

**NEW KABUL BANK**

**Un-Audited Condensed Interim Financial Statements with  
accompanying information**

**For the period ended March 31, 2018**

## 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 **March 31, 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 months 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.

### *Conclusion*

Based on our review, nothing has come to our attention that cause to believe that accompanying interim financial information does not give a true and fair view of the condensed interim financial position of the Bank as at March 31, 2018 and of its financial performance and its condensed interim cash flows for the three months then ended 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.

### *Emphasis of Matter*

- i. We draw attention to Note 10.1, where it is stated that, Bank is owned by Ministry of Finance (MoF) and was established as a bridge entity to take over operations of Kabul Bank with an objective of ultimate selling it to a new investor or continue the operations as deemed appropriate by MoF. The Supreme Council of Da Afghanistan Bank (DAB) in its meeting held on March 15, 2011 has granted forbearance to the bank for regulatory requirement related to the size and structure of its capital.

However, during the year, 2017, Bank’s total equity reached over 1 billion AFN and Bank transferred AFN 1 Billion from “Reserve from MoF” to “Share Capital”. The process of amendments in Article of Association and license is not yet started. Our conclusion is not qualified in this respect.



**Crowe Horwath Afghanistan**

Auditors & Business Advisors  
Kabul




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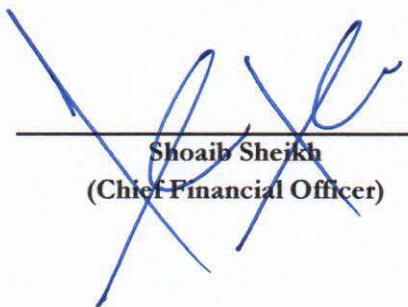


**NEW KABUL BANK**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT MARCH 31, 2018**

Unaudited	Audited		Unaudited	Audited
31-Mar-2018	31-Dec-2017		31-Mar-2018	31-Dec-2017
..... USD .....			Note..... AFN .....	
<b>ASSETS</b>				
182,816,252	227,408,824	Cash and cash equivalents	5 12,680,135,329	15,843,572,784
78,539,770	61,527,869	Investment in capital notes	6 5,447,518,469	4,286,646,613
511,655	548,222	Property and equipment	7 35,488,403	38,194,648
-	-	Intangible assets	8 -	-
39,108,899	35,054,598	Other assets	9 2,712,593,219	2,442,253,813
<u>300,976,576</u>	<u>324,539,513</u>	<b>Total assets</b>	<u>20,875,735,420</u>	<u>22,610,667,858</u>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
14,417,532	14,353,380	Share capital	10 1,000,000,000	1,000,000,000
46,695,952	46,488,176	Reserve from MoF	3,238,831,229	3,238,831,229
(43,348,462)	(43,336,389)	Accumulated losses	(3,006,649,291)	(3,019,246,219)
<u>17,765,022</u>	<u>17,505,167</u>	<b>Total equity</b>	<u>1,232,181,938</u>	<u>1,219,585,010</u>
<b>LIABILITIES</b>				
270,046,213	298,915,915	Deposits from customers	11 18,730,405,448	20,825,471,815
13,165,341	8,118,430	Other liabilities	12 913,148,034	565,611,033
<u>283,211,554</u>	<u>307,034,345</u>	<b>Total liabilities</b>	<u>19,643,553,482</u>	<u>21,391,082,848</u>
<u>300,976,576</u>	<u>324,539,512</u>	<b>Total equity and liabilities</b>	<u>20,875,735,420</u>	<u>22,610,667,858</u>
Contingencies and commitments				
			13 -	-

The annexed notes from 1 to 21 form an integral part of these financial statements.

