



# **Bank Alfalah Limited Afghanistan**

**Condensed Interim financial statements**

**For the six months period ended**

**30 June 2021**

Review report issued by

**Crowe Horwath - Afghanistan**

Address: 6th floor, Kabul Business  
Center, Shahr-e-Naw, Haji Yaqoob Square  
Kabul-Afghanistan

## **Report on Review of Condensed Interim Financial Statements to the Shareholders of Bank Alfalah Limited Afghanistan**

### **Introduction**

We have reviewed the accompanying condensed interim statement of financial position of **Bank Alfalah Limited Afghanistan** ("the Bank") as at 30 June 2021 and the related condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows, and the notes to the condensed interim financial statements for the six months then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and fair presentation of these interim financial statements in accordance with the International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), Law of Banking in Afghanistan and the directives issued by Da Afghanistan Bank. Our responsibility is to express a conclusion on these interim financial statements based on our review.

### **Scope of Review**

We conducted our review in accordance with International Standard on Review Engagements 2410, "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements do not give a true and fair view of the financial position of the Bank as at 30 June 2021, and of its financial performance and its cash flows for the six 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 central bank of Afghanistan.

### **Other Matters**

The condensed interim financial statements for the six months ended 30 June 2020 and the financial statements for the year ended 31 December 2020 were reviewed and audited, respectively, by another auditor who expressed unqualified review conclusion on the condensed interim financial statements for the six months ended 30 June 2020 on 13 August 2020 and unqualified audit opinion on the financial statements for the year ended 31 December 2020 on 30 March 2021.



**Crowe Horwath Afghanistan**

Engagement Partner: Muhammad Najmussaib Shah - FCA


Location: Kabul, Afghanistan

Date:

**BANK ALFALAH LIMITED AFGHANISTAN****CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)****AS AT 30 JUNE 2021**

		30 June 2021 (Un-audited)	31 December 2020 (Audited)
	Note	----- (AFN '000') -----	
<b>ASSETS</b>			
Cash and cash equivalent		5,829,686	4,958,936
Investments - net	3	6,710,549	8,182,083
Loans and advances to customer - net		199	30
Property and equipment	4	39,465	46,158
Deferred tax asset		39,358	-
Advance tax - net		4,207	-
Other assets	5	1,179,152	1,192,069
<b>Total assets</b>		<b>13,802,616</b>	<b>14,379,276</b>
<b>LIABILITIES</b>			
Borrowing from banks		-	154,200
Deposit from customers	6	12,022,320	12,106,227
Deferred tax liabilities - net		-	25,988
Current tax liability - net		-	9,920
Lease liability		30,457	34,655
Other liabilities	7	120,174	157,980
<b>Total liabilities</b>		<b>12,172,951</b>	<b>12,488,970</b>
<b>EQUITY</b>			
Share capital		1,000,000	1,000,000
Capital reserve		74,531	65,500
Retained earnings		427,767	718,155
Reserve surplus (deficit) on revaluation of securities		127,367	106,651
<b>Total equity</b>		<b>1,629,665</b>	<b>1,890,306</b>
<b>Total liabilities and equity</b>		<b>13,802,616</b>	<b>14,379,276</b>
<b>Contingencies and commitments</b>	8		

The annexed notes 1 to 12 form an integral part of this condensed interim financial information.

  
Country Finance Manager  
Country Manager



**BANK ALFALAH LIMITED AFGHANISTAN**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR SIX MONTHS ENDED 30 JUNE 2021**

