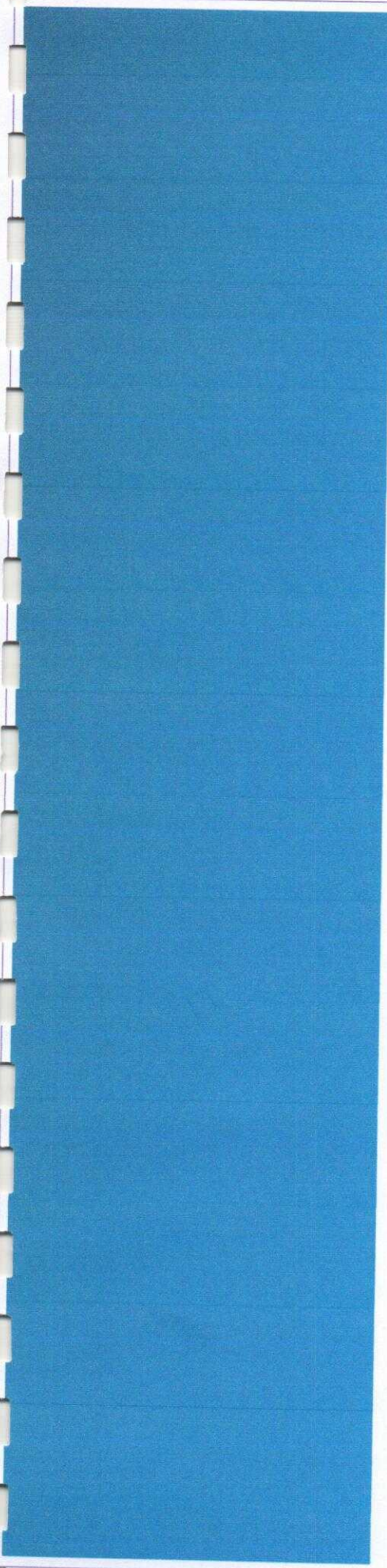




Reviewed Financial Statements

for New Kabul Bank

(For the period ended September 30, 2020)

MGI ILYAS SAEED CHARTERED ACCOUNTANTS

Contact: Muhammad Abdul Basit

Cell: +93 780 780 786

Email: basit@ilyassaeedca.com

Date: November 03, 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 **September 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 nine 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.

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 September 30, 2020, and of its condensed interim financial performance and its condensed interim cash flows for the nine 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.

mgi Isco

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

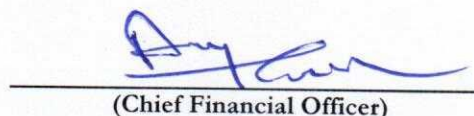


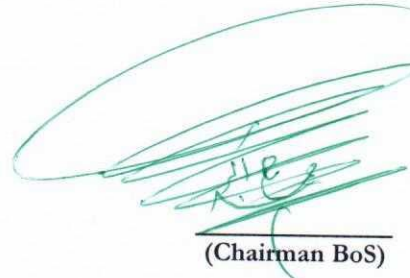
NEW KABUL BANK
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2020

