

NEW KABUL BANK
Un-Audited Condensed Interim
Financial Statements

For the Second Quarter ended June 30, 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 June 30, 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 half year 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 June 30, 2018 and of its financial performance and its condensed interim cash flows for the half year 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 11.1, 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.

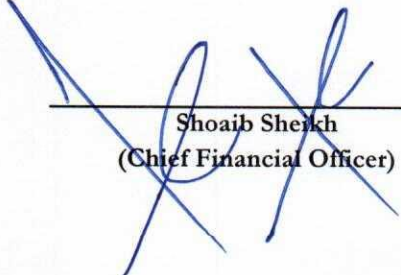
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NEW KABUL BANK
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2018

Unaudited	Audited		Unaudited	Audited	
30-Jun-18	31-Dec-2017		30-Jun-18	31-Dec-2017	
..... USD		Note	..... AFN		
ASSETS					
115,124,457	227,408,824	Cash and cash equivalents	5	8,435,168,940	15,843,572,784
98,228,674	61,527,869	Investment in capital notes	6	7,197,214,927	4,286,646,613
30,000,000	-	Placement	7	2,198,100,000	-
470,621	548,222	Property and equipment	8	34,482,367	38,194,648
-	-	Intangible assets	9	-	-
30,203,572	35,054,598	Other assets	10	2,213,015,744	2,442,253,813
274,027,324	324,539,513	Total assets		20,077,981,978	22,610,667,858
EQUITY AND LIABILITIES					
EQUITY					
13,648,151	14,353,380	Share capital	11	1,000,000,000	1,000,000,000
44,204,057	46,488,176	Reserve from MoF		3,238,831,229	3,238,831,229
(40,026,286)	(43,336,389)	Accumulated losses		(2,932,725,967)	(3,019,246,219)
17,825,922	17,505,167	Total equity		1,306,105,262	1,219,585,010
LIABILITIES					
249,430,394	298,915,915	Deposits from customers	12	18,275,764,948	20,825,471,815
6,771,008	8,118,431	Other liabilities	13	496,111,768	565,611,033
256,201,402	307,034,346	Total liabilities		18,771,876,716	21,391,082,848
274,027,324	324,539,513	Total equity and liabilities		20,077,981,978	22,610,667,858
-	-	Contingencies and commitments	14	-	-

The annexed notes from 1 to 22 form an integral part of these financial statements.


Khyber Omarkhail
 (Chief Executive Officer)


Shoaib Sherkh
 (Chief Financial Officer)

