



KPMG Afghanistan Limited

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Bank as at 31 December 2010, and of its financial performance for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Law of Banking in Afghanistan.


KPMG Afghanistan Limited

28 March 2011

Kabul

Ghazanfar Bank
Statement of financial position
As at 31 December 2010

	<i>Note</i>	2010 Afs '000'	2009 Afs '000'
Assets			
Cash and cash equivalents	4	2,014,841	696,188
Loans and advances to customers	5	1,968,341	823,605
Property and equipment	6	147,626	293,013
Intangible assets	7	2,631	4,885
Deferred tax assets	8	28,887	18,307
Other assets	9	233,218	95,511
Total assets		4,395,544	1,931,509
Liabilities			
Deposits from banks	10	685,100	48,803
Deposits from customers	11	3,112,896	1,385,785
Other liabilities	12	46,036	2,527
Total liabilities		3,844,032	1,437,115
Equity			
Share capital	13	667,620	567,620
Retained earnings		(116,108)	(73,226)
Total equity		551,512	494,394
Total liabilities and equity		4,395,544	1,931,509

08/2/14

The annexed notes 1 to 24 are an integral part of these financial statements.


 Chief Executive Officer



Director

Ghazanfar Bank
Statement of cash flows

For the year ended 31 December 2010

		2010 (1 year) Afs '000'	01 March 2009 to 31 December 2009 (10 months) Afs '000'
	<i>Note</i>		
Cash flows from operating activities			
Loss before income tax		(53,462)	(91,533)
<i>Adjustments for:</i>			
Depreciation	6	22,834	56,987
Amortization	7	2,254	1,879
Gain on disposal of property and equipment	16	(26,911)	-
Exchange gain on cash and cash equivalents		(3,608)	(645)
Net Impairment allowance on financial assets	5	-	-
Net interest income	14	(168,312)	(35,064)
		<u>(227,205)</u>	<u>(68,376)</u>
Change in loans and advances to customers-net	5	(1,128,660)	(823,605)
Change in other assets	9	(137,707)	(95,511)
Change in deposits from banks	10	636,297	48,803
Change in deposits from customers	11	1,727,111	1,385,785
Change in other liabilities	12	34,844	2,224
		<u>904,680</u>	<u>449,320</u>
Interest received		326,054	52,544
Interest paid		(165,154)	(17,177)
Net cash from operating activities		1,065,580	484,687
Cash flows from investing activities			
Purchase of property and equipment	6	(23,499)	(350,000)
Purchase of intangible asset	7	-	(6,764)
Proceeds from disposal of property and equipment	6	172,964	-
Net cash used in investing activities		149,465	(356,764)
Cash flows from financing activities			
Proceeds from issue of shares	13	100,000	567,620
Net cash from financing activities		100,000	567,620
Net increase in cash and cash equivalents		1,315,045	695,543
Cash and cash equivalent at beginning of the period		696,188	-
Effect of exchange difference on cash and cash equivalents held		3,608	645
Cash and cash equivalents at year end	4	2,014,841	696,188

The annexed notes 1 to 24 are an integral part of these financial statements.


 Chief Executive Officer



Director

Ghazanfar Bank
Statement of comprehensive income
For the year ended 31 December 2010

		2010 (1 year) Afs '000'	01 March 2009 to 31 December 2009 (10 months) Afs '000'
	<i>Note</i>		
Interest income	14	342,131	52,847
Interest expense	14	(173,819)	(17,783)
Net interest income		168,312	35,064
Fee and commission income	15	4,201	1,048
Fee and commission expense	15	(4,355)	(2,158)
Net fee and commission income		(154)	(1,110)
Other operating income	16	25,546	1,956
		25,546	1,956
Operating income		193,704	35,910
Personnel expenses	17	(70,513)	(35,908)
Operating lease expenses		(12,737)	(1,236)
Depreciation and amortization	6,7	(25,088)	(58,866)
Other expenses	18	(138,828)	(31,433)
Loss before income tax		(53,462)	(91,533)
Income tax income	19	10,580	18,307
Loss for the period		(42,882)	(73,226)
Other comprehensive income		-	-
Loss for the period		(42,882)	(73,226)

28/12/10

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Chief Executive Officer



Director

Ghazanfar Bank
Statement of changes in equity
For the year ended 31 December 2010

	<u>Share capital</u> Afs '000'	<u>Retained earnings</u> Afs '000'	<u>Total</u> Afs '000'
Opening balance	-	-	-
Contributions by shareholders: Issuance of shares	567,620	-	567,620
Total comprehensive income for the period: Loss for the period	-	(73,226)	(73,226)
Balance as at 31 December 2009	<u>567,620</u>	<u>(73,226)</u>	<u>494,394</u>
Contributions by shareholders: Issuance of shares	100,000	-	100,000
Total comprehensive income for the period: Loss for the year	-	(42,882)	(42,882)
Balance as at 31 December 2010	<u>667,620</u>	<u>(116,108)</u>	<u>551,512</u>

The annexed notes 1 to 24 are an integral part of these financial statements.


 Chief Executive Officer



Director