

## **REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION TO THE SHAREHOLDERS OF AFGHAN UNITED BANK**

### **Introduction**

We have reviewed the accompanying condensed interim statement of financial position of **Afghan United Bank** (the Bank) as at **31 March 2025**, and the related condensed interim statement of comprehensive income, changes in equity and cash flows for the three months then ended, and notes to the condensed interim financial information (here-in-after referred to as the condensed interim financial information'). Management is responsible for the preparation and fair presentation of this condensed interim financial information in accordance with the requirement of the Law of Banking in Afghanistan and International Accounting Standards 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

### **Scope of Review**

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Basis for Qualified Conclusion**

- a) 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 March 2025. Because we were appointed after the period-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.
- b) As part of our review 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 5,403,537 (equivalent to AFN 386,893,265) 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.

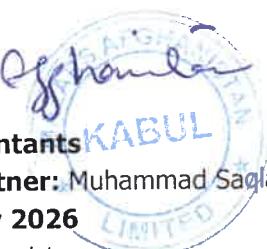
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**Qualified Conclusion**

Based on our review, except for the possible effect of the matters described in under the "Basis for Qualified Conclusion" paragraph, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared in all material respects, in accordance with the requirements of Law of Banking in Afghanistan and International Accounting Standards 34 "Interim Financial Reporting".

**Emphasis of Matter**

We draw attention to note 7.2 to the condensed financial information that states the impact on provisions had the Asset Classification and Provisioning Regulation come into effect as of 31 March 2025.

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Chartered Accountants   
Engagement Partner: Muhammad Saqlain Siddiqui  
Date: 14 January 2026  
Place: Kabul, Afghanistan

**AFGHAN UNITED BANK**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)**  
**AS OF 31 MARCH 2025**

	Note	31-Mar-25 (Un-audited)	31-Dec-24 (Audited)
		AFN '000'	
<b>ASSETS</b>			
Cash and cash equivalents	5	<b>15,650,740</b>	14,600,491
Investments - net	6	<b>2,095,475</b>	2,005,209
Loans and advances to customers - net	7	<b>4,251,783</b>	4,392,401
Property and equipment	8	<b>873,620</b>	895,294
Intangible assets	9	<b>5,958</b>	6,817
Right of use	10	<b>191,151</b>	201,368
Deferred tax asset - net		-	57,443
Other assets	11	<b>2,958,256</b>	2,698,352
<b>Total assets</b>		<b>26,026,983</b>	<b>24,857,375</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Issued and paid up capital	12	<b>1,925,210</b>	1,925,210
Revaluation reserve on property and equipment		<b>534,621</b>	556,449
Revaluation surplus on debt instruments at FVOCI		<b>103,668</b>	56,638
Retained earnings		<b>52,007</b>	(427,631)
<b>Total equity</b>		<b>2,615,506</b>	<b>2,110,666</b>
<b>LIABILITIES</b>			
Deposits from customers	13	<b>22,922,747</b>	22,356,321
Lease liabilities	14	<b>89,772</b>	99,080
Deferred tax liability - net		<b>67,163</b>	-
Other liabilities	15	<b>331,795</b>	291,308
<b>Total liabilities</b>		<b>23,411,477</b>	<b>22,746,709</b>
<b>Total equity and liabilities</b>		<b>26,026,983</b>	<b>24,857,375</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	16		<i>May</i>

The annexed notes 1 to 29 form an integral part of these financial statements.

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**AFGHAN UNITED BANK**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE THREE MONTHS PERIOD ENDED ON 31 MARCH 2025**

Note	31-Mar-25 (Un-audited)	31-Mar-24 (Un-audited)
	AFN '000'	
Mark-up/ return/ interest earned	<b>41,468</b>	24,772
Mark-up/ return expense	<b>(2,826)</b>	(2,885)
<b>Net mark-up/ return/ interest income</b>	<b>38,642</b>	21,887
Fee and commission income	<b>186,629</b>	237,283
Fee and commission expense	<b>(28,286)</b>	(25,342)
<b>Net fee and commission income</b>	<b>158,343</b>	211,941
(Losses) / income from dealing in foreign currencies	<b>(48,651)</b>	62,788
Other income	<b>714,052</b>	2,279
<b>Net operating income</b>	<b>862,385</b>	298,895
(Charge) / reversal against non-performing loans and advances to customers	<b>(136,843)</b>	1,437
Loss on sale of securities	<b>-</b>	(30,919)
Depreciation and amortization	<b>(35,862)</b>	(40,481)
Personnel expenses	<b>(72,827)</b>	(66,536)
Finance cost on lease liabilities	<b>(1,651)</b>	(2,074)
Operating lease expenses	<b>(1,269)</b>	(550)
Operating expenses	<b>(43,275)</b>	(44,308)
<b>Profit before tax</b>	<b>570,659</b>	115,463
Income tax expense	<b>(112,849)</b>	(23,093)
<b>Profit for the period</b>	<b>457,810</b>	92,370

**Other comprehensive income**

Items that may be classified to profit or loss subsequently

Gain on remeasurement of AFS investments

Related deferred tax

<b>58,787</b>	35,201
<b>(11,757)</b>	-
<b>47,030</b>	35,201

**Total comprehensive income for the period**

**504,840**

**127,571**

The annexed notes 1 to 29 form an integral part of these financial statements.