NEW KABUL BANK

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2018

Half year ended	Quarter ended	Half year ended	Quarter ended		Half year ended	Quarter ended	Half year ended	Quarter ended
30-Jun-18	30-Jun-18	30-Jun-17	30-Jun-17		30-Jun-18	30-Jun-18	30-Jun-17	30-Jun-17
				..... USD .....		..... AFN		
186,688	113,093	2,788,280	1,429,113	Interest income	13,678,605	8,286,303	189,854,019	97,308,278
-	-	-	-	Interest expense	-	-	-	-
186,688	113,093	2,788,280	1,429,113	Net interest income	13,678,605	8,286,303	189,854,019	97,308,278
7,884,695	4,343,842	8,335,211	4,329,502	Fee and commission income	577,711,598	318,273,335	567,544,487	294,795,788
(126,887)	(50,569)	(151,868)	(62,162)	Fee and commission expense	(9,296,994)	(3,705,176)	(10,340,705)	(4,232,608)
7,757,808	4,293,273	8,183,343	4,267,340	Net fee and commission income	568,414,604	314,568,159	557,203,782	290,563,180
1,062,240	624,989	1,355,135	476,533	Other operating income	77,830,303	45,792,952	92,271,123	32,447,164
9,006,736	5,031,355	12,326,758	6,172,986	Net operating income	659,923,512	368,647,414	839,328,924	420,318,622
(3,833,093)	(1,918,870)	(4,176,857)	(2,081,787)	Employee benefit expense	(280,850,693)	(140,595,636)	(284,402,197)	(141,748,884)
(76,350)	(37,356)	(211,772)	(101,615)	Depreciation expense	(5,594,194)	(2,737,091)	(14,419,546)	(6,018,984)
(77,849)	63,805	(23,858)	(23,858)	Provision against other assets	(5,704,024)	4,675,022	(1,624,465)	(1,624,465)
(41,518)	(1,718)	-	-	Provision against bank guarantees	(3,042,001)	(125,911)	-	-
(3,526,603)	(1,908,054)	(4,428,078)	(2,081,767)	Other expenses	(258,394,218)	(139,803,113)	(301,507,804)	(141,747,545)
(7,555,413)	(3,802,193)	(8,840,565)	(4,289,027)	Operating expenses	(553,585,130)	(278,586,729)	(601,954,012)	(292,039,878)
1,451,323	1,229,162	3,486,193	1,883,959	Profit before tax	106,338,382	90,060,685	237,374,912	128,278,744
(270,481)	(220,245)	(704,776)	(381,405)	Taxation	(19,818,130)	(16,137,365)	(47,988,211)	(25,969,861)
1,180,842	1,008,917	2,781,417	1,502,554	Profit for the period	86,520,252	73,923,320	189,386,701	102,308,883
-	-	-	-	Other comprehensive income	-	-	-	-
1,180,842	1,008,917	2,781,417	1,502,554	Total Comprehensive income for the period	86,520,252	73,923,320	189,386,701	102,308,883

The annexed notes from 1 to 22 form an integral part of these financial statements.

Khyber Omarkhail
(Chief Executive Officer)

Sheath Sheikh
(Chief Financial Officer)

NEW KABUL BANK

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2018

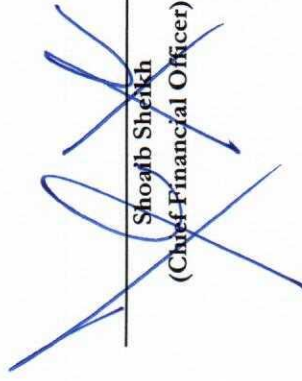
Share capital	Reserve from MoF	Accumulated Profit/(loss)	Total	USD		
				Share capital	Reserve from MoF	Accumulated Profit/(loss)
						AFN
-	62,253,359	(49,558,489)	12,694,870	-	4,238,831,229	(3,374,437,512)
						Balance as at January 01, 2017
-	-	2,781,417	2,781,417	-	-	189,386,701
						Total comprehensive income for the half year ended June 30, 2017
-	62,253,359	(46,777,072)	15,476,287	-	4,238,831,229	(3,185,050,811)
						Balance as at June 30, 2017
13,648,151	44,204,057	(41,207,127)	16,645,081	1,000,000,000	3,238,831,229	(3,019,246,219)
						Balance as at January 01, 2018
-	-	1,180,841	1,180,841	-	-	86,520,252
						Total comprehensive income for the half year ended June 30, 2018
13,648,151	44,204,057	(40,026,286)	17,825,922	1,000,000,000	3,238,831,229	(2,932,725,967)
						Balance as at June 30, 2018
						1,306,105,262

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The annexed notes from 1 to 22 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 HALF YEAR ENDED JUNE 30, 2018

