



Reviewed Financial Statements

for New Kabul Bank

(For the period ended June 30, 2020)

MGI ILYAS SAEED CHARTERED ACCOUNTANTS

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Date: July 26, 2020

INDEPENDENT REVIEW REPORT TO SHAREHOLDERS

Introduction

We have reviewed the accompanying Statement of Condensed Interim Financial Position of **New Kabul Bank** ("the bank") as of **June 30, 2020**, 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 six months 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 statement 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 statement based on our review.

Scope of Review

We conducted our review in accordance with International Standards on Review Engagements (ISRE) 2410, "Review of interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statement 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.

Other Matter

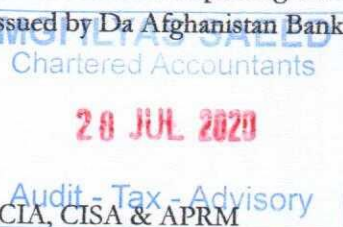
The Condensed Interim Financial Statements for the six months ended June 30, 2019 were reviewed by another auditor who expressed un-modified conclusion on the condensed interim financial statements for the six months period ended June 30, 2019 on August 07, 2019.

Conclusion

Based on our review, nothing has come to our attention that cause to believe that accompanying interim financial statement does not give a true and fair view of the condensed interim financial position of the bank as at June 30, 2020, and of its condensed interim financial performance and its condensed interim cash flows for the six months period then ended in accordance with International Financial Reporting Standards (IFRSs), the requirements of the Law of Banking in Afghanistan and the directives issued by Da Afghanistan Bank (DAB) rules and regulations.

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Muhammad Abdul Basit – ACA, CIA, CISA & APRM
Engagement Partner
Ilyas Saeed Chartered Accountants
Kabul, Afghanistan
Date:



NEW KABUL BANK
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
FOR THE HALF YEAR ENDED JUNE 30, 2020

Unaudited	Audited		Unaudited	Audited	
30-Jun-20	31-Dec-2019		30-Jun-20	31-Dec-2019	
..... USD		Note AFN		
ASSETS					
78,464,011	92,550,089	Cash and cash equivalents	5	6,066,837,300	7,168,929,895
137,103,575	124,797,466	Investment in capital notes	6	10,600,848,383	9,666,811,755
35,000,000	35,000,000	Placement	7	2,706,200,000	2,711,100,000
574,018	642,960	Property and equipment	8	44,383,069	49,803,695
-	-	Intangible assets	9	-	-
11,597,911	11,266,584	Other assets	10	896,750,457	872,709,575
<u>262,739,515</u>	<u>264,257,099</u>	Total assets		<u>20,315,019,209</u>	<u>20,469,354,920</u>
EQUITY AND LIABILITIES					
EQUITY					
14,353,380	14,353,380	Share capital	11	1,000,000,000	1,000,000,000
49,073,692	49,073,692	Reserve from MoF		3,238,831,229	3,238,831,229
(38,661,686)	(39,836,231)	Accumulated losses		(2,504,456,697)	(2,595,272,532)
(2,334,260)	(2,372,681)	Currency translation loss		-	-
<u>22,431,126</u>	<u>21,218,160</u>	Total equity		<u>1,734,374,532</u>	<u>1,643,558,697</u>
LIABILITIES					
219,669,606	232,123,489	Deposits from customers	12	16,984,854,050	17,980,285,437
20,638,782	10,915,450	Other liabilities	13	1,595,790,627	845,510,786
<u>240,308,388</u>	<u>243,038,939</u>	Total liabilities		<u>18,580,644,677</u>	<u>18,825,796,223</u>
<u>262,739,515</u>	<u>264,257,099</u>	Total equity and liabilities		<u>20,315,019,209</u>	<u>20,469,354,920</u>
Contingencies and commitments					14

The annexed notes from 1 to 23 form an integral part of the condensed interim financial statements.

