

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF NEW KABUL BANK

Opinion

We have audited the accompanying financial statements of New Kabul Bank (the Bank), which comprise the statement of financial position as at December 31, 2024, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Bank as at December 31, 2024, and of its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards (IFRSs), the Law of Banking in Afghanistan and other laws and regulations issued by Da Afghanistan Bank (DAB).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Bank in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Afghanistan, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The annual financial statements of the Bank for the year ended on December 31, 2023, were audited by another auditor who had expressed unmodified opinion on those financial statements.

Responsibilities of the Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, the requirements of the Law of Banking in Afghanistan and other laws and regulations issued by Da Afghanistan Bank, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Those Charged with Governance are responsible for overseeing the Bank's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

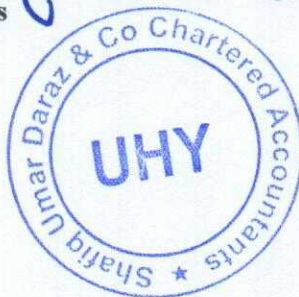
As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The engagement partner on the audit resulting in this independent auditor's report is Muhammad Shafiq, FCA.

UHY Shafiq Umar Daraz & Co.
Chartered Accountants
Date: March 15, 2025
Kabul, Afghanistan



NEW KABUL BANK
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2024

	Note	31-Dec-2024 AFN	31-Dec-2023
ASSETS			
Cash and bank balances	5	13,478,666,834	13,333,068,660
Property and equipment	6	116,219,569	95,300,754
Intangible assets	7	-	-
Other assets	8	1,953,567,413	1,714,132,881
Total Assets		15,548,453,816	15,142,502,295
EQUITY AND LIABILITIES			
EQUITY			
Share capital	9	1,000,000,000	1,000,000,000
Reserve from MoF		3,541,918,749	3,541,918,749
Accumulated losses		(1,885,438,891)	(2,080,028,566)
Revaluation surplus	10	22,853,929	24,112,963
Total equity		2,679,333,787	2,486,003,146
LIABILITIES			
Deposit from customers	11	12,384,808,376	11,907,217,584
Deferred grant	12	-	1,516,205
Deferred tax liability	10	5,713,482	6,028,241
Other liabilities	13	478,598,171	741,737,119
Total Liabilities		12,869,120,029	12,656,499,149
Total Equity and Liabilities		15,548,453,816	15,142,502,295

CONTINGENCIES AND COMMITMENTS

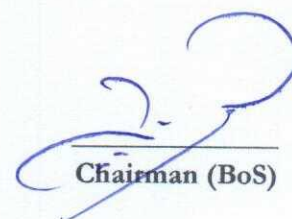
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The annexed notes from 01 to 26 form integral part of these financial statements

U.K.


Chief Financial Officer


Chief Executive Officer

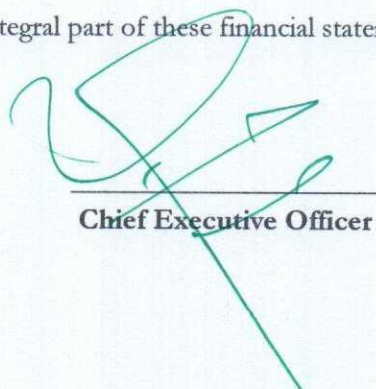

Chairman (BoS)

NEW KABUL BANK
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2024

		31-Dec-2024	31-Dec-2023
	Note AFN	
Interest income	15	330,076	322,204
Fee and commission income	16	890,784,018	881,863,211
Fee and commission expenses		(1,265,095)	(4,173,292)
Net fee and commission income		889,518,923	877,689,919
Other operating income	17	118,902,645	189,249,988
Amortization of deferred grant	12	1,516,205	1,654,041
Foreign exchange loss		(2,115,723)	(276,040,179)
Net operating income		1,008,152,126	792,875,973
Employee benefits & expenses	18	(440,003,497)	(396,697,617)
Depreciation	6.2	(12,411,944)	(11,834,027)
Depreciation on right of use assets	6.5	(42,760,794)	(40,165,448)
Provision against other assets	8.5	(14,366,488)	(323,707)
Other expenses	19	(255,372,310)	(253,104,533)
Total operating expenses		(764,915,033)	(702,125,332)
Profit before tax		243,237,093	90,750,641
Taxation	20	(48,647,418)	(18,150,128)
Net Profit for the year		194,589,675	72,600,513
Other Comprehensive Income (Items that will not be reclassified to profit or loss)			
Revaluation surplus (property & equipment)		(1,573,793)	(2,207,072)
Deferred tax on revaluation surplus		314,759	441,414
		(1,259,034)	(1,765,658)
Total Comprehensive Income for the year		193,330,641	70,834,855
Earnings per share (EPS)		194.59	72.60