30-Jun-18	30-Jun-17		Note	30-Jun-18	30-Jun-17
..... USD .....				..... AFN	
CASH FLOWS FROM OPERATING ACTIVITIES					
1,451,322	3,486,193	Profit before tax		106,338,382	237,374,912
		Adjustments for:			
76,350	211,772	Depreciation		5,594,194	14,419,546
1,527,672	3,697,965			111,932,576	251,794,458
Increase/decrease in current assets and liabilities					
2,914,274	20,732,223	Other assets		213,528,886	1,411,657,082
(34,798,783)	(23,307,509)	Deposits from customers		(2,549,706,867)	(1,587,008,295)
(948,536)	(17,997,434)	Other liabilities		(69,499,265)	(1,225,445,315)
(31,305,373)	(16,874,755)			(2,293,744,670)	(1,149,002,070)
(56,080)	(414,430)	Advance tax paid		(4,108,947)	(28,218,551)
(31,361,453)	(17,289,185)	Net cash (used in)/ generated from operating activities		(2,297,853,617)	(1,177,220,621)
CASH FLOWS FROM INVESTING ACTIVITIES					
(25,685)	(27,740)	Investment in operating fixed assets		(1,881,913)	(1,888,831)
(39,723,875)	19,180,538	Investment in capital notes - net		(2,910,568,314)	1,306,002,848
(30,000,000)	-	Placement		(2,198,100,000)	-
(69,749,560)	19,152,798	Net cash (used in)/ generated from investing activities		(5,110,550,227)	1,304,114,017
CASH FLOWS FROM FINANCING ACTIVITIES					
(101,111,012)	1,863,613	Net decrease in cash and cash equivalents		(7,408,403,844)	126,893,396
216,235,469	185,714,821	Cash and cash equivalents at beginning of the period		15,843,572,784	12,645,322,186
-	-	Effect of exchange differences		-	-
115,124,457	187,578,434	Cash and cash equivalents at end of the period		8,435,168,940	12,772,215,582

The annexed notes from 1 to 22 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 HALF YEAR ENDED JUNE 30, 2018

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 June 30, 2018 (including comparatives) have been approved and authorized for issue by the Board of Directors on 12 Aug 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.

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NEW KABUL BANK
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2018

		Unaudited 30-Jun-18	Audited 31-Dec-2017
	Note	..... AFN	
5 CASH AND CASH EQUIVALENTS			
Cash in hand:			
Local currency		1,056,413,418	820,755,933
Foreign currency		226,437,996	77,550,546
		<u>1,282,851,414</u>	<u>898,306,479</u>
Balances with banks:			
Balances with Da Afghanistan Bank	5.1	6,612,263,172	14,264,118,505
Balances with other banks	5.2	540,054,354	681,147,800
		<u>7,152,317,526</u>	<u>14,945,266,305</u>
		<u>8,435,168,940</u>	<u>15,843,572,784</u>
5.1 Balances with Da Afghanistan Bank			
Overnight deposits			
Local currency	5.1.1	2,155,388,394	7,950,788,596
Current account			
Local currency		1,494,911,441	740,429,992
Foreign currency		2,961,963,337	5,572,899,917
		<u>4,456,874,778</u>	<u>6,313,329,909</u>
		<u>6,612,263,172</u>	<u>14,264,118,505</u>
5.1.1 This represents overnight deposits with Da Afghanistan Bank, carrying interest rates ranging from 0.10% per annum (2017: 0.10% to 0.80% per annum).			
5.2 Balances with other banks			
Current accounts			
Local currency		15,000	17,000
Foreign currency		540,039,354	681,130,800
		<u>540,054,354</u>	<u>681,147,800</u>
Deposit accounts			
Foreign currency		-	-
		<u>540,054,354</u>	<u>681,147,800</u>
6 INVESTMENT IN CAPITAL NOTES			
Held to maturity			
7 days capital notes		799,980,167	-
28 days capital notes		4,599,141,115	799,810,267
91 days capital notes		1,798,093,645	3,192,782,763
182 days capital notes		-	294,053,583
	6.1	<u>7,197,214,927</u>	<u>4,286,646,613</u>
6.1 These are classified as held to maturity having maximum period of 1 year carrying interest rate ranging from 0.13% to 0.50% (2017: 1.78% to 6.70%) per annum.			

