

**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.

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.

Mazars Afghanistan 

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

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

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) AFN '000'	31-Mar-24 (Un-audited)
Mark-up/ return/ interest earned		41,468	24,772
Mark-up/ return expense		(2,826)	(2,885)
Net mark-up/ return/ interest income	17	38,642	21,887
Fee and commission income		186,629	237,283
Fee and commission expense		(28,286)	(25,342)
Net fee and commission income	18	158,343	211,941
(Losses) / income from dealing in foreign currencies		(48,651)	62,788
Other income	19	714,052	2,279
Net operating income		862,385	298,895
(Charge) / reversal against non-performing loans and advances to customers	7.3	(136,843)	1,437
Loss on sale of securities		-	(30,919)
Depreciation and amortization	20	(35,862)	(40,481)
Personnel expenses	21	(72,827)	(66,536)
Finance cost on lease liabilities		(1,651)	(2,074)
Operating lease expenses		(1,269)	(550)
Operating expenses	22	(43,275)	(44,308)
Profit before tax		570,659	115,463
Income tax expense		(112,849)	(23,093)
Profit for the period		457,810	92,370
Other comprehensive income			
Items that may be classified to profit or loss subsequently			
Gain on remeasurement of AFS investments		58,787	35,201
Related deferred tax		(11,757)	-
		47,030	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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AFGHAN UNITED BANK
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED ON 31 MARCH 2025

		Share capital	Revaluation reserve on property and equipment	Revaluation surplus on debt instruments at FVOCI	Retained earnings	Total
		AFN '000'				
Note						
	Balance as at January 01, 2024 (Audited) - Restated	1,925,210	626,137	(20,104)	(731,020)	1,800,223
	Transfer of realized revaluation surplus	13	-	(21,828)	-	21,828
	Profit for the period	-	-	-	92,370	92,370
	Other comprehensive income	-	(755)	35,201	-	34,446
	Total comprehensive loss for the period	-	(755)	35,201	92,370	126,816
	Balance as at March 31, 2024 (Un-audited)	<u>1,925,210</u>	<u>603,554</u>	<u>15,097</u>	<u>(616,822)</u>	<u>1,927,039</u>
	Balance as at January 01, 2025 (Audited)	1,925,210	556,449	56,638	(427,631)	2,110,666
	Transfer of realized revaluation surplus	13	-	(21,828)	-	21,828
	Profit for the period	-	-	-	457,810	457,810
	Other comprehensive income	-	-	47,030	-	47,030
	Total comprehensive income for the period	-	-	47,030	457,810	504,840
	Balance as at March 31, 2025 (Un-audited)	<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) AFN '000'	31-Mar-24 (Un-audited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		570,659	115,463
Adjustments for:			
Reversal / (charge) against non-performing loans and advances to customers		136,843	(1,437)
Loss on sale of securities		-	30,919
Finance cost on lease liabilities		1,651	2,074
Depreciation and amortization	20	35,862	40,481
		<u>745,015</u>	<u>187,500</u>
Changes in current assets:			
Loans and advances to customers		3,775	(30,793)
Other assets		(259,904)	(190,923)
Deferred tax asset - net		-	23,043
Changes current liabilities:			
Deposits from customers		566,426	(2,593,849)
Other liabilities		40,487	44,563
		<u>1,095,799</u>	<u>(2,560,459)</u>
Income tax paid		-	(22,198)
Net cash from / (used in) operating activities		<u>1,095,799</u>	<u>(2,582,657)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment	8	(1,739)	(1,041)
Purchase of intangible assets	9	-	(208)
Acquisition of right-of-use assets	10	(1,436)	(1,339)
Investments		(28,839)	(26,422)
Net cash used in investing activities		<u>(32,014)</u>	<u>(29,010)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Lease payments	14	(13,536)	(19,307)
Net cash used in financing activities		<u>(13,536)</u>	<u>(19,307)</u>
Net increase / (decrease) in cash and cash equivalents		<u>1,050,249</u>	<u>(2,630,974)</u>
Cash and cash equivalents, beginning of year	5	14,600,491	12,088,032
Cash and cash equivalents, end of period		<u>15,650,740</u>	<u>9,457,058</u>

