

Pashtany Bank— condensed interim financial statements and auditors' review report

For the 2nd quarter ended Jawza 30, 1398 (June 20, 2019)



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Report on Review of Condensed Interim Financial Statements

To the Shareholders of Pashtany Bank

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Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Pashtany Bank** ("the Bank") as at 20 June 2019 (30 Jawza 1398) 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), the Law of Banking in Afghanistan and directives issued by the Central Bank of Afghanistan. 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.

Basis of Qualified Conclusion

- 1) As disclosed in note 6.2 of the financial statements, the Bank has investments in equity instruments of Shirkat Nasaji Afghan having carrying value of AFN 83.518 million. The most recent financial information on the entity is not available with the Bank and financial condition of the entity is also not known to the Bank, therefore, we are unable to determine whether the carrying value of the investment is appropriate or not.



- 2) Property and equipment, as disclosed in note 7 of the financial statements, includes land having value of AFN 352.591 million and buildings having written down value of AFN 431.803 million. As per the accounting policy, land and building are carried at revalued amounts, however, we noted that revaluation of these assets has not been carried out since 2009. We believe that the fair values of land and buildings changes significantly over a long period. Paragraph 34 of IAS 16, "Property, Plant and Equipment", states that *frequency of revaluations depends upon the changes in fair values of the items of property, plant and equipment being revalued. When the fair value of a revalued asset differs materially from its carrying amount, a further revaluation is required. Some items of property, plant and equipment experience significant and volatile changes in fair value, thus necessitating annual revaluation. Such frequent revaluations are unnecessary for items of property, plant and equipment with only insignificant changes in fair value. Instead, it may be necessary to revalue the item only every three or five years.* In absence of the revaluation, the assets are not fairly stated.
- 3) Article 66 of the Banking Law of Afghanistan provides the list of allowed activities for the banks which includes banking operations only. Activities outside Article 66 are further specified in Article 67 of the Banking Law of Afghanistan as prohibited activities and the banks cannot be engaged in such activities with maximum period allowed to disengage from such activities was originally set out at five years with two extensions of one year each from the date of promulgation of the Banking Law of Afghanistan i.e. December 14, 2003. However, the Bank continue to hold investment properties and interest in those properties has not been disposed-off till date. Any effect of such non-compliance is currently not determinable.

Qualified Conclusion

Based on our review, with the exception of the matters described in preceding paragraphs, 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 20 June 2019 (30 Jawza 1398), 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), the Law of Banking in Afghanistan and directives issued by the Central Bank of Afghanistan.

Grant Thornton Afg.

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Chartered Accountants

Engagement Partner: Saqib Rehman Qureshi

Place: Kabul, Afghanistan

Date: August 6, 2019



PASHTANY BANK

Condensed Interim Financial Statements

For the 2nd quarter ended Jawza 30, 1398 (June 20, 2019)

PASHTANY BANK

Condensed Interim Statement of Financial Position

As of 30 Jawza 1398 (20 June 2019)

		Un-audited	Audited
		30 Jawza 1398	30 Qaws 1397
		(20 June 2019)	(21 Dec 2018)
	Notes	AFN	
ASSETS			
Cash and bank balances	5	18,351,483,217	16,673,499,096
Investments	6	124,407,512	122,952,512
Property and equipment	7	815,542,497	824,813,888
Investment properties		962,183,000	962,183,000
Deferred tax asset - net		151,182,825	162,056,156
Other assets	8	2,211,215,436	1,800,728,994
Total assets		22,616,014,487	20,546,233,647
EQUITY AND LIABILITIES			
Equity			
Share capital		3,820,257,000	3,820,257,000
Accumulated losses		(1,795,054,662)	(2,134,875,746)
Surplus on revaluation - net		444,913,400	444,913,400
Total equity		2,470,115,738	2,130,294,654
Liabilities			
Deposits from banks	9	982,971,740	756,598,119
Deposits from customers	10	18,866,618,304	17,441,007,603
Other liabilities	11	296,308,704	218,333,271
Total liabilities		20,145,898,749	18,415,938,993
Total equity and liabilities		22,616,014,487	20,546,233,647
CONTINGENCIES AND COMMITMENTS			
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The annexed notes from 1 to 19 form an integral part of the financial statements.