	Six months ended		Three months ended	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)
	----- (AFN '000') -----		----- (AFN '000') -----	
Interest income	123,011	139,147	62,365	64,860
Interest expense	(24,891)	(8,989)	(14,244)	(4,572)
Net interest income	98,120	130,158	48,121	60,287
Fee and commission income	44,649	40,225	23,495	20,623
Fee and commission expense	(4,893)	(4,649)	(569)	(1,741)
Net fee and commission income	39,756	35,576	22,926	18,882
Income from dealing in foreign currencies	5,092	5,085	2,441	2,412
Total operating income	142,968	170,819	73,488	81,581
Other income	72,026	(6,426)	(2,585)	(6,426)
Reversal / (charge) of credit losses on:				
Cash and cash equivalents	-	4,020	-	2,645
Investments	(406)	(998)	(235)	864
Loans and advances to customers	-	-	-	(1,142)
Loans and advances to financial institutions	-	1,347	-	1,347
Other assets	-	-	-	-
Off balance sheet items	(12)	2,371	(415)	542
<b>Net operating income</b>	<b>214,576</b>	<b>171,133</b>	<b>70,254</b>	<b>79,411</b>
Personnel expenses	(50,315)	(51,734)	(21,530)	(21,907)
Depreciation	(7,300)	(10,097)	(3,645)	(5,436)
Finance cost on lease	-	(618)	-	(400)
Other operating expenses	(46,857)	(34,585)	(20,503)	(7,178)
Total operating expenses	(104,472)	(97,033)	(45,679)	(34,921)
<b>Profit before taxation</b>	<b>110,105</b>	<b>74,100</b>	<b>24,574</b>	<b>44,490</b>
Taxation	70,524	(16,092)	87,659	(7,354)
<b>Net profit</b>	<b>180,629</b>	<b>58,007</b>	<b>112,234</b>	<b>37,136</b>
<b>Other comprehensive income</b>				
<b>Items that are or may be reclassified to profit or loss</b>				
Mark to market adjustment on investments at FVOCI	68,011	(29,381)	206,092	390,312
Related deferred tax	(13,602)	5,876	(41,218)	(78,062)
Mark to market adjustment on interest rate SWAP	(42,116)	(171,757)	(145,723)	-
Related deferred tax	8,423	5,876	29,145	-
Other comprehensive income, net of tax	20,716	(189,386)	48,295	312,250
<b>Total comprehensive income, net of tax</b>	<b>201,345</b>	<b>(131,378)</b>	<b>160,529</b>	<b>349,385</b>

The annexed notes 1 to 12 form an integral part of this condensed interim financial information.

  
Country Finance Manager

  
Country Manager

**BANK ALFALAH LIMITED AFGHANISTAN**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
**FOR SIX MONTHS ENDED 30 JUNE 2021**

	Capital contributed by Head Office	Revaluation reserve on financial instruments at FVOCI	Capital reserve	Retained earnings	Total
	----- (AFN '000') -----				
<b>Balance as at 1 January 2020 - (Audited)</b>	<b>1,000,000</b>	<b>56,014</b>	<b>59,905</b>	<b>611,858</b>	<b>1,727,777</b>
Profit for the period	-	-	-	58,007	58,007
Total comprehensive income:	-	(160,911)	-	-	(160,911)
	-	(160,911)	-	58,007	(102,904)
Transactions with with owners of the Bank					
Transferred to capital reserve	-	-	2,900	(2,900)	-
Profits remitted to Head Office	-	-	-	-	-
<b>As at 30 June 2020 (Un-audited)</b>	<b>1,000,000</b>	<b>(104,897)</b>	<b>62,805</b>	<b>666,965</b>	<b>1,624,873</b>
<b>Balance as at 1 January 2021 - (Audited)</b>	<b>1,000,000</b>	<b>106,651</b>	<b>65,500</b>	<b>718,155</b>	<b>1,890,306</b>
Profit for the period	-	-	-	180,629	180,629
Total comprehensive income:	-	20,716	-	-	20,716
	-	20,716	-	180,629	201,345
Transactions with with owners of the Bank					
Transferred to capital reserve	-	-	9,031	(9,031)	-
Profits remitted to Head Office	-	-	-	(461,986)	(461,986)
<b>As at 30 June 2021 (Un-audited)</b>	<b>1,000,000</b>	<b>127,367</b>	<b>74,531</b>	<b>427,767</b>	<b>1,629,665</b>

The annexed notes 1 to 12 form an integral part of this condensed interim financial information.

