

INDEPENDENT AUDITOR'S REVIEW REPORT ON CONDENSED INTERIM FINANCIAL STATEMENTS

To the shareholders of New Kabul Bank

Introduction

We have reviewed the accompanying statement of condensed interim financial position of **New Kabul Bank** ("the bank") as of **March 31, 2021**, 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-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 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, "Review of Interim 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 causes us to believe that the accompanying condensed interim financial information does not give a true and fair view of the financial position of the bank as at March 31, 2021, and of its financial performance and its cash flows for the three-month period 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

1. We draw attention to the note no. 2.2 of the condensed interim financial statements, which describes that the bank has initiated the process of implementation of International Financial Reporting Standard (IFRS) – 16 "Leases". Our conclusion is not modified in respect of this matter.
2. We draw attention to the note no. 12 of the financial statements, which describes that the confirmation of approval of revaluation report of property, plant and equipment will be done once the supervisory team of Da Afghanistan Bank (DAB) would be visiting for general supervision of the bank. Our conclusion is not modified in respect of this matter.

Signature of Chartered Accountant

Lynx Eyed Chartered Accountants

An independent member firm of Morison KSi

Kabul

Date:

20th May - 2021



NEW KABUL BANK
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2021

| Unaudited 31-Mar-2021 | Audited 31-Dec-2020 | | Unaudited 31-Mar-2021 | Audited 31-Dec-2020 |
|-------------------------------|------------------------|-------------------------------------|--------------------------|------------------------|
| USD | | | Note | AFN |
| ASSETS | | | | |
| 80,986,014 | 110,055,351 | Cash and bank balances | 5 | 6,262,648,470 |
| 131,702,387 | 146,071,576 | Investment in DAB capital notes | 6 | 10,184,545,613 |
| - | 10,000,000 | Placements with domestic banks | 7 | - |
| 949,224 | 1,008,535 | Property and equipment | 8 | 73,403,515 |
| - | - | Intangible assets | 9 | - |
| 11,242,029 | 10,365,003 | Other assets | 10 | 869,346,085 |
| 224,879,654 | 277,500,465 | Total assets | | 17,389,943,683 |
| EQUITY AND LIABILITIES | | | | |
| EQUITY | | | | |
| 14,353,380 | 14,353,380 | Share capital | 11 | 1,000,000,000 |
| 49,073,692 | 49,073,692 | Reserve from MoF | | 3,238,831,229 |
| (35,925,131) | (36,123,847) | Accumulated losses | | (2,293,346,736) |
| 303,159 | 303,159 | Revaluation surplus | | 23,400,840 |
| (2,344,279) | (2,298,463) | Currency translation loss | | - |
| 25,460,821 | 25,307,921 | Total Equity | | 1,968,885,333 |
| LIABILITIES | | | | |
| 183,235,971 | 242,466,148 | Deposits from customers | 13 | 14,169,637,631 |
| 86,620 | 93,365 | Deferred grant | 14 | 6,698,316 |
| 75,653 | 75,790 | Deferred tax liability | | 5,850,210 |
| 16,020,589 | 9,557,241 | Other liabilities | 15 | 1,238,872,193 |
| 199,418,833 | 252,192,544 | Total liabilities | | 15,421,058,350 |
| 224,879,654 | 277,500,465 | Total equity and liabilities | | 17,389,943,683 |

CONTINGENCIES AND COMMITMENTS 16

The annexed notes from 1 to 26 form an integral part of these condensed interim financial statements.