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**504,840**

**127,571**

**AFGHAN UNITED BANK**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
**FOR THE THREE MONTHS PERIOD ENDED ON 31 MARCH 2025**

Note	Share capital	Revaluation reserve on property and equipment	Revaluation surplus on debt instruments at FVOCI	Retained earnings	Total
	AFN '000'				
<b>Balance as at January 01, 2024 (Audited) - Restated</b>					
	1,925,210	626,137	(20,104)	(731,020)	1,800,223
Transfer of realized revaluation surplus	-	(21,828)	-	21,828	-
Profit for the period	-	-	-	92,370	92,370
Other comprehensive income	-	(755)	35,201	-	34,446
<b>Total comprehensive loss for the period</b>	-	(755)	35,201	92,370	126,816
<b>Balance as at March 31, 2024 (Un-audited)</b>					
	<u>1,925,210</u>	<u>603,554</u>	<u>15,097</u>	<u>(616,822)</u>	<u>1,927,039</u>
<b>Balance as at January 01, 2025 (Audited)</b>					
	<b>1,925,210</b>	<b>556,449</b>	<b>56,638</b>	<b>(427,631)</b>	<b>2,110,666</b>
Transfer of realized revaluation surplus	-	(21,828)	-	21,828	-
Profit for the period	-	-	-	457,810	457,810
Other comprehensive income	-	-	47,030	-	47,030
<b>Total comprehensive income for the period</b>	-	-	47,030	457,810	504,840
<b>Balance as at March 31, 2025 (Un-audited)</b>					
	<u>1,925,210</u>	<u>534,621</u>	<u>103,668</u>	<u>52,007</u>	<u>2,615,506</u>

The annexed notes 1 to 29 form an integral part of these financial statements.



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**AFGHAN UNITED BANK**  
**CONDENSED INTERIM STATEMENT OF CASH FLOW (UN-AUDITED)**  
**FOR THE THREE MONTHS PERIOD ENDED ON 31 MARCH 2025**

	Note	31-Mar-25 (Un-audited)	31-Mar-24 (Un-audited)
		AFN '000'	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		<b>570,659</b>	115,463
<b>Adjustments for:</b>			
Reversal / (charge) against non-performing loans and advances to customers		<b>136,843</b>	(1,437)
Loss on sale of securities		-	30,919
Finance cost on lease liabilities		<b>1,651</b>	2,074
Depreciation and amortization	20	<b>35,862</b>	40,481
		<b>745,015</b>	187,500
<b>Changes in current assets:</b>			
Loans and advances to customers		<b>3,775</b>	(30,793)
Other assets		<b>(259,904)</b>	(190,923)
Deferred tax asset - net		-	23,043
<b>Changes current liabilities:</b>			
Deposits from customers		<b>566,426</b>	(2,593,849)
Other liabilities		<b>40,487</b>	44,563
		<b>1,095,799</b>	(2,560,459)
Income tax paid		-	(22,198)
<b>Net cash from / (used in) operating activities</b>		<b>1,095,799</b>	(2,582,657)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property and equipment	8	<b>(1,739)</b>	(1,041)
Purchase of intangible assets	9	-	(208)
Acquisition of right-of-use assets	10	<b>(1,436)</b>	(1,339)
Investments		<b>(28,839)</b>	(26,422)
<b>Net cash used in investing activities</b>		<b>(32,014)</b>	(29,010)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Lease payments	14	<b>(13,536)</b>	(19,307)
<b>Net cash used in financing activities</b>		<b>(13,536)</b>	(19,307)
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>1,050,249</b>	(2,630,974)
Cash and cash equivalents, beginning of year	5	<b>14,600,491</b>	12,088,032
<b>Cash and cash equivalents, end of period</b>		<b>15,650,740</b>	9,457,058

The annexed notes 1 to 29 form an integral part of these financial statements.



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**AFGHAN UNITED BANK**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE THREE MONTHS PERIOD ENDED ON 31 MARCH 2025**

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**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** This condensed interim financial information of the Bank for the three months period ended 31 March 2025 has been prepared in accordance with the requirements of the International Accounting Standard 34 -" Interim Financial Reporting" and the Law of Banking in Afghanistan and other laws and regulations issued by Da Afghanistan Bank. Whenever the requirement of the Law of Banking in Afghanistan differs with the requirements of the IAS 34, the requirement of the Law of Banking in Afghanistan and other laws and regulations issued by Da Afghanistan Bank takes precedence.