CHIEF EXECUTIVE OFFICER



CHIEF FINANCE OFFICER

PASHTANY BANK

Condensed Interim Statement of Comprehensive Income [unaudited]
As of 30 Jawza 1398 (20 June 2019)

		Six months ended		Three months ended	
		Half yearly 20 June 2019	Half Yearly 21 June 2018	Quarter ended 20 June 2019	Quarter ended 21 June 2018
	Notes	AFN			
Interest / profit income	13	97,228,822	10,530,258	59,880,078	5,945,477
Interest / profit expense		(14,885,149)	(2,320,354)	(7,735,357)	(1,267,691)
Net interest / profit income		82,343,672	8,209,904	52,144,721	4,677,786
Fee and commission income		34,385,004	21,987,735	20,361,081	11,033,823
Fee and commission expense		(644,743)	(2,282,162)	(553,230)	(548,126)
Net fee and commission income		33,740,260	19,705,573	19,807,851	10,485,697
Other income	14	398,336,764	249,535,033	341,332,092	183,584,588
		398,336,764	249,535,033	341,332,092	249,535,033
Operating income		514,420,697	277,450,510	413,284,664	198,748,072
Impairment reversal / (loss) and other asset		(627,383.08)	3,209,459	(504,286.96)	(1,298,010)
Personnel expenses	15	(105,371,385)	(82,513,943)	(68,312,501)	(47,154,275)
Depreciation		(13,834,798)	(6,981,452)	(6,727,386)	(3,373,089)
Other expenses	16	(89,337,608)	(83,208,559)	(48,208,215)	(40,770,545)
Exchange gain / (loss)		45,444,893	11,004,596	41,568,651	11,116,807
Profit before taxation		350,694,415	118,960,612	331,100,926	117,268,960
Income tax		(10,873,331)	(2,024,252)	(1,000,214)	(486,907)
Net profit for the period		339,821,084	116,936,360	330,100,712	116,782,053
Other comprehensive income		-	-	-	-
Total comprehensive income for the period ended		339,821,084	116,936,360	330,100,712	116,782,053

The annexed notes form an integral part of the financial statements from Note 01 to 19.



CHIEF EXECUTIVE OFFICER



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PASHTANY BANK

Condensed interim Statement of Cash Flows [unaudited]

As of 30 Jawza 1398 (20 June 2019)

	<i>Six months ended</i>	
	20 June 2019	21 June 2018
	AFN	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	350,694,415	118,960,611
Adjustments for:		
Depreciation	13,834,798	6,981,452
Net impairment loss / (reversal)	644,743	(3,209,459)
Rental income credit	(76,221,069)	-
Foreign exchange (gain) / loss	(45,444,893)	(11,004,596)
	243,507,995	111,728,008
(Increase) decrease in operating assets and liabilities:		
Other assets	(323,232,054)	(74,029,627)
Deposits from customers and banks	1,651,984,322	(1,739,410,945)
Other liabilities	77,975,433	(50,913,848)
Net cash from operating activities before interest and tax	1,650,235,697	(1,752,626,412)
Tax paid	(11,033,319)	(3,115,000)
Net cash from operating activities	1,639,202,378	(1,755,741,412)
CASH FLOWS FROM INVESTING ACTIVITIES		
Placements with maturities more than 3 months	(2,099,743)	-
Purchase of property and equipment	(4,563,407)	1,888,853
Investment made	-	-
Proceeds from sale of property and equipment	-	-
Net cash used in investing activities	1,632,539,228	(1,753,852,559)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issue of share capital	-	-
Net cash used in financing activities	-	-
Net increase / (decrease) in cash and cash equivalents	1,632,539,228	(1,753,852,559)
Cash and cash equivalents at beginning of the period	16,673,499,096	18,503,549,962
Effect of exchange differences in cash and cash equivalents	45,444,893	11,004,596
Cash and cash equivalents at the end of the period	18,351,483,217	16,760,701,999

The annexed notes form an integral part of the financial statements from Note 01 to 19.