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NEW KABUL BANK
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2018

	Note	Unaudited 30-Jun-18 AFN	Audited 31-Dec-2017
7 PLACEMENT			
Term Deposit - 3 months		732,700,000	-
Term Deposit - 6 months		1,465,400,000	-
	7.1	<u>2,198,100,000</u>	<u>-</u>
7.1 This represents the amount placed in fixed deposit account with Bank-e-Millie Afghan. This carries interest rate of 0.85% and 1%.			
8 PROPERTY AND EQUIPMENT		<u>34,482,367</u>	<u>38,194,648</u>
9 INTANGIBLE ASSETS	9.1	<u>-</u>	<u>-</u>
9.1 Intangible assets includes software licensing, customization and implementation costs for oracle database, mobile and point of sale banking applications which are amortized at the rate of 33%. These intangibles are fully amortized and thus carry no written down value.			
	Note	30-Jun-18 AFN	31-Dec-2017
10 OTHER ASSETS			
Required reserve with Da Afghanistan Bank	10.1	1,553,024,925	1,696,612,218
Advances and prepayments	10.2	30,960,276	36,949,672
Receivable from remittances		51,005,355	71,458,599
Accrued interest and commission	10.3	35,868,956	45,904,051
Security deposit		3,091,084	44,854,335
Advance tax		511,959,239	527,668,422
Staff loan		8,537,784	4,824,335
Others	10.4	<u>18,568,125</u>	<u>13,982,181</u>
		<u>2,213,015,744</u>	<u>2,442,253,813</u>
10.1 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 30-Jun-18 AFN	Audited 31-Dec-2017
10.2 Advances and prepayments			
Advance payment to contractors		24,982,154	26,057,247
Prepaid rent		5,978,122	10,892,426
		<u>30,960,276</u>	<u>36,949,672</u>
10.3 This represents accrued interest on capital notes and accrued commission on distribution of government employees salaries receivable from Ministry of Finance.			

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NEW KABUL BANK
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2018

		Unaudited 30-Jun-18	Audited 31-Dec-2017
	Note	..... AFN	
10.4	This includes doubtful receivable provisioned as follows:		
		107,048,052	99,942,397
	Gross amount		
	Allowance for doubtful receivables		
	Opening balance	(99,942,397)	(93,524,774)
	Charge for the period	(5,704,024)	(5,711,202)
	Exchange difference of provision	(1,401,631)	(1,105,730)
	Reversal due to recovery	-	399,309
	Closing balance	(107,048,052)	(99,942,397)
	Net amount	-	-
	10.4.1		

10.4.1 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 30-Jun-18	Audited 31-Dec-2017
	Note	..... AFN	
11	SHARE CAPITAL		
	Authorized		
	1,000,000 ordinary shares of AFN 1,000 each	1,000,000,000	1,000,000,000
	Issued, subscribed and paid-up capital	1,000,000,000	1,000,000,000
	11.1		

11.1 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 .

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NEW KABUL BANK
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2018

			Unaudited 30-Jun-18	Audited 31-Dec-2017
	Note		..... AFN	
12 DEPOSITS FROM CUSTOMERS				
Local currency				
Current deposits			7,597,631,278	9,186,530,681
Saving deposits	12.1		4,819,859,497	5,309,780,637
			12,417,490,775	14,496,311,318
Foreign currency				
Current deposits			3,512,758,415	3,557,024,358
Saving deposits	12.1		2,345,515,758	2,772,136,139
			5,858,274,173	6,329,160,497
			18,275,764,948	20,825,471,815
12.1	Saving deposits carry no interest (2017: nil) per annum.			
13 OTHER LIABILITIES				
Margin money against bank guarantees - active			132,390,383	156,420,833
Margin money against bank guarantees - expired			200,853,548	188,496,854
Remittances payable			21,299,830	64,593,425
CSC bank payables			1,570,787	5,698,899
Withholding taxes payable			3,141,767	10,659,296
Provision against bank guarantees			3,042,001	-
Accrued expenses and other liabilities			133,813,452	139,741,726
			496,111,768	565,611,033
14 CONTINGENCIES AND COMMITMENTS				
Contingencies				
Guarantees issued on behalf of customers	14.1		303,795,511	316,916,106
14.1	All active guarantees are secured against 100% cash margin.			
15 NET INTEREST INCOME / (EXPENSE)				
Interest income on:				
Investment in capital notes			6,725,556	187,673,524
Interest bearing bank accounts			2,782,147	2,180,495
Placement with BMA			4,170,902	-
			13,678,605	189,854,019
Interest expense on:				
Deposits from customers			-	-
Net interest income			13,678,605	189,854,019