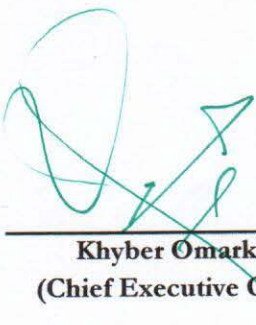
  
**Khyber Omarkhail**  
**(Chief Executive Officer)**

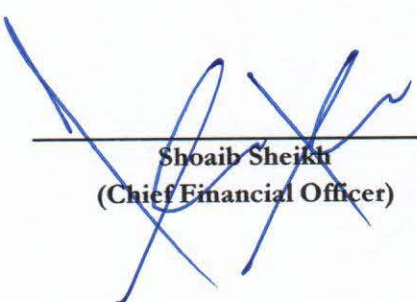
  
**Shoaib Sheikh**  
**(Chief Financial Officer)**

**NEW KABUL BANK**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2018**

31-Mar-2018	31-Mar-17		Note	31-Mar-2018	31-Mar-17
..... USD .....				..... AFN .....	
77,744	1,366,796	Interest income		5,392,302	92,545,741
-	-	Interest expense		-	-
77,744	1,366,796	<b>Net interest income</b>	14	5,392,302	92,545,741
3,740,459	4,028,189	Fee and commission income		259,438,263	272,748,699
(80,620)	(90,210)	Fee and commission expense		(5,591,818)	(6,108,097)
3,659,839	3,937,979	<b>Net fee and commission income</b>	15	253,846,445	266,640,602
461,900	883,532	Other operating income	16	32,037,351	59,823,959
4,199,483	6,188,307	<b>Net operating income</b>		291,276,098	419,010,302
(2,022,132)	(2,106,828)	Employee benefit expense	17	(140,255,057)	(142,653,313)
(41,192)	(110,775)	Depreciation expense		(2,857,103)	(7,500,562)
(191,683)	-	Provision against other assets	9.3	(13,295,136)	-
(1,709,791)	(2,359,478)	Other expenses	18	(118,591,109)	(159,760,259)
(3,964,798)	(4,577,081)	<b>Operating expenses</b>		(274,998,405)	(309,914,134)
234,685	1,611,226	<b>Profit / (Loss) before tax</b>		16,277,693	109,096,168
(53,068)	(325,186)	Taxation	19	(3,680,765)	(22,018,350)
181,617	1,286,040	<b>Profit for the period</b>		12,596,928	87,077,818
-	-	Other comprehensive income		-	-
181,617	1,286,040	<b>Total comprehensive income</b>		12,596,928	87,077,818

The annexed notes from 1 to 21 form an integral part of these financial statements.

  
**Khyber Omarkhail**  
**(Chief Executive Officer)**

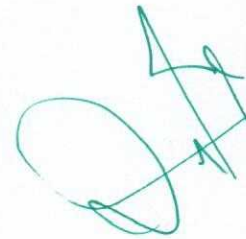
  
**Shoaib Sheikh**  
**(Chief Financial Officer)**



**NEW KABUL BANK**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2018**

Share capital	Reserve from MoF	Accumulated Profit/(loss)	Total	Share capital	Reserve from MoF	Accumulated Profit/(loss)	Total
..... USD .....				..... AFN .....			
-	62,602,736	(49,836,620)	12,766,116	-	4,238,831,229	(3,374,437,512)	864,393,717
Balance as at January 01, 2017							
-	-	1,286,041	1,286,041	-	-	87,077,818	87,077,818
Total comprehensive income for the three months ended March 31, 2017							
-	62,602,736	(48,550,579)	14,052,157	-	4,238,831,229	(3,287,359,694)	951,471,535
Balance as at March 31, 2017							
14,417,532	46,695,952	(43,530,078)	17,583,406	1,000,000,000	3,238,831,229	(3,019,246,219)	1,219,585,010
Balance as at January 01, 2018							
-	-	181,617	181,617	-	-	12,596,928	12,596,928
Total comprehensive income for the three months ended March 31, 2018							
14,417,532	46,695,952	(43,348,461)	17,765,023	1,000,000,000	3,238,831,229	(3,006,649,291)	1,232,181,938
Balance as at March 31, 2018							

The annexed notes from 1 to 21 form an integral part of these financial statements.

