



**REVIEW OF CONDENSED INTERIM  
FINANCIAL INFORMATION OF  
THE FIRST MICROFINANCE BANK AFGHANISTAN  
FOR THE PERIOD FROM JANUARY 1, 2025  
TO MARCH 31, 2025**

**BDO Ebrahim & Co. Chartered Accountants**

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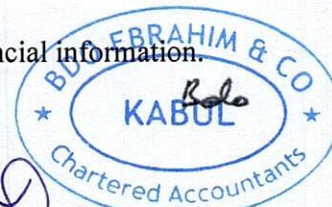
**THE FIRST MICROFINANCE BANK AFGHANISTAN**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT MARCH 31, 2025**

		<b>March 31, 2025 (Un-audited)</b>	<b>December 31, 2024 (Audited)</b>
	<b>Note</b>	<b>----- (AFN 000) -----</b>	
<b>Assets</b>			
Cash and cash equivalents	4	3,745,446	4,411,391
Investments/Placements	5	2,512,993	2,511,094
Loans and advances to customers - net	6	1,646,221	1,486,895
Operating fixed assets	7	157,785	163,743
Intangible asset	8	45,311	51,713
Deferred tax asset - net		343,036	346,700
Other assets	9	<u>737,681</u>	<u>764,119</u>
<b>Total Assets</b>		<u><b>9,188,473</b></u>	<u><b>9,735,655</b></u>
<b>Liabilities</b>			
Deposits from customers	10	7,499,498	8,230,016
Other liabilities	11	<u>377,991</u>	<u>375,361</u>
<b>Total Liabilities</b>		<u><b>7,877,489</b></u>	<u><b>8,605,377</b></u>
<b>Equity</b>			
Share capital	12	796,008	796,008
Share premium		206,038	206,038
Share capital pending allotment	12.2	765,087	600,166
Retained earnings		(454,896)	(469,208)
Revaluation of Financial Instruments FVOCI		<u>(1,253)</u>	<u>(2,726)</u>
<b>Total equity</b>		<u><b>1,310,984</b></u>	<u><b>1,130,278</b></u>
<b>Total equity and liabilities</b>		<u><b>9,188,473</b></u>	<u><b>9,735,655</b></u>
<b>Contingencies and commitments</b>	13		

The annexed notes 1 to 23 form an integral part of this condensed interim financial information.

  
**Chief Financial Officer**

  
**Chief Executive Officer**



**THE FIRST MICROFINANCE BANK AFGHANISTAN**  
**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER**  
**FOR THREE MONTHS ENDED MARCH 31, 2025**

		Three months ended March 31, 2025 (Un-Audited) ----- (AFN 000) -----	Three months ended March 31, 2024 (Un-Audited) ----- (AFN 000) -----
	Note		
Profit/Return on loans and advances, placements and other assets	14.	108,606	69,338
Finance cost of deposits from customers		108,606	69,338
<b>Net Profit/Return</b>		(3,002)	14,433
Fee and commission income	15.	105,604	83,771
Fee and commission expense		13,360	12,774
<b>Net fee and commission income</b>		(207)	(144)
Income from dealing in foreign currencies		13,153	12,630
<b>Revenue</b>		18,017	21,440
Other income	16.	136,774	117,841
Impairment loss on loans and advances to customers	6.2	164,123	10,138
Impairment (loss)/gain on placements/Sukuk		(105,311)	(3,642)
Charge of general provision on other assets		(19)	2,972
Personnel expenses	17.	-	(5)
Depreciation and amortisation		(99,413)	(100,564)
Finance cost on lease liabilities		(11,930)	(22,128)
Other expenses	18.	(175)	(1,244)
Net operating income/(loss)		(66,442)	(70,428)
Non-operating revenue and expenses:		17,607	(67,060)
Grants income recognized against deferred grant		1,133	1,133
Expenditure against grants		(1,133)	(1,133)
<b>Profit/(loss) before tax</b>		-	-
Taxation		17,607	(67,060)
<b>Net profit/(loss)</b>		(3,295)	13,639
Other comprehensive income		14,312	(53,421)
<b>Total comprehensive income/(loss)</b>		1,473	-
		15,785	(53,421)

The annexed notes 1 to 23 form an integral part of this condensed interim financial information.