Chief Executive Officer

Chief Financial Officer



Chairman BoS

NEW KABUL BANK
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2021

| 31-Mar-2021 | 31-Mar-2020 | | 31-Mar-2021 | 31-Mar-2020 |
|-----------------|-------------|--------------------------------------|-----------------|---------------|
| USD | | | AFN | |
| 1,060,700 | 576,457 | Interest income | 82,023,924 | 44,202,702 |
| - | - | Interest expense | - | - |
| 1,060,700 | 576,457 | Net interest income | 82,023,924 | 44,202,702 |
| 2,626,291 | 3,154,763 | Fee and commission income | 203,091,110 | 241,907,188 |
| (14,011) | (26,333) | Fee and commission expense | (1,083,450) | (2,019,246) |
| 2,612,280 | 3,128,430 | Net fee and commission income | 202,007,660 | 239,887,942 |
| 79,528 | 309,055 | Other operating income | 6,149,926 | 23,698,342 |
| 6,576 | | Amortization of deferred grant | 508,535 | - |
| (1,237) | (50,950) | Foreign exchange (loss) | (95,656) | (3,906,875) |
| 84,867 | 258,105 | | 6,562,805 | 19,791,467 |
| 3,757,847 | 3,962,992 | Net operating income | 290,594,389 | 303,882,111 |
| (2,053,961) | (1,782,028) | Employee benefit expense | (158,832,790) | (136,645,861) |
| (58,978) | (42,771) | Depreciation expense | (4,560,751) | (3,279,677) |
| (12,454) | (7,405) | Provision against other assets | (963,031) | (567,794) |
| (1,388,008) | (1,753,912) | Other expenses | (107,334,636) | (134,490,003) |
| (3,513,401) | (3,586,116) | Operating expenses | (271,691,208) | (274,983,335) |
| 244,446 | 376,876 | Profit before tax | 18,903,181 | 28,898,776 |
| (45,730) | (79,491) | Taxation | (3,536,320) | (6,095,338) |
| 198,716 | 297,385 | Profit for the period | 15,366,861 | 22,803,438 |
| - | - | Other comprehensive income | - | - |
| 198,716 | 297,385 | Total comprehensive income | 15,366,861 | 22,803,438 |
| 0.20 | 0.30 | Earnings per share | 15.37 | 22.80 |

The annexed notes from 1 to 26 form an integral part of these condensed interim financial statements.

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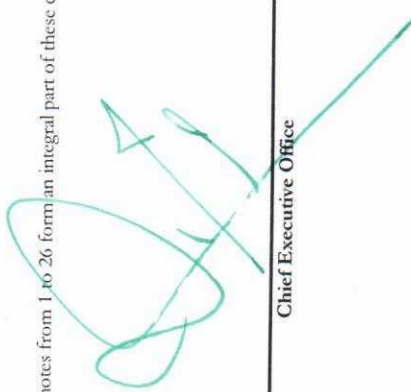
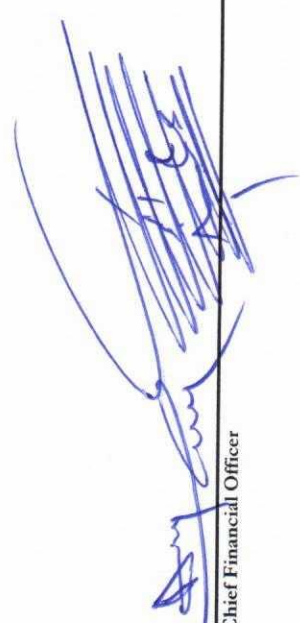
Chief Executive Officer Chief Financial Officer Chairman BoS

NEW KABUL BANK
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2021

| Share Capital | Reserve from MoF | Accumulated Profit/(loss) | Surplus on Revaluation of Fixed Assets | Currency translation Loss | Total |
|--|------------------|---------------------------|--|---------------------------|------------|
| 14,353,380 | 49,073,692 | (39,836,231) | - | (2,372,681) | 21,218,160 |
| USD | | | | | |
| - | - | 297,385 | - | 215,834 | 513,219 |
| - | - | - | - | - | - |
| - | - | 297,385 | - | 215,834 | 513,219 |
| Total comprehensive income for the three months ended March 31, 2020 | | | | | |
| - | - | 3,414,999 | 303,159 | (141,616) | 3,273,383 |
| - | - | - | 303,159 | - | 303,159 |
| - | - | 3,414,999 | 303,159 | (141,616) | 3,576,542 |
| Change in equity for nine months period ended December 31, 2020 | | | | | |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 14,353,380 | 49,073,692 | (36,123,847) | 303,159 | (2,298,463) | 25,307,921 |
| 14,353,380 | 49,073,692 | (36,123,847) | 303,159 | (2,298,463) | 25,307,921 |
| Total comprehensive income for the three months ended March 31, 2021 | | | | | |
| - | - | 198,716 | - | (45,816) | 152,900 |
| - | - | - | - | - | - |
| - | - | 198,716 | - | (45,816) | 152,900 |
| 14,353,380 | 49,073,692 | (35,925,131) | 303,159 | (2,344,279) | 25,460,821 |
| 14,353,380 | 49,073,692 | (35,925,131) | 303,159 | (2,344,279) | 25,460,821 |

