



Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants
House 1013, Street 2
Shirpoor road, Kabul
Afghanistan

Tel: +93 (0) 752 055 025
ey.kbl@af.ey.com
ey.com/pk

INDEPENDENT AUDITORS' REPORT TO THE COUNTRY MANAGER ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION

Introduction

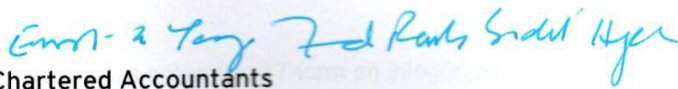
We have reviewed the accompanying condensed interim statement of financial position of **Habib Bank Limited Afghanistan Branches** (the Bank) as at **30 September 2017** and the related condensed interim statements of comprehensive income, changes in equity and cash flows for the nine months period then 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 presentation of this condensed interim financial information in accordance with the requirements of the Law of Banking in Afghanistan and International Accounting Standard No. 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 the 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 Standard No. 34 "Interim Financial Reporting".


Chartered Accountants

Engagement Partner: Shabbir Yunus

Date: 15 November 2017

Kabul, Afghanistan

HABIB BANK LIMITED AFGHANISTAN BRANCHES
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2017

	Note	30 September 2017 (Un-audited) AFN '000'	31 December 2016 (Audited) AFN '000'
ASSETS			
Cash and cash equivalents	4	3,638,948	5,231,279
Lending to financial institutions - net	5	1,493,430	1,580,302
Investments - net	6	2,937,268	2,526,106
Loans and advances to customers - net	7	37,565	36,154
Property and equipment	8	2,897	2,141
Other assets	9	87,849	30,561
Deferred tax asset		-	6,293
Total assets		8,197,957	9,412,836
LIABILITIES			
Borrowing from banks	10	727,224	979,070
Deposits from customers	11	6,071,927	7,143,290
Deferred tax liability		377	-
Taxation - net		24,612	8,250
Other liabilities	12	132,606	77,063
Total liabilities		6,956,746	8,207,673
EQUITY			
Capital contributed by head office		1,000,242	1,000,242
Retained earnings		240,969	204,921
Total equity		1,241,211	1,205,163
Total liabilities and equity		8,197,957	9,412,836
Contingencies and commitments	13		

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.

E-1/12/17


 Country Finance Manager



 Country Manager

HABIB BANK LIMITED AFGHANISTAN BRANCHES
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 SEPTEMBER 2017

	Note	Nine months ended		Three months ended	
		30 September 2017	30 September 2016	30 September 2017	30 September 2016
		(Un-audited) AFN '000'	(Un-audited) AFN '000'	(Un-audited) AFN '000'	(Un-audited) AFN '000'
Interest income		246,520	170,967	79,606	58,195
Interest expense		(106,817)	(47,931)	(33,370)	(17,978)
Net Interest Income		139,703	123,036	46,236	40,217
Fee and commission income - net		37,231	30,767	9,879	6,470
Income from dealing in foreign currencies		49,867	22,145	31,524	8,820
Other income		5,177	4,200	1,178	1,131
		231,978	180,148	88,817	56,638
Provision on placements	4	(26,992)	-	664	-
Provision on lending to financial institutions		(2,390)	-	(464)	-
Provision on investments	6	(16,068)	-	249	-
Provision on loans and advances	7	-	(821)	-	-
Provision on interest receivable	9	(110)	-	(65)	-
Provision on letter of credits / bank guarantees	12	(14,316)	-	(423)	-
Personnel expenses		(29,474)	(32,881)	(10,167)	(10,552)
Occupancy expenses		(11,741)	(11,483)	(3,471)	(4,750)
Depreciation	8	(677)	(639)	(213)	(216)
Other operating expenses		(23,356)	(20,007)	(10,946)	(7,304)
PROFIT BEFORE INCOME TAX		106,854	114,317	63,981	33,816
Taxation		(27,993)	(27,672)	(12,365)	(9,045)
PROFIT FOR THE PERIOD		78,861	86,645	51,616	24,771
OTHER COMPREHENSIVE INCOME					
Other comprehensive income for the period		-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		78,861	86,645	51,616	24,771

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.


