



Grant Thornton
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Independent auditors' report to the shareholders of Afghanistan Commercial Bank

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We have audited the accompanying financial statements of Afghanistan Commercial Bank ("the Bank"), which comprise the statement of financial position as at December 31, 2015 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and the requirements of the Law of Banking in Afghanistan, and for such internal control as management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Afghanistan Commercial Bank as at December 31, 2015 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Law of Banking in Afghanistan.

Kabul

Date: 26 - March - 2016

Grant Thornton
Grant Thornton Afghanistan
Chartered Accountants



AFGHANISTAN COMMERCIAL BANK
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2015

	Note	2015 AFN	2014 AFN
Assets			
Cash and cash equivalents	5	1,150,822,646	1,546,399,461
Loans and advances to customers	6	1,122,451,001	893,739,471
Property and equipment	7	215,940,267	211,493,631
Intangible assets	8	25,334,580	-
Deferred tax asset	9	16,129,840	19,906,694
Other assets	10	94,849,688	75,682,073
Total assets		2,625,528,022	2,747,221,330
Liabilities			
Deposits from customers	11	1,370,423,289	1,555,615,874
Other liabilities	12	204,905,024	170,756,638
Total liabilities		1,575,328,313	1,726,372,512
Equity			
Share capital	13	1,345,000,000	1,345,000,000
Retained earnings		(294,800,291)	(324,151,182)
Total equity		1,050,199,709	1,020,848,818
Total liabilities and equity		2,625,528,022	2,747,221,330
Contingencies and commitments	14		

The annexed notes 1 to 23 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER


CHAIRMAN



GTA

AFGHANISTAN COMMERCIAL BANK
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2015

	Note	2015 AFN	2014 AFN
Interest income		159,331,900	107,916,849
Interest expense		(1,522,871)	(3,400,887)
Net interest income	15	157,809,029	104,515,962
Fee and commission income		26,913,180	20,375,886
Fee and commission expense		(8,276,250)	(4,368,180)
Net fee and commission income	16	18,636,930	16,007,706
Other operating income / (loss)	17	25,755,347	(14,958,968)
Operating income		202,201,306	105,564,700
Employee compensation		(37,425,650)	(23,406,347)
Depreciation expense	7	(8,329,470)	(6,650,560)
Allowance for doubtful debts	6.1	(60,040,699)	-
Amortization	8	(866,116)	-
Administrative expenses	18	(62,411,626)	(55,007,305)
Profit before income tax		33,127,745	20,500,488
Income tax expense	19	(3,776,854)	(16,412,086)
Profit for the year		29,350,891	4,088,402

The annexed notes 1 to 23 form an integral part of these financial statements.



CHIEF EXECUTIVE OFFICER



CHAIRMAN



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**AFGHANISTAN COMMERCIAL BANK
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Share capital	Retained earnings	Total
	----- AFN -----		
Balance as at January 1, 2014	1,000,000,000	(328,239,584)	671,760,416
Comprehensive income			
Net Profit for the year		4,088,402	4,088,402
Transactions with owners			
Ordinary share issue	345,000,000	-	345,000,000
Balance as at December 31, 2014	<u>1,345,000,000</u>	<u>(324,151,182)</u>	<u>1,020,848,818</u>
Balance as at January 1, 2015	1,345,000,000	(324,151,182)	1,020,848,818
Comprehensive income			
Net Profit for the year		29,350,891	29,350,891
Balance as at December 31, 2015	<u>1,345,000,000</u>	<u>(294,800,291)</u>	<u>1,050,199,709</u>

The annexed notes 1 to 23 form an integral part of these financial statements.



CHIEF EXECUTIVE OFFICER



CHAIRMAN



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AFGHANISTAN COMMERCIAL BANK
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2015

	Note	2015 AFN	2014 AFN
Cash flows from operating activities			
Income before income tax		33,127,745	20,500,488
Adjustments for:			
Allowance for doubtful debts		60,040,699	-
Depreciation	7	8,329,470	6,650,560
Gain on disposal of fixed assets		(12,265)	-
Amortization	8	866,116	-
Net interest expense	15	1,522,871	3,400,887
Net interest income		(159,331,900)	(107,916,849)
		(55,457,264)	(77,364,914)
Working capital changes:			
loans and advances to customers		(288,752,229)	(385,439,665)
other assets		(18,912,128)	1,293,366
deposits from customers		(185,192,585)	372,660,524
other liabilities		34,262,829	74,765,619
Net cash used in operations		(514,051,377)	(14,085,070)
Interest received		159,076,413	107,888,575
Interest paid		(1,637,314)	(3,303,519)
Net cash (used in) / generated from operating activities		(356,612,278)	90,499,986
	Note		
Cash flows from investing activities			
Acquisition of property and equipment	7	(12,840,412)	(11,834,162)
Proceeds from disposal of property and equipment	7	76,571	60,487
Acquisition of intangible asset		(26,200,696)	-
Net cash used in investing activities		(38,964,537)	(11,773,675)
Cash flows from financing activities			
Issuance of shares against cash		-	345,000,000
Net cash generated from financing activities		-	345,000,000
Net (decrease) / increase in cash and cash equivalents		(395,576,815)	423,726,311
Cash and cash equivalents as at 1 January		1,546,399,461	1,122,673,150
Cash and cash equivalents as at 31 December		1,150,822,646	1,546,399,461

The annexed notes 1 to 23 form an integral part of these financial statements

 CHIEF EXECUTIVE OFFICER

 CHAIRMAN



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