(Chief Executive Officer)

(BoS Chairman)

(Chief Financial Officer)

NEW KABUL BANK
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2020

Half year ended	Quarter ended	Half year ended	Quarter ended	Half year ended	Quarter ended
30-Jun-20	30-Jun-20	30-Jun-19	30-Jun-19	30-Jun-20	30-Jun-19
..... USD					
1,297,869	726,184	591,043	309,184	Interest income	
		(102)		Interest expense	
1,297,869	726,184	590,941	309,184	Net interest income	
6,760,458	3,631,808	6,525,453	3,614,623	Fee and commission income	
(40,814)	(14,698)	(52,661)	(26,219)	Fee and commission expense	
6,719,644	3,617,110	6,472,792	3,588,404	Net fee and commission income	
621,870	315,373	542,080	296,262	Other operating income	
38,595	89,123	473,122	404,774	Foreign exchange gain	
660,465	404,496	1,015,202	701,036		
8,677,978	4,747,790	8,078,935	4,598,624	Net operating income	
(3,625,809)	(1,858,532)	(3,471,928)	(1,798,138)	Employee benefit expense	
(84,455)	(42,038)	(62,411)	(28,996)	Depreciation expense	
(1,759)	5,585	30,706	3,642	Provision against other assets	
		(332)	2,954	Provision against bank guarantees	
(3,504,706)	(1,765,312)	(3,346,359)	(1,714,313)	Other expenses	
(7,216,729)	(3,660,297)	(6,850,324)	(3,534,851)	Operating expenses	
1,461,249	1,087,493	1,228,611	1,063,773	Profit before tax	
(286,704)	(207,871)	(245,966)	(214,874)	Taxation	
1,174,545	879,622	982,645	848,899	Profit for the period	
				Other comprehensive income	
1,174,545	879,622	982,645	848,899	Total Comprehensive income for the period	

The annexed notes from 1 to 23 form an integral part of the condensed interim financial statements.

(Chief Executive Officer)

(BoS Chairman)

Note

..... AFN

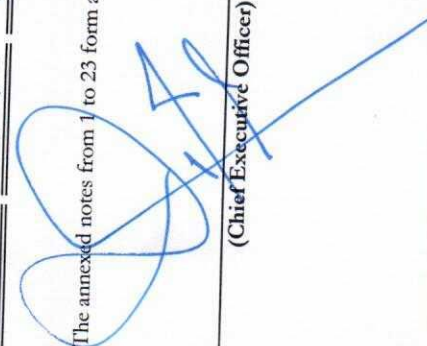
15	100,351,267	56,148,565	47,714,906	24,960,397
	100,351,267	56,148,565	47,706,687	24,960,397
16	522,718,580	280,811,392	526,799,794	291,808,536
	(3,155,733)	(1,136,487)	(4,251,293)	(2,116,682)
	519,562,847	279,674,905	522,548,501	289,691,854
17	48,082,998	24,384,656	43,762,103	23,917,211
	2,984,151	6,891,026	38,195,109	32,677,390
	51,067,149	31,275,682	81,957,212	56,594,601
	670,981,263	367,099,152	652,212,400	371,246,852
18	(280,347,542)	(143,701,681)	(280,288,753)	(145,163,653)
10.3	(6,530,037)	(3,250,360)	(5,038,449)	(2,340,821)
13	(135,992)	431,802	2,478,917	294,003
19	(270,983,905)	(136,493,902)	(26,767)	238,464
	(557,997,476)	(283,014,141)	(553,026,651)	(138,396,518)
	112,983,787	84,085,011	99,185,749	85,878,327
20	(22,167,952)	(16,072,614)	(19,856,823)	(17,346,808)
	90,815,835	68,012,397	79,328,926	68,531,519
	90,815,835	68,012,397	79,328,926	68,531,519

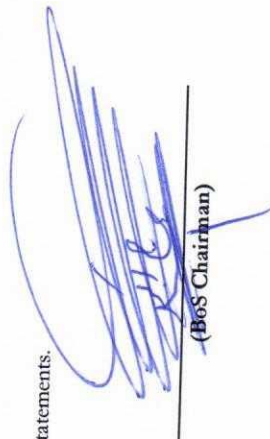
(Chief Financial Officer)