Reviewed 30-Sep-20	Audited 31-Dec-2019		Note	Reviewed 30-Sep-20	Audited 31-Dec-2019
..... USD				 AFN	
ASSETS					
114,372,686	92,550,089	Cash and Cash equivalents	6	8,792,972,076	7,168,929,895
148,609,501	124,797,466	Investment in Capital Notes	7	11,425,098,462	9,666,811,755
20,000,000	35,000,000	Placements with Banks	8	1,537,600,000	2,711,100,000
927,728	642,960	Property, Plant and Equipments	9	71,323,695	49,803,695
-	-	Intangible Assets	10	-	-
15,522,494	11,266,584	Other Assets	11	1,193,369,354	872,709,575
<u>299,432,409</u>	<u>264,257,099</u>	Total Assets		<u>23,020,363,587</u>	<u>20,469,354,920</u>
EQUITY AND LIABILITIES					
EQUITY					
14,353,380	14,353,380	Share Capital	12	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
(37,587,018)	(39,836,231)	Accumulated Losses		(2,422,353,010)	(2,595,272,532)
304,382	-	Surplus on Revaluation of PPE		23,400,839	-
(2,212,606)	(2,372,681)	Currency translation gain(loss)		-	-
<u>23,931,830</u>	<u>21,218,160</u>	Total equity		<u>1,839,879,058</u>	<u>1,643,558,697</u>
LIABILITIES					
247,440,210	232,123,489	Deposits from customers	13	19,023,203,369	17,980,285,437
76,095	-	Deferred Tax		5,850,210	-
27,984,274	10,915,450	Other liabilities	14	2,151,430,950	845,510,786
<u>275,500,579</u>	<u>243,038,939</u>	Total liabilities		<u>21,180,484,529</u>	<u>18,825,796,223</u>
<u>299,432,409</u>	<u>264,257,099</u>	Total equity and liabilities		<u>23,020,363,587</u>	<u>20,469,354,920</u>
Contingencies and Commitments					
			15		

The annexed notes from 1 to 25 form an integral part of the condensed interim financial statements.


(Chief Executive Officer)


(Chief Financial Officer)


(Chairman BoS)

NEW KABUL BANK

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2020

Nine months ended 30-Sep-20	Quarter ended 30-Sep-20	Nine months ended 30-Sep-19	Quarter ended 30-Sep-19	Note	AFN			
					USD			
2,214,287	908,989	942,392	332,695		Interest income	170,234,376	69,883,109	73,751,608
-	-	(105)	-		Interest expense	-	-	(8,219)
2,214,287	908,989	942,287	332,695	16	Net interest income	170,234,376	69,883,109	73,743,389
11,096,836	3,902,641	10,423,183	3,691,778		Fee and commission income	853,124,738	300,035,025	815,718,337
(57,431)	(16,383)	(75,493)	(21,170)		Fee and commission expense	(4,415,262)	(1,259,529)	(5,908,073)
11,039,405	3,886,258	10,347,690	3,670,608	17	Net fee and commission income	848,709,476	298,775,496	809,810,264
458,943	189,744	1,418,199	370,957	18	Other operating income	35,283,539	14,587,523	110,988,280
13,712,635	4,984,991	12,708,176	4,374,260		Net operating income	1,054,227,391	383,246,128	994,541,933
(5,493,147)	(1,846,587)	(5,335,920)	(1,754,413)	19	Employee benefit expense	(422,313,172)	(141,965,630)	(417,589,101)
(140,080)	(55,142)	(95,093)	(30,712)		Depreciation expense	(10,769,329)	(4,239,293)	(7,441,981)
(42,150)	(40,381)	(19,297)	(50,972)	11	Provision against other assets	(3,240,510)	(3,104,518)	(1,510,167)
-	-	14,216	14,558		Provision against bank guarantees	-	-	1,112,517
(5,215,815)	(1,691,050)	(5,186,893)	(1,734,918)	20	Other expenses	(400,991,861)	(130,007,955)	(405,926,245)
(10,891,192)	(3,633,160)	(10,622,987)	(3,556,457)		Operating expenses	(837,314,872)	(279,317,395)	(831,354,977)
2,821,443	1,351,831	2,085,190	817,803		Profit before tax	216,912,519	103,928,733	163,186,956
(572,229)	(283,885)	(417,255)	(163,526)	21	Taxation	(43,992,997)	(21,825,045)	(32,654,356)
2,249,214	1,067,946	1,667,935	654,277		Profit for the period	172,919,522	82,103,688	130,532,600
-	-	-	-		Other comprehensive income	-	-	-
380,477	380,477	-	-		Items that will not be reclassified to profit or loss;	-	-	-
(76,095)	(76,095)	-	-		Surplus on revaluation (Property & equipment)	29,251,049	29,251,049	-
		-	-		Related deferred tax	(5,850,210)	(5,850,210)	-
2,553,595	1,372,327	1,667,935	654,277		Total Comprehensive income for the period	196,320,361	105,504,527	130,532,600
								51,203,674

The annexed notes from 1 to 25 form an integral part of the condensed interim financial statements.