Country Finance Manager


Country Manager

HABIB BANK LIMITED AFGHANISTAN BRANCHES
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR NINE MONTHS ENDED 30 SEPTEMBER 2017

	Capital contributed by head office	Retained earnings	Total
	----- AFN '000' -----		
Balance as at 01 January 2016 - (Audited)	1,000,242	233,369	1,233,611
Profit for the period	-	86,645	86,645
Payment to Head Office during the period	-	(153,125)	(153,125)
Total comprehensive income:			
Other comprehensive income for nine months	-	-	-
	-	(66,480)	(66,480)
Balance as at 30 September 2016 - (Un-audited)	<u>1,000,242</u>	<u>166,889</u>	<u>1,167,131</u>
Balance as at 01 January 2017 - (Audited)	1,000,242	204,921	1,205,163
Profit for the period	-	78,861	78,861
Payment to Head Office during the period	-	(42,813)	(42,813)
Total comprehensive income:			
Other comprehensive income for nine months	-	-	-
	-	36,048	36,048
Balance as at 30 September 2017 - (Un-audited)	<u>1,000,242</u>	<u>240,969</u>	<u>1,241,211</u>

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.

EY/AF



 Country Finance Manager



 Country Manager

HABIB BANK LIMITED AFGHANISTAN BRANCHES
CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR NINE MONTHS ENDED 30 SEPTEMBER 2017

		Nine months ended 30 September 2017	Nine months ended 30 September 2016
		(Un-audited) AFN '000'	(Un-audited) AFN '000'
	Note		
CASH FLOW FROM OPERATING ACTIVITIES			
Profit for the period		78,861	86,645
Adjustment for:			
Depreciation	8	677	639
Provision on lending to financial institutions		2,390	-
Provision on investments	6	16,068	-
Provision on interest receivable	9	110	-
Provision on letter of credits / bank guarantees	12	14,316	-
Net interest income		(139,703)	(123,036)
Income tax expense		27,993	27,672
		712	(8,080)
Changes in operating assets and liabilities			
Lendings to financial institutions		84,482	(785,287)
Loans and advances to customers - net		(1,411)	44,199
Other assets		(9,348)	(17,681)
Borrowings from banks		(251,846)	(606,486)
Deposits from customers		(1,071,363)	(166,507)
Other liabilities		34,141	5,538
		(1,214,633)	(1,534,304)
Interest received		196,340	117,876
Interest paid		(99,731)	(76,420)
Income tax paid		(2,831)	(8,627)
Net cash used in operating activities		(1,120,855)	(1,501,475)
CASH FLOW FROM INVESTING ACTIVITIES			
Investments		(427,230)	64,531
Acquisition of property and equipment	8	(1,433)	(515)
Net cash (used in) / generated from investing activities		(428,663)	64,016
Transfer to Head office		(42,813)	(153,125)
Net decrease in cash and cash equivalents		(1,592,331)	(1,590,584)
Cash and cash equivalents at beginning of the period		5,231,279	5,675,399
Cash and cash equivalents at end of the period	4	3,638,948	4,084,815

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.

Country Finance Manager

Country Manager

HABIB BANK LIMITED AFGHANISTAN BRANCHES
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR NINE MONTHS ENDED 30 SEPTEMBER 2017

1 STATUS AND NATURE OF BUSINESS

Habib Bank Limited Afghanistan Branches (the Bank) is a foreign operation of Habib Bank Limited, Pakistan operating in Afghanistan. The Bank obtained business license from Afghanistan Investment Support Agency on 14 April 2004 which has been renewed by Ministry of Commerce and Industries (MoCI) on 01 August 2017 and is valid till 30 July 2020. Currently, the Bank is operating with 1 conventional Banking Branch (2016: 2) in Kabul.

