



INDEPENDENT REVIEW REPORT TO SHAREHOLDERS

Introduction

We have reviewed the accompanying Statement of Condensed Interim Financial Position of **Bank-e-millie Afghan** ("the bank") as of **March 20, 2018**, and the related Statement of Condensed Interim Comprehensive Income, Statement of Condensed Interim Changes in Equity and Statement of Condensed Interim Cash Flows for the three-month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of this interim financial information in accordance with International Financial Reporting Standards (IFRSs), the requirements of the Law of Banking in Afghanistan and directives issued by the Da Afghanistan Bank (DAB). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standards on Review Engagements (ISRE) 2410, which applies to review the historic financial information performed by the independent auditor of the entity. A review of 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.

Basis for qualified conclusion

- a) The bank has invested in a wholly owned subsidiary "Afghan American trading Co. Inc. (AATC) and Afghan National Credit and Finance Limited (ANCFL) which are carried at a cost of USD 2.2 Million (Afs. 152.020 Million) and GBP 2.752 Million (Afs. 264.201 Million) respectively. Further the bank has an outstanding current account balance of USD 2.466 Million (Afs. 169.739 Million) with AATA at year end. The bank has not prepared consolidated financial statements in respect of its above subsidiary as required under IFRS -10 'Consolidated Financial Statements' due to lack of financial information relating to its subsidiary. Further, for the reason disclosed in note 7.1 to the financial statements, we have not been able to obtain sufficient and appropriate audit evidence regarding the existence and recoverability of the above referred investment and the current account balance.

Qualified Conclusion

Based on our review, except for the possible effects of the matters described above under the "Basis for Qualified Conclusion" paragraph, nothing has come to our attention that cause to believe that accompanying condensed interim financial information of the bank as at March 20, 2018 is not prepared, in all material respects, in accordance with International Financial Reporting Standards (IFRSs), the requirements of the Law of Banking in Afghanistan and directives issued by Da Afghanistan Bank (DAB) rules and regulations.


Crowe Horwath Afghanistan

Auditors & Business Advisors
Kabul



BANK-E-MILLIE AFGHAN
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 30-HOOT- 1396 (20 March 2018)


		Un-Audited 30 Hoot 1396	Audited 30 Qaws 1396
	NoteAfs.....	
Assets			
Cash and bank balances	5	33,060,328,614	33,320,673,941
Loans and advances to customers - net	6	3,094,787,567	2,889,153,749
Investments	7	1,044,070,047	1,034,718,062
Property and equipment	8	1,188,318,642	1,190,063,060
Intangible assets	9	20,702,870	22,893,285
Investment properties	10	4,085,534,095	4,082,594,410
Other assets	11	3,736,574,596	4,025,455,857
Total assets		46,230,316,431	46,565,552,364
Liabilities			
Deposits from banks and customers	12	35,508,939,358	35,882,804,380
Current tax liabilities	13	70,142,195	88,298,689
Deferred tax liability - net	14	904,573,387	905,521,291
Other liabilities	15	423,591,396	428,815,602
Total liabilities		36,907,246,336	37,305,439,962
Equity			
Share capital	16	1,000,000,000	1,000,000,000
Retained earnings		7,475,974,005	7,420,489,169
Surplus on revaluation - net		792,247,502	792,247,503
Exchange translation reserve		54,848,588	47,375,730
Total equity		9,323,070,095	9,260,112,402
Total liabilities and equity		46,230,316,431	46,565,552,364
Contingencies and Commitments	25	514,852,542	516,434,483

The annexed notes from 1 to 34 form an integral part of these financial statements.

A-CEO

 Chief Executive officer


 Chairman BOS
 A.ch-1305


 Chief Finance Officer

BANK-E-MILLIE AFGHAN
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE QUARTER ENDED 30-HOOT-1396 (20 March 2018)