**2.2** The disclosures made in this condensed interim financial information have been limited based on the format prescribed by the International Accounting Standard (IAS) 34, 'Interim Financial Reporting' and do not include all the information required in the annual financial statements. Accordingly, this condensed interim financial information should be read in conjunction with the annual financial statements of the Bank for the year ended 31 December 2024.

**2.3** Comparative statement of financial position is extracted from the annual financial statements as at 31 December 2024 whereas comparative statement of comprehensive income, statement of changes in equity and statement of cash flows have been taken from un-audited condensed interim financial statements for the three months period ended 31 March 2024.

**3 Standards, interpretations and amendments to published approved accounting standards that are effective in the current period**

There are certain new and amended standards and interpretations that are mandatory for the Bank's accounting periods beginning on or after 1 January 2025 but are considered not to be relevant or do not have any significant effect on the Bank's operations.

**4 ACCOUNTING POLICIES**

**4.1** The accounting policies adopted in preparation of this condensed interim financial information are consistent with those followed in the preparation of the annual financial statements of the Bank for the year ended 31 December 2024.

**4.2** The estimates / judgments assumptions used in the preparation of this condensed interim financial information is consistent with those applied in the preparation of the annual financial statements of the Bank for the year ended 31 December 2024.

**4.3** The financial risk management policies and procedures are the same as those disclosed in annual financial statements of the Bank for the year ended 31 December 2024.

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**AFGHAN UNITED BANK**

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE THREE MONTHS PERIOD ENDED ON 31 MARCH 2025**

	Note	31-Mar-25	31-Dec-24
		(Un-audited)	(Audited)
		AFN '000'	
<b>5 CASH AND CASH EQUIVALENT</b>			
Cash in hand	5.1	<b>3,735,826</b>	2,770,045
Cash in ATM	5.2	<b>230,112</b>	134,941
Balances with banks	5.3	<b>11,470,938</b>	11,481,213
Short-term placements	5.4	<b>197,000</b>	197,600
Balance with asset manager		<b>18,834</b>	18,668
		<b>15,652,710</b>	14,602,467
<i>Allowances for impairment - Placement</i>		<b>(1,970)</b>	(1,976)
		<b>15,650,740</b>	14,600,491
<b>5.1 Cash in hand</b>			
- Local currency		<b>1,250,064</b>	1,139,093
- Foreign currencies		<b>2,485,762</b>	1,630,952
		<b>3,735,826</b>	2,770,045
<b>5.2 Cash in ATM Machines</b>			
- Local currency		<b>226,482</b>	130,108
- Foreign currencies		<b>3,630</b>	4,833
		<b>230,112</b>	134,941
<b>5.3 Balances with banks</b>			
<i>Balances with central bank</i>			
- Local currency current accounts		<b>1,445,149</b>	4,079,992
- Foreign currencies current accounts		<b>1,844,019</b>	912,340
- Overnight deposits		<b>8</b>	8
		<b>3,289,176</b>	4,992,340
Balances with other banks (domestic)		<b>82,525</b>	41,852
Balances with other banks (foreign)		<b>8,099,237</b>	6,447,021
		<b>11,470,938</b>	11,481,213

**5.4** This represents short-term placement with Aktif Bank - Turkiye in TRY currency carrying interest rate 32%p.a, with a maturity of May 2025.

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE THREE MONTHS PERIOD ENDED ON 31 MARCH 2025

	Note	31-Mar-25		31-Dec-24	
		(Un-audited)	(Audited)	AFN '000'	
<b>6 INVESTMENTS - NET</b>					
<b>Debt instruments at fair value through OCI:</b>					
Sovereign Sukuks	6.1	<b>198,212</b>		191,742	
Investment in gold bullion	6.2	<b>355,148</b>		296,120	
		<b>553,360</b>		487,862	
<b>Debt instruments at amortised cost:</b>					
Longterm placements	6.3	<b>1,557,692</b>		1,532,674	
Allowances for impairment	6.4	<b>(15,577)</b>		(15,327)	
		<b>1,542,115</b>		1,517,347	
<b>Investment-net</b>		<b>2,095,475</b>		2,005,209	

**6.1** This represents investment in sukuks with Kingdom of Saudi Arabia, UAE and Dubai Islamic Bank having maturity ranging 2026 to 2030 (2024: 2026 to 2030) and carry profit rates ranging from 1.96% to 2.97% (2024: 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 (2024: 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 and Dubai, 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.