  
**Khyber Omarkhail**  
**(Chief Executive Officer)**

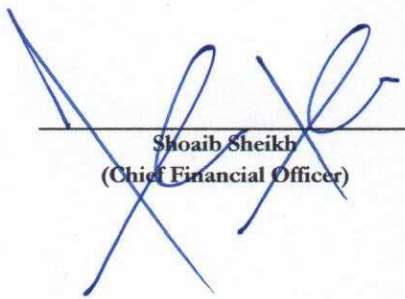
  
**Shoaib Sheikh**  
**(Chief Financial Officer)**

**NEW KABUL BANK**  
**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2018**

31-Mar-2018 ..... USD .....	31-Mar-17		Note	31-Mar-2018 ..... AFN .....	31-Mar-17
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
234,684	1,611,227	Loss before tax		16,277,693	109,096,168
41,192	110,775	<b>Adjustments for:</b>			
275,876	1,722,002	Depreciation		2,857,103	7,500,562
				19,134,796	116,596,730
<b>Increase/decrease in current assets and liabilities</b>					
(3,903,904)	16,668,083	Other assets	9	(270,774,756)	1,128,595,930
(30,205,686)	(5,100,938)	Deposits from customers	11	(2,095,066,367)	(345,384,514)
5,010,626	(16,284,038)	Other liabilities	12	347,537,001	(1,102,592,228)
(28,823,088)	(2,994,891)			(1,999,169,326)	(202,784,082)
(46,791)	(60,364)	Advance tax paid		(3,245,415)	(4,087,277)
(28,869,879)	(3,055,255)	<b>Net cash (used in)/generated from operating activities</b>		(2,002,414,741)	(206,871,359)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
(2,175)	(6,054)	Investment in operating fixed assets	7	(150,858)	(409,925)
(16,736,907)	21,070,802	Investment in capital notes - net	6	(1,160,871,856)	1,426,703,978
(16,739,082)	21,064,748	<b>Net cash (used in)/ generated from investing activities</b>		(1,161,022,714)	1,426,294,053
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
(45,608,961)	18,009,493	<b>Net decrease in cash and cash equivalents</b>		(3,163,437,455)	1,219,422,694
228,425,213	186,757,084	Cash and cash equivalents at beginning of the period		15,843,572,784	12,645,322,186
-	-	Effect of exchange differences		-	-
182,816,252	204,766,577	<b>Cash and cash equivalents at end of the period</b>	5	12,680,135,329	13,864,744,880

The annexed notes from 1 to 21 form an integral part of these financial statements.

  
**Khyber Omarkhail**  
**(Chief Executive Officer)**

  
**Shoaib Sheikh**  
**(Chief Financial Officer)**



**NEW KABUL BANK**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**  
**FOR THE PERIOD ENDED MARCH 31, 2018**

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**1 STATUS AND NATURE OF BUSINESS**

New Kabul Bank ("the Bank") is a limited liability company incorporated under the Law in Afghanistan. The registered office of the Bank is located in Kabul, Afghanistan and has seventy nine branches and thirty eight extension counters. The Bank was registered with Afghanistan Investment Support Agency (AISA) on August 09, 2011 and received commercial banking license from the Da Afghanistan Bank (DAB) central bank of Afghanistan on April 18, 2011. The Bank started its operation on April 21, 2011 upon the liquidation of Kabul Bank and transfer of all good assets, liabilities and operations to the New Kabul Bank.

The control of the bank is with Government of Islamic Republic of Afghanistan and is exercised by the Ministry of Finance who currently intends to hold its control over the Bank. The Bank was established as a bridge bank with the objective of its privatization to private sector or liquidation/ rehabilitation in case of unsuccessful privatization. The Bank is primarily engaged in restrictive commercial banking services in Afghanistan including deposits, collection, disbursement and issuance of bank guarantees.