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

2 BASIS OF PREPARATION

This condensed interim financial information of the Bank for the nine months period ended 30 September 2017 has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and the Law of Banking in Afghanistan. In case where requirements differ, the requirements of Law of Banking of Afghanistan takes precedence.

The disclosures made in this condensed interim financial information have been limited based on the requirements 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 2016.

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 01 January 2017 but are considered not to be relevant or do not have any significant effect on the Bank's operations and therefore, not detailed in this condensed interim financial information.

3 ACCOUNTING POLICIES

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 2016.

The estimates / judgments and assumptions used in the preparation of this condensed interim financial information are consistent with those applied in the preparation of the annual financial statements of the Bank for the year ended 31 December 2016.

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 2016.

4. CASH AND CASH EQUIVALENTS

		30 September 2017 (Un-audited) AFN '000'	31 December 2016 (Audited) AFN '000'
	Note		
Cash in Hand			
Local currency - AFN		12,907	13,518
Foreign currency - USD		30,908	26,195
Foreign currency - EURO		892	3,497
		44,707	43,210
Balances with Financial Institutions			
Balances with DAB	4.1	1,458,053	546,392
Balances with related parties	4.2	1,862,948	4,107,117
Balances with Bank Alfalah, Kingdom of Bahrain	4.3	273,240	534,560
		3,594,241	5,188,069
		3,638,948	5,231,279
4.1 Balances with DAB			
Foreign currency			
Current accounts		864,536	71,734
Required reserve account	4.1.1	413,191	-
		1,277,727	71,734
Local currency			
Current accounts		161,944	140,427
Required reserve account	4.1.1	18,382	334,231
		180,326	474,658
		1,458,053	546,392

4.1.1 Required reserve account is being maintained with DAB to meet minimum reserve requirement in accordance with revised "Reserve Requirement for Monetary Policy Purposes" issued by DAB. These balances are interest free (2016: interest free).

4.2 Balances with related parties

Foreign currency			
Nostro		45,570	465,281
Placements	4.2.1	1,844,370	3,641,836
General provision held	4.2.2	(26,992)	-
		1,862,948	4,107,117

4.2.1 This represents a portfolio of placements with related parties. These placements have different maturity periods starting from 14 days to 6 months (2016: 14 days to 3 months) and carry interest rate ranging from 1.10% to 3.08% (2016: 1.10% to 4.10%) per annum.

4.2.2 General provision is held on placements with related parties, in accordance with "Asset Classification and Provisioning Regulation" issued by DAB.

4.3 This represent a portfolio of placements with Bank Alfalah Bahrain. These placements have a maturity of 30 days (2016: 14 days) and carry interest rate of 1.6% (2016: 1.3%) per annum.

5. LENDING TO FINANCIAL INSTITUTIONS - NET

		30 September 2017 (Un-audited) AFN '000'	31 December 2016 (Audited) AFN '000'
	Note		
Trade bills	5.1	1,508,515	1,592,996
Provision held against trade bills	5.2	(15,085)	(12,694)
		1,493,430	1,580,302

5.1 This represents trade bills purchased carrying yield ranging from 1.05% to 3.0% (2016: 2% to 2.95%) per annum having maturity period from 04 to 12 months (2016: 03 to 06 months).

ETPAH

- 5.2 General provision is held at 1% (2016: 1%), in accordance with 'Asset Classification and Provisioning Regulation' issued by DAB.