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PASHTANY BANK

Condensed Interim Statement of Changes in Equity [unaudited]

As of 30 Jawza 1398 (20 June 2019)

	Share capital	Retained earnings	Surplus on revaluation of property and equipment	Total
	AFN			
Balance as at December 20, 2017	3,820,257,000	(2,329,239,265)	447,463,800	1,938,481,535
Comprehensive income for the period ended	-	116,936,360	-	116,936,360
Other comprehensive income	-	-	-	-
	-	116,936,360	-	116,936,360
Balance as at June 21, 2018	3,820,257,000	(2,212,302,905)	447,463,800	2,055,417,895
Balance as at December 20, 2018	3,820,257,000	(2,134,875,746)	444,913,400	2,130,294,654
Comprehensive income for the period ended	-	339,821,084	-	339,821,084
Other comprehensive income	-	-	-	-
	-	339,821,084	-	339,821,084
Balance as at June 21, 2019	3,820,257,000	(1,795,054,662)	444,913,400	2,470,115,738

The annexed notes form an integral part of the financial statements from Note 01 to 19.



CHIEF EXECUTIVE OFFICER



CHIEF FINANCE OFFICER

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PASHTANY BANK

Selected Notes to and forming part of the Condensed Interim Financial Statements [unaudited]

As of 30 Jawza 1398 (20 June 2019)

1. STATUS AND NATURE OF OPERATIONS

Pashtany Bank ("the Bank") was registered with Afghanistan Investment Support Agency (AISA) on 26 June 2004 and on 26 June 2004 received formal commercial bank license from Da Afghanistan Bank (DAB), the Central Bank in Afghanistan, to operate nationwide. The Bank is a Limited Liability Company and is incorporated and domiciled in Afghanistan. The Principal business place of the Bank is at Muhammad Jan Khan Watt, Kabul, Afghanistan.

- 1.1 The Bank has been operating as one of the leading commercial banking service provider in Afghanistan. The Bank has twenty one branches (2016: twenty one branches) in operation.

2. STATEMENT OF COMPLIANCE

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and the requirements of the Law of Banking in Afghanistan. In case requirements differ, the provisions of the Law of Banking in Afghanistan shall prevail.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of preparation

These financial statements have been prepared on the historical cost basis except as otherwise disclosed in accounting policies.

These financial statements have been authorized to be issue at Aug 06, 2019 with approval of Board of Supervisors.

3.2 Functional and presentation currency

These financial statements are presented in Afghani (AFN), which is the Bank's functional currency.

3.3 Use of critical accounting estimates and judgments

The Bank makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial years. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates and judgment will, by definition, rarely equal the related actual results. The material estimates, assumptions and judgments used to measure and classify the carrying amounts of pertinent assets and liabilities have been taken into consideration.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Summary of accounting policies will be read with the last year audited financial statements.

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PASHTANY BANK

Selected Notes to and forming part of the Condensed Interim Financial Statements [unaudited]

As of 30 Jawza 1398 (20 June 2019)

		30 Jawza 1398 (20 June 2019)	30 Qaws 1397 (21 Dec 2018)
	Note	AFN	
5. CASH AND BANK BALANCES			
Cash in hand	5.1	650,650,430	394,134,335
Balances with Da Afghanistan Bank	5.2	8,301,208,983	10,835,099,537
Balances with other banks	5.3	9,399,623,804	5,444,265,224
		18,351,483,217	16,673,499,096
5.1 Cash in hand			
Local currency		246,581,954	168,732,548
Foreign currency		404,068,477	225,401,787
		650,650,430	394,134,335
5.2 Balances with Da Afghanistan Bank			
Local currency current accounts		298,628,871	570,040,526
Foreign currency current accounts		402,128,726	2,805,597,743
Capital notes	5.2.1	6,998,665,008	6,999,088,658
Over night	5.2.2	601,786,378	460,372,610
		8,301,208,983	10,835,099,537
5.3 Balances with other banks			
In Afghanistan			
Azizi Bank		1,770,037	1,642,960
Bank Millie Afghan		667,447	660,613
New Kabul Bank		3,325,214	2,813,536
Afghanistan International Bank		500,000,000	-
		505,762,698	5,117,109
Outside Afghanistan			
Aktif Bank, Turkey		815,404,909	389,268,738
BMCE, Spain		777,140,242	520,576,553
Citi Bank, UAE		807,800,000	749,600,000
Citi Bank, USA		4,846,800,000	3,748,000,000
United Bank Limited, Pakistan		31,115,954	31,702,824
First Abu Dhabi Bank		1,615,600,000	-
		8,893,861,106	5,439,148,115
		9,399,623,804	5,444,265,224

5.2.1 This represent capital notes issued by Da Afghanistan bank carrying coupon interest rate 0.37% for a period of 28 days (21 Dec 2018: 0.16% to 0.36%) p.a. and having maturity date 09/07/2019.

