

REPORT ON REVIEW OF 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, 2022**, 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 Accounting Standards (IAS) 34 "Interim Financial Reporting", 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, 2022, and of its financial performance and its cash flows for the nine-month period then ended in accordance with International Accounting Standards (IAS) 34 "Interim Financial Reporting" issued by the International Accounting Standards Board (IASB), 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.

Lynx Eyed Chartered Accountants

Lynx Eyed Chartered Accountants
An independent member firm of Morison Global

Kabul

Date: *15 May 2022*



NEW KABUL BANK
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2022

Unaudited	Audited		Unaudited	Audited
31-Mar-22	31-Dec-21		31-Mar-22	31-Dec-21
..... USD AFN	
88,325,883	69,023,895		7,818,607,160	7,147,424,342
36,231,276	40,347,828		3,207,192,521	4,178,017,555
581,456	551,902		51,470,497	57,149,487
-	-		-	-
15,302,220	10,011,194		1,354,552,500	1,036,659,144
140,440,835	119,934,819		12,431,822,678	12,419,250,528
ASSETS				
Cash and Bank balances		5		
Investment in DAB Capital Notes		6		
Property and Equipment		7		
Intangible Assets		8		
Other Assets		9		
Total Assets				
EQUITY AND LIABILITIES				
EQUITY				
Share Capital		10		
Reserve from MoF				
Accumulated losses				
Revaluation surplus				
Currency translation loss				
Total Equity				
LIABILITIES				
Deposits from Customers		12		
Deferred Grant		13		
Deferred Tax Liability				
Other Liabilities		14		
Total Liabilities				
Total Equity and Liabilities				
CONTINGENCIES AND COMMITMENTS				

The annexed notes from 1 to 25 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, 2022

31-Mar-22	31-Mar-21		31-Mar-22	31-Mar-21
..... USD AFN	
224	1,060,700	Interest income	19,810	82,023,924
-	-	Interest expense	-	-
224	1,060,700	Net interest income	19,810	82,023,924
2,219,315	2,626,291	Fee and commission income	196,453,781	203,091,110
(8,546)	(14,011)	Fee and commission expense	(756,476)	(1,083,450)
2,210,769	2,612,280	Net fee and commission income	195,697,305	202,007,660
202,486	79,528	Other operating income	17,924,040	6,149,926
5,745	6,576.17	Amortization of deferred grant	508,535	508,535
(861,274)	(1,237)	Foreign exchange (loss)	(76,239,940)	(95,656)
(653,043)	84,867		(57,807,365)	6,562,805
1,557,950	3,757,847	Net operating income	137,909,750	290,594,389
(1,102,432)	(2,053,961)	Employee benefit expense	(97,587,257)	(158,832,790)
(65,942)	(58,978)	Depreciation expense	(5,837,230)	(4,560,751)
(37,440)	(12,454)	Provision against other assets	(3,314,178)	(963,031)
(845,859)	(1,388,008)	Other expenses	(74,875,465)	(107,334,636)
(2,051,673)	(3,513,401)	Operating expenses	(181,614,130)	(271,691,208)
(493,723)	244,446	Profit before tax	(43,704,380)	18,903,181
-	(45,730)	Taxation	-	(3,536,320)
(493,723)	198,716	Profit for the period	(43,704,380)	15,366,861
-	-	Other comprehensive income	-	-
(493,723)	198,716	Total comprehensive income	(43,704,380)	15,366,861
(0.49)	0.20	Earnings per share	(43.70)	15.37

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

Chief Executive Officer

Chief Financial Officer

Chairman BoS

ENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
THE THREE MONTHS PERIOD ENDED MARCH 31, 2022

ed notes from 1 to 25 Form an integral part of these condensed interim financial statements.

Chief Financial Officer

Chairman BoS

NEW KABUL BANK

**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2022**

31-Mar-22	31-Mar-21		31-Mar-22	31-Mar-21	
..... USD AFN		
CASH FLOWS FROM OPERATING ACTIVITIES					
(493,723)	244,448	Profit before tax	(43,704,380)	18,903,181	
Adjustments for:					
65,942	58,978	Depreciation	7.2 5,837,230	4,560,751	
(5,745)	-	Amortization of deferred grant	13 (508,535)	(508,535)	
37,440	12,454	Provision against other assets	9.3 3,314,178	963,031	
861,274	1,237	Exchange loss	76,239,940	95,656	
465,188	317,117		41,178,433	24,014,084	
Increase/decrease in Current Assets and Liabilities					
(3,628,372)	(811,979)	Other Assets	9 (321,183,461)	(62,790,359)	
232,339	(974,029)	Required Reserves held with DAB	5.1 20,566,605	(75,321,694)	
908,256	(58,791,211)	Deposits from Customers	12 80,398,809	(4,546,324,330)	
(266,762)	6,480,651	Other Liabilities	14 (23,613,745)	501,148,740	
(2,289,351)	(53,779,452)		(202,653,359)	(4,159,273,559)	
(272)	(141,995)	Advance Tax	(24,072)	(10,980,488)	
(2,289,623)	(53,921,447)	Net Cash (used in) Operating Activities	(202,677,431)	(4,170,254,047)	
CASH FLOWS FROM INVESTING ACTIVITIES					
(1,788)	(1,493)	Investment in operating fixed assets	7 (158,240)	(115,430)	
10,967,295	14,104,738	Investment in DAB Capital Notes	6 970,825,034	1,090,719,358	
-	9,981,896	Changes in placements with domestic banks	-	771,900,000	
10,965,508	24,085,141	Net Cash generated from Investing Activities	970,666,794	1,862,503,928	
CASH FLOWS FROM FINANCING ACTIVITIES					
-	-		-	-	
8,675,885	(29,836,307)	Net decrease in Cash and Cash equivalents	767,989,363	(2,307,750,119)	
72,825,610	90,809,365	Cash and Cash equivalents at beginning of the period	6,446,522,959	7,022,288,208	
(861,274)	(1,237)	Effect of exchange differences	(76,239,940)	(95,656)	
80,640,221	60,971,821	Cash and Cash equivalents at end of the period	5.3 7,138,272,382	4,714,442,433	

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

Chief Executive Officer

Chief Financial Officer

Chairman BoS