6. INVESTMENTS - NET

		30 September 2017 (Un-audited) AFN '000'	31 December 2016 (Audited) AFN '000'
	Note		
Investments classified as:			
Available for sale	6.1	341,550	334,100
Held to maturity:			
Capital notes with DAB	6.2	1,346,500	1,594,775
Bonds	6.3	1,265,286	597,231
		2,611,786	2,192,006
General provision held	6.4	(16,068)	-
		<u>2,937,268</u>	<u>2,526,106</u>

- 6.1 This represents investment amounting to USD 5 million equivalent to AFN 341,550 thousands (2016: USD 5 million equivalent to AFN 334,100 thousands) in variable rate subordinated loan notes Class C, issued by Habib Allied International Bank Plc, United Kingdom, a subsidiary company of Habib Bank Limited. These notes carry yield ranging from 5.83% to 6.78% (6 months LIBOR + 5%) (2016: 5.83% to 6.32% (6 months LIBOR + 5%) per annum and will mature on 28 December 2017 (2016: 28 December 2017).
- 6.2 This represents capital notes issued by DAB having face value of AFN 1,420,000,000 (2016: AFN 1,677,500,000) and carry yield ranging from 5.15% to 6.67% (2016: 6.65% to 6.70%) per annum. These have original maturity period of 364 days (2016: 364 days).
- 6.3 These represent investments in foreign currency bonds issued by the Government of Islamic Republic of Pakistan and the Government of Democratic Socialist Republic of Srilanka. These carry yield ranging from 5.50% and 8.63% (2016: 6% to 7.25%) per annum maturing ranging from 14 January 2019 to 15 April 2024 respectively.
- 6.4 General provision of 1% is held on available for sale investments and bonds held till maturity (2016: Nil), in accordance with 'Asset Classification and Provisioning Regulation' issued by DAB.

7. LOANS AND ADVANCES TO CUSTOMERS - NET

		30 September 2017 (Un-audited) AFN '000'	31 December 2016 (Audited) AFN '000'
	Note		
Overdrafts	7.1	39,614	37,959
Less: Provision against overdrafts	7.2	(2,049)	(1,805)
		<u>37,565</u>	<u>36,154</u>

- 7.1 Overdrafts are extended for a period of one year, subject to renewal at the end of loan term. Overdrafts carry interest rates from 12% to 13% (2016: 12% to 13%) per annum. These facilities are secured against immovable properties and personal guarantees.

7.2 Provisions against loans and advances

		30 September 2017 (Un-audited) AFN '000'	31 December 2016 (Audited) AFN '000'
	Note		
Opening balance		1,805	1,231
Charge for the period / year	7.2.1	-	1,732
Reversal during the period / year		-	(1,130)
Exchange rate fluctuation		244	(28)
		<u>244</u>	<u>574</u>
Closing balance		<u>2,049</u>	<u>1,805</u>

- 7.2.1 As at 30 September 2017, the provisioning has been made in accordance with the 'Asset Classification and Provisioning Regulation' issued by DAB.

8. PROPERTY AND EQUIPMENT	30 September 2017 (Un-audited) AFN '000'	31 December 2016 (Audited) AFN '000'
Property and equipment-Movement		
<i>Opening balance (Audited):</i>		
Cost	19,859	19,574
Accumulated depreciation	(17,718)	(17,077)
Net book amount	<u>2,141</u>	<u>2,497</u>
<i>Movement during the period / year:</i>		
Additions	1,433	285
Depreciation charge	(677)	(641)
	<u>756</u>	<u>(356)</u>
<i>Closing balance:</i>		
Cost	21,292	19,859
Accumulated depreciation	(18,395)	(17,718)
Net book amount	<u>2,897</u>	<u>2,141</u>

9. OTHER ASSETS		
Prepayments		5,644
Interest / mark-up receivable		24,834
Others		83
		<u>30,561</u>
General provision held against interest receivable	9.1	-
		<u>87,849</u>

9.1 General provision is held at 1% (2016: Nil), in accordance with 'Asset Classification and Provisioning Regulation' issued by DAB.

10. BORROWING FROM BANKS		30 September 2017 (Un-audited) AFN '000'	31 December 2016 (Audited) AFN '000'
	Note		
Bank-e-Millie Afghan		341,550	-
First Micro Finance Bank Limited - Afghanistan		112,434	578,150
Bank Alfalah Limited - Afghanistan		273,240	-
Afghan United Bank		-	400,920
	10.1	<u>727,224</u>	<u>979,070</u>

10.1 These represent borrowing from other banks carrying interest rates ranging from 0.4% to 2.45% (2016: 0.35% to 1.40%) per annum having maturities from 21 days to 365 days (2016: upto 3 months).

