

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 September 30, 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 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 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 September 30, 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. 2.3 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

Lynx EYED Chartered Accountants

An independent member firm of Morison Global

Kabul

Date: 11/10/2022



NEW KABUL BANK
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2022

Un-audited 30-Sep-22	Audited 31-Dec-2021	Note	Un-audited 30-Sep-22	Audited 31-Dec-2021
USD .....		.....	AFN	
ASSETS				
123,715,925	69,023,895	5	10,915,456,024	7,147,424,342
-	40,347,828	6	-	4,178,017,555
503,428	551,902	7	44,417,428	57,149,487
-	-	8	-	-
17,793,403	10,011,194	9	1,569,911,926	1,036,659,144
142,012,755	119,934,819		12,529,785,378	12,419,250,528
EQUITY AND LIABILITIES				
EQUITY				
14,353,380	14,353,380	10	1,000,000,000	1,000,000,000
49,073,692	49,073,692		3,238,831,229	3,238,831,229
(34,927,425)	(34,680,113)		(2,181,035,290)	(2,159,214,986)
327,087	327,087	11	25,878,621	25,878,621
(5,210,339)	(8,740,924)		-	-
23,616,395	20,333,122		2,083,674,560	2,105,494,864
LIABILITIES				
99,691,081	86,964,257	12	8,795,744,062	9,005,148,863
41,336	49,954	13	3,647,106	5,172,711
73,327	62,479	11	6,469,655	6,469,655
18,590,615	12,525,007	14	1,640,249,996	1,296,964,435
118,396,360	99,601,697		10,446,110,818	10,313,755,664
142,012,755	119,934,819		12,529,785,378	12,419,250,528
Contingencies and Commitments				
		15		

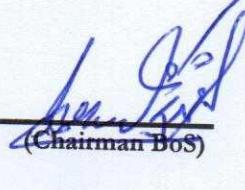
The annexed notes from 1 to 25 form an integral part of the condensed interim financial statements.



(Chief Executive Officer)



(Chief Financial Officer)



(Chairman DoS)

NEW KABUL BANK
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2022

Nine months ended 30-Sep-22	Quarter ended 30-Sep-22	Nine months ended 30-Sep-21	Quarter ended 30-Sep-21			Nine months ended 30-Sep-22	Quarter ended 30-Sep-22	Nine months ended 30-Sep-21	Quarter ended 30-Sep-21	
				USD	Note	USD	Note	USD	Note	
616	198	2,936,827	861,993	Interest income		54,350	17,465	261,377,633	76,717,383	
-	-	(85)	(28)	Interest expense		-	-	(7,525)	(2,500)	
616	198	2,936,742	861,965	Net interest income	16	54,350	17,465	261,370,108	76,714,883	
5,674,477 (9,717)	1,877,938 (1,672)	7,131,799 (32,276)	1,705,147 (8,823)	Fee and commission income		500,632,665 (857,309)	165,690,476 (147,480)	634,730,110 (2,872,606)	151,758,117 (785,271)	
5,664,460	1,876,266	7,099,523	1,696,324	Fee and commission expense		17	499,775,557	165,542,996 (10,743,453)	631,857,504	150,972,846
709,639	290,842	228,301	54,347	Other operating income	18	62,611,486	25,660,997	20,318,748	4,836,887	
17,291 (848,697)	5,764 29,119	17,142 707,199	5,714 553,721	Amortization of deferred grant	13	1,525,605 (74,880,444)	508,535 2,569,209	1,525,605 62,932,732	508,535 49,281,025	
(121,767)	325,725	932,552	613,782	Foreign exchange gain		28,738,741		84,777,085	54,626,627	
5,543,309	2,202,189	10,988,817	3,172,071	Net operating income		489,086,254	194,299,202	978,004,697	282,314,356	
(2,972,167) (72,612)	(906,141) (39,682)	(4,680,683) (40,692)	(1,302,213) (83,029)	Employee benefit expense	19	(262,234,333) (15,229,571)	(79,948,849) (3,501,176)	(416,580,811) (36,017,544)	(115,896,999) (7,389,591)	
- (61,326)	- (13,846)	(95,724) (10,281)	(95,724) (8,642)	Depreciation expense	7.2	-	-	(36,017,544) -	(8,519,476) -	
(2,584,516) (5,790,621)	(906,601) (1,866,270)	(4,153,189) (9,344,569)	(1,243,131) (2,732,739)	Revaluation deficit	7.2	(5,410,814) (228,031,841)	(1,221,650) (79,989,385)	(915,017) (369,633,818)	(789,098) (110,638,653)	
(247,312)	335,919	1,644,248	439,332	Operating expenses	20	(510,906,558)	(164,661,060)	(831,666,677)	(243,213,818)	
				Profit before tax		(21,820,304)	29,638,142	146,338,030	39,100,538	
				Taxation	21	-	-	(36,454,763)	(15,109,752)	
		(409,604)	(169,772)	Profit for the period		(21,820,304)	29,638,142	109,883,267	23,990,786	
				Other comprehensive income						
				Items that will not be reclassified to profit or loss:						
				Revaluation surplus adjustment	11	-	-	3,097,226	8,519,476	
				Deferred tax adjustment	11	-	-	(619,445)	(1,703,895)	
				Total Comprehensive income for the period		(21,820,304)	29,638,142	112,361,048	30,806,367	