The financial statements for the period ended March 31, 2018 (including comparatives) have been approved and authorized for issue by the Board of Directors on MAY 15, 2018

**2 STATEMENT OF COMPLIANCE**

- 2.1 These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) 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 BASIS OF PREPARATION**

**3.1 Basis of measurement**

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

**4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**NEW KABUL BANK**

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)  
FOR THE THREE MONTHS ENDED MARCH 31, 2018**

		Unaudited 31-Mar-2018	Audited 31-Dec-2017
	Note	..... AFN .....	
<b>5 CASH AND CASH EQUIVALENTS</b>			
<b>Cash in hand:</b>			
Local currency		1,132,585,858	820,755,933
Foreign currency		165,591,936	77,550,546
		<u>1,298,177,794</u>	<u>898,306,479</u>
<b>Balances with banks:</b>			
Balances with Da Afghanistan Bank	5.1	7,849,480,494	14,264,118,505
Balances with other banks	5.2	3,532,477,041	681,147,800
		<u>11,381,957,535</u>	<u>14,945,266,305</u>
		<u>12,680,135,329</u>	<u>15,843,572,784</u>
<b>5.1 Balances with Da Afghanistan Bank</b>			
<b>Overnight deposits</b>			
Local currency	5.1.1	4,201,715,321	7,950,788,596
<b>Current account</b>			
Local currency		918,470,636	740,429,992
Foreign currency		2,729,294,537	5,572,899,917
		<u>3,647,765,173</u>	<u>6,313,329,909</u>
		<u>7,849,480,494</u>	<u>14,264,118,505</u>
<b>5.1.1</b> This represents overnight deposits with Da Afghanistan Bank, carrying interest rates of 0.1 % (2017: 0.10% to 0.8 %) per annum.			
<b>5.2 Balances with other banks</b>			
<b>Current accounts</b>			
Local currency		17,000	17,000
Foreign currency		3,532,460,041	681,130,800
		<u>3,532,477,041</u>	<u>681,147,800</u>
<b>Deposit accounts</b>			
Foreign currency		-	-
		<u>3,532,477,041</u>	<u>681,147,800</u>
<b>6 INVESTMENT IN CAPITAL NOTES</b>			
<b>Held to maturity</b>			
28 days capital notes		249,941,680	799,810,267
91 days capital notes		5,197,576,789	3,192,782,763
182 days capital notes		-	294,053,583
	6.1	<u>5,447,518,469</u>	<u>4,286,646,613</u>

**6.1** These are classified as held to maturity having maximum period of 6 months carrying interest rate ranging from 0.1% to 0.5% (2017: 0.31% to 6.5%) per annum.



**NEW KABUL BANK**

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)  
FOR THE THREE MONTHS ENDED MARCH 31, 2018**

		Unaudited 31-Mar-2018	Audited 31-Dec-2017
	Note	..... AFN .....	
<b>7 PROPERTY AND EQUIPMENT</b>		<b>35,488,403</b>	<b>38,194,648</b>
<b>8 INTANGIBLE ASSETS</b>			
<b>Gross carrying amount</b>			
Opening balance		295,161,839	295,161,839
Additions during the period		-	-
Closing balance		295,161,839	295,161,839
<b>Accumulated amortization</b>			
Opening balance		295,161,839	295,161,839
Charge for the year / period		-	-
Closing balance		295,161,839	295,161,839
		-	-
<b>9 OTHER ASSETS</b>			
Required reserve with Da Afghanistan Bank	9.1	1,550,505,881	1,696,612,218
Advances and prepayments	9.2	48,406,349	36,949,672
Receivable from remittances		502,714,154	71,458,599
Accrued interest and commission		30,772,065	45,904,051
Security deposit		44,664,998	44,854,335
Advance tax		527,233,072	527,668,422
Staff loan		6,825,386	4,824,335
Others	9.3	1,471,314	13,982,181
		<b>2,712,593,219</b>	<b>2,442,253,813</b>

- 9.1** This represents the required reserve account maintained with Da Afghanistan Bank to meet minimum reserve requirement in accordance with Article 64 "Required reserve for banks" of Da Afghanistan Bank Law. This carried no interest (2017: nil) per annum. Required reserve is a restricted balance with DAB and is not available for use in the Bank's day-to-day operations.