(Chief Executive Officer)

(Chief Financial Officer)

(Chairman BoS)

NEW KABUL BANK
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2020

Share Capital	Reserve from MoF	Surplus on Revaluation (Fixed Assets)	Accumulated Profit/(loss)	Currency Translation Loss	Total	Share Capital	Reserve from MoF	Surplus on Revaluation (Fixed Assets)	Accumulated Profit/(loss)	Total
USD						AFN				
14,353,380	49,073,692	-	(42,304,434)	(1,842,516)	19,280,122	1,000,000,000	3,238,831,229	-	(2,786,459,574)	1,452,371,655
-	-	-	2,468,203	(530,165)	1,938,038	-	-	-	191,187,042	191,187,042
14,353,380	49,073,692	-	(39,836,231)	(2,372,681)	21,218,160	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)	21,218,160	1,000,000,000	3,238,831,229	-	(2,595,272,532)	1,643,558,697
-	-	380,477	-	-	380,477	-	-	29,251,049	-	29,251,049
-	-	-	2,249,213	160,075	2,409,288	-	-	-	172,919,522	172,919,522
-	-	(76,095)	-	-	(76,095)	-	-	(5,850,210)	-	(5,850,210)
14,353,380	49,073,692	304,382	(37,587,018)	(2,212,606)	23,931,830	1,000,000,000	3,238,831,229	23,400,839	(2,422,353,010)	1,839,879,058

The annexed notes from 1 to 25 form an integral part of the condensed interim financial statements.

(Chief Executive Officer)

(Chief Financial Officer)

Chairman (BoS)

NEW KABUL BANK
CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2020

30-Sep-20	30-Sep-19		Note	30-Sep-20	30-Sep-19
..... USD				 AFN	
CASH FLOWS FROM OPERATING ACTIVITIES					
2,821,443	2,085,190	Profit before tax		216,912,519	163,186,956
Adjustments for:					
(76,095)	-	Deferred Tax		5,850,210	-
140,080	95,093	Depreciation		10,769,329	7,441,981
2,885,428	2,180,283			233,532,058	170,628,937
Cash Flow due to changes in Current Assets and Current Liabilities					
(4,557,468)	(2,473,003)	Other Assets		(350,378,133)	(193,537,234)
13,565,530	(31,539,985)	Deposits from customers		1,042,917,932	(2,468,319,250)
-	2,564,118	Bank Deposits		-	200,667,868
(127,638)	-	Changes in Required Reserve		(9,812,776)	-
16,986,475	6,992,972	Other liabilities		1,305,920,164	547,270,027
28,752,327	(22,275,615)			2,222,179,246	(1,743,289,652)
		Surplus on revaluation of Fixed Assets		-	-
(185,674)	(138,156)	Advance Tax		(14,274,643)	(10,812,081)
28,566,653	(22,413,771)	Net cash (used in)/generated from operating activities		2,207,904,603	(1,754,101,733)
CASH FLOWS FROM INVESTING ACTIVITIES					
(115,615)	(50,560)	Investment in operating fixed assets		(8,888,491)	(3,956,863)
(22,870,535)	9,143,441	Additional Investment in Capital Notes - net		(1,758,286,707)	715,565,694
15,264,048	(6,123,179)	Placements with Banks		1,173,500,000	(479,200,000)
(7,722,102)	2,969,702	Net cash (used in)/ generated from investing activities		(593,675,198)	232,408,831
CASH FLOWS FROM FINANCING ACTIVITIES					
20,844,551	(19,444,069)	Net change in Cash and Cash equivalents		1,614,229,405	(1,521,692,902)
75,368,713	100,191,537	Cash and Cash equivalents at beginning of the period	6	5,794,346,664	7,840,989,718
96,213,264	80,747,468	Cash and Cash equivalents at end of the period	6	7,408,576,069	6,319,296,816

The annexed notes from 1 to 25 form an integral part of the condensed interim financial statements.

(Chief Executive Officer)

(Chief Financial Officer)

(Chairman BoS)