| Share Capital | Reserve from MoF | Accumulated Profit/(loss) | Surplus on Revaluation of Fixed Assets | Currency translation Loss | Total |
|--|------------------|---------------------------|--|---------------------------|---------------|
| 1,000,000,000 | 3,238,831,229 | (2,595,272,532) | - | - | 1,643,558,697 |
| AFN | | | | | |
| - | - | 22,803,438 | - | - | 22,803,438 |
| - | - | - | - | - | - |
| - | - | 22,803,438 | - | - | 22,803,438 |
| Total comprehensive income for the three months ended March 31, 2020 | | | | | |
| - | - | 263,755,497 | 23,400,840 | - | 263,755,497 |
| - | - | - | 23,400,840 | - | 23,400,840 |
| - | - | 263,755,497 | 23,400,840 | - | 287,156,337 |
| Change in equity for nine months period ended December 31, 2020 | | | | | |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 1,000,000,000 | 3,238,831,229 | (2,308,713,597) | 23,400,840 | - | 1,953,518,472 |
| 1,000,000,000 | 3,238,831,229 | (2,308,713,597) | 23,400,840 | - | 1,953,518,472 |
| Total comprehensive income for the three months ended March 31, 2021 | | | | | |
| - | - | 15,366,861 | - | - | 15,366,861 |
| - | - | - | - | - | - |
| - | - | 15,366,861 | - | - | 15,366,861 |
| 1,000,000,000 | 3,238,831,229 | (2,293,346,736) | 23,400,840 | - | 1,968,885,333 |
| 1,000,000,000 | 3,238,831,229 | (2,293,346,736) | 23,400,840 | - | 1,968,885,333 |

The annexed notes from 1 to 26 form an integral part of these condensed interim financial statements.

Chief Executive Officer

Chief Financial Officer

Chairman BoS

NEW KABUL BANK
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2021

| 31-Mar-2021 | 31-Mar-2020 | | 31-Mar-2021 | 31-Mar-2020 |
|--|--------------|--|--------------------|-----------------|
| USD | | | AFN | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| 244,448 | 376,875 | Profit before tax | 18,903,181 | 28,898,776 |
| Adjustments for: | | | | |
| 58,978 | 42,771 | Depreciation | 8.2 4,560,751 | 3,279,677 |
| (6,576) | - | Amortization of deferred grant | 14 (508,535) | - |
| 12,454 | 7,405 | Provision against other assets | 10.3 963,031 | 567,794 |
| 1,237 | 50,950 | Exchange loss | 95,656 | 3,906,875 |
| 310,540 | 478,001 | | 24,014,084 | 36,653,122 |
| Increase/decrease in Current Assets and Liabilities | | | | |
| (811,979) | (871,874) | Other Assets | 10 (62,790,359) | (66,855,315) |
| (974,029) | 32,899 | Required Reserves held with DAB | 5.1 (75,321,694) | 2,522,729 |
| (58,791,211) | (30,647,722) | Deposits from Customers | 13 (4,546,324,330) | (2,350,067,342) |
| 6,480,651 | 6,915,558 | Other Liabilities | 15 501,148,740 | 530,284,967 |
| (53,786,028) | (24,093,138) | | (4,159,273,559) | (1,847,461,839) |
| (141,995) | (65,131) | Advance Tax | (10,980,488) | (4,994,212) |
| (53,928,023) | (24,158,269) | Net Cash (used in) Operating Activities | (4,170,254,047) | (1,852,456,051) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| (1,493) | (8,580) | Investment in operating fixed assets | 8 (115,430) | (657,910) |
| 14,104,737 | 3,269,967 | Investment in DAB Capital Notes | 6 1,090,719,358 | 250,741,051 |
| 9,981,896 | 356,025 | Placements with domestic banks | 7 771,900,000 | 27,300,000 |
| 24,085,140 | 3,617,412 | Net Cash generated from Investing Activities | 1,862,503,928 | 277,383,141 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | |
| (29,842,883) | (20,540,857) | Net decrease in Cash and Cash equivalents | (2,307,750,119) | (1,575,072,910) |
| 90,809,365 | 75,565,293 | Cash and Cash equivalents at beginning of the period | 7,022,288,208 | 5,794,346,664 |
| (1,237) | (50,950) | Effect of exchange differences | (95,656) | (3,906,875) |
| 60,965,245 | 54,973,486 | Cash and Cash equivalents at end of the period | 5.3 4,714,442,433 | 4,215,366,879 |

The annexed notes from 1 to 26 form an integral part of these condensed interim financial statements.

Chief Executive Officer

Chief Financial Officer

Chairman BoS