

INDEPENDENT AUDITOR'S REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

Introduction

We have reviewed the accompanying condensed interim statement of financial position of New Kabul Bank ("the Bank") as at June 30, 2023 and the related condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows, and the notes to the condensed interim financial statements for the six months period then ended (here-in-after referred to as the "condensed interim financial statements"). Management is responsible for the preparation and fair presentation of these condensed interim financial statements in accordance with the International Accounting Standard (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. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of condensed interim financial statements 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 statements give a true and fair view of the financial position of the Bank as at June 30, 2023, and of its financial performance and its cash flows for the three months period then ended in accordance International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) and the requirements of the Law of Banking in Afghanistan and directives issued by the Da Afghanistan Bank.

UHY Shafiq Umar Daraz & Co.
Chartered Accountants
Engagement Partner: Muhammad Shafiq
Location: Kabul, Afghanistan
Date: 14 August, 2023



NEW KABUL BANK
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS AT JUNE 30, 2023

		Unaudited 30-Jun-23	Audited 31-Dec-2022
	Note AFN	
ASSETS			
Cash and bank balances	5	12,695,967,258	10,346,550,068
Property and equipment	6	82,568,384	75,908,696
Intangible assets	7	-	-
Other assets	8	740,479,835	1,397,361,206
Total assets		<u>13,519,015,477</u>	<u>11,819,819,970</u>
EQUITY AND LIABILITIES			
EQUITY			
Share capital	9	1,000,000,000	1,000,000,000
Reserves from MoF		3,238,831,229	3,238,831,229
Reserves from MoF (II)	10	303,087,520	-
Accumulated losses		(2,111,965,353)	(2,152,629,079)
Revaluation surplus	11	25,237,085	25,878,621
Total equity		<u>2,455,190,481</u>	<u>2,112,080,771</u>
LIABILITIES			
Deposits from customers	12	10,028,297,642	8,295,724,543
Deferred grant	13	2,343,226	3,170,246
Deferred tax liability	11	6,309,271	6,469,655
Other liabilities	14	1,026,874,857	1,402,374,755
Total liabilities		<u>11,063,824,996</u>	<u>9,707,739,199</u>
Total equity and liabilities		<u>13,519,015,477</u>	<u>11,819,819,970</u>
CONTINGENCIES AND COMMITMENTS			
	15		

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

VHY


 Chief Financial Officer


 Chief Executive Officer


 Chairman (BoS)

NEW KABUL BANK
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2023

		Six months ended 30-Jun-23	Six months ended 30-Jun-22	Three months ended 30-Jun-23	Three months ended 30-Jun-22
	Note AFN			
Interest income		172,070	36,886	87,927	17,076
Interest expense		-	-	-	-
Net interest income	16	172,070	36,886	87,927	17,076
Fee and commission income		415,505,321	334,942,190	188,801,250	138,488,409
Fee and commission expense		(1,100,316)	(709,828)	(381,074)	46,648
Net fee and commission income	17	414,405,005	334,232,362	188,420,176	138,535,057
Other operating income	18	71,407,588	36,950,489	39,877,558	19,026,449
Amortization of deferred grant	13	827,020	1,017,070	413,510	508,535
Foreign exchange loss		(99,852,446)	(77,449,754)	(2,527,782)	(1,209,814)
Net operating income		386,959,237	294,787,053	226,271,389	156,877,303
Employee benefit expense	19	(193,711,944)	(182,285,484)	(97,507,636)	(84,698,225)
Depreciation expense	6	(24,923,634)	(11,728,395)	(11,844,887)	(5,891,165)
Recovery /(charge) against provision of other assets	8.3	6,245,282	(4,189,164)	634,962	(874,986)
Other expenses	20	(124,268,060)	(148,042,456)	(69,141,917)	(73,166,991)
Operating expenses		(336,658,356)	(346,245,499)	(177,859,478)	(164,631,367)
Profit / (loss) before tax		50,300,881	(51,458,446)	48,411,911	(7,754,064)
Taxation	21	(9,637,155)	-	(9,375,785)	-
Profit / (loss) for the period		40,663,726	(51,458,446)	39,036,126	(7,754,064)
Other comprehensive income					
Revaluation surplus adjustment	11	(801,920)	-	-	-
Deferred tax adjustment	11	160,384	-	-	-
Total comprehensive income		40,022,190	(51,458,446)	39,036,126	(7,754,064)
Earnings per share		40.66	(51.46)	39.04	(7.75)