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

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 fledged bank principally engaged in the business of commercial banking with a network of 35 operational branches including two full fledged 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

		31-Mar-25	31-Dec-24
		(Un-audited)	(Audited)
	Note	AFN '000'	
5 CASH AND CASH EQUIVALENT			
Cash in hand	5.1	3,735,826	2,770,045
Cash in ATM	5.2	230,112	134,941
Balances with banks	5.3	11,470,938	11,481,213
Short-term placements	5.4	197,000	197,600
Balance with asset manager		18,834	18,668
		15,652,710	14,602,467
<i>Allowances for impairment - Placement</i>		(1,970)	(1,976)
		15,650,740	14,600,491
5.1 Cash in hand			
- Local currency		1,250,064	1,139,093
- Foreign currencies		2,485,762	1,630,952
		3,735,826	2,770,045
5.2 Cash in ATM Machines			
- Local currency		226,482	130,108
- Foreign currencies		3,630	4,833
		230,112	134,941
5.3 Balances with banks			
<i>Balances with central bank</i>			
- Local currency current accounts		1,445,149	4,079,992
- Foreign currencies current accounts		1,844,019	912,340
- Overnight deposits		8	8
		3,289,176	4,992,340
Balances with other banks (domestic)		82,525	41,852
Balances with other banks (foreign)		8,099,237	6,447,021
		11,470,938	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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AFGHAN UNITED BANK
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED ON 31 MARCH 2025

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

- 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 (Un-audited)	31-Dec-24 (Audited)
			AFN '000'	
7	LOANS AND ADVANCES TO CUSTOMERS - NET			
	Conventional Loans		4,855,493	4,838,314
	Islamic Loans		219,582	235,589
			5,075,075	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
	Balance at the end of the period / year	7.1.1	823,292	681,502

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		
	Conventional financing						
	Running finance	7.1.2	3,499,208	(652,334)	3,486,881	(594,126)	2,892,755
	Term finance	7.1.3	1,356,284	(153,238)	1,351,433	(73,291)	1,278,142
			4,855,493	(805,572)	4,838,314	(667,417)	4,170,897
	Islamic financing						
	Murabaha	7.1.4	219,582	(17,719)	235,589	(14,086)	221,503
			5,075,075	(823,291)	5,073,903	(681,503)	4,392,400

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 recognized the full 30% of the deferred by 31 December 2025, in compliance with the requirements outlined in the DAB letter.

	31-Mar-25 (Un-audited)	31-Dec-24 (Audited)
	AFN '000'	
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
		(136,843) 37,194



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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'	
873,620	895,294
191,151	201,368
1,064,771	1,096,662

8.1 Cost

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

2,318,525	2,294,696
1,739	25,168
-	(1,339)
2,320,264	2,318,525

Accumulated Depreciation

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

1,423,234	1,325,294
23,410	99,028
-	(1,091)
1,446,644	1,423,231

Written down value

873,620	895,294
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The cost / revalued amount of fully depreciated property and equipment still in use are as follows:

Furniture and fixtures
Computer equipment
Vehicles
Office equipment

31-Mar-25 (Un-audited)	31-Dec-24 (Audited)
AFN '000'	
75,960	75,752
202,963	245,357
92,822	92,907
206,934	151,987
578,679	566,003

9 INTANGIBLE ASSETS

Cost

Opening balances
Addition during the period / year
Closing balances

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

Accumulated Depreciation

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

275,115	271,215
859	3,900
-	-
275,974	275,115

Written down value

5,958	6,817
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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'	
432,987	415,849
-	22,255
1,436	(3,778)
-	(1,339)
434,423	432,987

Accumulated depreciation

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

231,619	180,591
11,593	52,363
61	(1,335)
243,273	231,619

Carrying values

191,151	201,368
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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)	(Audited)	
		AFN '000'		
11	OTHER ASSETS	Note		
	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
			2,958,256	2,698,352
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
			379,213	411,470
	Provisions		(10,447)	(10,287)
			368,766	401,183
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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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 (Un-audited)	31-Dec-24 (Audited)
		AFN '000'	
12 SHARE CAPITAL			
Authorized 40,000,000 (2023: 40,000,000) ordinary shares of AFN 250 each		<u>10,000,000</u>	<u>10,000,000</u>
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	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>	<u>1,925,210</u>