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AFGHAN UNITED BANK

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE THREE MONTHS PERIOD ENDED ON 31 MARCH 2025

		31-Mar-25		31-Dec-24	
		(Un-audited)	AFN '000'	(Audited)	
<b>7</b>	<b>LOANS AND ADVANCES TO CUSTOMERS - NET</b>				
	Conventional Loans			4,838,314	
	Islamic Loans			235,589	
				5,073,903	
	Impairment allowances	7.1	(823,292)	(681,502)	
		7.1.1	4,251,783	4,392,401	

**7.1 Impairment allowances**

Balance at the beginning of the year		681,502	724,199
Charge / (reversal) for the period / year	7.1.1	136,737	(43,665)
Exchange rate differences		5,053	968
<b>Balance at the end of the period / year</b>	<b>7.1.1</b>	<b>823,292</b>	<b>681,502</b>

7.1.1	Note	31 March 2025			31 December 2024		
		Gross amount	Impairment allowance	Carrying amount	Gross amount	Impairment allowance	Carrying amount
		..... AFN '000 .....			..... AFN '000 .....		
<b>Conventional financing</b>							
Running finance	7.1.2	3,499,208	(652,334)	2,846,874	3,486,881	(594,126)	2,892,755
Term finance	7.1.3	1,356,284	(153,238)	1,203,046	1,351,433	(73,291)	1,278,142
		<b>4,855,493</b>	<b>(805,572)</b>	<b>4,049,920</b>	<b>4,838,314</b>	<b>(667,417)</b>	<b>4,170,897</b>
<b>Islamic financing</b>							
Murabaha	7.1.4	219,582	(17,719)	201,863	235,589	(14,086)	221,503
		<b>5,075,075</b>	<b>(823,291)</b>	<b>4,251,783</b>	<b>5,073,903</b>	<b>(681,503)</b>	<b>4,392,401</b>

**7.1.2** These carry interest rate ranging between 10% to 15% (2024: 10% to 15%). These are secured against mortgage of immoveable properties.

**7.1.3** These carry interest rate at 10% to 15% (2024: 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% (2024: 3% to 15%) per annum. These facilities are extended for the period of three months to 6 months (2024: 3 months to 6 months) and secured against mortgage of immovable properties, Personal Guarantees, and Direct Payment undertaking from the purchaser.

**7.2** As per DAB letter no. 6216/4520, notifying further deferral of the ACPR regulation as of 31 December 2024, and instructing the banks to recognize 30% of the unrecorded provisions during the year 2025, in accordance with the instructions, the bank has recognized 7% of the deferred provision as of the reporting date, amounting to AFN 136.73mn. The bank plans to recognize the full 30% of the deferred by 31 December 2025, in compliance with the requirements outlined in the DAB letter.

**7.3 Impairment reversal / (charge) on financial assets**

Net provision against investments and Placements		(106)	(6,471)
Net impairment (provision) / reversal on loans and advances to customers		(136,737)	43,665
		<b>(136,843)</b>	<b>37,194</b>



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AFGHAN UNITED BANK  
 NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
 FOR THE THREE MONTHS PERIOD ENDED ON 31 MARCH 2025

8 PROPERTY AND EQUIPMENTS

**Operating fixed assets**

Property & equipment  
 Right of use asset

	31-Mar-25 (Un-audited)	31-Dec-24 (Audited)
	AFN '000'	
	<b>873,620</b>	895,294
	<b>191,151</b>	201,368
	<b>1,064,771</b>	<b>1,096,662</b>

8.1 Cost

Opening balances  
 Addition during the period / year  
 Disposal during the period / year  
 Closing balances

Opening balances	<b>2,318,525</b>	2,294,696
Addition during the period / year	<b>1,739</b>	25,168
Disposal during the period / year	-	(1,339)
Closing balances	<b>2,320,264</b>	<b>2,318,525</b>

**Accumulated Depreciation**

Opening balances  
 Charged for the period / year  
 Disposal during the period / year  
 Closing balances

Opening balances	<b>1,423,234</b>	1,325,294
Charged for the period / year	<b>23,410</b>	99,028
Disposal during the period / year	-	(1,091)
Closing balances	<b>1,446,644</b>	<b>1,423,231</b>

**Written down value**

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

	31-Mar-25 (Un-audited)	31-Dec-24 (Audited)
	AFN '000'	
	<b>873,620</b>	<b>895,294</b>

Furniture and fixtures  
 Computer equipment  
 Vehicles  
 Office equipment

Furniture and fixtures	<b>75,960</b>	75,752
Computer equipment	<b>202,963</b>	245,357
Vehicles	<b>92,822</b>	92,907
Office equipment	<b>206,934</b>	151,987
	<b>578,679</b>	<b>566,003</b>

9 INTANGIBLE ASSETS

**Cost**

Opening balances  
 Addition during the period / year  
 Closing balances

	31-Mar-25 (Un-audited)	31-Dec-24 (Audited)
	AFN '000'	
	<b>281,932</b>	275,530
	-	6,402
	<b>281,932</b>	<b>281,932</b>

**Accumulated Depreciation**

Opening balances  
 Charged for the period / year  
 Disposal during the period / year  
 Closing balances

Opening balances	<b>275,115</b>	271,215
Charged for the period / year	<b>859</b>	3,900
Disposal during the period / year	-	-
Closing balances	<b>275,974</b>	<b>275,115</b>
	<b>5,958</b>	<b>6,817</b>

**Written down value**

9.1 Intangible assets include computer software and licenses. The amortization rate of intangible assets is 33.33% (2024: 33.33%). The gross carrying amount of fully amortized intangible assets still in use is AFN 271,619 thousand (2024: AFN 271,619 thousand).