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


 Chief Financial Officer


 Chief Executive Officer

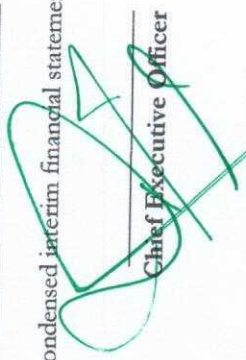

 Chairman (BoS)

**NEW KABUL BANK
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2023**

	Share capital	Reserve from MoF	Reserve from MoF (II)	Accumulated losses	Surplus on Revaluation of Fixed Assets	Total
Balance as at January 01, 2022	1,000,000,000	3,238,831,229	-	(2,159,214,986)	25,878,621	2,105,494,864
Total comprehensive income for the half year ended June 30, 2022	-	-	-	(51,458,446)	-	(51,458,446)
Profit for the period	-	-	-	-	-	-
Other comprehensive income	-	-	-	(51,458,446)	-	(51,458,446)
Balance as at June 30, 2022	1,000,000,000	3,238,831,229	-	(2,210,673,432)	25,878,621	2,054,036,418
Balance as at January 01, 2023	1,000,000,000	3,238,831,229	-	(2,152,629,079)	25,878,621	2,112,080,771
Total comprehensive income for the half year ended June 30, 2023	-	-	-	40,663,726	-	40,663,726
Profit for the period	-	-	303,087,520	-	-	303,087,520
Transferred from liabilities	-	-	-	-	(641,536)	(641,536)
Other comprehensive income	-	-	303,087,520	40,663,726	(641,536)	343,109,710
Balance as at June 30, 2023	1,000,000,000	3,238,831,229	303,087,520	(2,111,965,353)	25,237,085	2,455,190,481

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


Chief Financial Officer


Chief Executive Officer


Chairman (BoS)

NEW KABUL BANK
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2023

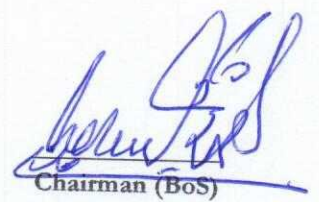
		<u>30-Jun-23</u>	<u>30-Jun-22</u>
	Note AFN
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit / (loss) before tax		50,300,881	(51,458,446)
Adjustments for:			
Depreciation expense	6.2	24,923,634	11,728,395
Amortization of deferred grant	13	(827,020)	(1,017,070)
(Recovery) / charge against provision of other assets	8.3	(6,245,282)	4,189,164
		<u>68,152,213</u>	<u>(36,557,957)</u>
Working capital changes:			
Other assets	8	653,530,443	(422,492,956)
Required reserves with DAB	5.1	(232,632,330)	356,881,436
Deposits from customers	12	1,732,573,099	481,613,638
Other liabilities	14	(72,412,378)	828,457,612
		<u>2,149,211,047</u>	<u>1,207,901,773</u>
Advance tax paid		(40,945)	(35,368)
Net cash generated from operating activities		<u>2,149,170,102</u>	<u>1,207,866,405</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment in operating fixed assets	6.2	(32,385,242)	(1,073,610)
Investment in capital notes - net		-	3,938,561,895
Net cash (used in)/ generated from investing activities		<u>(32,385,242)</u>	<u>3,937,488,285</u>
Net increase in cash and cash equivalents		2,116,784,860	5,145,354,690
Cash and cash equivalents at beginning of the period		9,909,123,446	6,446,522,959
Cash and cash equivalents at end of the period	5.3	<u>12,025,908,306</u>	<u>11,591,877,649</u>

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 Chief Financial Officer


 Chief Executive Officer


 Chairman (BoS)