  
**Chief Financial Officer**



  
**Chief Executive Officer**

THE FIRST MICROFINANCE BANK AFGHANISTAN  
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY  
FOR THREE MONTHS ENDED MARCH 31, 2025

	Share capital	Share premium	Retained earnings	Revaluation of Financial Instruments FVOCI	Share capital pending allotment	Total
	(AFN 000)					
Balance at January 01, 2024 (Audited)	796,008	206,038	87,037	-	-	1,089,083
Total comprehensive income for Three months ended March 31, 2024						
Loss for the period	-	-	(53,421)	-	-	(53,421)
Other comprehensive income	-	-	-	-	-	-
Transactions with shareholders			(53,421)	-	-	(53,421)
Amount received for new capital issue	-	-	-	-	298,155	298,155
Balance at March 31, 2024 (Un-Audited)	796,008	206,038	33,616	-	298,155	1,333,817
Balance as at January 01, 2025 (Audited)	796,008	206,038	(469,208)	(2,726)	600,166	1,130,278
Total comprehensive income for Three months ended March 31, 2025						
Profit for the period	-	-	14,312	-	-	14,312
Other comprehensive income	-	-	-	1,473	-	1,473
Transactions with shareholders			14,312	1,473	-	15,785
Amount received for new capital issue	-	-	-	-	164,921	164,921
Balance at March 31, 2025 (Un-Audited)	796,008	206,038	(454,896)	(1,253)	765,087	1,310,984

The annexed notes 1 to 23 form an integral part of this condensed interim financial information.

Chief Financial Officer



Chief Executive Officer

**THE FIRST MICROFINANCE BANK AFGHANISTAN  
CONDENSED INTERIM STATEMENT OF CASH FLOWS  
FOR THREE MONTHS ENDED MARCH 31, 2025**

		Three months ended March 31, 2025	Three months ended March 31, 2024
	Note	----- (AFN 000) -----	
<b>Cash flows from operating activities</b>			
Profit/(loss) before tax		17,607	(67,060)
Adjustments for:			
Depreciation and amortisation	7 & 9	13,063	22,128
Finance cost on lease		175	1,244
Impairment loss on loans and advances to customers	6.2	105,311	3,642
Impairment loss/(gain) on Placements/Sukuk		19	(2,972)
Provision on other assets		-	5
		<u>136,175</u>	<u>(43,013)</u>
Changes in:			
Increase in loans and advances to customers		(264,637)	(175,940)
Decrease in other assets		26,438	80,343
Decrease in deposits from customers		(730,518)	(229,115)
Increase in other liabilities		<u>19,272</u>	<u>21,986</u>
		<u>(813,270)</u>	<u>(345,739)</u>
Income tax paid		-	-
Grant received		<u>(13,068)</u>	<u>(796)</u>
<b>Net cash used in operating activities</b>		<u>(826,338)</u>	<u>(346,535)</u>
<b>Cash flows from investing activities</b>			
Purchase of property and equipment		(702)	(4,347)
Investment in placements/Sukuk		<u>(1,918)</u>	<u>(277,308)</u>
<b>Net cash used in investing activities</b>		<u>(2,620)</u>	<u>(281,655)</u>
<b>Cash flows from financing activities</b>			
Lease liabilities		(1,908)	(2,520)
Repayment of loans and borrowings		-	(76,703)
Equity raised		<u>164,921</u>	<u>298,155</u>
<b>Net cash flow from financing activities</b>		<u>163,013</u>	<u>218,932</u>
Net decrease in cash and cash equivalents		(665,945)	(409,258)
Cash and cash equivalents at beginning of the period		<u>4,411,391</u>	<u>5,238,368</u>
<b>Cash and cash equivalents at end of the period</b>	4	<u><u>3,745,446</u></u>	<u><u>4,829,110</u></u>

The annexed notes 1 to 23 form an integral part of this condensed interim financial information

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Chief Financial Officer



  
Chief Executive Officer

**THE FIRST MICROFINANCE BANK AFGHANISTAN**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION**  
**FOR THREE MONTHS ENDED MARCH 31, 2025**

**1. STATUS AND NATURE OF BUSINESS**

The First MicroFinance Bank (the 'Bank') was registered as a limited liability company with Afghanistan Investment Support Agency (AISA) in December 2003 and received formal banking license from Da Afghanistan Bank (DAB), the central bank of Afghanistan, on March 18, 2004 to operate nationwide. The Bank is a limited liability company and is incorporated and domiciled in Afghanistan. Since commencement of operations on May 01, 2004, the Bank has been operating as the leading financial services providers in Afghanistan contributing to poverty alleviation and economic development, through provision of sustainable financial services primarily targeted at the micro and small businesses and households.