10 RIGHT OF USE ASSETS

**Cost**

Opening balance  
 Additions  
 Modification  
 Adjustment  
 Closing balance

	31-Mar-25 (Un-audited)	31-Dec-24 (Audited)
	AFN '000'	
	<b>432,987</b>	415,849
	-	22,255
	<b>1,436</b>	(3,778)
	-	(1,339)
	<b>434,423</b>	<b>432,987</b>

**Accumulated depreciation**

Opening balance  
 Amortization charge for the period / year  
 Adjustment  
 Closing balance

Opening balance	<b>231,619</b>	180,591
Amortization charge for the period / year	<b>11,593</b>	52,363
Adjustment	<b>61</b>	(1,335)
Closing balance	<b>243,273</b>	<b>231,619</b>
	<b>191,151</b>	<b>201,368</b>

Carrying values



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AFGHAN UNITED BANK  
 NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
 FOR THE THREE MONTHS PERIOD ENDED ON 31 MARCH 2025

	Note	31-Mar-25		31-Dec-24
		(Un-audited)	AFN '000'	(Audited)
<b>11 OTHER ASSETS</b>				
Restricted deposit with DAB	11.1	1,904,379		2,041,342
Advance tax		23,597		23,597
Prepayment and advances		19,821		20,012
Advances to employees		17,500		15,805
Security deposits	11.2	368,766		401,183
Interest receivable	11.3	58,734		57,957
Receivable from Moneygram	11.4	526,496		109,972
Receivable from humanitarian organization		978		13,456
CSC visa card settlements		22,668		-
Others		15,317		15,028
		<b>2,958,256</b>		<b>2,698,352</b>

**11.1** 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%.

**11.2 Security deposits**

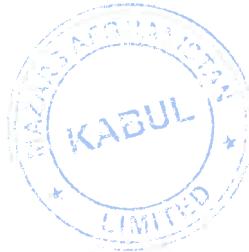
Pashtany bank	11.2.1	358,000	352,250
New Kabul bank		-	40,000
CSC bank		17,898	17,611
Other		3,315	1,609
Provisions		<b>379,213</b>	<b>411,470</b>
		<b>(10,447)</b>	<b>(10,287)</b>
		<b>368,766</b>	<b>401,183</b>

**11.2.1** Security deposits against electricity bills collection for DABS.

**11.3** This represents interest receivables against loans and advances to customers before the changes in country, the bank has recorded provisions on these outstandings accordingly.

**11.4** This represents receivables from money gram against fund transfers, subsequently this balance has been settled.

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		31-Mar-25 (Un-audited)	31-Dec-24 (Audited)
		AFN '000'	
<b>12</b>	<b>SHARE CAPITAL</b>		
	Authorized 40,000,000 (2023: 40,000,000) ordinary shares of AFN 250 each	<u>10,000,000</u>	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
	<i>Less: required reduction of 387,280 ordinary shares of AFN 250 each, due to the reclassification of revaluation surplus against PPE</i>	12.1 (96,820)	(96,820)
	Issued, subscribed and paid-up - 7,700,840 (2023: 7,700,840) ordinary shares of AFN 250 each	<u>1,925,210</u>	1,925,210
<b>12.1</b>	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.		
<b>13</b>	<b>DEPOSITS FROM CUSTOMERS</b>		
	<b>Conventional</b>		
	Current deposits	14,707,616	14,864,804
	Saving deposits	571,867	478,413
	Term deposits	397,970	391,579
		<u>15,677,454</u>	15,734,795
	<b>Islamic</b>		
	Current deposits	3,166,539	2,339,229
	Saving deposits	749,953	722,125
	Term deposits	193,320	240,130
	Wakala special fund	200,000	200,000
		<u>4,309,812</u>	3,501,484
	<b>Margin deposits</b>		
	Margin deposits - expired	2,067,796	2,214,869
	Margin deposits - unexpired	867,685	905,173
		<u>2,935,481</u>	3,120,042
		<u><b>22,922,747</b></u>	22,356,321

**13.1** Saving and term deposits carries zero percent interest rates (2024: zero percent interest rates), following DAB instructions to the banks.