5.2.2 This represent over night deposit with Da Afghanistan Bank carrying interest rate of 0.01% (21 Dec 2018: 0.01%) per annum.

PASHTANY BANK

Selected Notes to and forming part of the Condensed Interim Financial Statements [unaudited]
As of 30 Jawza 1398 (20 June 2019)

	30 Jawza 1398 (20 June 2019)	30 Qaws 1397 (21 Dec 2018)
Note	AFN	
6. INVESTMENTS		
Investment in associated company:		
Balance at beginning of period/ year	18,740,000	17,372,500
Exchange loss recognized in income statement during the period/ year	1,455,000	1,367,500
6.1	20,195,000	18,740,000
Investment in equity instruments	104,212,512	104,212,511
6.2	124,407,512	122,952,511

6.1 The Bank has made an investment of USD 250,000 in Afghanistan Payment Systems during the year ended 1389. The Bank currently holds 16.66% (2018: 16.66%) shares in the Company. As per the Articles of Association of the investee company, its shares cannot be sold or transferred or offered to the public.

	30 Jawza 1398 (20 June 2019)	30 Qaws 1397 (21 Dec 2018)
	AFN	
6.2 Investment in equity instruments		
Bank-e-Mille Afghan	9,800,000	9,800,000
Afghan National Insurance Company	7,660,000	7,660,000
Shirkat-e-Ariyana	281,250	281,250
Hotel Intercontinental	64,435	64,435
Afghan Card Corporation	2,822,884	2,822,884
Pakht-e-Herat	65,542	65,542
Shirkat Nasaji Afghan	83,518,400	83,518,400
	104,212,512	104,212,511

7 PROPERTY AND EQUIPMENT

Gross Carrying Amount

At beginning of the period/ year	1,056,681,775	1,035,462,327
Addition during the period/ year	4,563,408	21,827,223
Disposal during the period/ year	(6,548,880)	(607,775)
Closing balance	1,054,696,303	1,056,681,775

Accumulated Depreciation

At beginning of the period/ year	300,499,640	277,472,393
Charge for the period/ year	13,834,798	23,456,657
Accumulated deprecation on disposal	(6,548,880)	(429,411)
Closing balance	307,785,558	300,499,639

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PASHTANY BANK

Selected Notes to and forming part of the Condensed Interim Financial Statements [unaudited]
As of 30 Jawza 1398 (20 June 2019)

		30 Jawza 1398 (20 June 2019)	30 Qaws 1397 (21 Dec 2018)
	Note	AFN	
Capital work-in-progress			
Net book value			
Operating fixed assets		746,910,745	756,182,137
Capital work-in-progress		68,631,752	68,631,752
		815,542,497	824,813,889
8. OTHER ASSETS			
Required reserve account	8.1	1,618,897,641	1,377,754,769
Advance tax		440,327,286	353,072,899
Advances to employees		16,572,506	14,868,690
Advances to suppliers		62,423,107	60,862,858
Interest accrued on capital notes & Demand deposits		47,346,070	25,613,215
Others		61,605,608	3,885,963
		2,247,172,218	1,836,058,394
Provision against advances and receivables		(4,282,510)	(3,655,127)
Provision against misappropriation		(31,674,273)	(31,674,273)
Net carrying amount		2,211,215,436	1,800,728,994

8.1

This represents statutory reserve maintained with DAB as minimum reserve in accordance with Banking Regulations issued by Da Afghanistan Bank. These minimum reserves carry no interest (2018: nil).

