (Un-audited)
----- AFN '000 -----			
10,529	8,018	-	-
-	-	2,479	2,896

(e) Key Management compensation

Salaries and other short-term benefits

30-Sep-24 (Un-audited)	30-Sep-23 (Un-audited)
----- AFN '000' -----	
28,261	24,297
28,261	24,297

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GHAZANFAR BANK
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED ON 30 SEPTEMBER 2024

20 CAPITAL MANAGEMENT

Regulatory capital

Da Afghanistan Bank (DAB) sets and monitors capital requirements for all Banks. Bank is required to maintain at all times the paid up capital plus reserves in excess of Afs 1 billion and regulatory capital to be 12% of the risk weighted assets. The capital adequacy of the Bank is assessed in two tiers as per regulations of the DAB.

- 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 as on September 30, 2024 is as follows:

	30-Sep-24 (Un-audited) AFN '000'	31-Dec-23 (Audited) AFN '000'
Tier 1 capital		
Share holders' equity	1,788,652	1,776,740
Less: Other Equity Components	71,512	61,887
Less: Profit for the period / year	(21,537)	-
Less: Intangible assets	-	-
Net Deferred tax assets	(57,637)	(63,267)
Total tier 1 (core) capital	1,780,989	1,775,361
Tier 2 capital		
General allowances on standard advances	22	22
Add: Profit for the period / year	21,537	-
Total tier 2 (supplementary) capital	21,559	22
Total Regulatory capital = Tier 1 + Tier 2	1,802,549	1,775,383
Risk-weight categories		
0% risk weight:		
Cash in Afghani and fully-convertible foreign currencies	1,261,702	1,100,648
Direct claims on DAB	1,563,349	1,871,186
Direct claims on other Governments	-	-
Total	2,825,051	2,971,834
0% risk-weight total (above total x 0%)	-	-
20% risk weight:		
Demand deposits with banks	1,355,290	1,892,118
Short term deposits with banks	3,614,430	1,910,800
Guaranteed by multilateral lending institutions	142,951	112,023
Total	5,112,671	3,914,941
20% Risk-Weight Total (Above Total x 20%)	1,022,534	782,988
50% risk weight:		
Qualifying Residential Mortgage Loans	-	-
Qualifying Real Estate Construction Loans	-	-
Total	-	-
50% risk-weight total (above total x 50%)	-	-

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GHAZANFAR BANK
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED ON 30 SEPTEMBER 2024

	30-Sep-24 (Un-audited)	31-Dec-23 (Audited)
 AFN '000'	
100% risk weight		
Loans and advances - Gross	1,378,598	1,554,813
Property and Equipment	262,328	245,544
All other assets	3,229,571	2,751,307
Total	4,870,497	4,551,664
100% Risk-Weight Total (Above Total x 100%)	4,870,497	4,551,664
Off-balance-sheet items with 0% Credit Conversion Factor		
Undrawn loan and overdraft facilities	4,111	4,215
Total	4,111	4,215
0% Credit Conversion Factor Total (Above Total x 0%)	-	-
Off-balance-sheet items with 20% Credit Conversion Factor		
Commercial letters of credit	37,744	-
100% Risk Weight	8,710	16,924
Total	46,454	16,924
20% Credit Conversion Factor Total (Risk-Weighted Total x 20%)	1,742	3,385
Off-balance sheet items with 100% Credit Conversion Factor		
Guarantees and Standby Letters of Credit	-	-
20% Risk Weight	-	-
100% Risk Weight	609,972	334,137
Total	609,972	334,137
100% Credit Conversion Factor Total(Risk-Weighted Totals x 100%)	609,972	334,137
	6,504,745	5,672,173
Tier 1 Capital Ratio	27.38	31.30
Regulatory Capital Ratio	27.71	31.30

Currently the bank is having above AFN 4,393.70 million expired bank guarantees due to which the risk weight of such guarantees is considered zero which results an increase in Tier 1 Capital ratio and the Regulatory Capital Ratio.

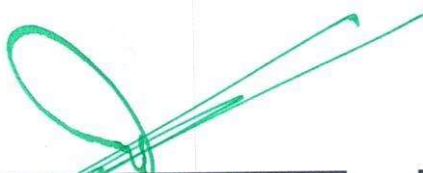
21 GENERAL

No significant reclassification/rearrangement has been made in these condensed interim financial statements. Figures have been rounded off to the nearest Thousand of AFN.

Nil



Chief Financial Officer



Chief Executive Officer



Chairman

GHAZANFAR BANK
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED ON 30 SEPTEMBER 2024

22 Islamic Banking Information

22.1 Islamic Banking Financial Position

The Bank has the following interim financial position as at September 30, 2024, for Islamic Banking operations:

	30-Sep-24 (Un-audited)	31-Dec-23 (Audited)
 AFN '000'	
ASSETS		
Cash and cash equivalents	489,010	1,729,607
Alwakala deposits with FIs	2,603,760	878,125
Investments in Sukuk securities	737,517	284,377
Murabaha Islamic Financing	351,905	347,694
Other assets	290,245	657,370
Total assets	4,472,437	3,897,173
EQUITY AND LIABILITIES		
EQUITY		
Retained earnings	(36,215)	62,224
Total equity	(36,215)	62,224
LIABILITIES		
Current deposits	1,161,258	1,009,985
Mudarabah saving deposits	873,705	804,741
Mudarabah fixed deposits	2,412,297	1,996,922
Other liabilities	61,392	23,301
Total liabilities	4,508,652	3,834,949
Total equity and liabilities	4,472,437	3,897,173
Contingencies and commitments	1,199,520	1,033,546

Chief Financial Officer

Chief Executive Officer

Chairman

GHAZANFAR BANK
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED ON 30 SEPTEMBER 2024

22.2 Islamic Banking Interim Profit or Loss

The Bank has the following interim profit or loss for the nine months period ended September 30, 2024, from Islamic Banking operations:

	Nine Months Ended		Quarter Ended	
	30-Sep-24	30-Sep-23	30-Sep-24	30-Sep-23
 AFN '000' AFN '000'	
Total profit income	94,480	46,216	45,859	13,936
Total markup	(20,862)	(9,982)	(8,778)	(3,180)
Net profit income	73,618	36,234	37,081	10,756
Revenue from banking services	61,126	67,410	19,205	21,868
Expense on banking services	(659)	(896)	(423)	(357)
Net revenue from banking services	60,467	66,514	18,782	21,510
(Losses) from dealing in foreign currencies	(100,983)	(65,597)	(37,530)	(81,570)
	33,102	37,151	18,333	(49,303)
Other income	9,475	13,713	1,499	7,786
Impairment allowances and charge off	(16,871)	(5,350)	-	(5,809)
Employee compensation	(41,298)	(36,015)	(13,717)	(12,357)
Operating lease expenses	(246)	(256)	(78)	(10)
Finance cost on lease liability	(1,574)	(1,486)	(505)	(464)
Depreciation and Amortization	(11,474)	(12,373)	(3,774)	(4,087)
Administrative expense	(69,556)	(67,471)	(20,481)	(23,380)
	(141,018)	(122,952)	(38,555)	(46,107)
(Loss) before tax	(98,440)	(72,088)	(18,723)	(87,625)
Taxation	-	-	-	3,107
(Loss) after tax	(98,440)	(72,088)	(18,723)	(84,517)

23 GENERAL

No significant reclassification/rearrangement has been made in these condensed interim financial information. Figures have been rounded off to the nearest Thousand of AFN.

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Chief Financial Officer


Chief Executive Officer


Chairman