NEW KABUL BANK
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2020

Share capital	Reserve from MoF	Accumulated Profit/(loss)	Currency translation gain/(loss)	Total	Share capital	Reserve from MoF	Accumulated Profit/(loss)	Total
..... USD AFN			
14,353,380	49,073,692	(42,304,434)	(1,842,516)	21,122,638	1,000,000,000	3,238,831,229	(2,786,459,574)	1,452,371,655
Total comprehensive income for the half year ended June 30, 2019								
Profit after taxation for six months period ended June 30, 2019								
-	-	982,645	-	-	-	-	79,328,926	79,328,926
Change in equity for six months period ended December 31, 2019								
Profit after taxation for six months period ended December 31, 2019								
-	-	1,485,558	(530,165)	-	-	-	111,858,116	111,858,116
14,353,380	49,073,692	(39,836,231)	(2,372,681)	21,122,638	1,000,000,000	3,238,831,229	(2,595,272,532)	1,643,558,697
14,353,380	49,073,692	(39,836,231)	(2,372,681)	23,590,841	1,000,000,000	3,238,831,229	(2,595,272,532)	1,643,558,697
Total comprehensive income for the half year ended June 30, 2020								
Profit after taxation for six months period ended June 30, 2020								
-	-	1,174,545	38,421	1,174,545	-	-	90,815,835	90,815,835
14,353,380	49,073,692	(38,661,686)	(2,334,260)	24,765,386	1,000,000,000	3,238,831,229	(2,504,456,697)	1,734,374,532

The annexed notes from 1 to 23 form an integral part of the condensed interim financial statements.


 (Chief Executive Officer)


 (BoS Chairman)


 (Chief Financial Officer)

NEW KABUL BANK
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2020

30-Jun-20	30-Jun-19		Note	30-Jun-20	30-Jun-19
..... USD AFN	
CASH FLOWS FROM OPERATING ACTIVITIES					
1,461,249	1,228,611	Profit before tax		112,983,787	99,185,749
84,455	62,411	Adjustments for:			
-	(23,770)	Depreciation	8	6,530,037	5,038,449
1,545,704	1,267,252	Gain on disposal of property and equipment		-	(1,918,959)
				119,513,824	102,305,239
Increase/decrease in current assets and liabilities					
(310,927)	(61,364)	Other assets		(24,040,883)	(4,953,943)
(12,874,177)	(19,115,886)	Deposits from customers		(995,431,387)	(1,543,225,493)
(1,314,620)	-	Deposits from banks		(101,646,422)	-
9,703,568	(1,278,410)	Other liabilities		750,279,841	(103,206,036)
(3,250,452)	(19,188,408)			(251,325,027)	(1,549,080,233)
(286,704)	(106,267)	Advance tax paid		(22,167,952)	(8,578,959)
(3,537,156)	(19,294,675)	Net cash (used in)/generated from operating activities		(273,492,979)	(1,557,659,192)
CASH FLOWS FROM INVESTING ACTIVITIES					
(14,348)	(11,071)	Investment in operating fixed assets		(1,109,410)	(893,770)
(12,080,143)	(3,317,152)	Investment in capital notes - net		(934,036,628)	(267,793,647)
63,373	(7,006,689)	Placement		4,900,000	(565,650,000)
-	23,770	Proceeds from sale of property and equipment		-	1,918,959
(12,031,118)	(10,311,142)	Net cash (used in)/ generated from investing activities		(930,246,038)	(832,418,458)
CASH FLOWS FROM FINANCING ACTIVITIES					
(15,568,274)	(29,605,817)	Net decrease in cash and cash equivalents		(1,203,739,017)	(2,390,077,650)
74,939,817	97,126,096	Cash and cash equivalents at beginning of the period		5,794,346,664	7,840,989,717
59,371,543	67,520,279	Cash and cash equivalents at end of the period	5.3	4,590,607,647	5,450,912,067

The annexed notes from 1 to 23 form an integral part of the condensed interim financial statements.

(Chief Executive Officer)

BoS Chairman

(Chief Financial Officer)