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INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF AFGHAN UNITED BANK

Qualified Opinion

We have audited the financial statements of Afghan United Bank (the Bank), which comprise the statement of financial position as of 31 December 2024 and the statement of comprehensive income, the 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, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements give a true and fair view of the financial position of the Bank as of 31 December 2024, and of its financial performance and its cash flows for the year ended, in accordance with International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB), the Law of Banking in Afghanistan and other laws and regulations issued by Da Afghanistan Bank.

Basis for Qualified Opinion

1. We were appointed as the Bank's auditors in August 2025, subsequent to the financial year ended 31 December 2024. Accordingly, we did not observe the physical verification of cash on hand and the Bank's investment in physical gold as of 31 December 2024. Because we were appointed after the year-end date, we were unable to perform alternative audit procedures to obtain sufficient appropriate audit evidence regarding the existence and completeness of cash balances and the existence of the Bank's investment in physical gold as at that date.

2. As part of our audit procedures, we requested confirmations for the Bank's nostro account balances. However, as of the date of this report, we have not received confirmations for balances totaling USD 3,510,133 (equivalent to AFN 247,288,860) held in nostro accounts. We were unable to obtain direct confirmations from the banks or perform alternative audit procedures to verify these balances. Accordingly, we were unable to obtain sufficient appropriate audit evidence regarding these nostro account balances.

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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 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.

Emphasis of Matter

We draw attention to Note 7.2.1 which discloses the impact of the unrecognized provision due to suspension of Asset Classification and Provisioning Regulation until 31 December 2024.

Our opinion is not modified in respect of this matter.

Responsibilities of 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 issued by the International Accounting Standards Board (IASB), 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, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related 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.

Auditor's 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 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.

Other matters

The financial statements for the year ended 31 December 2023 were audited by another auditor who expressed unmodified audit opinion on May 20, 2024.

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 the audit.

Mazars Afghanistan Limited

Chartered Accountants
Engagement Partner: Muhammad Saqlain Siddiqui
Date: 14 October 2025
Place: Kabul, Afghanistan

MAZARS AFGHANISTAN KABUL LIMITED

AFGHAN UNITED BANK
Statement of Financial Position
As of December 31, 2024

	Note	31-Dec-24	31-Dec-23 (Restated)	1-Jan-23 (Restated)
			AFN '000'	
ASSETS				
Cash and cash equivalents	5	**14,600,491**	12,263,025	8,710,481
Investments - net	6	**2,005,209**	1,342,963	1,057,162
Loans and advances to customers - net	7	**4,392,401**	4,333,110	4,807,993
Property and equipment	8	**895,294**	969,402	1,044,358
Intangible assets	9	**6,817**	4,315	13,602
Right to use	10	**201,368**	235,258	208,372
Deferred tax asset - net	11	**57,443**	117,387	1,167
Other assets	12	**2,698,352**	2,506,117	2,272,140
Total assets		**24,857,375**	21,771,577	18,115,275
EQUITY AND LIABILITIES				
EQUITY				
Issued and paid up capital	13	**1,925,210**	1,925,210	1,925,210
Revaluation reserve on property and equipment	14	**556,449**	626,137	695,986
Revaluation reserve on available for sale investments		**56,638**	(20,104)	(75,903)
Accumulated losses		**(427,631)**	(731,020)	(165,906)
Total equity		**2,110,666**	1,800,223	2,379,387
LIABILITIES				
Deposits from customers	15	**22,356,321**	19,555,116	15,073,245
Lease liabilities	16	**99,080**	126,104	114,415
Borrowing from financial institution		**-**	-	192,881
Other liabilities	17	**291,308**	290,134	355,347
Total liabilities		**22,746,709**	19,971,354	15,735,888
Total equity and liabilities		**24,857,375**	21,771,577	18,115,275
CONTINGENCIES AND COMMITMENTS	18			

The annexed notes 1 to 36 form an integral part of these financial statements.

CHIEF FINANCIAL OFFICER | **CHIEF EXECUTIVE OFFICER** | **CHAIRMAN BOS**

AFGHAN UNITED BANK
Statement of Comprehensive Income
For the year ended December 31, 2024

	Note	31-Dec-24	31-Dec-23 (Restated)
		AFN '000'	
Mark-up/ return/ interest earned		**112,318**	60,096
Mark-up/ return expense		**(11,396)**	(19,094)
Net mark-up/ return/ interest income	19	**100,922**	41,002
Fee and commission income		**881,848**	869,597
Fee and commission expense		**(121,933)**	(110,754)
Net fee and commission income	20	**759,915**	758,843
Income / (losses) from dealing in foreing currencies	21	**82,604**	(836,322)
Other income	22	**10,150**	10,249
Net operating income / (loss)		**953,591**	(26,228)
Reversal / (charge) against non-performing loans and advances to customers	7.3	**37,194**	(8,766)
Loss on sale of securities		**(42,105)**	(14,222)
Depreciation and amortization	23	**(155,291)**	(174,092)
Employee compensation	24	**(279,434)**	(270,220)
Finance cost on lease liabilities		**(7,494)**	(9,115)
Operating lease expenses		**(7,591)**	(4,379)
Operating expenses	25	**(224,408)**	(258,921)
Proft /(Loss) before tax		**274,463**	(765,943)
Income tax expense	26	**(58,384)**	113,518
Proft /(Loss) for the year		**216,079**	(652,425)
Other comprehensive income			
Items that may be classified to profit or loss subsequently			
Gain on remeasurement of AFS investments		**95,927**	69,748
Related deferred tax		**(19,185)**	(13,950)
		76,742	55,799
Total comprehensive income / (loss) for the year		**292,821**	(596,626)

The annexed notes 1 to 36 form an integral part of these financial statements.

CHIEF FINANCIAL OFFICER	**CHIEF EXECUTIVE OFFICER**	**CHAIRMAN BOS**

AFGHAN UNITED BANK
Statement of Changes in Equity
For the year ended December 31, 2024

	Note	Share capital	Revaluation reserve on property and equipment	Revaluation reserve on Available for Sale Investments	Accumulated losses	Total
				AFN '000'		
Balance as at 31 December 2022		1,925,210	660,319	(75,903)	(97,907)	2,411,719
Prior year adjustments	33					
Prior year misclassification of revaluation reserve		-	35,667	-	(35,667)	-
Adjustment for deferred tax liabilities on revaluation reserve		-		-	(14,895)	(14,895)
Recognition of right to use assets (net impact)		-	-	-	(17,437)	(17,437)
Balance as at 31 December 2022 - (Restated)		1,925,210	695,986	(75,903)	(165,906)	2,379,387
Balance as at January 01, 2023 - (Restated)		1,925,210	695,986	(75,903)	(165,906)	2,379,387
Transfer of realized revaluation surplus	14	-	(87,311)	-	87,311	-
Tax effect of revaluation surplus transfer		-	17,462	-	-	17,462
Loss for the year		-	-	-	(652,425)	(652,425)
Other comprehensive income		-	-	55,799	-	55,799
Total comprehensive loss for the year		-	-	55,799	(652,425)	(596,626)
Balance as at December 31, 2023 (Restated)		1,925,210	626,137	(20,104)	(731,020)	1,800,223
Balance as at January 01, 2024 - (Restated)		**1,925,210**	**626,137**	**(20,104)**	**(731,020)**	**1,800,223**
Transfer of realized revaluation surplus	14	-	**(87,311)**	-	**87,311**	-
Tax effect of revaluation surplus transfer		-	**17,623**	-	-	**17,623**
Profit for the year		-	-	-	**216,079**	**216,079**
Other comprehensive income		-	-	**76,742**	-	**76,742**
Total comprehensive income for the year		-	-	**76,742**	**216,079**	**292,821**
Balance as at December 31, 2024		**1,925,210**	**556,449**	**56,638**	**(427,631)**	**2,110,666**

The annexed notes 1 to 36 form an integral part of these financial statements.

CHIEF FINANCIAL OFFICER | **CHIEF EXECUTIVE OFFICER** | **CHAIRMAN BOS**

AFGHAN UNITED BANK
Statement of Cash Flows
For the year ended December 31, 2024

	Note	31-Dec-24	31-Dec-23 (Restated)
		AFN '000'	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit / (Loss) before tax		**274,463**	(765,943)
Adjustments for:			
Reversal / (charge) against non-performing loans and advances to customers		**(37,194)**	8,766
Depreciation and amortization	23	**155,291**	174,092
		392,560	(583,085)
Changes in current assets:			
Loans and advances to customers		**(22,097)**	483,390
Other assets		**(192,235)**	(255,618)
Deferred tax asset - net		**56,645**	(76,337)
Changes current liabilities:			
Deposits from customers		**2,801,205**	4,525,997
Other liabilities		**1,174**	41,774
		3,037,251	4,136,122
Income tax paid		**-**	(1,965)
Net cash generated from operating activities		**3,037,251**	4,134,157
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment	8	**(25,168)**	(41,307)
Purchase of intangible assets	9	**(6,402)**	(1,122)
Acquisition of right-of-use assets	10	**(22,255)**	(78,272)
Investments		**(616,577)**	(285,802)
Net cash used in investing activities		**(670,402)**	(406,503)
CASH FLOWS FROM FINANCING ACTIVITIES			
Acquisition of right-of-use assets	10	**22,255**	78,272
Lease payments	16	**(51,638)**	(60,501)
Borrowing from financial institution		-	(192,881)
Net cash used in financing activities		**(29,383)**	(175,110)
Net increase in cash and cash equivalents		**2,337,466**	3,552,544
Cash and cash equivalents, beginning of year	28	**12,263,025**	8,710,481
Cash and cash equivalents, end of year	28	**14,600,491**	12,263,025

The annexed notes 1 to 36 form an integral part of these financial statements.

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE OFFICER

CHAIRMAN BOS

1 STATUS AND NATURE OF BUSINESS

1.1 The Bank commenced its operations on 4 October 2007 under the license of commercial banking issued by Da Afghanistan bank (DAB) under the Law of Banking in Afghanistan. It is a full fledge bank principally engaged in the business of commercial banking with a network of 35 operational branches including two full fledge Islamic banking branches in different provinces of Afghanistan. The bank also holds license from Afghanistan Investment Support Agency (AISA) bearing license no: D-27284. The registered office of the Bank is located at Shahr-e-Naw, Kabul, Afghanistan.

2 STATEMENT OF COMPLIANCE

2.1 These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), the requirements of the Law of Banking in Afghanistan. In case requirements differ, the provisions of the Law of Banking in Afghanistan shall prevail.

2.2 Standards, amendments and interpretations to publish accounting standards that became effective in the current year

Amendment to standards issued and effective beginning 1 January 2024:

- IFRS 10 - Consolidated Financial Statements and IAS 28 (Not yet finalized)
- IFRS 17: Insurance Contracts and related amendments to IFRS 17
- Definition of Accounting Estimates (Amendments to IAS 8)
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)
- Deferred Tax related to Assets and Liabilities arising from a Single IFRS Practice Statement 2)
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1)

The above standards and interpretations do not have a significant impact on the financial statements and therefore the disclosure have not been made.