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Country Finance Manager

  
Country Manager

**BANK ALFALAH LIMITED AFGHANISTAN**  
**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)**  
**FOR SIX MONTHS ENDED 30 JUNE 2021**

		Six months ended 30 June 2021 (Un-audited) ----- (AFN '000') -----	Six months ended 30 June 2020 (Un-audited) ----- (AFN '000') -----
<b>Cash flows from operating activities</b>			
Profit before taxation		110,105	74,099
<b>Adjustments for:</b>			
Depreciation	4	7,300	10,097
Provisions/(reversals)			
Investments		406	998
Loans and advances to financial institutions		-	(1,347)
Exchange loss on lease liabilities		(335)	
Gain on disposal of property and equipment		(786)	
Off balance sheet items		12	(2,371)
Loss on settlement of Interest rate swaps - net		(4,676)	9,631
		<u>112,026</u>	<u>91,107</u>
<b>Changes in:</b>			
Loans and advances to financial institutions - net		-	589,800
Loans and advances to customers - net		169	792
Advance tax - net		(8,950)	(42,448)
Other assets		12,917	(284,459)
Borrowing from banks		(154,200)	154,640
Deposits from customers		(83,907)	(365,536)
Lease liability		(4,198)	(2,243)
Other liabilities		(37,817)	181,983
		<u>(275,986)</u>	<u>232,528</u>
<b>Net cash generated from / (used in) operating activities</b>		<u>(163,960)</u>	<u>323,635</u>
<b>Cash flows from investing activities</b>			
Decrease / (Increase) in investments - net		1,496,521	(1,574,922)
Acquisition of property and equipment	4	(219)	(6,162)
Proceeds from disposal of property and equipment		394	-
<b>Net cash used in investing activities</b>		<u>1,496,696</u>	<u>(1,581,084)</u>
<b>Cash flows from financing activities</b>			
Remittances to the Head Office		(461,986)	-
<b>Net cash used in financing activities</b>		<u>(461,986)</u>	<u>-</u>
<b>Net decrease in cash and cash equivalents</b>		<u>870,750</u>	<u>(1,257,448)</u>
Cash and cash equivalent at beginning of the period		<u>4,958,936</u>	<u>5,227,395</u>
<b>Cash and cash equivalents at end of the period</b>		<u><u>5,829,686</u></u>	<u><u>3,969,947</u></u>

The annexed notes 1 to 12 form an integral part of this condensed interim financial information.

  
Country Finance Manager

  
Country Manager



**BANK ALFALAH LIMITED AFGHANISTAN**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)**  
**FOR SIX MONTHS ENDED 30 JUNE 2021**

**1 STATUS AND NATURE OF BUSINESS**

Bank Alfalah Limited Afghanistan ("the Bank") is a foreign branch of Bank Alfalah Limited, Pakistan and is registered and operating in Afghanistan as a commercial bank. The Bank obtained business license from Afghanistan Investment Support Agency which has been renewed by Ministry of Commerce and Industries (MoCI) on 23 July 2017. The Bank commenced its operations on 05 September 2005 under the license for commercial banking issued by Da Afghanistan Bank (DAB) under the Law of Banking in Afghanistan. Currently, the Bank has two conventional banking branches at Kabul and Herat.

The registered office of the Bank is located in Kabul, Afghanistan.

**2 BASIS OF PREPARATION**

- 2.1** This condensed interim financial information of the Bank for the six months period ended 30 June 2021 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.

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 2020.

- 2.2** Comparative statement of financial position is extracted from the annual financial statements as at 31 December 2020 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 six months period ended 30 June 2020.

- 2.3 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 2021 but are considered not to be relevant or do not have any significant effect on the Bank's operations.

- 2.4 Accounting policies, significant accounting judgements, estimates and assumptions**

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 2020.

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 2020.