	Note	Un-Audited 30 Hoot 1396	Un-Audited 30 Hoot 1395
	Afs.....	
Interest income	17	170,193,133	284,517,865
Interest expense	18	(28,687,999)	(55,187,055)
Net interest income		141,505,134	229,330,811
Fee and commission income	19	44,306,013	60,355,101
Fee and commission expense	20	(3,065,160)	(9,480,711)
Net fee and commission income		41,240,853	50,874,390
Net income from trading in foreign currencies		344,880	18,235,123
Gain on revaluation of investment property		-	-
Other operating income	21	37,133,208	22,571,946
Total other income		37,478,088	40,807,069
Operating income		220,224,075	321,012,270
Net impairment loss /(gain) on loans and advances	6	(2,300,994)	12,353,811
Provision for other assets	11	689,263	84,837,500
Personnel expenses	22	69,591,391	52,236,760
Depreciation on fixed assets	8	4,612,065	4,144,252
Amortization of intangible assets	9	2,190,415	2,211,358
Other expenses	23	61,309,629	67,366,403
Exchange (gain) / loss		1,698,083	(4,844,393)
Operating expenses		(137,789,852)	(218,305,691)
Profit before taxation		82,434,223	102,706,579
Taxation	24	(16,882,461)	(34,664,053)
Profit for the period		65,551,762	68,042,526
Other Comprehensive Income			
Items that are or may be reclassified to profit or loss			
Exchange (loss) / gain arising on translation of net investment		9,341,073	-
Deferred tax attributable to exchange gain / (loss) on		(1,868,215)	-
		7,472,858	-
Items that will never be reclassified to profit or loss			
Remeasurement (loss) / gain on defined benefit plan		(12,583,657)	-
Deferred tax on remeasurement loss / (gain)		2,516,731	-
		(10,066,926)	-
Total Other comprehensive income		(2,594,068)	-
Total Comprehensive Income		62,957,693	68,042,526

The annexed notes from 1 to 34 form an integral part of these financial statements. *u.s.*

A-CEO

 Chief Executive officer


 Chairman BOS


 Chief Finance Officer

A.ch.1305

**BANK-E-MILLIE AFGHAN
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE QUARTER ENDED 30-HOOT-1396 (20 March 2018)**

	Share capital	Retained earnings	Revaluation surplus	Exchange translation reserve	Total
Balance as at 30 Qawas 1395 (21 December 2016)	1,000,000,000	6,914,780,167	845,612,175	21,967,368	8,782,359,710
Profit for the Period	-	68,042,526	-	-	68,042,526
Other comprehensive income	-	-	-	-	-
Balance as at 30 Hoot 1395 (20 March 2017)	1,000,000,000	6,982,822,693	845,612,175	21,967,368	8,850,402,236
Balance as at 30 Qawas 1396 (21 December 2017)	1,000,000,000	7,420,489,169	792,247,503	47,375,730	9,260,112,402
Profit for the Period	-	65,551,762	-	-	65,551,762
Other comprehensive income	-	(10,066,926)	-	7,472,858	(2,594,068)
Balance as at 30 Hoot 1396 (20 March 2018)	1,000,000,000	7,475,974,005	792,247,503	54,848,588	9,323,070,096

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The annexed notes from 1 to 34 form an integral part of these financial statements.

A-CEO
Chief Executive Officer


Chairman BOS

A.ch. 1305


Chief Finance Officer

BANK-E-MILLIE AFGHAN
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE QUARTER ENDED 30-HOOT-1396 (20 March 2018)

	Un-Audited 30 Hoot 1396	Un-Audited 30 Hoot 1395
NoteAfs.....	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	82,434,223	102,706,579
Adjustments for:		
Depreciation	4,612,065	4,144,252
Amortization	2,190,415	2,211,358
Net impairment loss on loans and advances	(2,300,994)	12,353,811
Provision for other assets	689,263	-
Provision for retirement benefit	1,496,938	-
	<u>6,687,687</u>	<u>18,709,421</u>
	75,746,537	121,416,000
(Increase)/decrease in operating assets and liabilities:		
Loans and advances to customers	(203,332,824)	130,007,575
Other assets	288,881,261	(849,110,550)
Deposits from banks and customers	(373,865,022)	5,726,467,851
Short term borrowing	-	-
Other liabilities	(5,224,206)	619,217,265
	<u>(293,540,791)</u>	<u>5,626,582,141</u>
Tax Paid	(35,038,955)	-
Retirement benefit paid	-	(2,363,432)
	<u>(35,038,955)</u>	<u>(2,363,432)</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>(252,833,209)</u>	<u>5,745,634,709</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Placements with Banks and DAB	405,712,590	(4,123,095,084)
Purchase of intangible assets	-	(144,988)
Addition in investment properties	(2,939,685)	-
Purchase of property and equipment	(2,867,647)	(10,307,370)
NET CASH USED IN INVESTING ACTIVITIES	<u>399,905,258</u>	<u>(4,133,547,442)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	-	-
Capital injection	-	-
NET CASH USED IN FINANCING ACTIVITIES	<u>-</u>	<u>-</u>
Net increase in cash and cash equivalents	147,072,049	1,612,087,266.99
Cash and cash equivalents at beginning of year	27,416,939,352	18,049,078,524
Cash and cash equivalents at end of year	<u>27,564,011,401</u>	<u>19,661,165,791</u>

The annexed notes from 1 to 34 form an integral part of these financial statements. *wt*

A-CFO

 Chief Executive officer


 Chairman BOS
D. ch. Bos


 Chief Finance Officer