The main office of The First MicroFinance Bank (FMFB-A) in Afghanistan is located at FMFB-A Head Office, Lane 8, Kolola Pushta Road, District 4, Kabul.

**2. BASIS OF PREPARATION**

This condensed interim financial information of the Bank for the three months period ended March 31, 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. In cases, where requirements differ, the requirement of Law of Banking in Afghanistan takes precedence.

The disclosures made in this condensed financial information have been based on the requirements of the International Accounting Standard (IAS) 34 'Interim Financial Reporting' and do not include all the information required by 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 December 31, 2024.

Comparative statement of financial position is extracted from the annual financial statements as at December 31, 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 March 31, 2024.

**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 January 01, 2025 but are considered not to be relevant or do not have any significant effect on the Bank's operations and therefore not detailed in this condensed interim financial information.

### 3. MATERIAL ACCOUNTING POLICIES

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 December 31, 2024.

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

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

		March 31, 2025 (Un-audited) ----- (AFN 000)	December 31, 2024 (Audited) -----
	Note		
<b>4. CASH AND CASH EQUIVALENTS</b>			
Cash on hand		715,863	1,104,759
Unrestricted balances with Da Afghanistan Bank		2,772,208	3,156,748
Balances with other banks	4.1	<u>257,375</u>	<u>149,884</u>
		<u>3,745,446</u>	<u>4,411,391</u>
<b>4.1 Balances with other banks</b>			
Balances with:			
Transkapital - Russia		4,171	4,132
The Bank of Africa-Europe		90,832	71,100
AKTIF Bank, Turkey		6,925	6,000
CSCBank SAL		26,232	21,786
Zhejiang Chouzhou-China		15,615	42,087
Ghazanfar Bank- Afghanistan		1	1
HBL Bahrain		3,548	-
Al Ramz Capital-UAE		46,142	4,778
Nurol Bank - Turkey		63,909	-
	4.1.1	<u>257,375</u>	<u>149,884</u>
4.1.1 These balances are interest free (2024: Interest free).			
<b>5. INVESTMENTS/PLACEMENTS</b>			
Time deposits with other banks	5.1	2,164,010	2,201,934
Islamic Sukuk investments	5.2	<u>348,983</u>	<u>309,160</u>
		<u>2,512,993</u>	<u>2,511,094</u>
<b>5.1</b>	This represents placements with foreign banks having maturity of 31 to 91 days (2024: 84 to 91 days) and interest rates from 2.41% to 4.25% (2024: 3.40% to 4.25%) per annum.		

		March 31, 2025 (Un-audited) ----- (AFN 000) -----	December 31, 2024 (Audited) -----
<b>5.1.1 Time deposits with other banks</b>	<b>Note</b>		
Habib Bank Limited, Bahrain	5.1.1.1	1,383,456	1,357,764
AKTIF Bank, Turkey	5.1.1.2	92,313	91,572
The Bank of Africa-Europe	5.1.1.3	568,080	633,960
CZCB	5.1.1.4	142,020	140,880
Less: General provision held	5.1.1.5	(21,859)	(22,242)
		<u>2,164,010</u>	<u>2,201,934</u>
<b>5.1.1.1</b> These deposits, held with a related party, having maturity of 91 days (2024: 91 days) and carrying interest rates of 4.25% (2024:4.25%) per annum.			
<b>5.1.1.2</b> This include deposit having maturity of 91 days (2024: 91 days) and carrying interest rate of 3.5% (2024: 3.75%) per annum.			
<b>5.1.1.3</b> This include deposits having maturity of 91 days (2024: 84 to91 days) and carrying interest rate of 3.3% to 3.5% (2024: 3.5% to 4.35%) per annum.			
<b>5.1.1.4</b> This includes deposit having maturity of 31 days (2024: 90 days) and carrying interest rate of 2.41% (2024: 3.4%) per annum.			
<b>5.1.1.5</b> The bank has maintained a provision of AFN 21,859 thousand (2024: 22,242) based on Bank's provisioning policy and Assets Classification and Provisioning Regulation (ACPR) issued by DAB			
<b>5.2 Islamic Sukuk investments</b>			
Available for Sale Sukuk Investments		338,821	298,813
Held to Maturity Sukuk Investments		13,687	13,470
Less: General provision held	5.2.1	(3,525)	(3,123)
		<u>348,983</u>	<u>309,160</u>
<b>5.2.1 Impairment on Islamic Sukuk Investments</b>			
The bank has maintained a provision of AFN 3,525 thousand (2024: 3,123) based on Bank's provisioning policy and Assets Classification and Provisioning Regulation (ACPR) issued by DAB.			
<b>6. LOANS AND ADVANCES TO CUSTOMERS - NET</b>			
Conventional Loans and advances to customers		272,381	281,095
Islamic Loans and advances to customers		1,547,510	1,277,806
		<u>1,819,891</u>	<u>1,558,901</u>
Less: Impairment loss on loans and advances			
Conventional Loans		(158,806)	(59,761)
Islamic Financings		(14,864)	(12,245)
		<u>(173,670)</u>	<u>(72,006)</u>
		<u>1,646,221</u>	<u>1,486,895</u>