	Unaudited 31-Mar-2018	Audited 31-Dec-2017
	..... AFN .....	
<b>9.2 Advances and prepayments</b>		
Advance payment to contractors	38,394,007	26,057,247
Prepaid rent	10,012,342	10,892,426
	<b>48,406,349</b>	<b>36,949,672</b>

**NEW KABUL BANK**

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)  
FOR THE THREE MONTHS ENDED MARCH 31, 2018**

		Unaudited 31-Mar-2018	Audited 31-Dec-2017
	Note	..... AFN	.....
<b>9.3 Others</b>			
<b>Gross amount</b>		<b>113,116,838</b>	<b>99,942,397</b>
<b>Allowance for doubtful receivables</b>			
Opening balance		(99,942,397)	(93,524,774)
Charge for the period / year		(13,295,136)	(5,711,202)
Exchange difference of provision		120,695	(1,105,730)
Reversal due to recovery		-	399,309
Closing balance		(113,116,838)	(99,942,397)
<b>Net amount</b>	9.3.1	-	-

**9.3.1** This include receivable from staff. Allowance has been recognized on the basis of recoverability on cases to case basis, while recovery represent amount received from staff.

		Unaudited 31-Mar-2018	Audited 31-Dec-2017
	Note	..... AFN	.....
<b>10 SHARE CAPITAL</b>			
<b>Authorized</b>			
1,000,000 ordinary shares of AFN 1,000 each		<u>1,000,000,000</u>	<u>1,000,000,000</u>
Issued, subscribed and paid-up capital	10.1	<u>1,000,000,000</u>	<u>1,000,000,000</u>

**10.1** The bank is owned by Ministry of Finance (MoF) which has acquired its ownership through the process of splitting Kabul Bank. As the bank has been established as a bridge entity to take over operations of Kabul Bank with an objective of ultimate selling it to a new investor or continue the operations as deemed appropriate by MoF. Therefore Supreme Council of Da Afghanistan Bank (DAB) in its meeting held on March 15, 2011 has granted forbearance to the bank for regulatory requirement related to the size and structure of its capital. However, MoF had injected funds amounting to USD 106 million (AFN 7.048 billion) for the settlement of Kabul Bank Receivership receivable and issuance of share capital.

The net equity after adjustment of Kabul Bank Receivership receivable was below AFN 1 billion (Minimum amount for share capital) due to losses incurred by New Kabul Bank in previous years therefore it was directed by the shareholder i.e. MoF to fund the remaining equity out of the profits of the bank. In August 2017 after crossing the One billion in overall equity due to interim profits and on instructions of Financial Supervision Department of Da Afghanistan Bank, bank had transferred AFN One billion to Share Capital - Ministry of Finance. Matter has been officially corresponded with Financial supervision department (FSD) through letter No. 3385/1596 dated 16/05/1396 (August 07, 2017). Management is intending to initiate the process of making relevant changes in Articles of Association and approaching license department of Da Afghanistan Bank to seek necessary amendments as per rules and regulations of the Da Afghanistan Bank .



**NEW KABUL BANK**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2018**

		Unaudited 31-Mar-2018	Audited 31-Dec-2017
	Note	..... AFN .....	
<b>11 DEPOSITS FROM CUSTOMERS</b>			
<b>Local currency</b>			
Current deposits		7,526,531,672	9,186,530,681
Saving deposits	11.1	5,148,980,317	5,309,780,637
		12,675,511,989	14,496,311,318
<b>Foreign currency</b>			
Current deposits		3,432,289,572	3,557,024,358
Saving deposits	11.1	2,622,603,887	2,772,136,139
		6,054,893,459	6,329,160,497
		18,730,405,448	20,825,471,815

11.1 Saving deposits carry no interest (2017: nil) per annum.

		Unaudited 31-Mar-2018	Audited 31-Dec-2017
		..... AFN .....	
<b>12 OTHER LIABILITIES</b>			
Margin money against bank guarantees - active		118,014,180	156,420,833
Margin money against bank guarantees - expired		202,519,278	188,496,854
Remittances payable		458,350,342	64,593,425
CSC bank payables		4,586,268	5,698,899
Withholding taxes payable		3,972,309	10,659,296
Accrued expenses and other liabilities		125,705,657	139,741,726
		913,148,034	565,611,033

**13 CONTINGENCIES AND COMMITMENTS**

**Contingencies**

Guarantees issued on behalf of customers	13.1	292,656,465	316,916,106
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13.1 All guarantees issued by the bank are secured against 100% cash margin.