Da Afghanistan Bank (DAB) vide its circular number 298 dated Hamal 8, 1398 (March 28, 2019), initially deferred the applicability of IFRS 9 "Financial Instruments" till January 1, 2021. DAB in its communication dated January 12, 2021 has indefinitely delayed the implementation of IFRS 9.

2.3 Standards, amendments and interpretations to publish approved accounting standards that are not yet effective and have not been adopted early by the Bank

Standard and amendments	Effective date (annual period beginning on or after)

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IFRS Sustainability Disclosure Standards	1 January 2025
- IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information	1 January 2025
- IFRS S2 Climate-related Disclosures	
International Financial Reporting Standards (IFRSs)	
- Amendment to IFRS 16 – Leases on sale and leaseback	1 January 2025
- Amendment to IAS 1 – Non-current liabilities with covenants	1 January 2025
- Amendment to IAS 7 and IFRS 7 - Supplier finance	1 January 2025
- Amendments to IAS 21 - Lack of Exchangeability	1 January 2025

The above standards, amendments and interpretations are not expected to have a significant impact on the financial statements in the period of initial application and therefore the disclosures have not been made. Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. Management does not intend to adopt any of the above standards, interpretations, and amendments earlier than the applicable date.

3 BASIS OF PREPARATION

3.1 Basis of measurement

These financial statements have been prepared on the historical cost basis except as otherwise disclosed in accounting policies.

3.2 Use of critical accounting estimates and judgments

The preparation of financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are described in the following:

a) Note 7.1 Provision against non-performing loans and advances to customers
b) Note 7.3 Provision against investments
c) Note 8 Depreciation rates for property and equipment
d) Note 9.1 Amortization rates for intangible assets
e) Note 26 Income taxes

3.3 Functional and presentation currency

These financial statements are presented in Afghani (AFN), which is the Bank's functional currency. Except as otherwise indicated, financial information presented in AFN has been rounded to the nearest thousand.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented unless or otherwise stated.

4.1 Cash and cash equivalents

For the purposes of cash flow statement, cash and cash equivalents comprise of cash and balances with the Central Bank (unrestricted), balances with other banks and investments having original maturity of less than three months.

4.2 Financial instruments

Recognition, initial measurement and de-recognition

Financial assets and financial liabilities are recognized when the Bank becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are de-recognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is de-recognized when it is extinguished, discharged, cancelled or expires.

Classification and subsequent measurement of financial assets and financial liabilities

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

1. Designation at fair value through profit or loss (FVTPL)
2. Held for trading
3. Loans and receivables
4. Held to maturity
5. Available for sale

All financial assets are subject to review for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired.

a) Classification, recognition and subsequent measurement of financial assets

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

After initial recognition, these are measured at amortized cost using the effective interest method, less provision for impairment. The Bank's cash and cash equivalents, investments (other than held for trading), loans and receivables and other assets fall into this category of financial instruments.

The Bank determines allowance for impairment loans and advances in accordance with "Asset Classifications and Provisioning Regulation" issued by DAB in December 2017. However, during the year DAB has issue a circular to the banks, notifying further deferral of ACPR regulation from 02 October 2024 to 31 December 2024.

Accordingly, the bank has opted deferral in application of ACPR, in the preparation of Financial Statements for the year ended on 31 December 2024.

Additionally, DAB has issued instructions to the bank to record 30% of the total unrecorded provision during the year 2025.

Loans and advances to customers

The outstanding principal of the advances are classified in accordance with the Asset Classification and Provisioning Regulation issued by DAB as follows:

a) **Standard:** These are loans and advances, which are paying in a current manner or at most past due for the period of 1-30 days, fully secured and is supported by sound net worth, profitability, liquidity and cash flow of the obligor. Standard assets are sufficiently secured with respect to the repayment of both the principal amount and interest. An overdraft would be regarded as Standard if monthly interest payments and other charges are past due for 1-30 days, and there was regular activity on the account with no sign of a hard core of debt developing. The Bank does not maintain provision on standard loans.

b) **Watch:** These are loans and advances which are adequately protected but are potentially weak. Such an asset constitutes an unwarranted credit risk, but not to the point of requiring a classification of Substandard. The credit risk may be minor, and most instances, bank management can correct the noted deficiencies with increased attention. Further, all loans and advances which are past due by 31 to 60 days for principal or interest payments are classified as Watch. A provision is maintained in the books of account not less than 5% of value of such loans and advances.

c) **Substandard:** These are loans and advances which show clear manifestations of credit weaknesses that jeopardize the liquidation of the debt. Substandard loans and advances include loans to borrowers whose cash flows are not sufficient to meet currently maturing debts, loans to borrowers which are significantly undercapitalized, and loans to borrowers lacking sufficient working capital to meet their operating needs.

Further, all loans and advances which are past due by 61 to 120 days for principal or interest payments are also classified as Substandard. A provision is maintained in the books of account not less than 25% of value of such loans and advances.

d) **Doubtful:** These are loans and advances which display all the weaknesses inherent in loans and advances classified as Substandard but with the added characteristics that they are not well secured and the weaknesses make collection or liquidation in full, on the basis of currently available information, highly questionable and improbable.

The possibility of loss is extremely high, but because of certain mitigating circumstances, which may work to the advantage and strengthening of the facility, its classification as an estimated loss is postponed until its more defined status is ascertained. Further all loans and advances which are past due by 121 to 480 days for principal or interest payments are also classified as Doubtful. A provision is maintained in the books of account not less than 50% of value of such loans and advances.

e) **Loss:** These are loans and advances which are considered uncollectible and of such little value that their continuation as recoverable facilities is not defensible. This classification does not imply that the facility has absolutely no recoverable value, but rather it is not practical or desirable to defer making full provisions for the facility even though partial recover in future may not be entirely ruled out. Loans and advances classified as Loss include those to bankrupt companies and insolvent firms with negative working capital and cash flow or those to judgment debtors with no means or foreclosable collateral to settle the debts. Further, all loans and advances which are past due over 481 days for principal and interest payments are classified as Loss. This category of loans shall be retained in bank balance sheet for the period of 6 month for recovery purposes and 100% loan loss provisioning should be made. After 6 months, they shall be immediately written off with the provisioning made.

b) Classification and subsequent measurement of financial liabilities

Financial liabilities are measured subsequently at amortized cost using the effective interest method, except for financial liabilities held for trading or designated at FVTPL, that are carried subsequently at fair value with gains or losses recognized in statement of comprehensive income. All derivative financial instruments that are not designated and effective as hedging instruments are accounted for at FVTPL.

4.3 Investment in equity instruments

Investment in equity instruments is carried at cost less impairment if any.

4.4 Leased assets

The Bank as a Lessee

For any new contracts entered into on or after 1 January 2019, the Bank considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Bank assesses whether the contract meets three key evaluations which are whether:

a) The contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Bank;

b) The Bank has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and

c) The Bank has the right to direct the use of the identified asset throughout the period of use. The Ban assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Measurement and recognition of leases as a lessee

At lease commencement date, the Bank recognizes a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Bank, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Bank amortizes the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term (refer to note 10). The Bank also assesses the right-of-use asset for impairment when such indicators exist. At the commencement date, the Bank measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Bank's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero. The Bank has elected to account for short-term leases and leases of low value assets, i.e., less than AFN 750,000, using the practical expedients. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense in profit or loss on a straight-line basis over the lease term.

On the statement of financial position, right-of-use assets have been included in property and equipment within operating fixed assets and lease liabilities have been included in other liabilities and disclosed in notes to the financial statement.

Extension options for leases

When the Bank has the option to extend a lease, management uses its judgement to determine whether or not an option would be reasonably certain to be exercised. Management considers all facts and circumstances including their past practice and any cost that will be incurred to change the asset if an option to extend is not taken, to help them determine the lease term.

4.5 Loans and advances

Loans and advances are stated net of provisions against non–performing loans and advances. Specific and general provision are made based on an appraisal of the loan portfolio that takes into account Regulations and other directives issued by the Da Afghanistan Bank from time to time.

The provisions made / reversed during the year are charged to the statement of comprehensive income and accumulated provision is netted off against loans and advances. Loans and advances are written off when there is no realistic prospect of recovery or when the regulation requires.

In Murabaha transactions, the Bank purchases the goods through its agent or client and after taking the possession, sells them to the customer on cost plus profit basis either in a spot or credit transaction. Under Murabaha financing, funds disbursed for purchase of goods are recorded as 'Advance against Murabaha finance'. On culmination of Murabaha i.e., sale of goods to customers, Murabaha financing are recorded at the deferred sale price. Goods purchased but remaining unsold at the statement of financial position date are shown as inventories.

4.6 Property and equipment

Owned

Property and equipment are stated at cost or revalued amounts less accumulated depreciation and accumulated impairment losses thereon. Cost includes expenditure that is directly attributable to the acquisition of fixed assets. Furniture and fixtures, computer equipment and office equipment are stated at revalued amounts less accumulated depreciation.

Subsequent costs are included in the asset's carrying amount or are recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the bank and the cost of the item can be measured reliably. All other repairs and maintenance expenditures are charged to profit or loss during the period in which they are incurred.

Surplus arising on revaluation is credited to the 'revaluation reserve' account (net of deferred tax) whereas deficit (if any) is adjusted against the balance in the above-mentioned surplus account. The revaluation is carried out with sufficient regularity to ensure that the carrying amount does not differ materially form that which would have been determined using fair value at the balance sheet date.

Surplus on revaluation of fixed assets (net of deferred tax) is transferred to retained earnings to the extent of incremental depreciation charged on related assets.

Land is not depreciated. Depreciation on all other fixed assets is calculated using the straight-line method to allocate their depreciable cost or revalued amount to their residual values over their estimated useful lives. The depreciation method, residual values and useful lives of fixed assets are reviewed and adjusted (if appropriate) at each balance sheet date. Net gains and losses on disposal or derecognition of fixed assets are included in statement of comprehensive income currently.

Depreciation

Depreciation is recognized in profit or loss account on straight-line basis from the month an asset is put in use over the estimated useful lives of each part of an item of property and equipment since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

The estimated useful lives for the current and comparative periods are as follows:

- Office Buildings	20 years
- Furniture and fixtures	5 years
- Computer equipment	3.3 years
- Vehicles	4 years
- Office equipment	4 years

4.7 Intangible assets

Intangible assets include computer software which are capitalized on the basis of costs incurred to acquire and bring those to use for intended purpose. Subsequent expenditure on intangible asset is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

These costs are amortized over their expected useful lives using the straight-line method from the date it is available for use since this most closely reflects the pattern of consumption of the future economic benefits embodied in the asset.

The estimated useful life of software is three to ten years. Amortization methods, useful lives and residual values are reassessed at each financial year end and adjusted, if appropriate.

4.8 Impairment of non-financial assets

The carrying amounts of the Bank's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

4.9 Deposits

These are recorded at the amount of proceeds received.

4.10 Taxation

Income tax expense comprises of current and deferred tax. Income tax expense is recognized in the profit or loss except to the extent that it relates to items recognized directly in equity or in other comprehensive income.