### 6.1 Loans and advances to customers

Note	March 31, 2025 (Un-audited)			December 31, 2024 (Audited)		
	Gross amount	Impairment allowance	Carrying amount	Gross amount	Impairment allowance	Carrying amount
	----- (Afn in '000) -----			----- (Afn in '000) -----		
Microfinance loans	1,325,163	(13,669)	1,311,494	1,103,905	(11,113)	1,092,792
Loans to small and medium size enterprises (SME)	436,474	(147,663)	288,811	443,121	(49,018)	394,103
Overdraft financing	58,254	(12,338)	45,916	11,875	(11,875)	-
	1,819,891	(173,670)	1,646,221	1,558,901	(72,006)	1,486,895

6.1.1 Microfinance loans carry interest at rates ranging from 8% to 27% (2024: 8% to 27%) per annum, whereas interest on loans to small and medium size enterprises (SMEs) is charged at the rates ranging from 8% to 23% (2024: 8% to 23%) per annum. However, as a result of regime changes in the country, the interest is not received on conventional loans and the Bank generates income from newly introduced Islamic financing products which ranges from AFN 26 to 29 millions monthly.

Overdraft carries interest rate of 11.5% to 15% (2024: 15%) per annum. All loans are secured by various kind of properties and personal guarantees. Overdrafts includes a facilitv issued to Telecom Development Company Afghanistan Limited (TDCA), a related party.

### 6.2 Impairment loss on loans and advances to customers

Note	March 31, 2025 (Un-audited)			December 31, 2024 (Audited)		
	Specific	General	Total	Specific	General	Total
	----- (AFN 000) -----			----- (AFN 000) -----		
Balance at January 01,	57,913	14,093	72,006	54,965	79,730	134,695
Charge for the period / year:						
Microfinance loans	338	2,218	2,556	505,625	(62,665)	442,960
Loans to small and medium size enterprises	103,068	(313)	102,755	39,118	(2,972)	36,146
	103,406	1,905	105,311	544,743	(65,637)	479,106
Written off against impairment allowance:						
Microfinance loans	-	-	-	(541,795)	-	(541,795)
Loans to small and medium size enterprises	(3,647)	-	(3,647)	-	-	-
	(3,647)	-	(3,647)	(541,795)	-	(541,795)
Closing Balance	157,672	15,998	173,670	57,913	14,093	72,006

6.2.1 Due to the country's economic crisis, bank customers' repayment capacity has been reduced. As a result, bank loan quality has deteriorated, requiring further impairment loss to be recognized against these loans under the "Asset Classification and Provisioning Regulation" by DAB. However, DAB vide letter no 11068/9588 dated December 21, 2021 instructed the Bank not to change the assets classification of loans and advances of the Bank from their status as of June 30, 2021. This relaxation has further extended from time to time by DAB and the last extension was through letter Ref No: 6221/4525 dated November 28, 2024, till December 2025.

The Bank provided provisioning for all its legacy portfolio except two corporate loans, which are waiting for the court decision. The value of these two loans is AFN 112m, and they will be provided before June 2025. Though the Bank has official relaxation for these two loans from DAB until December 2025, the internal plan is to clean them from the book of accounts before Q2, 2025.

- 6.3 Provision for expected credit loss computed in accordance with IFRS 9 amounts to AFN 323,309 thousands which is higher than the amount held by the bank as per its provisioning policy.