ETM

11. DEPOSITS FROM CUSTOMERS		30 September 2017 (Un-audited) AFN '000'	31 December 2016 (Audited) AFN '000'
Local currency			
Term deposits	11.1	928,000	1,420,000
Current deposits		229,920	164,236
Saving deposits	11.2	212,411	196,792
		<u>1,370,331</u>	<u>1,781,028</u>
Foreign currency			
Term deposits	11.3	1,659,250	1,088,498
Current deposits		3,033,493	4,263,579
Saving deposits	11.2	8,853	10,185
		<u>4,701,596</u>	<u>5,362,262</u>
		<u><u>6,071,927</u></u>	<u><u>7,143,290</u></u>

11.1 These carry interest rates ranging from 3.60% to 5% (2016: 3.60% to 5%) per annum and have a maturity period ranging from 06 to 12 months (2016: 01 year).

11.2 These carry interest rates ranging from 0.10 % to 1.5% (2016: 0.10 % to 2%) per annum and have a maturity period ranging from 03 to 06 months (2016: 01 to 06 months).

11.3 These carry interest rates ranging from 1% to 1.78% (2016: 1% to 1.78%) per annum and have maturity period from 06 to 12 months (2016: 03 to 06 months).

12. OTHER LIABILITIES

Interest payable		35,307	28,221
Margin money		72,887	41,664
Accrued expenses		7,067	7,178
Unclaimed customer deposits		3,029	-
General provision held against letter of credits / bank guarantees	12.1	14,316	-
		<u>132,606</u>	<u>77,063</u>

12.1 General provision is held at 1% (2016: Nil), in accordance with 'Asset Classification and Provisioning Regulation' issued by DAB.

13. CONTINGENCIES AND COMMITMENTS

13.1 Contingencies		30 September 2017 (Un-audited) AFN '000'	31 December 2016 (Audited) AFN '000'
Letter of credit and acceptances		9,905	10,346
Guarantees	13.1.1	1,421,714	1,260,971

13.1.1 These represent bid bonds and performance based guarantees issued by the Bank.

13.2 Commitments

Undrawn loan and overdraft facilities		<u>1,372</u>	<u>2,133</u>
---------------------------------------	--	--------------	--------------

ET/BSH

14. RELATED PARTY TRANSACTIONS

The Bank is a branch office of Habib Bank Limited Pakistan, therefore, HBL Head office, HBL overseas branches, HBL subsidiaries and associates are related parties to the Bank. Other related parties include key management personnel of the Bank. The transactions with related parties are carried out as per agreed terms.