The annexed notes from 01 to 26 form integral part of these financial statements


Chief Financial Officer

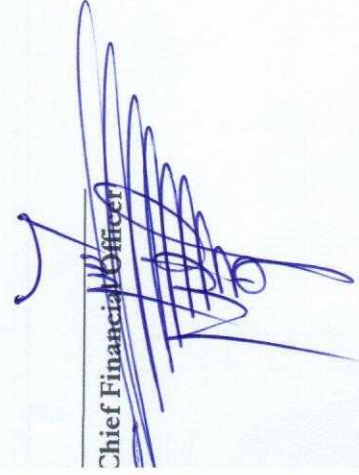

Chief Executive Officer


Chairman (BoS)

NEW KABUL BANK
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2024

	Share capital	Reserve from MoF	Accumulated losses	Surplus on Revaluation (Fixed Assets)	Total
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					
Profit for the year	-	-	72,600,513	-	72,600,513
Additional Reserve Transferred from liabilities	-	303,087,520	-	-	303,087,520
Other comprehensive income	-	-	-	(1,765,658)	(1,765,658)
	-	303,087,520	72,600,513	(1,765,658)	373,922,375
Balance as at December 31, 2023	1,000,000,000	3,541,918,749	(2,080,028,566)	24,112,963	2,486,003,146
Balance as at January 01, 2024	1,000,000,000	3,541,918,749	(2,080,028,566)	24,112,963	2,486,003,146
Total comprehensive income					
Profit for the year	-	-	194,589,675	-	194,589,675
Other comprehensive income	-	-	-	(1,259,034)	(1,259,034)
	-	-	194,589,675	(1,259,034)	193,330,641
Balance as at December 31, 2024	1,000,000,000	3,541,918,749	(1,885,438,891)	22,853,929	2,679,333,787

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Chief Financial Officer


Chief Executive Officer


Chairman (BoS)

NEW KABUL BANK
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024

		31-Dec-2024	31-Dec-2023
	Note AFN	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		243,237,093	90,750,641
Adjustments for:			
Depreciation	6.2	12,411,944	11,834,028
Depreciation on right of use assets	6.5	42,760,794	40,165,448
Amortization of deferred grant	12	(1,516,205)	(1,654,041)
Gain on sale of fixed assets		(4,678,598)	(4,034,360)
Provision against other assets	8.5	14,366,488	323,707
Assets written off	8.5	(19,946,808)	-
Exchange loss		2,115,723	276,040,179
		45,513,338	322,674,961
Working capital changes			
Other assets	8	(282,439,710)	102,256,529
Deposits from customers	11	477,590,792	3,424,574,087
Other liabilities	13	(263,138,948)	(170,631,163)
		(67,987,866)	3,356,199,453
Advance tax		(61,920)	(75,416)
Net cash generated in operating activities		220,700,645	3,769,549,639
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions in property & equipment	6.2	(77,747,500)	(73,680,759)
Proceeds from disposal of property & equipment		4,760,752	4,116,513
Net cash used in investing activities		(72,986,748)	(69,564,246)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net increase in cash and cash equivalents		147,713,897	3,699,985,393
Cash and cash equivalents at beginning of the year		13,333,068,660	9,909,123,446
Effect of exchange differences		(2,115,723)	(276,040,179)
Cash and cash equivalents at end of the year	5	13,478,666,834	13,333,068,660

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Chief Financial Officer

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