	Amount outstanding AFN '000	Impairment allowance required as per ACPR Rate	AFN '000	Impairment allowance held Rate	AFN '000	Number of customers
<b>March 31, 2025 (Un-audited)</b>						
<b>Classification - Microfinance Loans</b>						
Standard	1,324,344	1%	13,243	1%	13,243	15,151
Overdue:						
Watch-List	-	5%	-	5%	-	-
Substandard	-	25%	-	25%	-	-
Doubtful	786	50%	393	50%	393	22
Loss	33	100%	33	100%	33	1
	<u>1,325,163</u>		<u>13,669</u>		<u>13,669</u>	<u>15,174</u>
<b>Classification-Overdraft and SME Loans</b>						
Standard - SME Loans	290,263	1%	2,902	1%	2,902	110
Standard - Overdraft financing	46,380	1%	464	1%	464	1
Overdue:						
Watch-List	-	5%	-	5%	-	-
Substandard	-	25%	-	25%	-	-
Doubtful	-	50%	-	50%	-	-
Loss - SME Loans	146,211	100%	146,211	100%	146,211	65
Loss - Overdraft financing	11,874	100%	11,874	100%	11,874	1
	<u>494,728</u>		<u>161,451</u>		<u>161,451</u>	<u>177</u>
<b>Less:</b>						
Reversal of provisioning on loans secured with ACGF	-		(1,450)		(1,450)	
<b>Total</b>	<u>1,819,891</u>		<u>173,670</u>		<u>173,670</u>	<u>15,351</u>
<b>December 31, 2024 (Audited)</b>						
<b>Classification-Microfinance Loans</b>						
Standard	1,102,452	1%	11,025	1%	11,025	14,240
Overdue:						
Watch-List	1,415	5%	70	5%	70	29
Substandard	5	25%	1	25%	1	1
Doubtful	33	50%	17	50%	17	1
Loss	-	100%	-	100%	-	-
	<u>1,103,905</u>		<u>11,113</u>		<u>11,113</u>	<u>14,271</u>
<b>Classification-Overdraft and SME Loans</b>						
Standard - SME Loans	360,988	1%	3,610	1%	3,610	137
Standard - Overdraft financing	-	1%	-	1%	-	-
Overdue:						
Watch-List - SME loans	5,135	5%	257	5%	257	4
Substandard - SME loans	3,379	25%	845	25%	845	3
Substandard - Overdraft financing	-	25%	-	25%	-	-
Doubtful - SME loans	57,541	50%	28,770	50%	28,770	11
Doubtful - Overdraft financing	-	50%	-	50%	-	-
Loss - SME loans	16,078	100%	16,078	100%	16,078	13
Loss - Overdraft financing	11,875	100%	11,875	100%	11,875	1
Reversal of provisioning on loans secured with ACGF			(542)		(542)	
	<u>454,996</u>		<u>60,893</u>		<u>60,893</u>	<u>169</u>
<b>Total</b>	<u>1,558,901</u>		<u>72,006</u>		<u>72,006</u>	<u>14,440</u>

		March 31, 2025 (Un-audited)	December 31, 2024 (Audited)
	Note	----- (AFN 000) -----	
<b>7. OPERATING FIXED ASSETS</b>			
Capital work-in-progress	7.1	5,021	5,021
Property and equipment	7.2	13,719	17,499
Right-of-use assets - Bank's branches	7.3	139,045	141,223
		<u>157,785</u>	<u>163,743</u>

#### 7.1 Capital work-in-progress

Balance at January 01,		5,021	5,021
Additions		-	-
Transfer to assets		-	-
Closing balance	7.1.1	<u>5,021</u>	<u>5,021</u>