**13.2** 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 (2024: 0.25% to 0.38% and 1.73% to 3.456%) per annum.

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

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		31-Mar-25 (Un-audited)	31-Dec-24 (Audited)
		AFN '000'	
<b>14</b>	<b>LEASE LIABILITIES</b>		
Opening balance		<b>99,080</b>	126,104
Addition during the year		-	22,255
Payment during the year		(13,536)	(51,638)
Lease modification		<b>1,436</b>	-
Adjustments		-	(4,008)
Finance cost for the year		<b>1,651</b>	7,494
Exchange gain		<b>1,141</b>	(1,127)
		<b>89,772</b>	<b>99,080</b>
<b>15</b>	<b>OTHER LIABILITIES</b>		
Accrued expenses		<b>28,507</b>	40,396
Profit payable		<b>23,587</b>	21,926
Withholding tax		<b>4,155</b>	3,997
Unearned commission on guarantees		<b>37,871</b>	40,508
ATM settlement payables	15.1	<b>81,600</b>	27,401
Investment risk reserve	15.2	<b>84,041</b>	83,950
Sundry deposit	15.3	<b>50,882</b>	50,020
Others	15.4	<b>21,152</b>	23,110
		<b>331,795</b>	<b>291,308</b>

**15.1** This includes payables against CSC, VISA and APS settlements,

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

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

**15.4** This includes payables against landlords for lease contracts amounting to AFN 9.60 million (2024: AFN 10.65mn), moneygram agent commission payable AFN 7.648 million (2024: AFN 5.793mn) and others AFN 3.90 million (2024: Others AFN 6.61mn).

**16** **CONTINGENCIES AND COMMITMENTS**

**Commitments**

Bank Guarantees issued	16.3	<b>3,003,591</b>	3,514,207
Un-used commitments		-	-

**16.3** This includes expired and unexpired guarantees amounting to AFN 800 million and 2,202 million respectively (2024: 1,296mn and 2,217mn). These guarantees are secured against counter guarantee and cash margin ranging from 0% to 100%.

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	Note		
		31-Mar-25 (Un-audited)	31-Mar-24 (Un-audited)
		AFN '000'	
<b>17 NET MARK-UP/ RETURN/ INTEREST INCOME</b>			
<b>Mark-up/ return/ interest earned</b>			
Investments		27,306	24,472
Loans and advances - profit		13,855	1
Profit income on investments		308	300
		<b>41,468</b>	<b>24,772</b>
<b>Mark-up/ return expense</b>			
Loans and advances - interest		-	-
Deposits from customers		(2,826)	(2,885)
Borrowings from FIs	17.1	-	-
		<b>(2,826)</b>	<b>(2,885)</b>
<b>Mark-up/ return/ interest income - net</b>			
17.1 This represent mark-up paid on leverage facility which carries a variable interest rate.		<b>38,642</b>	<b>21,887</b>
<b>18 NET FEE AND COMMISSION INCOME</b>			
<b>Fee and commission income</b>			
Commission and processing fee on bank guarantees		19,186	39,570
Remittance services		142,031	172,137
Bills collection		3,395	3,133
Accounts servicing fee		14,409	18,477
Electronic banking		7,607	3,966
		<b>186,629</b>	<b>237,283</b>
<b>Fee and commission expense</b>			
Agents commission		(18,830)	(21,654)
Interbank transactions fee		(1,066)	(731)
Electronic banking		(8,390)	(2,957)
		<b>(28,286)</b>	<b>(25,342)</b>
<b>Fee and commission income - net</b>			
18.1 This represents amounts received from ADIC amounting to AFN 288.96 million and foreign currencies; equivalent to AFN 144.04.		<b>158,343</b>	<b>211,941</b>
<b>19 OTHER INCOME</b>			
Reimbursement from ADIC insurance premium	19.1	433,011	-
Recovery of loans written off	19.2	265,395	-
Other		15,645	2,279
		<b>714,052</b>	<b>2,279</b>
19.1 This represents amounts received from ADIC amounting to AFN 288.96 million and foreign currencies; equivalent to AFN 144.04.			
As per the Sharia Ruling No. 1151, dated 27 May 2024, issued by the Dar-ul-Eftah of the Islamic Emirate of Afghanistan, following the orders issued by the Supreme Court of the Islamic Emirate of Afghanistan, No. 373, dated 27 August 2024, and DAB letter No. 8306/6070, dated 11 January 2025. Based on the aforesaid letters, the bank was entitled to receive reimbursement of ADPF (formerly ADIC) insurance premiums totaling AFN 505.25 million, which had been paid by the bank from October 2009 to 30 June 2024 on customer deposits in AFN, USD, and EUR currencies. Moreover, on 11 February 2025, the bank received and recognized AFN 433.011 million as income, representing 100% reimbursement of ADIC premiums on customer deposits in USD and EUR, and 80% reimbursement on customer deposits in AFN.			
19.2 This represents recovery from written-off Murabaha loan.			
<b>20 DEPRECIATION AND AMORTIZATION</b>			
Depreciation of property & equipment		23,410	27,553
Amortization of right to use assets		11,593	11,771
Amortization of intangible assets		859	1,158
		<b>35,862</b>	<b>40,481</b>
<b>21 PERSONNEL EXPENSES</b>			
Salaries and wages		61,896	57,776
Other allowances and benefits		10,930	8,760
Bonus		-	-
		<b>72,827</b>	<b>66,536</b>



