Reviewed

Financial Statements

for New Kabul Bank

(For the period ended September 30, 2019)

MGI ILYAS SAEED CHARTERED ACCOUNTANTS
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Date: October 31, 2019

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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, 2019**, 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 month 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, 2019, and of its condensed interim financial performance and its condensed interim cash flows for the nine month 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

MGI ILYAS SAEED
Chartered Accountants
07 NOV 2019
Audit - Tax - Advisory

Irfan Khalid – ACCA
Engagement Partner
Ilyas Saeed Chartered Accountants
Kabul, Afghanistan
Date:

NEW KABUL BANK
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT SEPTEMBER 30, 2019

Unaudited 30-Sep-19	Audited 31-Dec-2018		Note	Unaudited 30-Sep-19	Audited 31-Dec-2018
.... USD				.... AFN	
		ASSETS			
98,138,420	124,819,773	Cash and bank balances	6	**7,680,312,755**	9,402,673,525
101,089,889	114,520,914	Investment in capital notes	7	**7,911,294,749**	8,626,860,443
35,000,000	30,000,000	Placement	8	**2,739,100,000**	2,259,900,000
458,177	522,262	Property and equipment	9	**35,856,904**	39,342,022
-	-	Intangible assets	10	**-**	-
14,176,311	12,448,469	Other assets	11	**1,109,438,122**	937,743,163
248,862,797	282,311,418	**Total assets**		**19,476,002,530**	21,266,519,153
		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
(40,636,499)	(42,304,434)	Accumulated losses		**(2,655,926,974)**	(2,786,459,574)
(2,564,349)	(1,842,516)	Currency translation loss		**-**	-
20,226,224	19,280,122	**Total equity**		**1,582,904,255**	1,452,371,655
		LIABILITIES			
212,717,256	253,757,756	Deposits from customers	13	**16,647,252,493**	19,115,571,743
15,919,317	9,273,540	Other liabilities	14	**1,245,845,782**	698,575,755
228,636,573	263,031,296	**Total liabilities**		**17,893,098,275**	19,814,147,498
248,862,797	282,311,418	**Total equity and liabilities**		**19,476,002,530**	21,266,519,153
		Contingencies and commitments	15		

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

Khyber Omarkhail
(Chief Executive Officer)

P.K Agrawal
(Chief Finance Officer)

NEW KABUL BANK
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2019

Nine months ended 30-Sep-19	Quarter ended 30-Sep-19	Nine months ended 30-Sep-18	Quarter ended 30-Sep-18		Note	Nine months ended 30-Sep-19	Quarter ended 30-Sep-19	Nine months ended 30-Sep-18	Quarter ended 30-Sep-18
.... USD						.... AFN			
942,392	332,695	353,700	172,886	Interest income		73,751,608	26,036,702	26,757,403	13,078,798
(105)	-	-	-	Interest expense		(8,219)	-	-	-
942,287	332,695	353,700	172,886	**Net interest income**	16	73,743,389	26,036,702	26,757,403	13,078,798
10,423,183	3,691,778	11,579,270	3,942,633	Fee and commission income		815,718,337	288,918,543	875,971,781	298,260,183
(75,493)	(21,170)	(189,435)	(66,540)	Fee and commission expense		(5,908,073)	(1,656,780)	(14,330,757)	(5,033,763)
10,347,690	3,670,608	11,389,835	3,876,093	**Net fee and commission income**	17	809,810,264	287,261,763	861,641,024	293,226,420
1,418,199	370,957	1,555,862	527,041	Other operating income	18	110,988,280	29,031,068	117,700,989	39,870,686
12,708,176	4,374,260	13,299,397	4,576,020	**Net operating income**		994,541,933	342,329,533	1,006,099,416	346,175,904
(5,335,920)	(1,754,413)	(5,578,799)	(1,866,298)	Employee benefit expense	19	(417,589,101)	(137,300,348)	(422,036,113)	(141,185,420)
(95,093)	(30,712)	(110,333)	(36,384)	Depreciation expense		(7,441,981)	(2,403,532)	(8,346,671)	(2,752,477)
(19,297)	(50,972)	(73,807)	1,593	Provision against other assets	11.4	(1,510,167)	(3,989,084)	(5,583,496)	120,528
14,216	14,558	(26,709)	13,503	Provision/(Reversal) against bank guarantees	14	1,112,517	1,139,284	(2,020,518)	1,021,483
(5,186,893)	(1,734,918)	(5,243,512)	(1,827,858)	Other expenses	20	(405,926,245)	(135,774,646)	(396,671,685)	(138,277,467)
(10,622,987)	(3,556,457)	(11,033,160)	(3,715,444)	**Operating expenses**		(831,354,977)	(278,328,326)	(834,658,483)	(281,073,353)
2,085,190	817,803	2,266,237	860,576	**Profit before tax**		163,186,956	64,001,207	171,440,933	65,102,551
(417,255)	(163,526)	(446,435)	(184,464)	Taxation		(32,654,356)	(12,797,533)	(33,772,800)	(13,954,670)
1,667,935	654,277	1,819,802	676,112	**Profit for the period**		130,532,600	51,203,674	137,668,133	51,147,881
-	-	-	-	Other comprehensive income		-	-	-	-
1,667,935	654,277	1,819,802	676,112	**Total Comprehensive income for the period**		130,532,600	51,203,674	137,668,133	51,147,881