14.1 Details of transactions with the related parties during the period are as follows:

Name of group companies	Nature of transactions	Nine months ended		Three months ended	
		30 September 2017	30 September 2016	30 September 2017	30 September 2016
		(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)
		AFN '000	AFN '000	AFN '000	AFN '000
HBL Hong Kong	Placement made	4,664,448	3,357,569	1,487,580	855,984
	Placement matured	5,558,426	3,734,165	2,653,078	924,000
	Income earned on placements	67,444	8,847	6,871	2,565
HBL Singapore	Placement made	1,901,560	1,958,180	411,000	656,600
	Placement matured	2,107,840	2,709,480	684,560	722,260
	Income earned on placements	3,164	4,843	1,160	1,058
HBL Turkey	Placement made	67,730	612,510	-	99,000
	Placement matured	67,590	608,520	-	198,000
	Income earned on placements	348	382	-	191
HBL Bahrain	Placement made	5,372,965	3,806,560	2,701,405	792,000
	Placement matured	5,028,690	1,952,740	1,846,530	787,920
	Income earned on placements	42,260	14,704	13,792	5,143
HBL Kenya	Placement made	7,432,984	4,109,735	273,560	1,267,200
	Placement matured	8,285,239	3,693,965	991,655	1,056,000
	Income earned on placements	8,189	5,970	2,612	2,519
HBL Srilanka	Placement made	1,084,690	549,280	342,050	-
	Placement matured	1,088,540	686,600	342,050	-
	Income earned on placements	953	2,001	191	-
HBL Pakistan - Treasury	Placement made	714,840	-	-	-
	Placement matured	714,840	-	-	-
	Income earned on placements	153	-	-	-
FMFB - Afghanistan	Placement made	3,000,865	-	-	-
	Placement matured	2,977,910	-	300,000	-
	Income earned on placements	6,906	-	4,048	-
HBL KEPZ	Placement made	1,738,210	-	478,730	-
	Placement matured	1,977,885	-	786,485	-
	Income earned on placements	418	-	276	-
HBL Lebanon	Placement made	633,237	-	20,517	-
	Placement matured	653,754	-	41,034	-
	Income earned on placements	148	-	58	-
Key management personnel compensation					
Salaries and benefits		7,477	7,297	3,434	1,910

In addition to their salaries, the Bank also provides non-cash benefits to expatriate staff which includes furnished accommodation.

ET/AA

14.2 Balances with related parties as at period / year end are as follows:

Name of group companies	Nature of transactions	30 September	31 December
		2017	2016
		(Un-audited)	(Audited)
		AFN '000'	AFN '000'
HBL Bahrain	Placement	1,844,370	1,470,040
HBL Singapore	Placement	-	267,280
HBL Hong Kong	Placement	-	982,400
HBL Kenya	Placement	-	701,610
HBL Lebanon	Placement	-	20,046
HBL Bahrain	Investments	116,537	-
HBL Treasury HOK	Investments	1,092,960	200,460
Habib Allied International Bank	Available for sale investments	341,550	334,100
HBL Brussels	Current Account	18,208	137,990
Habib Allied International Bank	Current Account	4,594	113,484
HBL New York	Current Account	22,262	212,103
HBL Foreign Exchange Pakistan	Current Account	506	1,704
HBL Bangladesh	Lendings to financial institutions	-	323,535
Borrowings from banks			
FMFB		112,434	578,150
Deposits from Customers			
Tourism Promotion Services - KSH		21,311	13,154
French Medical Institute for Children (FMIC)		3,160	3,408
Telecom Development Company Afghanistan		1,322	2,653
Key management personnel compensation			
Accounts Balances		1,104	1,250

15. FAIR VALUE OF FINANCIAL INSTRUMENTS

IFRS 13 "Fair Value Measurement" defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of quoted securities other than those classified as held to maturity, is based on quoted market price. Fair value of fixed term loans, other assets, other liabilities and fixed term deposits cannot be calculated with sufficient reliability due to absence of current and active market for these assets and liabilities and reliable data regarding market rates for similar instruments. The provision for impairment of loans and advances has been calculated in accordance with the Bank's accounting policy as stated in note 10.2.1 to the annual audited financial statements for the year ended 31 December 2016.

In the opinion of the management, the fair value of the remaining financial assets and financial liabilities are not significantly different from their carrying values since assets and liabilities are either short term in nature or in the case of customer loans and deposits are frequently repriced.

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.

15.1 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'			
Available for sale investments				
As at 30 September 2017 (Un-audited)	-	-	341,550	341,550
As at 31 December 2016 (Audited)	-	-	334,100	334,100

During the period ended 30 September 2017, there were no transfers between level 1 and level 2 fair value measurements, and no transfer into and out of level 3 fair value measurements.

16. CORRESPONDING FIGURES


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

16.2 Figures have been rounded off to the nearest thousand unless otherwise stated.

17. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information has been authorized for issue by the Country Finance Manager and Country Manger of the Bank on 15-Nov-2017.

ETM



Country Finance Manager



Country Manager