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		31-Mar-25	31-Mar-24
		(Un-audited)	(Un-audited)
		AFN '000'	
<b>22</b>	<b>OPERATING EXPENSES</b>		
Security guards expenses		<b>12,030</b>	8,398
Insurance		-	6,373
Communication		<b>5,814</b>	3,683
Advertisement		<b>1,638</b>	509
Utilities		<b>9,319</b>	8,355
Repairs and maintenance		<b>3,625</b>	10,164
Travelling and conveyance		<b>434</b>	517
Food expenses		<b>1,035</b>	1,586
Legal and professional fees		<b>2,109</b>	-
Directors meeting fees		<b>1,970</b>	1,950
Stationery and printing		<b>2,940</b>	2,272
Training expenses		<b>577</b>	122
Audit fees		<b>987</b>	(330)
Other expenses		<b>797</b>	709
		<b>43,275</b>	44,308

**23 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-Mar-25 (Un-audited)	31-Dec-24 (Audited)	31-Mar-25 (Un-audited)	31-Mar-24 (Un-audited)
	AFN '000'			
<b>Shareholders</b>				
Loans and advances	-	-	-	-
Interest income	-	-	-	-
Deposit	<b>1,736</b>	2,039	-	2
<b>Transactions with directors and other key management personnel</b>				
Salary and other benefits	-	-	<b>5,540</b>	5,972
Directors' fee	-	-	<b>1,970</b>	1,950
Advance salary	<b>411</b>	218	-	-

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



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**24 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 March 31, 2025 was as follows:

	<b>31-Mar-25</b> (Un-audited)	<b>31-Dec-24</b> (Audited)
	<b>AFN '000'</b>	
<b>Tier 1 capital</b>		
Total Equity	<b>2,615,506</b>	2,110,666
<b>Less:</b>		
Intangible assets	5,958	6,817
Net Deferred Tax Assets	-	57,443
Profit for the period / year	457,810	216,078
Revaluation reserve on property and equipment	534,621	556,449
Revaluation surplus on debt instruments at FVOCI	103,668	56,638
	<b>1,102,057</b>	893,425
<b>Total tier 1 (core) capital</b>	<b>1,513,449</b>	1,217,241
<b>Tier 2 capital</b>		
Profit for the period / year	457,810	216,078
Revaluation reserve on property and equipment	534,621	556,449
Revaluation surplus on debt instruments at FVOCI	103,668	56,638
<b>Total tier 2 (supplementary) capital</b>	<b>1,096,099</b>	829,165
<b>Total regulatory capital</b>	<b>2,609,548</b>	2,046,406
<b>Risk-Weight Categories</b>		
<b>0% risk weight:</b>		
Cash in Afghani and fully-convertible foreign currencies	3,965,938	2,904,986
Direct claims on DAB	5,193,555	7,033,682
<b>Total</b>	<b>9,159,493</b>	9,938,668
<b>0% Risk-Weight Total (Above Total x 0%)</b>	<b>-</b>	<b>-</b>
	<b>31-Mar-25</b> (Un-audited)	<b>31-Dec-24</b> (Audited)
	<b>AFN '000'</b>	
<b>20% risk weight</b>		
Loans Collateralized by Claims on Central Banks and Central Governments of Category A Countries	-	-
Direct Claims on banks licensed in Category A countries	403,889	504,674
Short-term Claims on Banks Licensed In Non-Category A Countries Guaranteed by Multilateral Lending Institutions	7,991,736	6,179,823
Cash Items in Process of Collection	-	-
Other	-	-
<b>Total</b>	<b>8,395,625</b>	6,684,497
<b>20% Risk-Weight Total (Above Total x 20%)</b>	<b>1,679,125</b>	1,336,899