	Note	31-Mar-2018	31-Mar-17
		..... AFN .....	
<b>14 NET INTEREST INCOME</b>			
<b>Interest income on:</b>			
Investment in capital notes		3,855,921	91,167,824
Interest bearing bank accounts		1,536,381	1,377,917
		5,392,302	92,545,741
<b>Interest expense on:</b>			
Deposits from customers		-	-
<b>Net interest income</b>		5,392,302	92,545,741

**NEW KABUL BANK**
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)  
FOR THE THREE MONTHS ENDED MARCH 31, 2018**

	31-Mar-2018	31-Mar-17
Note	AFN	
<b>15 NET FEE AND COMMISSION INCOME</b>		
<b>Fee and commission income</b>		
Commission on remittances	44,547,228	33,482,210
Commission on Western Union operations	14,522,691	17,060,477
Commission on collections	1,960,686	2,045,698
Commission on salary distribution	155,354,589	166,319,123
Commission on bank guarantees	3,094,797	1,219,121
Account maintenance fee	39,958,272	52,622,070
	<u>259,438,263</u>	<u>272,748,699</u>
<b>Fee and commission expense</b>		
Inter-bank transaction fee	(5,591,818)	(6,108,097)
<b>Net fee and commission income</b>	<u>253,846,445</u>	<u>266,640,602</u>
<b>16 OTHER OPERATING INCOME</b>		
Income from cash operations	309,072	3,934,089
Foreign exchange gain	6,371,382	38,413,503
Income from call centre services	17,016,000	15,353,494
Miscellaneous	8,340,897	2,122,873
	<u>32,037,351</u>	<u>59,823,959</u>
<b>17 EMPLOYEE BENEFIT EXPENSE</b>		
Salaries and wages	126,001,380	128,407,940
Food and other amenities	14,253,677	14,245,373
	<u>140,255,057</u>	<u>142,653,313</u>
<b>18 OTHER EXPENSES</b>		
Rent and taxes	22,076,084	26,413,476
Communication expense	12,336,738	18,723,048
Security expense	49,948,587	53,961,581
Insurance	-	3,712,756
Fuel and electricity	10,124,498	12,456,909
Software services	13,740,470	27,566,787
Advertisement	66,685	46,555
Repair and maintenance	2,882,966	2,955,893
Stationery and printing	4,699,027	6,855,154
Audit fee	102,662	5,033,198
Others	2,613,392	2,034,902
	<u>118,591,109</u>	<u>159,760,259</u>
<b>19 TAXATION</b>		
Current	3,680,765	22,018,350
	<u>3,680,765</u>	<u>22,018,350</u>



**NEW KABUL BANK****NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)  
FOR THE THREE MONTHS ENDED MARCH 31, 2018****20 RELATED PARTIES****Ultimate controlling entity**

Ministry of Finance (MOF) is the ultimate controlling entity of the bank.

**Other related parties**

As the bank is owned by Ministry of Finance therefore the government and all entities owned by the government are related to the bank.

**Key management personnel**

Key management personnel includes Chief Executive Officer, Deputy Chief Executive Officer, Chief Financial Officer and Chief Operating Officer.

**Transactions with key management personnel**

Key management personnel have executed following transaction with the Bank during the quarter:

Short-term staff advances	Maximum balance	Closing balance
	..... AFN .....	
Chief Executive Officer	-	-
Deputy Chief Executive Officer	-	-
Chief Financial Officer	277,440	-
Chief Operating Officer	-	-

No impairment losses have been recorded against balances outstanding during the period with key management personnel.

Moreover, during the year AFN 3.47 million (2017: AFN 3.45 million) are paid to key management personnel as remuneration.

**Other transactions with related parties**

There are no significant related party transaction except for normal banking services to government and its institutions for salary distribution and related deposit accounts.

**21 GENERAL**

The condensed interim financial statements for the three months ended March 31, 2018 (including comparatives) have been approved and authorized for issue by the General Assembly of Shareholders on MAY 15, 2018.

Khyber Omarkhail  
(Chief Executive Officer)

Shoaib Sheikh  
(Chief Financial Officer)