The financial risk management policies and procedures are the same as those disclosed in annual financial statements of the Bank for the year ended 31 December 2020

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**BANK ALFALAH LIMITED AFGHANISTAN**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)**  
**FOR SIX MONTHS ENDED 30 JUNE 2021**

	Note	30 June 2021 (Un-audited) ----- (AFN '000') -----	31 December 2020 (Audited) -----
<b>3 INVESTMENTS - NET</b>			
At FVOCI			
Foreign bonds	3.1	4,462,979	6,457,254
At Amortizes cost:			
Capital notes with DAB	3.2	2,258,356	1,352,028
Foreign bonds		-	383,181
		<b>6,721,336</b>	<b>8,192,463</b>
Less: Provision for expected credit losses		<b>(10,786)</b>	<b>(3,348)</b>
		<b>6,710,549</b>	<b>8,189,115</b>

**3.1 The breakup of foreign bonds is as follows:**

	Rating	Rating Agency		
African Finance Corp.	A3	Moody's	432,414	423,510
Pakistan Euro Bond	B3	Moody's	554,948	539,295
African Export-Import	-	Moody's	-	490,019
Oman Government International Bond	BB+	Moody's	416,856	394,185
Oman Government International Bond	BB+	Moody's	116,720	110,370
Asian Development Bank	-	Moody's	-	231,434
South Africa	BB	Moody's	126,689	122,820
Abu Dhabi Government	-	Moody's	-	162,228
Abu Dhabi Government International	-	Moody's	-	250,260
South Africa	Baa3	Moody's	295,607	286,581
Republic of Italy	Baa3	Moody's	41,294	162,407
Sharjah Sukuk	A3	Moody's	502,023	485,536
Kingdom of Saudi Sukuk	A1	Moody's	506,760	499,858
Italy Government International Bond	Baa3	Moody's	330,365	325,276
China Government Bonds	-	Moody's	-	476,348
Exp Imp Bank of Korea	-	Moody's	-	78,714
Industrial Bank of Korea	-	Moody's	-	273,023
Indonesia	Baa2	Moody's	82,593	80,761
Indonesia	Baa2	Moody's	407,091	409,497
Malaysia Sukuk	-	Moody's	-	157,495
Dubai DOF Sukuk	unrated	Moody's	404,716	390,909
United Mexican States	-	Moody's	-	49,179
Kazakhstan	-	Moody's	-	47,495
Republic of Chile	A1	Moody's	9,997	10,054
Republic of Turkey	B2	Moody's	77,184	-
Republic of Turkey	B2	Moody's	157,722	-
			<b>4,462,979</b>	<b>6,457,254</b>
Foreign bonds at Amortized cost:				
Qatar Sovereign			-	383,181
			<b>4,462,979</b>	<b>6,840,435</b>

**3.1.1** These bonds are listed on various stock exchanges including London Stock Exchange. The interest rate on these bonds ranges from 1.625% to 8.25% (31 December 2020: 0.6% to 8.25%) per annum maturing by 09 September 2030.

**3.2** These represent investments in capital notes issued by DAB having maturity upto 12 months (31 December 2020: upto 12 months) and these carry interest rate of 2.99% to 6.2% (31 December 2020: 0.85% to 3.9%) per annum.

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**BANK ALFALAH LIMITED AFGHANISTAN**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)**  
**FOR SIX MONTHS ENDED 30 JUNE 2021**