7.1 This mainly includes the HRIS software costs which is not yet completed.

#### 7.2 Property and equipment

	Leasehold improvements	Furniture and fittings	Vehicles	Office equipment	Computer equipment	Total
	(Afn in '000)					
<b>Cost</b>						
Balance at January 01, 2024	113,336	43,431	23,171	177,392	110,281	467,611
Additions	1,425	864	45	3,843	859	7,035
Disposals	(79)	(242)	(24)	(391)	(3,926)	(4,662)
Balance at December 31, 2024	<u>114,682</u>	<u>44,053</u>	<u>23,192</u>	<u>180,844</u>	<u>107,214</u>	<u>469,984</u>
Balance at January 01, 2025 - Audited	114,682	44,053	23,192	180,844	107,214	469,985
Additions	-	-	-	482	112	594
Disposals	-	-	-	-	-	-
Balance at March 31, 2025 - Un-audited	<u>114,682</u>	<u>44,053</u>	<u>23,192</u>	<u>181,326</u>	<u>107,326</u>	<u>470,579</u>
<b>Depreciation</b>						
Balance at January 01, 2024	93,256	41,020	22,824	163,403	109,702	430,205
Charge for the year	12,200	1,194	88	12,800	602	26,884
Disposals	(79)	(242)	(24)	(391)	(3,868)	(4,604)
Balance at December 31, 2024	<u>105,377</u>	<u>41,972</u>	<u>22,888</u>	<u>175,812</u>	<u>106,436</u>	<u>452,485</u>
Balance at January 01, 2025 - Audited	105,377	41,972	22,888	175,812	106,436	452,485
Charge for the period	2,997	272	23	972	111	4,375
Disposals	-	-	-	-	-	-
Balance at March 31, 2025 - Un-audited	<u>108,374</u>	<u>42,244</u>	<u>22,911</u>	<u>176,784</u>	<u>106,547</u>	<u>456,860</u>
<b>Carrying amounts</b>						
Balance at December 31, 2024 - Audited	<u>9,305</u>	<u>2,081</u>	<u>304</u>	<u>5,032</u>	<u>778</u>	<u>17,499</u>
Balance at March 31, 2025 - Un-audited	<u>6,308</u>	<u>1,809</u>	<u>281</u>	<u>4,542</u>	<u>779</u>	<u>13,719</u>
<b>Depreciation rate</b>	<u>20%</u>	<u>20%</u>	<u>20%</u>	<u>25%</u>	<u>33.33%</u>	

		March 31, 2025 (Un-audited) ----- (AFN 000) -----	December 31, 2023 (Audited) -----
<b>7.3 Right-of-use assets - Bank's branches</b>	<b>Note</b>		
Cost:			
Opening Balance as of January 01 - Audited		414,154	414,101
Additions		-	53
Adjustment of Lease Modification		108	-
Closing Balance		<u>414,262</u>	<u>414,154</u>
Accumulated depreciation:			
Opening balance		272,931	247,521
Depreciation expense		2,286	25,292
Adjustment of Lease Modification		-	118
Closing Balance		<u>275,217</u>	<u>272,931</u>
Carrying amount		<u>139,045</u>	<u>141,223</u>
<b>7.3.1 Allocation of depreciation</b>			
Depreciation charge on property and equipment		4,375	26,884
Depreciation charge on right-of-use assets		2,286	25,292
Less: Amount classified under grant expense		(1,133)	(9,704)
		<u>5,528</u>	<u>42,472</u>
<b>8. INTANGIBLE ASSET</b>			
<b>Computer software:</b>			
<b>Cost</b>			
Balance at January 01,		300,536	300,384
Additions		-	152
Closing balance		300,536	300,536
<b>Amortisation</b>			
Balance at January 01,		(248,823)	(222,570)
Charge for the period		(6,402)	(26,253)
Closing balance		<u>(255,225)</u>	<u>(248,823)</u>
<b>Carrying amounts</b>		<u>45,311</u>	<u>51,713</u>
<b>Useful life</b>		5 years	5 years
<b>9. OTHER ASSETS</b>			
Restricted deposits with DAB	9.1	584,189	650,642
Interest receivable		25,462	18,928
Prepayments		59,829	47,533
Receivable from Roshan against M-Paisa payments		8,144	8,632
Advances to staff and Supplier		9,053	9,023
Other receivables		<u>51,004</u>	<u>29,361</u>
		<u>737,681</u>	<u>764,119</u>

- 9.1 Required reserve account is being maintained with DAB which is denominated in respective currencies to meet minimum reserve requirement in accordance with Article 3 "Required Reserves Regulation" of the Banking Regulations issued by DAB. These balances are interest free.