- 12.1** 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-Mar-25 (Un-audited)	31-Dec-24 (Audited)
		AFN '000'	
13 DEPOSITS FROM CUSTOMERS			
Conventional			
Current deposits		14,707,616	14,864,804
Saving deposits	13.1	571,867	478,413
Term deposits	13.1	397,970	391,579
		<u>15,677,454</u>	<u>15,734,795</u>
Islamic			
Current deposits		3,166,539	2,339,229
Saving deposits	13.2	749,953	722,125
Term deposits	13.2	193,320	240,130
Wakala special fund	13.3	200,000	200,000
		<u>4,309,812</u>	<u>3,501,484</u>
Margin deposits			
Margin deposits - expired		2,067,796	2,214,869
Margin deposits - unexpired		867,685	905,173
		<u>2,935,481</u>	<u>3,120,042</u>
		<u>22,922,747</u>	<u>22,356,321</u>

- 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'	
14 LEASE LIABILITIES		
Opening balance	99,080	126,104
Addition during the year	-	22,255
Payment during the year	(13,536)	(51,638)
Lease modification	1,436	-
Adjustments	-	(4,008)
Finance cost for the year	1,651	7,494
Exchange gain	1,141	(1,127)
	<u>89,772</u>	<u>99,080</u>

	31-Mar-25 (Un-audited)	31-Dec-24 (Audited)
	AFN '000'	
15 OTHER LIABILITIES		
Accrued expenses	28,507	40,396
Profit payable	23,587	21,926
Withholding tax	4,155	3,997
Unearned commission on quarantees	37,871	40,508
ATM settlement payables	15.1 81,600	27,401
Investment risk reserve	15.2 84,041	83,950
Sundry deposit	15.3 50,882	50,020
Others	15.4 21,152	23,110
	<u>331,795</u>	<u>291,308</u>

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	<u>3,003,591</u>	<u>3,514,207</u>
Un-used commitments		<u>-</u>	<u>-</u>

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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		31-Mar-25 (Un-audited)	31-Mar-24 (Un-audited)
		AFN '000'	
17	NET MARK-UP/ RETURN/ INTEREST INCOME		
	Mark-up/ return/ interest earned		
	Investments	27,306	24,472
	Loans and advances - profit	13,855	1
	Profit income on investments	308	300
		<u>41,468</u>	<u>24,772</u>
	Mark-up/ return expense		
	Loans and advances - interest	-	-
	Deposits from customers	(2,826)	(2,885)
	Borrowings from FIs	-	-
		<u>(2,826)</u>	<u>(2,885)</u>
	Mark-up/ return/ interest income - net	<u>38,642</u>	<u>21,887</u>
17.1	This represent mark-up paid on leverage facility which carries a variable interest rate.		
		31-Mar-25 (Un-audited)	31-Mar-24 (Un-audited)
		AFN '000'	
18	NET FEE AND COMMISSION INCOME		
	Fee and commission income		
	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
		<u>186,629</u>	<u>237,283</u>
	Fee and commission expense		
	Agents commission	(18,830)	(21,654)
	Interbank transactions fee	(1,066)	(731)
	Electronic banking	(8,390)	(2,957)
		<u>(28,286)</u>	<u>(25,342)</u>
	Fee and commission income - net	<u>158,343</u>	<u>211,941</u>
19	OTHER INCOME		
	Reimbursement from ADIC insurance premium	433,011	-
	Recovery of loans written off	265,395	-
	Other	15,645	2,279
		<u>714,052</u>	<u>2,279</u>
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.		
		31-Mar-25 (Un-audited)	31-Mar-24 (Un-audited)
		AFN '000'	
20	DEPRECIATION AND AMORTIZATION		
	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
		<u>35,862</u>	<u>40,481</u>
21	PERSONNEL EXPENSES		
	Salaries and wages	61,896	57,776
	Other allowances and benefits	10,930	8,760
	Bonus	-	-
		<u>72,827</u>	<u>66,536</u>