**4 PROPERTY AND EQUIPMENT**

	Leasehold improvements	Furniture & fixtures	Electrical, office and computer equipment	Vehicles	Right-to-use Assets (Leased assets)	Total
	(AFN '000')					
<b>Cost</b>						
Balance at 1 January 2020	28,175	8,934	31,852	20,155	23,541	112,659
Adjustment on transition to IFRS 16	-	-	-	-	-	-
Additions	167	-	2,488	-	40,449	43,103
Disposals	-	-	-	-	-	-
Transfer amongst asset categories	-	-	-	-	-	-
Assets written-off	-	-	-	-	-	-
Balance at 31 December 2020	<u>28,342</u>	<u>8,934</u>	<u>34,340</u>	<u>20,155</u>	<u>63,990</u>	<u>155,762</u>
Balance at 1 January 2021	28,342	8,934	34,340	20,155	63,990	155,762
Adjustment on transition to IFRS 16	-	-	-	-	-	-
Additions	-	-	219	-	-	219
Disposals	-	-	(3,057)	-	(23,153)	(26,210)
Adjustments	-	-	-	-	-	-
Balance at 30 June 2021	<u>28,342</u>	<u>8,934</u>	<u>31,502</u>	<u>20,155</u>	<u>40,837</u>	<u>129,771</u>
<b>Depreciation</b>						
Balance at 1 January 2020	28,175	7,122	29,563	10,151	14,386	89,397
Charge for the year	5	317	1,145	2,608	16,132	20,207
Depreciation on disposals	-	-	-	-	-	-
Transfer amongst asset categories	-	-	-	-	-	-
Assets written-off	-	-	-	-	-	-
Balance at 31 December 2020	<u>28,180</u>	<u>7,439</u>	<u>30,708</u>	<u>12,759</u>	<u>30,518</u>	<u>109,604</u>
Balance at 1 January 2021	28,180	7,439	30,708	12,759	30,518	109,604
Charge for the year	8	156	652	1,301	5,183	7,300
Depreciation on disposals	-	-	(3,057)	-	(23,544)	(26,601)
Assets written-off	-	-	-	-	-	-
Balance at 30 June 2021	<u>28,189</u>	<u>7,595</u>	<u>28,304</u>	<u>14,060</u>	<u>12,157</u>	<u>90,304</u>
<b>Carrying amounts</b>						
Balance at 31 December 2020	<u>161</u>	<u>1,495</u>	<u>3,632</u>	<u>7,396</u>	<u>33,472</u>	<u>46,158</u>
Balance at 30 June 2021	<u>153</u>	<u>1,339</u>	<u>3,198</u>	<u>6,095</u>	<u>28,680</u>	<u>39,465</u>
<b>Depreciation rate</b>	20%	10% - 25%	20% - 25%	25%	20% - 50%	

**5 OTHER ASSETS**

		30 June 2021 (Un-audited)	31 December 2020 (Audited)
	Note	(AFN '000')	(AFN '000')
Accrued interest		50,369	51,800
Advances, deposits and prepayments		575	1,411
Restricted deposits with DAB	5.1	1,049,392	1,001,428
Call margin		78,254	132,612
Receivable against credit card transactions		-	115
Branch adjustment account		-	3,973
Interest receivable on Interest Rate Swaps		562	730
		<u>1,179,152</u>	<u>1,192,069</u>
Less: Provision against other asset		-	-
		<u>1,179,152</u>	<u>1,192,069</u>

- 5.1 Required reserve account is being maintained with DAB to meet minimum reserve requirement in accordance with revised "Reserve Requirement for Monetary Policy Purposes" of the Banking Regulations issued by DAB. These balances attract interest at the rate of 1% on AFN amount and 0.25% on USD amount (31 December 2020: Interest free).

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**BANK ALFALAH LIMITED AFGHANISTAN****NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)****FOR SIX MONTHS ENDED 30 JUNE 2021**

		30 June 2021	31 December 2020
		(Un-audited)	(Audited)
	Note	----- (AFN '000')-----	----- (AFN '000')-----
<b>6</b>	<b>DEPOSITS FROM CUSTOMERS</b>		
	Current deposits	10,134,940	10,715,479
	Saving deposits	6.1 170,722	197,192
	Term deposits	6.2 1,690,954	1,170,770
	Margin deposits	25,704	22,786
		<b>12,022,320</b>	<b>12,106,227</b>

**6.1** Saving deposits carry interest rate of 0.1% (31 December 2020: 0.1%) per annum on both AFN & USD deposit accounts.