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

[Signature]
Chief Executive Officer

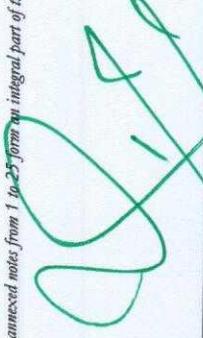
[Signature]
(Chief Financial Officer)

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Chairman Board

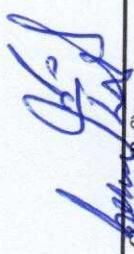
NEW KABUL BANK
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2022

Share Capital	Reserve from MoF	Surplus on Revaluation (Fixed Assets)	Accumulated Profit/(loss)	Currency Translation Loss	Total		Share Capital	Reserve from MoF	Surplus on Revaluation (Fixed Assets)	Accumulated Profit/(loss)	Total
14,353,380	49,073,692	..... USD 303,159	..... (36,123,847)	..... (2,298,463)	25,307,921	Balance as at January 01, 2021	1,000,000,000	3,238,831,229	23,400,840	..... (2,308,713,597)	1,953,518,472
-	-	-	27,840	1,234,643	(3,358,275)	(2,123,632)				AFN -	
-	-	-	27,840	1,234,643	(3,358,275)	(2,095,792)	Profit for the period	-	2,477,781	109,883,267	109,883,267
14,353,380	49,073,692	..... 330,999	..... (34,889,204)	..... (5,656,738)	23,212,129	As at September 30, 2021	1,000,000,000	3,238,831,229	-	2,477,781	2,477,781
Total comprehensive income for the nine-month period ended September 30, 2021											
-	-	-	(3,912)	209,091	(3,084,186)	(2,875,095)	Profit for the period	-	-	39,615,344	39,615,344
-	-	-	3,912	209,091	(3,084,186)	(2,879,007)	Other comprehensive income	-	-	39,615,344	39,615,344
14,353,380	49,073,692	..... 327,087	..... (34,680,113)	..... (8,740,924)	20,333,122	Balance as at Dec 31, 2021 - Audited	1,000,000,000	3,238,831,229	25,878,621	(2,159,214,986)	2,105,494,864
14,353,380	49,073,692	327,087	(34,680,113)	(8,740,924)	20,333,122	Balance as at January 01, 2022	1,000,000,000	3,238,831,229	25,878,621	(2,159,214,986)	2,105,494,864
Total comprehensive income for the nine-month period ended September 30, 2022											
-	-	-	(247,312)	3,530,585	3,283,273	Profit for the period	-	-	(21,820,304)	(21,820,304)	
-	-	-	(247,312)	3,530,585	3,283,273	Other comprehensive income	-	-	(21,820,304)	(21,820,304)	
14,353,380	49,073,692	..... 327,087	..... (34,927,425)	..... (5,210,359)	23,616,395	As at September 30, 2022 (Un-audited)	1,000,000,000	3,238,831,229	25,878,621	(2,181,035,290)	2,083,674,560

annexed notes from 1 to 29 form an integral part of the condensed interim financial statements.


(Chief Executive Officer)


(Chief Financial Officer)


Chairman (BoS)

NEW KABUL BANK
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2022

30-Sep-22	30-Sep-21	Note	30-Sep-22	30-Sep-21
..... USD .....			..... AFN	
CASH FLOWS FROM OPERATING ACTIVITIES				
(247,312)	2,437,219		(21,820,304)	216,912,519
(17,291)	(65,733)		(1,525,605)	5,850,210
172,612	121,004		15,229,571	10,769,329
-	-		-	-
61,326	-		5,410,814	-
848,697	-		74,880,544	-
818,032	2,492,490		72,175,020	233,532,058
Cash Flow due to changes in Current Assets and Current Liabilities				
(6,104,263)	(3,936,833)		(538,579,134)	(350,378,133)
(2,373,397)	11,718,179		(209,404,801)	1,042,917,932
3,935,407	(110,256)		347,220,987	(9,812,776)
3,892,724	14,673,260		343,455,010	1,305,920,164
168,503	24,836,841		14,867,082	2,222,179,246
(2,404)	(160,389)		(212,083)	(14,274,643)
166,099	24,676,452		14,654,999	2,207,904,603
CASH FLOWS FROM INVESTING ACTIVITIES				
(28,781)	(99,871)		(2,539,340)	(8,888,491)
-	-		-	-
47,353,707	(19,756,030)		4,178,017,555	(1,758,286,707)
-	13,185,393		-	1,173,500,000
47,324,926	(6,670,508)		4,175,478,215	(593,675,198)
CASH FLOWS FROM FINANCING ACTIVITIES				
47,491,025	18,005,944		-	-
73,064,977	65,105,019		4,190,133,213	1,614,229,405
(848,697)	-		6,446,522,959	5,794,346,664
119,707,305	83,110,963		(74,880,544)	-
			10,561,775,628	7,408,576,069

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

(Chief Executive Officer)

(Chief Financial Officer)

(Chairman BoS)