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	31-Mar-25 (Un-audited)	31-Mar-24 (Un-audited)
	AFN '000'	
22 OPERATING EXPENSES		
Security guards expenses	12,030	8,398
Insurance	-	6,373
Communication	5,814	3,683
Advertisement	1,638	509
Utilities	9,319	8,355
Repairs and maintenance	3,625	10,164
Travelling and conveyance	434	517
Food expenses	1,035	1,586
Legal and professional fees	2,109	-
Directors meeting fees	1,970	1,950
Stationery and printing	2,940	2,272
Training expenses	577	122
Audit fees	987	(330)
Other expenses	797	709
	43,275	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'			
Shareholders				
Loans and advances	-	-	-	-
Interest income	-	-	-	-
Deposit	1,736	2,039	-	2
Transactions with directors and other key management personnel				
Salary and other benefits	-	-	5,540	5,972
Directors' fee	-	-	1,970	1,950
Advance salary	411	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:

	31-Mar-25 (Un-audited)	31-Dec-24 (Audited)
	AFN '000'	
Tier 1 capital		
Total Equity	2,615,506	2,110,666
Less:		
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
	1,102,057	893,425
Total tier 1 (core) capital	1,513,449	1,217,241
Tier 2 capital		
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
Total tier 2 (supplementary) capital	1,096,099	829,165
Total regulatory capital	2,609,548	2,046,406
Risk-Weight Categories		
0% risk weight:		
Cash in Afghani and fully-convertible foreign currencies	3,965,938	2,904,986
Direct claims on DAB	5,193,555	7,033,682
Total	9,159,493	9,938,668
0% Risk-Weight Total (Above Total x 0%)	-	-
	31-Mar-25 (Un-audited)	31-Dec-24 (Audited)
	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	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	-	-
Total	8,395,625	6,684,497
20% Risk-Weight Total (Above Total x 20%)	1,679,125	1,336,899



Map

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	31-Mar-25 (Un-audited)	31-Dec-24 (Audited)
	AFN '000'	
100% risk weight		
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	-	-
Total	8,465,907	8,105,690
100% Risk-Weight Total (Above Total x 100%)	8,465,907	8,105,690
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-Mar-25 (Un-audited)	31-Dec-24 (Audited)
	AFN '000'	
Off-balance sheet items with 100% Credit Conversion Factor		
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
Total	3,003,591	3,514,207
100% Credit Conversion Factor Total (Risk-Weighted Totals x 100%)	1,737,935	2,217,456
Total Risk-Weighted Assets	11,882,967	11,660,045
Tier 1 Capital Ratio	12.74%	10.44%
Regulatory Capital Ratio	21.96%	17.55%



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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

CHIEF FINANCIAL OFFICER



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:

	31-Mar-25	31-Dec-24
	(Un-audited)	(Audited)
	AFN '000'	
ASSETS		
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
Total assets	5,345,354	4,112,178
EQUITY AND LIABILITIES		
EQUITY		
Retained earnings	30,535	(243,212)
Revaluation deficit on financial instruments	103,668	56,638
Total equity	134,203	(186,574)
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
Total liabilities	5,211,151	4,298,752
Total equity and liabilities	5,345,354	4,112,178
Contingencies and commitments	952,843	1,069,980



CHIEF FINANCIAL OFFICER




CHIEF EXECUTIVE OFFICER

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

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:

	31-Mar-25	31-Mar-24
	(Un-audited)	(Un-audited)
	AFN '000'	
Total profit income	18,138	5,755
Total profit expense	(2,826)	(2,885)
Net profit	15,312	2,871
Revenue from banking services	32,588	27,697
Expense on banking services	(140)	(176)
Net revenue form banking services	32,448	27,521
Income from dealing in foreign currencies	8,440	20,761
	56,200	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)
	(7,893)	(35,549)
Profit / (Loss) before tax	315,356	15,605
Taxation	(62,282)	(3,121)
Profit / (Loss) after tax	253,074	12,484

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