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

mgiworldwide Ilyas Saeed Chartered Accountants

Muslim Business Centre, Charahi Haji Yaqoob, Shahr-e-Naw,
KABUL, AFGHANISTAN.
T: 0093 780 780 786
E: basit@ilyassaeedca.com
www.ilyassaeedca.com

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 than 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 Isca

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

MGI ILYAS SAEED
Chartered Accountants
07 NOV 2020
Audit - Tax - Advisory

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
299,432,409	264,257,099	**Total Assets**		**23,020,363,587**	20,469,354,920
		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)		**-**	-
23,931,830	21,218,160	**Total equity**		**1,839,879,058**	1,643,558,697
		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
275,500,579	243,038,939	**Total liabilities**		**21,180,484,529**	18,825,796,223
299,432,409	264,257,099	**Total equity and liabilities**		**23,020,363,587**	20,469,354,920
		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	Nine months ended 30-Sep-20	Quarter ended 30-Sep-20	Nine months ended 30-Sep-19	Quarter ended 30-Sep-19
.... USD						.... AFN			
2,214,287	908,989	942,392	332,695	Interest income		170,234,376	69,883,109	73,751,608	26,036,702
-	-	(105)	-	Interest expense		-	-	(8,219)	-
2,214,287	908,989	942,287	332,695	**Net interest income**	16	170,234,376	69,883,109	73,743,389	26,036,702
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	288,918,543
(57,431)	(16,383)	(75,493)	(21,170)	Fee and commission expense		(4,415,262)	(1,259,529)	(5,908,073)	(1,656,780)
11,039,405	3,886,258	10,347,690	3,670,608	**Net fee and commission income**	17	848,709,476	298,775,496	809,810,264	287,261,763
458,943	189,744	1,418,199	370,957	Other operating income	18	35,283,539	14,587,523	110,988,280	29,031,068
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	342,329,533
(5,493,147)	(1,846,587)	(5,335,920)	(1,754,413)	Employee benefit expense	19	(422,313,172)	(141,965,630)	(417,589,101)	(137,300,348)
(140,080)	(55,142)	(95,093)	(30,712)	Depreciation expense		(10,769,329)	(4,239,293)	(7,441,981)	(2,403,532)
(42,150)	(40,381)	(19,297)	(50,972)	Provision against other assets	11	(3,240,510)	(3,104,518)	(1,510,167)	(3,989,084)
-	-	14,216	14,558	Provision against bank guarantees		-	-	1,112,517	1,139,284
(5,215,815)	(1,691,050)	(5,186,893)	(1,734,918)	Other expenses	20	(400,991,861)	(130,007,955)	(405,926,245)	(135,774,646)
(10,891,192)	(3,633,160)	(10,622,987)	(3,556,457)	**Operating expenses**		(837,314,872)	(279,317,395)	(831,354,977)	(278,328,326)
2,821,443	1,351,831	2,085,190	817,803	**Profit before tax**		216,912,519	103,928,733	163,186,956	64,001,207
(572,229)	(283,885)	(417,255)	(163,526)	Taxation	21	(43,992,997)	(21,825,045)	(32,654,356)	(12,797,533)
2,249,214	1,067,946	1,667,935	654,277	**Profit for the period**		172,919,522	82,103,688	130,532,600	51,203,674
-	-	-	-	**Other comprehensive income**		-	-	-	-
				Items that will not be reclassified to profit or loss;					
380,477	380,477	-	-	Surplus on revaluation (Property & equipment)		29,251,049	29,251,049	-	-
(76,095)	(76,095)	-	-	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	Balance as at January 01, 2019	1,000,000,000	3,238,831,229	-	(2,786,459,574)	1,452,371,655
-	-	-	2,468,203	(530,165)	1,938,038	Total comprehensive income for the year 2019	-	-	-	191,187,042	191,187,042
14,353,380	49,073,692	-	(39,836,231)	(2,372,681)	21,218,160	Balance as at Dec 31, 2019	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**	**Balance as at January 01, 2020**	**1,000,000,000**	**3,238,831,229**	**-**	**(2,595,272,532)**	**1,643,558,697**
		380,477	**-**	**-**	**380,477**	**Surplus on Revaluation (Fixed Assets)**	**-**	**-**	**29,251,049**	**-**	**29,251,049**
-	**-**	**-**	**2,249,213**	**160,075**	**2,409,288**	**Total comprehensive income for the nine months period ended September 30, 2020**	**-**	**-**	**-**	**172,919,522**	**172,919,522**
-	**-**	**(76,095)**	**-**	**-**	**(76,095)**	**Deferred Tax related to Property and Equipments**	**-**	**-**	**(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)**