Current tax

Current tax is the expected tax payable or receivable on the taxable income for the year (using tax rates enacted or substantively enacted at the balance sheet date), and any adjustment to tax payable in respect of previous years.

Deferred tax

Deferred tax is provided for using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized on temporary differences relating to: (i) the initial recognition of goodwill; (ii) the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit; and (iii) differences relating to investments in subsidiaries to the extent that they probably will not reverse in the foreseeable future.

Deferred tax is measured at tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

4.11 Employee compensation

Short-term employee benefits are measured on an undiscounted basis and are expensed as the related service is provided. The Bank does not provide any retirement benefits to its employees.

4.12 Foreign currency transactions

Transactions in foreign currencies are translated to AFN at exchange rates prevailing at the date of transaction.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to AFN at the exchange rate prevailing at that reporting date. Foreign currency differences arising on retranslation are recognized in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of transaction.

4.13 Mark-up/Return/Interest – Income/Expense

Mark-up /interest /return on advances and investments is recognized in the profit or loss using effective interest rate method, and in case of advances classified as doubtful or loss, mark-up is recognized on receipt basis. Mark-up /interest /return on rescheduled /restructured loans and advances and investments is recognized as permitted by DAB. Income from Murabaha is accounted for on a time proportionate basis over the period of Murabaha transaction. Gain or loss on sale of investments is recognized in profit or loss in the year in which these arise. The rentals from Ijarah are recognized as income over the term of the contract net of depreciation expense relating to the Ijarah assets.

The profit distributed to Islamic depositors under Mudarabah, Al-Wakala, Al-Wadi'ah, and Barakat deposit products is based on income generated from Shariah-compliant investments. To stabilize returns over time, the Bank maintains a Profit Equalization Reserve (PER), which is created from the gross income prior to distribution and is subject to the approval and oversight of the Bank's Shariah Board.

4.14 Fee and commission

Fees and commission income include account servicing fees and commission on transfers and are recognized as the related services are performed. Fees and commission expense relate mainly to transaction and service fees, which are expensed as the services are received.

4.15 Lease payments

Payments under operating leases are recognized in profit or loss on straight-line basis over the term of the lease. Lease incentives received are recognized as an integral part of the total lease expense, over the term of the lease.

4.16 Provisions

Provisions for restructuring costs and legal claims are recognized when:

a) the Bank has a present legal or constructive obligation as a result of past events;
b) it is more likely than not that an outflow of resources will be required to settle the obligation; and
c) The amount has been reliably estimated.

Provision for guarantee claims and other off-balance sheet obligations is recognized when intimated and reasonable certainty exists to settle the obligations.

4.17 Off-setting

Financial assets and liabilities are set off and the net amount presented in the statement of financial position when, and only when, the Bank has a legal right to set off the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

4.18 Dividend and appropriations to reserves

Dividends and appropriations to reserves are recognized in the year in which these are approved, except appropriations required by the law which are recorded in the period to which they pertain.

		Note	31-Dec-24	31-Dec-23
			AFN '000'	
5	**CASH AND CASH EQUIVALENT**			
	Cash in hand	5.1	**2,770,045**	3,045,487
	Cash in ATM	5.2	**134,941**	62,458
	Balances with banks	5.3	**11,481,213**	8,980,087
	Short-term placements	5.4	**197,600**	173,600
	Balance with asset manager		**18,668**	3,129
			14,602,467	12,264,761
	Allowances for impairment - Placement		**(1,976)**	(1,736)
			14,600,491	12,263,025
5.1	**Cash in hand**			
	- Local currency		**1,139,093**	1,061,880
	- Foreign currencies		**1,630,952**	1,983,607
			2,770,045	3,045,487
5.2	**Cash in ATM Machines**			
	- Local currency		**130,108**	59,367
	- Foreign currencies		**4,833**	3,091
			134,941	62,458
5.3	**Balances with banks**			
	Balances with central bank			
	- Local currency current accounts		**4,079,992**	1,537,541
	- Foreign currencies current accounts		**912,340**	2,042,609
	- Overnight deposits		**8**	8
			4,992,340	3,580,158
	Balances with other banks (domestic)		**41,852**	42,629
	Balances with other banks (foreign)		**6,447,021**	5,357,300
			11,481,213	8,980,087

5.4 This represents short-term placement with Aktif Bank - Turkiye in TRY currency carrying interest rate 37%p.a, with a maturity of February 2025.

		Note	31-Dec-24	31-Dec-23
			AFN '000'	
6	**INVESTMENTS**			
	Available for sale			
	Sovereign Sukuks	6.1	**191,742**	192,453
	Investment in equity securities		**-**	13,511
	Investment in gold bullion	6.2	**296,120**	234,452
			487,862	440,416
	Held to maturity			
	Longterm placements	6.3	**1,532,674**	911,664
	Allowances for impairment	6.4	**(15,327)**	(9,117)
			1,517,347	902,547
	Investment-net		**2,005,209**	1,342,963

6.1 This represents investment in sukuks with Kingdom of Saudi Arabia, UAE and Dubai Islamic Bank having maturity ranging 2026 to 2030 (2023: 2026 to 2030) and carry profit rates ranging from 1.96% to 2.97% (2023: 1.96% to 2.97%) per annum, managed through DAMAN asset managers.

6.2 This represents investment in physical gold of 50 KGs during September 2021 (2023: 50 KGs) kept under the custody of DGCI Dubai, a private local agent company in UAE.

6.3 This represents long-term placements with foreign banks in Turkey, Bahrain, Dubai and India, carrying profit rates ranging from 3.5% to 6% and maturity from 2025 to 2029.

6.4 General provision is maintained against held to maturity placements as per the DAB's *Asset Classification and Provisioning Regulation* @ 1% of the gross amount of those placements.

			31-Dec-24	31-Dec-23
			AFN '000'	
7	**LOANS AND ADVANCES TO CUSTOMERS - NET**			
	Conventional Loans		**4,838,314**	4,930,859
	Islamic Loans		**235,589**	126,450
			5,073,903	5,057,309
	Impairment allowances	7.1	**(681,502)**	(724,199)
		7.1.1	**4,392,401**	4,333,110

7.1 Impairment allowances

		31-Dec-24	31-Dec-23
Balance at the beginning of the year		**724,199**	1,252,159
(Reversal) / charge for the year	7.1.1	**(43,665)**	259
Exchange rate differences		**968**	(528,219)
Balance at the end of the year	7.1.1	**681,502**	724,199

7.1.1	Note	31 December 2024			31 December 2023		
		Gross amount	Impairment allowance	Carrying amount	Gross amount	Impairment allowance	Carrying amount
		.... AFN '000			.... AFN '000		
Conventional financing							
Running finance	7.1.2	**3,486,881**	**(594,126)**	**2,892,755**	3,517,622	(604,174)	2,913,448
Term finance	7.1.3	**1,351,433**	**(73,291)**	**1,278,142**	1,413,237	(88,412)	1,324,825
		4,838,314	**(667,417)**	**4,170,897**	4,930,859	(692,586)	4,238,273
Islamic financing							
Murabaha	7.1.4	**235,589**	**(14,086)**	**221,503**	126,450	(31,612)	94,838
		5,073,903	**(681,503)**	**4,392,400**	5,057,309	(724,198)	4,333,111

7.1.2 These carry interest rate ranging between 10% to 15% (2023: 10% to 15%). These are secured against mortgage of immoveable properties.

7.1.3 These carry interest rate at 10% to 15% (2023: 10% to 15%) per annum. These loans are secured against personal guarantees, mortgage of immoveable commercial and residential properties and assignment of receivables.

7.1.4 These represent sale and purchase agreements under which the Bank had paid finance for the purchase of goods and then sold the requisite goods to the customer on profit margin which is ranging from 3% to 15% (2023: 12% to 15%) per annum. These facilities are extended for the period of three months to 6 months (2023: 11 months to 12 months) and secured against mortgage of immovable properties, Personal Guarantees, and Direct Payment undertaking from the purchaser.

7.2 *The credit quality of the loan and advances according to the Asset Classification and Provisioning Regulation is as follows:*

	Standard	Watch	Sub-standard	Doubtful	Loss	Total
As at 31-Dec-2024			.... AFN '000			
Conventional:						
Running finance	**808,093**	**1,461,081**	**351,147**	**866,560**	**-**	**3,486,881**
Term loans	**-**	**1,322,834**	**28,599**	**-**	**-**	**1,351,432**
Islamic:						
Murabaha	**179,229**	**-**	**56,360**	**-**	**-**	**235,589**
	987,322	**2,783,915**	**436,106**	**866,560**	**-**	**5,073,904**
As at 31-Dec-2023						
Conventional:						
Running finance	818,109	1,460,744	352,993	885,777	-	3,517,622
Term loans	-	1,324,485	88,752	-	-	1,413,237
Islamic:						
Murabaha	-	-	126,450	-	-	126,450
	818,109	2,785,229	568,194	885,777	-	5,057,309

7.2.1 During the year, DAB has issued a circular to the bank, notifying further deferral of the ACPR regulation application from 02 October 2024 to beyond 31 December 2024. Accordingly, the bank has opted for deferral in the application of ACPR, in preparing the financial statements for beyond 31 December 2024. The ACPR if effective as of 31 December 2024, and based on central bank instructions, the bank to record 30% of the total unrecorded provision during the year 2025.

		31-Dec-24	31-Dec-23
7.3	**Impairment reversal / (charge) on financial assets**	AFN '000'	
	Net provision against investments and Placements	**(6,471)**	(8,507)
	Net impairment reversal /(provision) on loans and advances to customers	**43,665**	(259)
		37,194	(8,766)

8 PROPERTY AND EQUIPMENT

	Land	Office Buildings	Furniture and fixtures	Computer equipment	Office equipment	Vehicles	Total
				AFN '000'			
COST/REVALUED AMOUNTS							
Balance at January 01, 2023	305,350	1,246,431	105,215	265,879	203,911	129,416	2,256,202
Additions	-	-	3,264	12,430	25,613	-	41,307
Adjustments/ written-off	-	-	-	-	-	(2,813)	(2,813)
Balance at December 31, 2023	305,350	1,246,431	108,479	278,309	229,524	126,603	2,294,696
Balance at January 01, 2024	**305,350**	**1,246,431**	**108,479**	**278,309**	**229,524**	**126,603**	**2,294,696**
Additions	**-**	**-**	**1,093**	**8,785**	**14,798**	**492**	**25,168**
Adjustments/ written-off	**-**	**-**	**-**	**-**	**-**	**(1,339)**	**(1,339)**
Balance at December 31, 2024	**305,350**	**1,246,431**	**109,572**	**287,094**	**244,322**	**125,756**	**2,318,525**
Depreciation							
Balance at January 01, 2023	-	586,287	90,919	244,812	171,306	118,520	1,211,844
Charge for the year	-	62,321	6,526	17,784	21,208	8,424	116,264
Adjustments/ written-off	-	-	-	-	-	(2,813)	(2,813)
Balance at December 31, 2023	-	648,608	97,445	262,596	192,514	124,131	1,325,294
Balance at January 01, 2024	**-**	**648,608**	**97,445**	**262,596**	**192,514**	**124,131**	**1,325,294**
Charge for the year	**-**	**62,322**	**6,875**	**10,171**	**17,278**	**2,383**	**99,028**
Adjustments/ written-off	**-**	**-**	**-**	**-**	**-**	**(1,088)**	**(1,088)**
Balance at December 31, 2024	**-**	**710,930**	**104,320**	**272,767**	**209,792**	**125,426**	**1,423,231**
Carrying amounts							
December 31, 2023	305,350	597,823	11,034	15,713	37,010	2,472	969,402
December 31, 2024	**305,350**	**535,501**	**5,252**	**14,327**	**34,530**	**330**	**895,294**
Rate of depreciation in %		**5**	**20**	**33**	**25**	**25**	

8.1 The Bank's land and building were revalued on May and June 2019, however other items including furniture and fixtures, computer equipment, office equipment and Vehicle were revalued in the month of September 2019, by independent accredited professional valuer, Rayan Kabul Consulting Services Company. The valuation performed by the valuers was based on active market prices, adjusted for any difference in the nature, location or condition of the specific revalued asset. Approval was secured from Da Afghanistan Bank (DAB) through official email on 12 April 2020 for all class of assets. The revaluation has resulted in a net surplus of Afs 685.016 million over the book value. DAB had approved 70% of this surplus on 12 April 2020 which aggregates to Afs 479.511 million.