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	31-Mar-25 (Un-audited)	31-Dec-24 (Audited)
	AFN '000'	
<b>100% risk weight</b>		
All Other Assets	8,471,865	8,169,950
Minus: Intangible Assets	5,958	6,817
Net Deferred Tax Assets	-	57,443
Deducted Equity Investments	-	-
<b>Total</b>	<b>8,465,907</b>	<b>8,105,690</b>
<b>100% Risk-Weight Total (Above Total x 100%)</b>	<b>8,465,907</b>	<b>8,105,690</b>
<b>Off-balance-sheet items with 0% Credit Conversion Factor</b>		
Unused Portions of Commitments with Original Maturity		
of 1 Year or Less	-	-
Unused Portions of Commitments that are		
Unconditionally Cancellable	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b>0% Credit Conversion Factor Total (Above Total x 0%)</b>	<b>-</b>	<b>-</b>
<b>Off-balance-sheet items with 20% Credit Conversion Factor</b>		
Commercial Letter of Credits		
0 % Risk Weight	-	-
20% Risk Weight	-	-
50% Risk Weight	-	-
100% Risk Weight	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
Risk-Weighted Total	<b>-</b>	<b>-</b>
<b>20% Credit Conversion Factor Total</b>	<b>-</b>	<b>-</b>
<b>Off-balance sheet items with 100% Credit Conversion Factor</b>		
Guarantees and Standby Letter of Credits		
0 % Risk Weight	1,265,656	1,296,751
20% Risk Weight	-	-
50% Risk Weight	-	-
100% Risk Weight	1,737,935	2,217,456
<b>Total</b>	<b>3,003,591</b>	<b>3,514,207</b>
<b>100% Credit Conversion Factor Total</b>	<b>1,737,935</b>	<b>2,217,456</b>
<b>Total Risk-Weighted Assets</b>	<b>11,882,967</b>	<b>11,660,045</b>
<b>Tier 1 Capital Ratio</b>	<b>12.74%</b>	<b>10.44%</b>
<b>Regulatory Capital Ratio</b>	<b>21.96%</b>	<b>17.55%</b>

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**25 CORRESPONDING FIGURES**

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

**26 GENERAL**

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

**27 APPROVAL OF THE FINANCIAL STATEMENTS**

These financial statements were approved by the bank of supervisors for issue on 14-Jan-26  
May



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CHIEF FINANCIAL OFFICER



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CHIEF EXECUTIVE OFFICER



**AFGHAN UNITED BANK**  
**NOTES TO THE CONDENSED INTERIM STATEMENTS (UN-AUDITED)**  
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**28 ISLAMIC BANKING INFORMATION**

**28.1 Islamic Banking Financial Position**

The Bank has the following interim financial position as at March 31, 2025, for Islamic Banking operations:

	<b>31-Mar-25</b> (Un-audited)	<b>31-Dec-24</b> (Audited)
	AFN '000'	
<b>ASSETS</b>		
Cash and cash equivalent	2,249,204	1,920,555
Alwakala deposits with FIs	1,063,260	1,046,183
Investments in Sukuk securities	198,212	191,742
Investment in gold	355,148	296,120
Murabaha Islamic Financing	201,863	221,499
Right to use	363	-
Deferred tax assets	-	-
Other assets	1,277,304	436,079
<b>Total assets</b>	<b>5,345,354</b>	<b>4,112,178</b>

**EQUITY AND LIABILITIES**

**EQUITY**

Retained earnings	30,535	(243,212)
Revaluation deficit on financial instruments	103,668	56,638
<b>Total equity</b>	<b>134,203</b>	<b>(186,574)</b>

**LIABILITIES**

Current deposits	3,166,539	2,339,229
Mudarabah saving deposits	749,953	722,125
Mudarabah fixed deposits	193,320	240,130
Wakala deposits	200,000	200,000
Margin deposits	647,235	595,591
Deferred tax liability	69,888	21,803
Other liabilities	121,934	126,100
Provision for taxation	62,282	53,774
<b>Total liabilities</b>	<b>5,211,151</b>	<b>4,298,752</b>

**Total equity and liabilities**

<b>Contingencies and commitments</b>	<b>952,843</b>	<b>1,069,980</b>
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**CHIEF FINANCIAL OFFICER**




**CHIEF EXECUTIVE OFFICER**



**AFGHAN UNITED BANK**  
**NOTES TO THE CONDENSED INTERIM STATEMENTS (UN-AUDITED)**  
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**28.2 Islamic Banking Profit or Loss**

The Bank has the following profit or loss for the three months ended 31 March 2025 , from Islamic Banking operations:

	<b>31-Mar-25</b> ( <b>Un-audited</b> )	<b>31-Mar-24</b> ( <b>Un-audited</b> )
	AFN '000'	
Total profit income	18,138	5,755
Total profit expense	(2,826)	(2,885)
<b>Net profit</b>	<b>15,312</b>	2,871
Revenue from banking services	32,588	27,697
Expense on banking services	(140)	(176)
<b>Net revenue from banking services</b>	<b>32,448</b>	27,521
Income from dealing in foreign currencies	8,440	20,761
	<b>56,200</b>	51,153
Other income	267,049	-
Impairment allowances	(3,369)	-
Loss on sale of securities	-	(30,919)
Personnel expenses	(3,069)	(3,037)
Operating lease expenses	(11)	(23)
Finance cost on lease liabilities	(4)	-
Depreciation and Amortization	(978)	(5)
Operating expenses	(462)	(1,565)
<b>Profit / (Loss) before tax</b>	<b>(7,893)</b>	(35,549)
	<b>315,356</b>	15,605
Taxation	(62,282)	(3,121)
<b>Profit / (Loss) after tax</b>	<b>253,074</b>	12,484

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**29 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