8.1.1 Currency profile of required reserve with DAB

	30 Jawza 1398 (20 June 2019)	30 Qaws 1397 (21 Dec 2018)
	AFN	
Local currency	735,003,458	574,866,194
Foreign currencies	883,894,183	802,888,575
	1,618,897,641	1,377,754,769

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PASHTANY BANK

Selected Notes to and forming part of the Condensed Interim Financial Statements [unaudited]
As of 30 Jawza 1398 (20 June 2019)

		30 Jawza 1398 (20 June 2019)	30 Qaws 1397 (21 Dec 2018)
	Note	AFN	
9. DEPOSITS FROM BANKS			
Current deposit			
Agricultural Bank Kabul	9.1	234,321	234,321
Construction Bank	9.1	1,615,939	1,603,240
Bank-e-Millie Afghan		366,033	345,756
Maiwand Bank		893,330	835,805
Afghan United Bank		4,056,971	3,800,411
Azizi Bank		112,406	104,308
New Kabul Bank		36,593	33,957
Ghazanfar Bank		43,452	40,322
		7,359,045	6,998,119
Time Deposit			
New Kabul Bank	9.2	975,612,695	749,600,000
		982,971,740	756,598,119

- 9.1 These deposits are from the banks which became defunct in 2008. DAB has yet to determine the status of these deposits.
- 9.2 This represents deposit of USD 10 million carrying interest rate of 1.45% p.a. with maturity on November 15, 2019. The deposit has been received under a memorandum of understanding signed with New Kabul Bank.

		Un-Audited	Audited
		30 Jawza 1398	30 Qaws 1397
		(20 June 2019)	(21 Dec 2018)
<i>Note</i>		AFN	
10. DEPOSITS FROM CUSTOMERS			
Fixed deposit	<i>10.1</i>	32,638,602	32,638,602
Saving deposits	<i>10.2</i>	8,542,884,020	8,125,548,155
Current deposits		10,291,095,682	9,282,820,846
		18,866,618,304	17,441,007,603

- 10.1 This deposit has already matured and no rolled over for other terms and carries no interest rate
- 10.2 These carry interest rate of 0.05% (2018: 0.05%) p.a. for AFN currency and 0.5% (2018: 0.5%) for USD currency p.a.

PASHTANY BANK

Selected Notes to and forming part of the Condensed Interim Financial Statements [unaudited]
As of 30 Jawza 1398 (20 June 2019)

	Note	30 Jawza 1398 (20 June 2019)	30 Qaws 1397 (21 Dec 2018)
		AFN	
11. OTHER LIABILITIES			
Employees pension fund		126,634,452	130,042,326
Creditors		30,983,648	30,433,100
Accrued expenses		30,661,392	28,169,026
Other payables		107,719,491	10,609,596
Withholding tax payable		309,720	1,895,797
Inter-branch unreconciled balance		-	17,183,426
		296,308,704	218,333,271
12. CONTINGENCIES AND COMMITMENTS			
Bank guarantees issued	12.1	1,038,042,000	953,838,708
12.1 Bank guarantees issued by the Bank are backed up by 100% cash margin.			
		30 Jawza 1398 (20 June 2019)	31 Jawza 1397 (21 June 2018)
		AFN	
13. NET INTEREST INCOME			
Interest income			
Cash and cash equivalents		97,228,822	4,584,781
Interest expense			
Term deposits		8,113,438	-
Saving deposits		6,771,711	1,052,664
		14,885,149	1,052,664
Net interest income		(82,343,672)	5,637,444
14. OTHER INCOME			
Recovery of loans written-off			
Loan principal		251,676,398	216,667,893.35
Loan interest		3,732,624	31,924,086.59
Rental income		96,605,654	730,060.00
Other		46,322,088	212,993.45
		398,336,764	249,535,033

PASHTANY BANK

Notes To The Condensed Interim Financial Statements
As of 30 Jawza 1398 (20 June 2019)

	Un-Audited	Un-Audited
	30 Jawza 1398	31 Jawza 1397
	(20 June 2019)	(21 June 2018)
	AFN	
15. EMPLOYEE COSTS		
Salaries, wages and benefits	76,444,854	68,655,765
Bonus	28,766,531	24,132
Staff welfare	160,000	13,834,046
	105,371,385	82,513,943
16. OTHER OPERATING EXPENSES		
Repair and maintenance	3,555,560	2,607,054
Travel and conveyance	1,206,615	722,797
Advertisement and publicity	1,901,478	3,978,934
Rent expense	6,639,861	6,531,190
Building tax	6,500	
Deposit insurance	26,234,591	25,812,543
Internet expense	7,771,594	5,574,082
Security expense	19,560,748	19,022,320
Printing and stationery	2,794,983	1,788,444
Communication	499,423	473,631
Electricity	4,724,493	4,649,690
Fuel expenses	1,312,212	1,308,007
Auditor's remuneration	928,885	455,780
Cleaning and water	277,302	234,213
Kindergarten expenses	172,358	141,183
Employees training expenses	1,102,783	1,031,854
Others	10,648,223	8,876,837
	89,337,608	83,208,559