The cost / revalued amount of fully depreciated property and equipment still in use are as follows:

	31-Dec-24	31-Dec-23
	AFN '000'	
Furniture and fixtures	**75,752**	74,311
Computer equipment	**245,357**	245,357
Vehicles	**92,907**	92,907
Office equipment	**151,987**	142,936
	566,003	555,511

9 INTANGIBLE ASSETS

	License fee	Computer software	Total
		AFN' 000	
Cost			
Balance at 01 January 2023	29,697	244,711	274,407
Additions	-	1,122	1,122
Balance at 31 December 2023	29,697	245,833	275,530
Balance at 01 January 2024	**29,697**	**245,833**	**275,530**
Additions	**521**	**5,881**	**6,402**
Balance at 31 December 2024	**30,218**	**251,714**	**281,932**
Amortization			
Balance at 01 January 2023	28,428	234,842	263,270
Charge for the year	1,269	6,676	7,945
Balance at 31 December 2023	29,697	241,518	271,215
Balance at 01 January 2024	**29,697**	**241,518**	**271,215**
Charge for the year	**84**	**3,816**	**3,900**
Balance at 31 December 2024	**29,780**	**245,335**	**275,115**
Carrying amounts			
Balance at 31 December 2023	-	4,315	4,315
Balance at 31 December 2024	**437**	**6,379**	**6,817**

9.1 Intangible assets include computer software and licenses. The amortization rate of intangible assets is 33.33% (2023: 33.33%). The gross carrying amount of fully amortized intangible assets still in use is AFN 271.619 thousand (2023: AFN 260.621 thousand).

10 RIGHT TO USE ASSETS

	31-Dec-24	31-Dec-23 (Restated)
	AFN '000'	
Cost		
Opening balance	**415,849**	339,876
Additions	**22,255**	78,272
Deletion during the year	**(2,823)**	-
Modification	**(955)**	(1,896)
Adjustment	**(1,339)**	(403)
Closing balance	**432,987**	415,849
Accumulated depreciation		
Opening balance	**180,591**	131,504
Amortization expense for the year	**52,363**	49,883
Adjustment	**(1,335)**	(796)
Closing balance	**231,619**	180,591
Carrying values	**201,368**	235,258
Useful life	**2 to 5 and 20 years**	

10.1 Carrying values of rights to use assets purchased for the indefinite period

	Sarai Shahzada	Gulbahar Center
Cost	72,543	24,471
Accumulated amortization	(16,906)	(9,391)
Carrying Value	55,637	15,080
Year of rights acquired	2020	2013
Useful life	20 years	20 years

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11 DEFERRED TAX

	31-Dec-24	31-Dec-23 (Restated)
	AFN '000'	
Deferred tax assets /(liabilities) arising in respect of:		
Accelerated tax depreciation and amortization	**(22,149)**	(31,492)
Revaluation surplus of property	**(138,911)**	(156,534)
Surplus on available for sale investments	**(14,159)**	3,535
Carry forward taxable losses	**232,662**	301,879
	57,443	117,387

11.1 Movement in temporary differences during the year

		January 01, 2023 (Restated)	Recognized in income statement	Recognized in SOCI/SOCE	December 31, 2023 (Restated)	Recognized in income statement	Recognized in OCI/SOCE	December 31, 2024
					AFN '000'			
Deferred tax assets arising in respect of:								
Lease Liability on buildings		22,883	(22,883)	-	-	-	-	-
Unrealized carry forward taxable losses	11.2	167,021	134,858	-	301,879	**(69,216)**	-	**232,662**
		189,904	111,975	-	301,879	**(69,216)**	-	**232,662**
Deferred tax liabilities arising in respect of:								
Accelerated tax depreciation and amortization *(restated - note 33)*		(33,658)	2,166	-	(31,492)	**9,343**	-	**(22,149)**
Revaluation surplus of property and equipment *(restated - note 33)*	11.3	(173,997)	-	17,462	(156,534)	-	**17,623**	**(138,911)**
Surplus on available for sale investments		18,917	(1,433)	(13,950)	3,535	**1,491**	**(19,185)**	**(14,159)**
		(188,737)	733	3,513	(184,492)	**10,834**	**(1,562)**	**(175,219)**
		1,167	112,708	3,513	117,387	**(58,382)**	**(1,562)**	**57,443**

11.2 This represents the deferred tax asset related to carried forward losses for the year ended 2022 and 2023 amounting to Afn 1,497,866 million. During the current year taxable profit is adjusted against these losses amounting to Afn 349,503 million and currently the related deferred tax assets has been reduced on carried forward losses of amounting to 1,141,262 million. Management have sufficient evidence supporting its recognition and future taxable profits that will be available to absorb those un-used tax losses.

		Note	31-Dec-24	31-Dec-23 (Restated)
			AFN '000'	
12	**OTHER ASSETS**			
	Restricted deposit with DAB	12.1	**2,041,342**	1,683,488
	Advance tax		**23,597**	23,544
	Prepayment and advances		**20,012**	26,056
	Advances to employees		**15,805**	7,987
	Security deposits	12.2	**401,183**	399,950
	Interest receivable	12.3	**57,957**	61,203
	Receivable from Moneygram		**109,972**	151,785
	Receivable from humanitarian organization		**13,456**	135,460
	Others		**15,028**	16,644
			2,698,352	2,506,117
12.1	**Restricted deposit with DAB**			
	Local currency		**899,256**	606,725
	Foreign currency		**1,142,086**	1,076,763
		12.1.1	**2,041,342**	1,683,488

12.1.1 This represents statutory reserve maintained with DAB as minimum reserve in accordance with Banking Regulations issued by Da Afghanistan Bank. These minimum reserves carry no interest. During the year minimum reserve rates on deposits for AFN 8% and for foreign currency 10%.

		Note	31-Dec-24	31-Dec-23
12.2	**Security deposits**			
	Pashtany bank	12.2.1	**352,250**	352,250
	New Kabul bank	12.2.2	**40,000**	40,000
	CSC bank		**17,611**	17,611
	Other		**1,609**	348
			411,470	410,209
	Provisions		**(10,287)**	(10,259)
			401,183	399,950

12.2.1 Security deposits against electricity bills collection for DABS.

12.2.2 This represents margin deposit placed NKB against performance guarantee. Subsequently the sum has been reimbursed by the bank.

		Note	31-Dec-24	31-Dec-23
12.3	**Interest receivable**			
	Interest receivable on loans and advances	12.3.1	**195,301**	198,400
	Profit in suspense - provisions	12.3.1	**(137,344)**	(137,197)
			57,957	61,203

		Note	31-Dec-24	31-Dec-23
			AFN '000'	
13	**SHARE CAPITAL**			
	Authorized 40,000,000 (2023: 40,000,000) ordinary shares of AFN 250 each		**10,000,000**	10,000,000
	Issued, subscribe and paid-up shares 8,088,120 ordinary shares of AFN 250 each, as per Article of Association		**2,022,030**	2,022,030
	Less: required reduction of 387,280 ordinary shares of AFN 250 each, due to the reclassification of revaluation surplus against PPE	13.1	**(96,820)**	(96,820)
	Issued, subscribed and paid-up - 7,700,840 (2023: 7,700,840) ordinary shares of AFN 250 each		**1,925,210**	1,925,210

13.1 During the current year, following the directions from DAB, through letter # 12525-10859, the share capital of the bank is reduced by AFN 96.820 million which was recorded in 2010 against the revaluation of fixed asset. This reduction in the capital of the bank has been transferred to the revaluation reserves on the fixed assets.

			31-Dec-24	31-Dec-23 (Restated)
			AFN '000'	
14	**REVALUATION RESERVE ON PROPERTY AND EQUIPMENT**			
	Vehicles		**32,191**	32,442
	Furniture and fixtures		**30,377**	30,377
	Computer equipment		**70,724**	70,724
	Office equipment		**44,034**	44,588
	Land		**294,916**	294,916
	Building		**979,904**	979,904
			1,452,146	1,452,952
	Accumulated incremental depreciation		**(757,592)**	(670,281)
			694,554	782,671
	Deferred tax liability on revaluation reserve balance	11.1	**(138,911)**	(156,534)
			555,643	626,137

			31-Dec-24	31-Dec-23
			AFN '000'	
15	**DEPOSITS FROM CUSTOMERS**			
	Conventional			
	Current deposits		**14,864,804**	12,702,453
	Saving deposits	15.1	**478,413**	389,811
	Term deposits	15.1	**391,579**	390,467
			15,734,795	13,482,731
	Islamic			
	Current deposits		**2,339,229**	2,218,547
	Saving deposits	15.2	**722,125**	731,163
	Term deposits	15.2	**240,130**	37,300
	Wakala special fund	15.3	**200,000**	-
			3,501,484	2,987,010
	Margin deposits			
	Margin deposits - expired		**2,214,869**	2,457,027
	Margin deposits - unexpired		**905,173**	628,348
			3,120,042	3,085,375
			22,356,321	19,555,116

15.1 Saving and term deposits carries zero percent interest rates (2023: zero percent interest rates), following DAB instructions to the banks.

15.2 Profit disbursed rates on Islamic saving and term deposits during the year, ranged from 0.25% to 0.38% and 1.73% to 3.456% respectively (2023: 0.25% to 0.38% and 1.73% to 3.456%) per annum.