**6.2** Term deposits carry interest rate ranging from 1.9% to 4.5% (31 December 2020: 1.9% to 3.7%) per annum and have maturity ranging from 6 to 12 (31 December 2020: 6 to 12) months.

**7 OTHER LIABILITIES**

	30 June 2021	31 December 2020
	(Un-audited)	(Audited)
	----- (AFN '000')-----	----- (AFN '000')-----
Unearned commission on letters of guarantee	-	1,085
Unrealized loss on re-measurement of Interest Rate Swaps	73,878	128,463
Interest payable on Interest Rate Swap	6,754	5,582
Interest payable	20,751	6,786
Accrued expenses	10,643	8,606
DAB assessment fee payable	4,590	3,060
Professional charges	1,320	720
Bills payable	951	118
Branch adjustment account	72	-
Provision for expected credit loss against off-balance sheet items	1,028	1,016
Others	187	2,544
	<b>120,174</b>	<b>157,980</b>

**8 CONTINGENCIES AND COMMITMENTS**

<b>8.1</b>	Guarantees	8.1.1	<b>254,554</b>	395,006
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**8.1.1** These represent bid bonds and performance based guarantees issued by the Bank.

<b>8.2</b>	Commitments	8.2.1	<b>2,541,440</b>	2,246,340
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**8.2.1** These represent commitment regarding IRS notional amount for calculation of interest payable/receivable.

**9 RELATED PARTY TRANSACTIONS**

The Bank is a fully owned branch of Bank Alfalah Limited Pakistan. Related parties comprise associated undertakings, majority shareholders, retirement benefit plans, directors of the Head Office of the Bank and the key management personnel of the Bank and its Head Office. Transactions with key management personnel have been carried out as per terms of their employment. Details of transactions and balances with related parties are as follows:

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**BANK ALFALAH LIMITED AFGHANISTAN**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)**  
**FOR SIX MONTHS ENDED 30 JUNE 2021**

**9.1 Transactions with related parties**

Name of group companies	Nature of transactions	Six months ended 30 June 2021 (Un-audited)	Six months ended 30 June 2020 (Un-audited)	Three months ended 30 June 2021 (Un-audited)	Three months ended 30 June 2020 (Un-audited)
AFN '000'					
Bank Alfalah Limited Bahrain	Interest expense on Borrowing	-	-	-	-
	Interest income on Interest Rate Swap	-	-	-	-
	Interest receivable on Interest Rate Swap	-	-	-	-
	Interest expense on Interest Rate Swap	-	-	-	-
	Interest payable on Interest Rate Swap	-	-	-	-
Bank Alfalah Limited Pakistan	Profit remitted to Head Office	461,986	-	461,986	-
Alfalah Insurance Company Limited	Insurance premium paid to Alfalah insurance company limited	108	-	108	-

**9.2 Key management compensation**

Salaries and benefits	20,993	20,859	9,002	9,355
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**10 FAIR VALUE OF FINANCIAL INSTRUMENTS**

10.1 IFRS 13 requires the Bank to classify fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has following levels:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

10.2 The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3 based on the degree to which the fair value is observable.

	Level 1	Level 2	Level 3	Total
AFN '000'				
Investments in bonds - debt instruments at fair value through other comprehensive income				
As at 30 June 2021 (Un-audited)	4,462,979	-	-	4,462,979
As at 31 December 2020 (Audited)	6,840,435	-	-	6,840,435

**11 CORRESPONDING FIGURES**

11.1 Corresponding figures have been re-arranged and reclassified, wherever necessary, to facilitate comparisons. No significant reclassifications were made during the period.

11.2 The figures in this condensed interim financial information have been rounded off to the nearest thousands.

**12 DATE OF AUTHORISATION FOR ISSUE**

This condensed interim financial information has been authorized for issue by the Country Finance Manager and Country Manager of the Bank on \_\_\_\_\_.

  
Country Finance Manager

  
Country Manager