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

Khyber Omarkhail
(Chief Executive Officer)

P.K Agrawal
(Chief Finance Officer)

NEW KABUL BANK

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2019

Share capital	Reserve from MoF	Accumulated Profit/(loss)	Total		Share capital	Reserve from MoF	Accumulated Profit/(loss)	Total
	.... USD					.... AFN		
14,353,380	49,073,692	(45,394,659)	18,032,413	Balance as at January 01, 2018	1,000,000,000	3,238,831,229	(3,019,246,219)	1,219,585,010
				- Total comprehensive income for the nine months ended September 30, 2018				
-	-	1,827,534	1,827,534	Profit after taxation for the nine months period ended 30 September 2018	-	-	137,668,133	137,668,133
				- Change in equity for three months period ended December 31, 2018				
-	-	1,262,691	1,262,691	Profit after taxation for the three months period ended 31 December 2018	-	-	95,118,512	95,118,512
14,353,380	49,073,692	(42,304,434)	21,122,638	**Balance as at December 31, 2018**	1,000,000,000	3,238,831,229	(2,786,459,574)	1,452,371,655
14,353,380	**49,073,692**	**(42,304,434)**	**21,122,638**	**Balance as at January 01, 2019**	**1,000,000,000**	**3,238,831,229**	**(2,786,459,574)**	**1,452,371,655**
				- Total comprehensive income for the nine month ended September 30, 2019				
-	-	**1,667,935**	**1,667,935**	Profit after taxation for the nine months period ended 30 September 2019	-	-	**130,532,600**	**130,532,600**
14,353,380	**49,073,692**	**(40,636,499)**	**22,790,573**	**Balance as at September 30, 2019**	**1,000,000,000**	**3,238,831,229**	**(2,655,926,974)**	**1,582,904,255**

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

Khyber Omarkhail
(Chief Executive Officer)

P.K Agrawal
(Chief Finance Officer)

NEW KABUL BANK
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2019

30-Sep-19	30-Sep-18		Note	30-Sep-19	30-Sep-18
.... USD				.... AFN	
		CASH FLOWS FROM OPERATING ACTIVITIES			
2,085,190	2,266,238	Profit before tax		**163,186,956**	171,440,933
		Adjustments for:			
95,093	110,333	Depreciation		**7,441,981**	8,346,671
2,180,283	2,376,571			**170,628,937**	179,787,604
		Increase/decrease in current assets and liabilities			
(2,473,003)	2,999,874	Other assets		**(193,537,234)**	226,940,484
(31,539,985)	(63,279,625)	Deposits from customers		**(2,468,319,250)**	(4,787,103,626)
2,564,118	-	Bank deposits		**200,667,868**	-
6,992,972	(602,807)	Other liabilities		**547,270,027**	(45,602,352)
(22,275,615)	(58,505,987)			**(1,743,289,652)**	(4,425,977,890)
(138,156)	(71,471)	Advance tax paid		**(10,812,081)**	(5,406,770)
(22,413,771)	(58,577,458)	**Net cash (used in) operating activities**		**(1,754,101,733)**	(4,431,384,660)
		CASH FLOWS FROM INVESTING ACTIVITIES			
(50,560)	(138,697)	Investment in operating fixed assets		**(3,956,863)**	(10,492,415)
9,143,441	(40,394,316)	Investment in capital notes - net		**715,565,694**	(3,055,829,988)
(6,123,179)	(30,000,000)	Placement		**(479,200,000)**	(2,269,500,000)
2,969,702	(70,533,013)	**Net cash (used in)/ generated from investing activities**		**232,408,831**	(5,335,822,403)
-	-	**CASH FLOWS FROM FINANCING ACTIVITIES**		**-**	-
(19,444,069)	(129,110,471)	**Net decrease in cash and cash equivalents**		**(1,521,692,902)**	(9,767,207,063)
100,191,537	209,432,556	Cash and cash equivalents at beginning of the period		**7,840,989,718**	15,843,572,784
-	-	Effect of exchange differences		**-**	-
80,747,468	80,322,085	**Cash and cash equivalents at end of the period**	23	**6,319,296,816**	6,076,365,721

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Khyber Omarkhail
(Chief Executive Officer)

P.K Agrawal
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