15.3 Wakala special fund contract with commencement date from April 2024 to April 2027, carrying 2% markup per annum.

		31-Dec-24	31-Dec-23
		AFN '000'	
16	**LEASE LIABILITIES**		
	Opening balance	**126,104**	114,401
	Addition during the year	**22,255**	78,272
	Payment during the year	**(51,638)**	(60,501)
	Lease modification	-	-
	Write-off	-	-
	Adjustments	**(4,008)**	(1,923)
	Finance cost for the year	**7,494**	9,115
	Exchange gain	**(1,127)**	(13,260)
		99,080	126,104

			31-Dec-24	31-Dec-23
			AFN '000'	
17	**OTHER LIABILITIES**			
	Accrued expenses		**40,396**	45,726
	Profit payable		**21,926**	22,799
	Withholding tax		**3,997**	2,476
	Unearned commission on guarantees		**40,508**	18,097
	ATM settlement payables	17.1	**27,401**	54,519
	Investment risk reserve	17.2	**83,950**	85,645
	Sundry deposit	17.3	**50,020**	44,126
	Others	17.4	**23,110**	16,746
			291,308	290,134

17.1 This includes payables against CSC, VISA and APS settlements.

17.2 This belongs to Islamic mode of financing and represents common deferred Murabaha income.

17.3 This includes long outstanding balances against customer deposits with no movements.

17.4 This includes payables against landlords for lease contracts amounting to AFN 10.65 million (2023: AFN 2.634mn), moneygram agent commission payable AFN 5.793 million and others AFN 6.61 million (2023: Office expense top-up AFN 9.586mn and others AFN 4.5mn).

18 CONTINGENCIES AND COMMITMENTS

Contigencies

18.1 ***Tax Assessments and Uncertain Liabilities***

Banks' final tax assessments for the years ended 2020 and 2021 were completed by tax authorities, as a result additional tax assessed and paid by bank amounting to AFN 3.04mn. The pending tax years audits, an additional amount of tax could arise from the tax authorities. However, any potential economic outflow resulting from these pending assessments cannot be reliably measured as of the reporting date.

			31-Dec-24	31-Dec-23
			AFN '000'	
18.2	***Litigations against the defaulted customers*** As of 31 December 2024, the bank has filed 50 legal suits in local courts against the defaulted customers, major cases pertains to loans and advances to customers and bank guarantees. However, as of the reporting date, the outcome of these cases have not yet been decided fully in Banks' favor. The bank legal department remains optimistic that all such cases will eventually be decided in the favor of the bank. Due to nature of the cases and slow movement of the court procedures, the timeframe cannot be ascertained.		**4,734,262**	2,261,065
			4,734,262	2,261,065
	Commitments			
	Bank Guarantees issued	18.3	**3,514,207**	3,229,014
	Un-used commitments		-	-

18.3 This includes expired and unexpired guarantees amounting to AFN 1,296 million and 2,217 million respectively (2023: 1,018mn and 2,210mn). These guarantees are secured against counter guarantee and cash margin ranging from 0% to 100%.

		Note	31-Dec-24	31-Dec-23
			AFN '000'	
19	**NET MARK-UP/ RETURN/ INTEREST INCOME**			
	Mark-up/ return/ interest earned			
	Investments		**101,188**	43,276
	Loans and advances - profit		**3,780**	6,228
	Profit income on investments		**7,349**	10,592
			112,318	60,096
	Mark-up/ return expense			
	Deposits from customers		**(10,161)**	(8,275)
	Borrowings from FIs	19.1	**(1,235)**	(10,819)
			(11,396)	(19,094)
	Mark-up/ return/ interest income - net		**100,922**	41,002

19.1 This represent mark-up paid on leverage facility which carries a variable interest rate.

		31-Dec-24	31-Dec-23
		AFN '000'	
20	**NET FEE AND COMMISSION INCOME**		
	Fee and commission income		
	Commission and processing fee on bank guarantees	**111,982**	42,806
	Remittance services	**655,662**	710,726
	Bills collection	**15,247**	13,044
	Accounts servicing fee	**74,617**	77,527
	Electronic banking	**24,340**	25,494
		881,848	869,597
	Fee and commission expense		
	Agents commission	**(87,036)**	(52,622)
	Interbank transactions fee	**(4,221)**	(21,140)
	Electronic banking	**(30,676)**	(36,992)
		(121,933)	(110,754)
	Fee and commission income - net	**759,915**	758,843

		31-Dec-24	31-Dec-23 (Restated)
		AFN '000'	
21	**INCOME / (LOSSES) FROM DEALING IN FOREIGN CURRENCIES**		
	Realized gain/(loss):		
	- Income from trading	**366,755**	523,411
	- Loss from trading	**(107,761)**	(60,017)
		258,994	463,394
	- Unrealized gain/(loss)	**(176,390)**	(1,299,716)
	Income / (lossses) from dealing in foreign currencies - net	**82,604**	(836,322)
22	**OTHER INCOME**		
	Recovery of loans written off	**-**	5,424
	Other	**10,150**	4,825
		10,150	10,249

		Note	31-Dec-24	31-Dec-23
			AFN '000'	
23	**DEPRECIATION AND AMORTIZATION**			
	Depreciation of property & equipment		**99,028**	116,264
	Amortization of right to use assets		**52,363**	49,883
	Amortization of intangible assets		**3,900**	7,945
			155,291	174,092
24	**PERSONNEL EXPENSES**			
	Salaries and wages		**236,098**	231,412
	Other allowances and benefits		**43,336**	38,807
	Bonus		**-**	-
			279,434	270,220

			31-Dec-24	31-Dec-23
			AFN '000'	
25	**OPERATING EXPENSES**			
	Security guards expenses		**49,912**	32,662
	Insurance	25.1	**27,126**	24,769
	Communication		**19,437**	20,373
	Advertisement		**12,683**	17,294
	Utilities		**35,471**	37,721
	Repairs and maintenance		**32,713**	77,502
	Travelling and conveyance		**2,402**	3,526
	Food expenses		**6,021**	8,087
	Legal and professional fees		**4,440**	2,995
	Directors meeting fees		**7,325**	9,219
	Stationery and printing		**11,204**	11,990
	Training expenses		**349**	1,367
	Audit fees		**4,967**	6,215
	Other expenses		**10,358**	5,201
			224,408	258,921

26 INCOME TAX EXPENSE

The major components of tax expense and reconciliation of tax expense based on applicable tax rates of 20% (2023: 20%) is as follows:

		31-Dec-24	31-Dec-23 (Restated)
		AFN '000'	
Taxation:			
Current		-	-
Prior year		-	-
Deferred		**58,384**	(113,518)
		58,384	(113,518)
Reconciliation of effective tax rate	**Rate**		
Profit before taxation		**274,463**	(765,943)
Tax at the applicable rate of 20% (2023: 20%)	20%	**54,893**	(153,189)
Deductible expenditure temporary difference		**(32,446)**	(35,726)
Non-deductible expenditure temporary difference		**18,364**	17,242
Unrealized carry forward taxable losses		**69,216**	(134,858)
Others	26.1	**3,249**	39,824
		58,384	(113,518)

26.1 These amounts represent an opening balance adjustment due to accelerated depreciation of property and equipment, amounting to AFN 16.9 million, and the derecognition of deferred tax assets related to lease liabilities of AFN 22.8 million

27 RELATED PARTY TRANSACTIONS

Parent and ultimate controlling party
The Bank is owned by individual shareholder who owns the 100% shareholdings of the bank.

Key management personnel

Key management personnel includes Chief Executive Officer, Deputy Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Chief Credit Officer, Chief Risk Officer and Chief Compliance Officer.

Transactions with related parties
Transactions and balances with related parties, including remuneration and benefits paid to directors and other key management personnel under the terms of their employment are as follows:

	Balances		Transactions	
	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
		AFN '000'		
Shareholders				
Loans and advances	-	-	-	-
Interest income	-	-	-	-
Deposit	**1,714**	1,720	-	-
Transactions with directors and other key management personnel				
Salary and other benefits	-	-	**38,770**	38,385
Directors' fee	-	-	**7,325**	9,219
Advance salary	**2,121**	1,042	-	-

27.1 In addition to salaries and remuneration, the Bank also provides non-cash benefits to executives which include furnished accommodation, meals and travel.

28 CASH AND CASH EQUIVALENTS

	31-Dec-24	31-Dec-23
	AFN '000'	
Cash in hand and ATM	**2,904,986**	3,107,945
Balance with banks	**11,481,213**	8,980,087
Short-term placements	**197,600**	173,600
Balance with asset manager	**18,668**	3,129
	14,602,467	12,264,761
Allowance for impairment - placement	**(1,976)**	(1,736)
	14,600,491	12,263,025

29 FINANCIAL ASSETS AND LIABILITIES

Categories of financial assets and financial liabilities

Note 29 provides a description of each category of financial assets and financial liabilities and the related accounting policies. The carrying amounts of financial assets and financial liabilities in each category are as follows:

	Note	Available for sale financial assets	Held for trading	Fair value through profit or loss	Held to maturity	Loans and receivables	Total
		(carried at fair value)			(carried at amortized cost)		
		AFN '000'					
December 31, 2024							
Financial assets							
Cash and cash equivalent	5	-	-	-	-	14,404,867	14,404,867
Investments	6	487,862	-	-	2,005,209	-	2,493,071
Loans and advances to customers	7	-	-	-	-	4,392,401	4,392,401
Other assets	12	-	-	-	-	2,678,340	2,678,340
		487,862	-	-	2,005,209	21,475,607	23,968,679

	Note	Derivatives used for hedging	Designated at FVTPL	Other liabilities at FVTPL	Other liabilities (amortized cost)	Total
		(carried at fair value)				
		AFN '000'				
Financial liabilities						
Deposits from customers	15	-	-	-	22,356,321	22,356,321
Other liabilities	17	-	-	-	162,853	162,853
		-	-	-	22,519,174	22,519,174

	Note	Available for sale financial assets	Held for trading	Fair value through profit or loss	Held to maturity	Loans and receivables	Total
		(carried at fair value)			(carried at amortized cost)		
		AFN '000'					
December 31, 2023							
Financial assets							
Cash and cash equivalent	5	-	-	-	-	12,088,032	12,088,032
Investments	6	426,906	-	-	1,087,923	-	1,514,828
Loans and advances to customers	7	-	-	-	-	4,333,110	4,333,110
Other assets - (restated)	12	-	-	-	-	2,456,517	2,716,370
		426,906	-	-	1,087,923	18,877,659	20,652,340

	Note	Derivatives used for hedging	Designated at FVTPL	Other liabilities at FVTPL	Other liabilities (amortized cost)	Total
		(carried at fair value)				
		AFN '000'				
Financial liabilities						
Deposits from customers	15	-	-	-	19,599,242	19,599,242
Other liabilities	17	-	-	-	403,092	403,092
		-	-	-	20,002,334	20,002,334

The carrying values approximate fair values as mostly the assets and liabilities have short maturities and are expected to be recovered/settled at their carrying values except for lease liabilities for which liability represent present value of future lease payments discounted at incremental borrowing rate.

30 FINANCIAL RISK MANAGEMENT

30.1 Introduction and overview

The Bank has exposure to the following risks from its use of financial instruments:
a) credit risks
b) liquidity risks
c) market risks
d) operational risks

This note presents information about Bank's exposure to each of the above risks, the Bank's objectives, policies and processes for measuring and managing risk, and the Bank's management of capital.

Risk management framework

The Board of Supervisors has overall responsibility for the establishment and oversight of risk management framework of the Bank. The Board has established a Risk Management Committee to review and monitor the various risks faced by the Bank in the regular course of business and guide with suitable strategy and direction for mitigation. Different functional departments are entrusted with the ownership for management of these risks by implementing suitable systems & procedures duly to comply with the regulatory guidelines and laws.