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NEW KABUL BANK
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2018

	Note	Unaudited 30-Jun-18	Unaudited 30-Jun-17
		..... AFN	
16 NET FEE AND COMMISSION INCOME			
Fee and commission income			
Commission on remittances		101,561,358	69,084,892
Commission on Western Union operations		32,309,238	35,686,915
Commission on collections		3,496,754	3,397,241
Commission on salary distribution		355,961,192	355,877,971
Commission on bank guarantees		3,471,030	3,635,896
Account maintenance fee		80,912,026	99,861,572
		<u>577,711,598</u>	<u>567,544,487</u>
Fee and commission expense			
Inter-bank transaction fee		(9,296,994)	(10,340,705)
Net fee and commission income		<u>568,414,604</u>	<u>557,203,782</u>
17 OTHER OPERATING INCOME			
Income from cash operations		852,695	6,302,308
Foreign exchange gain		29,578,718	48,374,203
Income from call centre services		35,114,310	32,289,486
Miscellaneous		12,284,580	5,305,126
		<u>77,830,303</u>	<u>92,271,123</u>
18 EMPLOYEE BENEFIT EXPENSE			
Salaries and wages		257,344,573	259,738,137
Food and other amenities		23,506,120	24,664,060
		<u>280,850,693</u>	<u>284,402,197</u>
19 OTHER EXPENSES			
Rent and taxes		46,654,548	49,525,982
Communication expense		24,106,338	37,403,037
Security expense		100,723,010	107,806,256
Insurance		4,737,904	6,237,552
Fuel and electricity		21,548,343	23,598,538
Software services		28,855,171	44,720,195
Advertisement		129,430	442,755
Repair and maintenance		7,672,885	6,149,623
Stationery and printing		10,813,264	10,087,600
Audit fee		5,165,324	5,126,396
Others		7,988,001	10,409,870
		<u>258,394,218</u>	<u>301,507,804</u>
20 TAXATION			
Current		19,818,130	47,988,211
	20.1	<u>19,818,130</u>	<u>47,988,211</u>

20.1 Provision for taxation (current) has been adjusted against the Advance tax.

044

NEW KABUL BANK
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2018

21 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 period

	Maximum balance	Closing balance
	..... AFN	
Short-term staff advances		
Chief Executive Officer	-	-
Deputy Chief Executive Officer	-	-
Chief Financial Officer	293,080	-
Chief Operating Officer	-	-

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

Moreover, during the period AFN 7.05 million (2017: AFN 6.91 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.

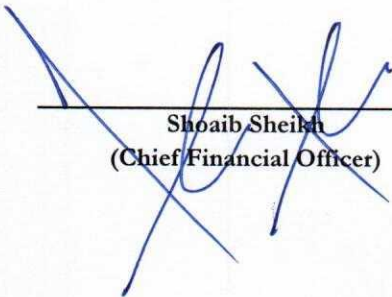
22 GENERAL

The condensed interim financial statements for the half year ended June 30, 2018 (including comparatives) have been approved and authorized for issue by the General Assembly of Shareholders.

Figures have been rounded off to nearest Afghanis.



Khyber Omarkhail
(Chief Executive Officer)



Shoaib Sheikh
(Chief Financial Officer)