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PASHTANY BANK

Selected Notes to and forming part of the Condensed Interim Financial Statements [unaudited]
As of 30 Jawza 1398 (20 June 2019)

17 RELATED PARTY TRANSACTIONS

Parent and ultimate controlling party

The Bank is owned by individual shareholders who owns Bank's shares in different proportions.

Key management personnel

Key management personnel includes Board of Supervisors, Chief Executive Officer, Deputy Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Chief Credit Officer, Chief Risk Officer and Chief HR and Administration 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:

Transactions		Balances	
Un-audited	Un-audited	Un-audited	Audited
21-Jun-19	21-Jun-18	21-Jun-19	31-Dec-18
AFN			

Transactions with key management

Salary and short terms	10,790,433	6,330,000		
other benefits				

Deposits from banks

Bank-e-Mille Afghan	20,277	20,699	366,033	345,756
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In addition to salaries and remuneration, Bank also provides non-cash benefits to executives which include furnished accommodation, meal and travel cost.

18 Capital management

The Bank's objective when managing capital, which is broader concept than the equity on the face of balance sheets are:

- (i) To comply with the capital requirement set by the DAB
- (ii) To safeguard the Bank's ability to continue as going concern so that it can continue to be self sustaina
- (iii) To maintain strong capital base to support the development of its business.

The Bank regulatory capital position as at June 20, 2019 is as follows:

PASHTANY BANK

Selected Notes to and forming part of the Condensed Interim Financial Statements [unaudited]
 As of 30 Jawza 1398 (20 June 2019)

	30 Jawza 1398 (20 June 2019)	30 Qaws 1397 (21 Dec 2018)
	AFN	
Regulatory capital:		
Core (Tier 1) Capital:		
Total shareholder's equity	2,470,115,738	2,130,294,654
Less:		
Profit for the year	(339,821,084)	(221,207,264)
Deferred tax assets - Net	(151,182,825)	(162,056,156)
Surplus on revaluation	(444,913,400)	(444,913,400)
	1,534,198,429	1,302,117,834
Supplementary (Tier 2) Capital:		
Profit for the year	339,821,084	221,207,264
Surplus on revaluation	444,913,400	444,913,400
Allowable deduction-equity investment	(124,407,512)	(122,952,512)
	660,326,973	543,168,152
Total regulatory capital	2,194,525,402	1,845,285,985

18.1 Risk-weight categories**0% risk weight:**

Cash in Afghani and fully-convertible foreign currencies	650,650,430	394,134,335
Direct claims on DAB	9,920,106,624	12,212,854,306
Total	10,570,757,055	12,606,988,641
0% risk-weight total (above total x 0%)	-	-

20% risk weight:

Balances with other banks	9,399,623,804	5,444,265,224
20% risk-weight total (above total x 20%)	1,879,924,761	1,088,853,045

100% risk weight:

All other assets	2,649,916,138	2,498,634,909
Allowable deduction-equity investment	(124,407,512)	(122,952,512)
Net deferred tax asset	(151,182,825)	(162,056,156)
100% risk-weight total (above total x 100%)	2,374,325,801	2,213,626,241

0% risk weight:

Guarantees	1,038,042,000	958,708,847
0% credit conversion factor total (risk-weighted total x 0%)	1,038,042,000	958,708,847

Total risk-weighted assets	4,254,250,562	3,302,479,285
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PASHTANY BANK

Selected Notes to and forming part of the Condensed Interim Financial Statements [unaudited]
As of 30 Jawza 1398 (20 June 2019)

Tier 1 Capital Ratio

(Tier 1 capital as % of total risk-weighted assets)	36.06%	39.4%
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Regulatory Capital Ratio

(Regulatory capital as % of total risk-weighted assets)	51.58%	55.9%
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19 CORRESPONDING FIGURES

Significant reclassification/ rearrangement has been made in these financial statements



CHIEF EXECUTIVE OFFICER


CHIEF FINANCE OFFICER