The Bank has established Operational Risk Management Committee and Credit Risk Management Committee at Management level to review and monitor operational risk and credit risk respectively.

The Bank has put in place a Risk Management Policy for Conventional Banking, apart from a separate Islamic Banking Risk Management Policy to deal with the risks relating to Islamic Banking activities. The Bank has developed a stress testing policy covering Credit Risk, Market Risk, and Liquidity Risk, which is a forward looking exercise to evaluate the impact on the Bank's financial position under severe but plausible scenarios. The output shall be used for risk mitigation methods, contingency plans, capital and liquidity management plans in stressed circumstances.

In the overall process of risk management of various risks encountered by the Bank, certain tools, models, frameworks are developed for identification, assessment and monitoring of risks.

The Board's Audit and Risk Committees are responsible for monitoring compliance with the Bank's risk management policies and procedures, and for reviewing the adequacy of the risk management framework in relation to the risks faced by the Bank. The Audit Committee is assisted in these functions by the Internal Audit and Compliance departments whereas Risk Committee is provided frequent feedback by Risk Department.

a) Credit risk

Credit risk is the risk of financial loss to the Bank if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Bank's loans and advances to customers and placements with other banks. For risk management reporting purposes, the Bank considers and consolidates all elements of credit risk exposure.

Management of credit risk

The Bank has both Board of Management and Board of Supervisors level Credit Committees to mitigate the credit risks. Credit Department, reporting to the Credit Committee is responsible for managing the Bank's credit risk while the Board is responsible for oversight of same. The Credit Department is headed by the Chief Credit Officer (CCO). The Chief Credit Officer along with Credit Department staff look after credit risk matters and conduct portfolio analysis for managing credit risk.

The Bank has established and maintained a sound loan portfolio in terms of a well-defined credit policy approved by the Board. The credit evaluation system comprises of a well designed credit appraisal, sanctioning and review procedures for the purposes of emphasizing prudence in lending activities and ensuring the high quality of asset portfolio.

The amount of credit risk is represented by the carrying amounts of the assets on the balance sheet date. Exposure to credit risk is managed through regular analyses of borrowers to meet interest and capital repayment obligations and by changing their lending limits where appropriate. Exposure to credit risk is also managed through personal guarantees of the borrowers and mortgage of immoveable properties duly registered with the court of law and hypothecation over stock duly verified by the Bank's Credit Officers on a monthly basis.

Exposure to credit risk

The Bank's maximum exposure to credit risk is the carrying amount of financial assets at the reporting date, as summarized below:

	31-Dec-24	31-Dec-23
	AFN '000'	
Classes of financial assets		
Balances with other banks	**6,488,873**	5,399,929
Investments	**2,005,209**	1,514,828
Loans and advances to customers	**4,392,401**	4,333,110
Other assets - (restated)	**657,010**	1,032,882
Total carrying amounts	**13,543,493**	12,280,749

As at the balance sheet date, all of the loan portfolio of the Bank is recoverable and all the assets which are past due, are provided for as per DAB guidelines.

In addition to the above, the Bank has issued financial guarantees and letter of credits contracts for which the maximum amount payable by the Bank assuming all guarantees/ letter of credits (less margin) are called on, is AFN 2,609 million (2023: AFN 2,600 million).

The Bank's management considers that all the above financial assets that are not impaired or past due on the reporting dates under review, are of good credit quality. The credit risk for cash and balances with central bank, balances with other banks, investments and other assets are considered negligible.

Allowances for impairment

The Bank establishes an allowance for impairment losses on assets carried at amortized cost that represents its estimate of incurred losses in its loan portfolio. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loan loss allowance established for the groups of homogeneous assets in respect of losses that have been incurred but have not been identified on loans that are considered individually insignificant as well as individually significant exposures that were subject to individual assessment for impairment but not found to be individually impaired.

Write-off policy

The Bank writes off loans or advances and any related allowances for impairment losses, when the loans are outstanding for more than 481 days, as per DAB regulation. This determination is reached after considering information such as the occurrence of significant changes in the borrower's financial position or that proceeds from collateral will not be sufficient to pay back the entire exposure. Before allowing the loan to be written off, it is ensured that all possible avenues of recovery, inclusive of legal action are exhausted.

The Bank holds collateral against loans and advances in the form of property documents, pledge of stocks and scratch cards, assignment of receivables and guarantees.

Settlement risk

The Bank's activities may give rise to risk at the time of settlement of transactions and trades. Settlement risk is the risk of loss due to the failure of an entity to honor its obligation to deliver cash or other financial assets as contractually agreed.

Concentration of credit risks by industry

The Bank monitors concentrations of credit risk by industry. An analysis of concentrations of credit risk of loans and advances to customers at reporting date is as follows:

	Note	31-Dec-24	31-Dec-23
		AFN '000'	
Gross amount	7	**5,073,903**	5,057,309
Concentration by sector			
Construction		**630,445**	633,544
Livestock and farms		**94,320**	8,135
Services		**1,770,815**	1,769,764
Trade		**2,012,265**	2,074,524
Manufacturing		**429,675**	429,375
Others		**136,383**	141,967
		5,073,903	5,057,309

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30.2 Credit quality of financial assets

The credit qualities of Bank's financial assets have been assessed below by the reference to external credit ratings of counter parties determined by various international credit rating agencies. The counterparties for which external credit ratings were not available, and have been assessed by reference to internal credit ratings determined based on their historical information for any defaults in meeting obligations.

Balances with other banks	Credit rating	Credit rating agency	31-Dec-24	31-Dec-23
			AFN '000'	
Counter parties with external credit ratings:				
CSC Bank, Lebanon	BBB+	Fitch	95,341	133,016
Aktif Bank, Turkey	NR	NR	49,392	52,281
Transkapital Bank, Russia	NR	NR	5,788	9,735
BMCE Bank, Spain	B1	Moody's	504,674	229,919
Nurol Bank, Turkey	NR	NR	525,490	583,477
Ziraat Bank Uzbekistan	Ba3	Moody's	727,743	725,677
SBM Bank India	NR	NR	38,502	27,576
AL Salam Bank Bahrain	NR	NR	1,824,841	1,500,338
Orien Bank, Tajikistan	NR	NR	534,335	529,013
Turkmenbashi Bank, Turkmanistan	NR	NR	1,451,330	1,143,485
Yes Bank India	Ba2	Moody's	116,365	47,704
Siraj Finance PJSC, UAE	NR	NR	70,807	265,415
Zhejiang Chouzhou Commercial Bank, China	NR	NR	114,226	109,664
Eurosian Saving Bank OJSC	NR	NR	15,107	-
Asaka Bank Uzbekistan	BB	Fitch	189,912	-
Octo Bank Uzbekistan	BB-	Fitch	42,270	-
Sohar International Bank Oman	Baa1	Moody's	140,900	-
			6,447,023	5,357,300

Placements	Credit rating	Credit rating agency	31-Dec-24	31-Dec-23
			AFN '000'	
Aktif Bank, Turkey	NR	NR	197,600	173,600
Nurol Bank, Turkey	NR	NR	123,674	-
AL Salam Bank Bahrain	NR	NR	1,056,750	421,500
Siraj Finance PJSC Dubai	NR	NR	352,250	349,664
Yes Bank India	Ba2	Moody's	-	140,500
			1,730,274	1,085,264
Allowances for impairment			(17,303)	(10,853)
			1,712,971	1,074,411

	31-Dec-24	31-Dec-23
	AFN '000'	
Investments - net	2,005,209	1,342,963

Investments held carries various credit rating including A+ to A. These investments are managed by the bank through Daman under investment criteria defined by the Bank. The credit quality and the maximum exposure to credit risk for under expected credit losses model is based on the Bank's credit rating grades and year-end classification as at 31 December 2024 and 2023 as disclosed in the note 6.4 to the financial statements.

	31-Dec-24	31-Dec-23
	AFN '000'	
Loans and advances to customers- net	4,392,401	4,333,110

The credit quality and the maximum exposure to credit risk for ACPR classifications based on the Bank's credit rating grades and year-end classification as at 31 December 2024 and 31 December 2023 are disclosed in note 8.3 to the financial statements.

Other assets		
Counter parties	2,678,340	2,716,370

30.3 Loans and advances - net

	Note	31-Dec-24	31-Dec-23
		AFN '000'	
Loans and advances are summarized as follows:			
Neither past due nor impaired		179,229	-
Past due but not impaired		9,635	-
Non-performing - as per ACPR if active		4,885,039	5,057,309
Gross outstanding		5,073,903	5,057,309
Less:			
Allowances for impairment	7.1.1	(681,502)	(724,199)
		(681,502)	(724,199)
		4,392,401	4,333,110

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30.4 Concentration of risk of financial assets with credit risk exposure

(a) Geographical sectors

The following table breaks down the Bank's main credit exposure at their carrying amounts, as categorized by geographical region as of 31 December 2024. For this table, the Bank has allocated exposures to regions based on the country of domicile of our counterparties.

2024	On balance sheet:						Off balance sheet:	
	Balances with banks AFN '000	Placements (Note 6) AFN '000	Investments Note 6 AFN '000	Loans and advances to customers - net AFN '000	Receivable from financial institutions AFN '000	Other assets AFN '000	Contingencies and commitments AFN '000	Total AFN '000
Afghanistan	41,852	-	-	5,073,903	-	2,596,564	3,390,533	11,102,852
Bahrain	1,824,841	1,056,750	-	-	-	-	-	2,881,591
China	114,226	-	-	-	-	-	-	114,226
Dubai	-	352,250	392,040	-	-	-	-	744,290
India	154,867	-	-	-	-	-	-	154,867
KSA	-	-	95,822	-	-	-	-	95,822
Kyrgyzstan	15,107	-	-	-	-	-	-	15,107
Lebanon	95,341	-	-	-	-	-	-	95,341
Oman	140,900	-	-	-	-	-	-	140,900
Poland	-	-	-	-	84,177	-	-	84,177
Russia	5,788	-	-	-	-	-	-	5,788
Spain	504,674	-	-	-	-	-	-	504,674
Tajikistan	534,335	-	-	-	-	-	-	534,335
Turkey	574,882	321,274	-	-	-	-	123,674	1,019,829
Turkmenistan	1,451,330	-	-	-	-	-	-	1,451,330
UAE	70,807	-	-	-	-	-	-	70,807
Uzbekistan	959,925	-	-	-	-	-	-	959,925
UK	-	-	-	-	-	-	-	-
	6,488,875	1,730,274	487,862	5,073,903	84,177	2,596,564	3,514,207	19,975,861

2023	On balance sheet:						Off balance sheet:	
	Balances with other banks AFN '000	Placements - net AFN '000	Investments AFN '000	Loans and advances to customers - net AFN '000	Receivable from financial institutions AFN '000	Other assets AFN '000	Contingencies and commitments AFN '000	Total AFN '000
Afghanistan	42,629	-	-	5,057,309	-	2,413,336	3,229,014	10,742,288
Bahrain	1,500,338	421,500	-	-	-	-	-	1,921,838
China	109,664	-	-	-	-	-	-	109,664
Dubai	-	349,664	329,349	-	-	-	-	679,013
India	75,280	140,500	-	-	-	-	-	215,780
KSA	-	-	97,556	-	-	-	-	97,556
Kyrgyzstan	-	-	-	-	-	-	-	-
Lebanon	133,016	-	-	-	-	-	-	133,016
Oman	-	-	-	-	-	-	-	-
Poland	-	-	-	-	92,781	-	-	92,781
Russia	9,735	-	-	-	-	-	-	9,735
Spain	229,919	-	-	-	-	-	-	229,919
Tajikistan	529,013	-	-	-	-	-	-	529,013
Turkey	635,758	173,600	-	-	-	-	-	809,358
Turkmenistan	1,143,485	-	-	-	-	-	-	1,143,485
UAE	265,415	-	-	-	-	-	-	265,415
Uzbekistan	725,677	-	-	-	-	-	-	725,677
UK	-	-	13,511	-	-	-	-	13,511
	5,399,929	**1,085,264**	**440,416**	**5,057,309**	**92,781**	**2,413,336**	**3,229,014**	**17,718,049**

b) **Liquidity risk**

Liquidity risk is the risk that the Bank will encounter difficulty in meeting obligations from its financial liabilities that are settled by delivering cash or another financial assets.

Management of liquidity risk

The Board ensures that the Bank has necessary tools and framework to cater to the requirements of liquidity risk management and the Bank is capable to confronting uneven liquidity scenarios. The Bank's management is responsible for the implementation of sound policies and procedures, keeping in view the strategic direction and risk appetite specified by the Board. The Asset & Liability Committee (ALCO) is entrusted with the responsibility of managing the mismatch in maturities to ensure sufficient available cash flow to meet possible withdrawal of deposits, other commitment or challenges associated with sudden changes in market conditions, whilst enabling the Bank to pursue valued business opportunities. For day to day liquidity risk management, integration of liquidity scenario will ensure that the Bank is best prepared to respond to unexpected problems.

The Bank relies on deposits from customers as its primary source of funding. Deposits from customers generally have shorter maturities and a large proportion of them are repayable on demand. For day to day liquidity risk management, the management relies on several liquidity scenarios to ensure that the Bank is best prepared to respond to any unexpected problems. Currently Central Bank has improved moratorium on withdrawals with limited withdrawals allowed to individual and corporate customers.

Exposure to liquidity risk

The key measure used by the Bank for managing liquidity risk is the ratio of net liquidity assets to deposits from customers. For this purpose, net liquid assets are considered as including cash and cash equivalents less any deposits from banks. A similar, but not identical, calculation is used to measure the Bank's compliance with the liquidity limit established by the Bank's Regulator (Da Afghanistan Bank). Detail of the reported ratio of net liquid assets to deposits from customers at the reporting date and during the reporting period was as follows:

	31-Dec-24	31-Dec-23
At the end of the year	70%	64%
Average for the year	65%	60%
Maximum for the year	80%	67%
Minimum for the year	58%	48%

Maturity analysis for financial assets/(liabilities)

	Note	Carrying amount	Gross nominal outflow	Less than 1 month	1-3 months	3 months to 1 year	More than 1 to 5 years
		AFN '000'					
December 31, 2024							
Financial assets:							
Cash and cash equivalent		14,602,467	14,602,467	2,904,986	11,481,213	216,268	-
Loans and advances		4,392,401	4,392,401	-	-	188,864	4,203,537
Other assets		2,698,352	2,698,352	-	2,164,770	533,582	
		21,693,220	21,693,220	2,904,986	13,645,983	938,714	4,203,537
Financial liabilities:							
Deposits from customers	15	22,356,321	(22,356,321)	(17,204,033)	(1,200,538)	(3,751,750)	(589)
Other liabilities	17	291,308	(291,308)	(166,850)	-	(99,080)	(124,458)
		22,647,629	(22,647,629)	(17,370,883)	(1,200,538)	(3,850,830)	(125,047)
		(954,409)	(954,409)	(14,465,897)	12,445,445	(2,912,116)	4,078,490
December 31, 2023							
Financial assets:							
Cash and cash equivalent		12,264,761	12,264,761	3,107,945	8,980,087	176,729	-
Loans and advances		4,333,110	4,333,110	-	-	-	4,333,110
Other assets - (restated)		2,506,117	2,506,117	-	1,970,733	535,384	-
		19,103,988	19,103,988	3,107,945	10,950,820	712,113	4,333,110
Financial liabilities:							
Deposits from customers	15	19,599,242	(19,599,242)	(14,965,126)	(1,120,974)	(3,512,553)	(589)
Other liabilities	17	509,310	(509,310)	(279,465)	-	(126,103)	(103,742)
		20,108,552	(20,108,552)	(15,244,591)	(1,120,974)	(3,638,656)	(104,331)
		(1,004,564)	(1,004,564)	(12,136,646)	9,829,846	(2,926,543)	4,228,779

The above table shows the undiscounted cash flows on the Bank's financial liabilities on the basis of their earliest possible contractual maturity. The gross nominal out flow disclosed in the above table is the contractual, undiscounted cash flow on the financial liability.

c) **Market risk**

Market risk is the risk that changes in market prices, such as interest rate, equity prices, foreign exchange rates and credit spreads (not relating to changes in the obligor's/ issuer's credit standing), will affect the Bank's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

Management of market risk

The overall authority for market risk management is vested in the Asset & Liability Committee (ALCO). The Bank's ALCO is responsible for the development of detailed risk management policies and day to day review of their implementation. Risk management Department's scope covers the market risk identification, evaluation and reporting back with its recommendation to the management.

Exposure to profit/interest rate risk

The risk to which the Bank's portfolios are exposed, is the risk of loss from fluctuations in the future flows or fair values of financial instrument because of change in market profit/interest rates. Profit/interest rate risk is managed principally through the monitoring of profit/interest rate gaps and by having pre-approved limits for re-pricing bands. ALCO is the monitoring body for compliance with these limits and is assisted by Risk Management Department in its day to day monitoring activities. A summary of the Bank's profit/interest rate gap position on non-trading portfolio is as follows:

	Note	Carrying amount	Less than 3 months	3 - 6 months	6 - 12 months	1 - 5 years	More than 5 years
		AFN '000'					
December 31, 2024							
Investments	6	**2,005,209**	-	-	-	**959,026**	**1,046,183**
Loans and advances to customers	7	**5,073,903**	**4,069,648**	**1,004,255**	-	-	-
		7,079,112	**4,069,649**	**1,004,255**	-	**959,026**	**1,046,183**
Deposits from customers	15	**22,206,340**	**5,845,719**	**17,613**	**16,343,009**	-	-
December 31, 2023							
Investments	6	1,277,006	-	1,085,264	191,742	-	-
Loans and advances to customers	7	5,057,309	4,117,492	-	20,953	918,864	-
		6,334,315	4,117,492	1,085,264	212,695	918,864	-
Deposits from customers	15	19,599,242	5,210,155	2,050	14,387,036	-	-

Exposure to currency risk

The Bank's exposure to foreign currency risk based on notional amounts are as follows:

	Note	Total	AFN	USD	EURO	OTHERS
				AFN '000'		
December 31, 2024						
Cash and cash equivalent	5	**14,602,467**	**5,374,781**	**8,623,206**	**127,914**	**476,566**
Investments	6	**2,005,209**	-	**2,005,209**	-	-
Loans and advances to customers	8	**5,073,903**	**3,219,222**	**1,854,681**	-	-
Other assets	11	**2,856,775**	**1,210,049**	**1,706,320**	**3,309**	**(62,903)**
		24,538,354	**9,804,051**	**14,189,417**	**131,223**	**413,663**
Deposits from customers	15	**22,356,321**	**11,565,793**	**10,607,680**	**32,765**	**150,083**
Other liabilities	17	**291,308**	**179,209**	**108,404**	**294**	**3,402**
		22,647,629	**11,745,002**	**10,716,083**	**33,059**	**153,485**
Net foreign currency exposure		**1,890,725**	**(1,940,951)**	**3,473,334**	**98,164**	**260,178**
December 31, 2023						
Cash and cash equivalent	5	12,088,032	748,510	9,980,712	585,925	772,885
Investments	6	1,342,963	-	1,342,963	-	-
Loans and advances to customers	8	5,057,309	3,138,021	1,919,288	-	-
Other assets - (restated)	11	2,506,117	1,048,200	1,447,664	3,284	6,969
		20,994,421	4,934,731	14,690,627	589,209	779,854
Deposits from customers	15	(19,599,242)	(8,459,307)	(11,106,739)	(33,001)	(195)
Other liabilities	17	(509,310)	(382,207)	(124,390)	(31)	(2,682)
		(20,108,552)	(8,841,514)	(11,231,129)	(33,032)	(2,877)
Net foreign currency exposure		**885,870**	**(3,906,783)**	**3,459,499**	**556,177**	**776,976**

Sensitivity analysis

	December 31, 2024		December 31, 2023	
	Average rate	Reporting date rate	Average rate	Reporting date rate
USD	**70.31**	**70.45**	81.41	70.25
EURO	**75.45**	**73.79**	87.74	76.85

Sensitivity analysis

A 10% strengthening of the Afghani, as indicated below, against the USD and EURO at December 31, 2024 would have increased /(decreased) equity and profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Bank considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular profit/interest rates, remain constant.

	December 31, 2024		December 31, 2023	
	Equity	Profit or loss	Equity	Profit or loss
		AFN '000'		
USD	**(277,867)**	**(347,333)**	(304,808)	(381,010)
EURO	**(7,853)**	**(9,816)**	(44,494)	(55,618)

A 10% weakening of the Afghani against the above currencies at December 31, 2024 would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

d) Operational risk

We define the operational risk as the risk of loss resulting from inadequate or failed internal processes, people and system or from external events. With the evolution of Operations Risk Management into a separate distinct discipline, the Bank's strategy is to further strengthen its risk management system along new industry standards. Accordingly the Bank has set up a separate Operational Risk Management function within Risk Management department. The Bank's operational risk management process involves a structured and uniform approach across the Bank. It includes risk identification and assessments, the monitoring of Key Risk Indicators and Risk Control Self-Assessment activities for key operational risks.

31 CAPITAL MANAGEMENT

Regulatory capital

The Banks' regulator Da Afghanistan Bank sets and monitors capital requirements for the Bank. The capital adequacy of the Bank is assessed in two tiers as per regulations of the Da Afghanistan Bank.

- Tier 1 or core capital, consisting of the highest quality capital elements that fully meet all the essential characteristics of capital; to be 6% of risk weighted assets.

- Tier 2 or supplementary capital, which includes other instruments which, to a varying degree, fall short of the quality of Tier 1 capital, but nonetheless contribute to the overall strength of a bank as a going concern.

- Regulatory capital is the sum of Tier 1 and Tier 2 capital. Besides, Tier 2 capital cannot exceed from total amount of Tier 1 capital. The Bank complies with these regulations.

The Bank's regulatory capital position at December 31, 2024 was as follows:

	31-Dec-24	31-Dec-23 (Restated)
	AFN '000'	
Tier 1 capital		
Total Equity	**2,110,666**	1,800,223
Less:		
Intangible assets	**6,817**	4,315
Net Deferred Tax Assets	**57,443**	-
Profit for the year	**216,079**	-
Revaluation reserve on property and equipment	**556,449**	522,056
Revaluation reserve on available for sale investments	**56,638**	(20,104)
	893,426	506,267
Total tier 1 (core) capital	**1,217,240**	1,293,956
Tier 2 capital		
Profit for the year	**216,079**	-
Revaluation reserve on property and equipment	**556,449**	522,056
Revaluation reserve on available for sale investments	**56,638**	(9,047)
Total tier 2 (supplementary) capital	**829,166**	513,009
Total regulatory capital	**2,046,406**	1,806,965
Risk-Weight Categories		
0% risk weight:		
Cash in Afghani and fully-convertible foreign currencies	**2,904,986**	3,107,945
Direct claims on DAB	**7,033,682**	5,263,646
Total	**9,938,668**	8,371,591
0% Risk-Weight Total (Above Total x 0%)	**-**	-

	31-Dec-24	31-Dec-23 (Restated)
	AFN '000'	
20% risk weight		
Loans Collateralized by Claims on Central Banks and Central Governments of Category A Countries	**-**	-
Direct Claims on banks licensed in Category A countries	**504,674**	229,919
Short-term Claims on Banks Licensed In Non-Category A Countries Guaranteed by Multilateral Lending Institutions	**6,179,823**	5,341,874
Cash Items in Process of Collection	**-**	-
Other	**-**	-
Total	**6,684,497**	5,571,793
20% Risk-Weight Total (Above Total x 20%)	**1,336,899**	1,114,359

	31-Dec-24	31-Dec-23 (Restated)
	AFN '000'	
100% risk weight		
All Other Assets	8,169,950	7,710,806
Minus: Intangible Assets	6,817	4,315
Net Deferred Tax Assets	57,443	-
Deducted Equity Investments	-	-
Total	8,105,690	7,706,491
100% Risk-Weight Total (Above Total x 100%)	8,105,690	7,706,491
Off-balance-sheet items with 0% Credit Conversion Factor		
Unused Portions of Commitments with Original Maturity of 1 Year or Less	-	-
Unused Portions of Commitments that are Unconditionally Cancellable	-	-
Total	-	-
0% Credit Conversion Factor Total (Above Total x 0%)	-	-
Off-balance-sheet items with 20% Credit Conversion Factor		
Commercial Letter of Credits		
0 % Risk Weight	-	-
20% Risk Weight	-	-
50% Risk Weight	-	-
100% Risk Weight	-	-
Total	-	-
Risk-Weighted Total	-	-
20% Credit Conversion Factor Total (Risk-Weighted Total x 20%)	-	-
	31-Dec-24	**31-Dec-23 (Restated)**
	AFN '000'	
Off-balance sheet items with 100% Credit Conversion Factor		
Guarantees and Standby Letter of Credits		
0 % Risk Weight	1,296,751	1,018,815
20% Risk Weight	-	-
50% Risk Weight	-	-
100% Risk Weight	2,217,456	2,210,199
Total	3,514,207	3,229,014
100% Credit Conversion Factor Total (Risk-Weighted Totals x 100%)	2,217,456	2,210,199
Total Risk-Weighted Assets	11,660,045	11,031,049
Tier 1 Capital Ratio	10.44%	11.73%
Regulatory Capital Ratio	17.55%	16.38%

32 SUBSEQUENT EVENTS - NON ADJUSTED

As per the Sharia Ruling No. 1151, dated 27 May 2024, issued by the Dar-ul-Eftah of the Islamic Emirate of Afghanistan, along with subsequent orders issued by the Supreme Court of the Islamic Emirate of Afghanistan (Order No. 373, dated 27 August 2024) and DAB Letter No. 8306/6070, dated 11 January 2025.

The bank was entitled to receive the ADIC insurance premiums paid by the bank from October 2009 to 30 June 2024, while the bank was required to repay all the interest earned or received from the loans and advances to customers from August 2021 to date.

The table below shows the details about the ADIC payment subsequently received and recorded by the Bank.

	Currency		
	AFN "000"	**USD "000"**	**EUR"000"**
ADIC receivable from DAB	**361,203**	**1,934**	**13**
Amount received	**288,962**	**1,934**	**13**
Received on	**11-Feb**	**5-Feb**	**5-Feb**
% of amount received	**80%**	**100%**	**100%**

33 PRIOR YEAR ADJUSTMENTS

Summary table of prior year error correction adjustments

2022		**Balance 31 December 2022**	**Correction Adjustments of 2022**		**B/F 1 Jan 2023 (Restated)**
			AFN '000'		
			Debit	**Credit**	
Revaluation Reserve on PE (SOCE) (CR)	33.1	**660,319**	-	35,667	**695,986**
Deferred tax assets (SOFP) (DR)	33.2	**16,062**	-	14,895	**1,167**
Right to use assets (SOFP) (DR)	33.3	**128,794**	97,015	17,437	**208,372**
Other assets (SOFP) (DR)	33.3	**2,369,155**	-	97,015	**2,272,140**
Accumulated Losses (SOCE) (DR)		**(97,907)**	67,999	-	**(165,906)**
		3,076,423	**165,014**	**165,014**	**3,011,759**

2023		**Balance as of 31 December 2023 (Restated)**	**Correction Adjustments of 2023**		**Balance as of 31 December 2023 (Restated)**
			AFN '000'		
			Debit	**Credit**	
Revaluation Reserve on PE (SOCE) (CR)	14	**556,801**	69,849	513	**626,137**
Deferred tax assets (SOFP) (DR)	11.1	**88,829**	-	28,558	**117,387**
Accumulated Losses (SOCE) (CR)		**(694,672)**	-	36,348	**(731,020)**
Right to use assets (SOFP) (DR)	10	**239,689**	-	4,431	**235,258**
		190,647	**69,849**	**69,849**	**247,762**

33.1 Correction of error in revaluation reserve - (2022)

This adjustment pertains to correction of understatement of the revaluation reserve in prior years, as shown in note 14.

Account head	
Accumulated losses (debit)	35,667
Revaluation reserve (credit)	35,667

33.2 Correction of error in deferred tax liabilities related to revalued assets - (2022)

This represents correction adjustment for understated deferred tax liabilities on revalued assets, as shown in notes 11.1 and 14.

Account head	
Accumulated losses (debit)	14,895
Deferred tax liabilities (credit)	14,895

33.3 Recognition of right to use assets for the Sarqulfi contracts

The Bank had previously recorded two Sarqulfi arrangements (Sarai Shahzada and Gulbahar Center) under Other Assets as security deposits. Although no formal lease contracts exist, these arrangements grant the Bank the right to use specific buildings without any rental payments for an indefinite period. Based on the substance of the arrangements, and in accordance with IFRS 16, they meet the definition of leases, as the Bank has the right to control the use of identifiable assets.

The buildings are estimated to have a useful life of 20 years from the date the right-of-use was acquired. As disclosed in Note 10.1, this matter has been corrected through a retrospective reclassification of the related balances from Other Assets to Right-of-Use Assets, including the recognition of accumulated depreciation and the derecognition of previously recognized foreign exchange (FX) gains. Please refer to the details below.

2022		
Account head		
1 *Cost*		
Right to use assets (debit)	97,015	
Other assets (credit)		97,015
2 *Accumulated amortization*		
Accumulated losses - amortization expense for prior years from inception (credit)	17,437	
Right to use assets (credit)		17,437
2023		
Account head		
1 *Derecognition of FX losses on Sarqulfi contracts*		
Other assets (debit)	6,955	
FX losses (credit)		6,955
2 *Accumulated amortization*		
Amortization expense (debit)	4,431	
Right to use assets (credit)		4,431

34 CORRESPONDING FIGURES

Corresponding figures have been re-arranged and reclassified, where necessary, to reflect better presentation of events and transactions.

35 GENERAL

Figures have been rounded off to the nearest thousand unless otherwise stated

36 APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements were approved by the bank of supervisors for issue on 14/10/25.

CHIEF FINANCIAL OFFICER	CHIEF EXECUTIVE OFFICER	CHAIRMAN BOS

37 ISLAMIC BANKING INFORMATION

37.1 Islamic Banking Financial Position

The Bank has the following interim financial position as at December 31, 2024, for Islamic Banking operations:

	31-Dec-24	31-Dec-23
	AFN '000'	
ASSETS		
Cash and cash equivalent	**1,920,555**	2,122,584
Alwakala deposits with FIs	**1,046,183**	417,285
Investments in Sukuk securities	**191,742**	205,964
Investment in gold	**296,120**	234,452
Murabaha Islamic Financing	**221,499**	94,838
Deferred tax assets	**-**	3,535
Other assets	**436,079**	210,314
Total assets	**4,112,178**	3,288,971
EQUITY AND LIABILITIES		
EQUITY		
Retained earnings	**(243,212)**	(334,119)
Revaluation deficit on financial instruments	**56,638**	(20,104)
Total equity	**(186,574)**	(354,223)
LIABILITIES		
Current deposits	**2,339,229**	2,218,547
Mudarabah saving deposits	**722,125**	731,163
Mudarabah fixed deposits	**240,130**	37,300
Wakala deposits	**200,000**	-
Margin deposits	**595,591**	512,241
Deferred tax liability	**21,803**	-
Other liabilities	**126,100**	116,653
Provision for taxation	**53,774**	27,290
Total liabilities	**4,298,752**	3,643,194
Total equity and liabilities	**4,112,178**	3,288,971
Contingencies and commitments	**1,069,980**	406,550

CHIEF FINANCIAL OFFICER **CHIEF EXECUTIVE OFFICER** **CHAIRMAN BOS**

37.2 Islamic Banking Profit or Loss

The Bank has the following profit or loss for the year ended December 31, 2024, from Islamic Banking operations:

	31-Dec-24	31-Dec-23
	AFN '000'	
Total profit income	**31,465**	17,587
Total profit expense	**(1,965)**	(8,407)
Net profit	**29,500**	9,180
Revenue from banking services	**112,573**	65,462
Expense on banking services	**(892)**	(1,190)
Net revenue form banking services	**111,681**	64,272
Income / (losses) from dealing in foreign currencies	**29,074**	(128,525)
	170,255	(55,073)
Other income	**3,258**	2,806
Impairment allowances	**11,360**	(2,405)
Loss on sale of securities	**(41,361)**	(10,996)
Personnel expenses	**(13,948)**	(12,066)
Operating lease expenses	**(126)**	-
Depreciation and Amortization	**(2,874)**	(59)
Operating expenses	**(5,947)**	(5,695)
	(52,896)	(31,222)
Profit / (Loss) before tax	**120,616**	(83,489)
Taxation	**(27,129)**	16,708
Profit / (Loss) after tax	**93,487**	(66,781)

38 GENERAL

No significant reclassification/rearrangement has been made in these audited financial statements. Figures have been rounded off to the nearest thousands of AFN.

CHIEF FINANCIAL OFFICER **CHIEF EXECUTIVE OFFICER** **CHAIRMAN BOS**