		March 31, 2025 (Un-audited) ----- (AFN 000) -----	December 31, 2024 (Audited) -----
<b>10. DEPOSITS FROM CUSTOMERS</b>	<b>Note</b>		
<b>Conventional customers:</b>			
Current deposits		2,572,067	3,065,785
Saving deposits	10.1	2,242,217	2,291,063
		4,814,284	5,356,848
<b>Islamic customers:</b>			
Term deposits	10.2	686,184	686,184
Current deposits		1,754,444	1,936,138
Saving deposits	10.3	200,168	210,405
		2,640,796	2,832,727
Cash Margin		38,911	39,373
Unclaimed Deposits		5,017	1,018
Dormant deposits		490	50
	10.4	<u>7,499,498</u>	<u>8,230,016</u>

- 10.1 The rate of interest on conventional saving deposits from customers is 0% (2024: Nil) per annum.
- 10.2 The Mudarabah Term deposits are placed by MISFA with the bank in 2024 and the profit rate ranges from 1.5% to 5% (2024: 1.5% to 5%) per annum.
- 10.3 The rate of profit on Islamic saving deposits is 0% (2024: Nil) per annum.
- 10.4 Deposits include AFN 1,386,982 thousands (2024: AFN 1,724,249 thousands) from related parties.

## 11. OTHER LIABILITIES

Accrued expenses	89,791	143,275
Interest payable	11,262	8,252
Payable to APS for integrated banking	22,617	10,833
Deferred grants	13,123	26,191
Withholding taxes payable	13,787	4,952
Lease liability	160,960	162,693
Inter branch balance	27,415	1,000
Donations and Charity Payable	1,608	1,396
Others	37,428	16,769
	<u>377,991</u>	<u>375,361</u>

	March 31, 2025 (Un-audited) ----- (AFN 000) -----	December 31, 2024 (Audited) -----
<b>12. SHARE CAPITAL</b>		
<b>Authorized</b>		
88,800 ordinary shares of AFN 9,016 each (2024: 88,800 of AFN 9,016)	<u>800,624</u>	<u>800,624</u>
<b>Paid up</b>		
88,288 ordinary shares of AFN 9,016 each (2024: 88,288 of AFN 9,016)	<u>796,008</u>	<u>796,008</u>

**12.1 The capital is contributed by the shareholders as follows:**

	March 31, 2025 (Un-audited) ---- Number of shares ----	December 31, 2024 (Audited)	March 31, 2025 (Un-audited) ----- (AFN 000) -----	December 31, 2024 (Audited)
Aga Khan Agency for Microfinance (AKAM)	34,784	34,784	310,646	310,646
Kreditanstalt für Wiederaufbau (KfW)	28,200	28,200	254,811	254,811
International Finance Corporation (IFC)	14,800	14,800	133,974	133,974
Aga Khan Foundation USA (AKF USA)	10,504	10,504	96,577	96,577
	<u>88,288</u>	<u>88,288</u>	<u>796,008</u>	<u>796,008</u>

- 12.2 The bank's changes in business model from conventional to Islamic had impacted profitability, and the Bank experienced severe losses in the last three years. The capital was eroded and was about to fall below the requirements, which was supported by the central bank's relaxation on asset classification. To strengthen the Bank's capital, AKAM, the Bank's main shareholder, injected AFN 765m additional capital, which helped the capital stay above the requirement

	March 31, 2025 (Un-audited) ----- (AFN 000) -----	December 31, 2024 (Audited) -----
<b>13. CONTINGENCIES AND COMMITMENTS</b>		
<b>13.1 Contingencies</b>		
Outstanding bank guarantees	<u>4,934</u>	<u>5,947</u>
<b>13.2 Commitments</b>		
Undrawn loan and overdraft facilities	<u>120</u>	<u>-</u>

	Three months ended March 31. 2025	Three months ended March 31. 2024
Note	----- (AFN 000) -----	
<b>14. MARK-UP / RETURN / INTEREST EARNED</b>		
Placements/Sukuk	25,889	22,814
Loans and advances to customers		
Loans to small and medium size enterprises	2,494	1,629
Microfinance loans	78,604	39,755
Interest on overdraft facility	1,619	5,140
	82,717	46,524
	108,606	69,338
<b>15. FEE AND COMMISSION INCOME</b>		
Bank charges relating to foreign remittances and other services	13,360	12,774
	13,360	12,774
<b>16. OTHER REVENUE/OTHER INCOME</b>		
Unreleased gain/(loss)	6,979	(579)
Other revenue	96,842	468
Loans and advances written off recovered	60,302	10,249
	164,123	10,138
<b>17. PERSONNEL EXPENSE</b>		
Basic salary	87,122	87,440
Other benefits	12,291	13,124
	99,413	100,564
<b>18. OTHER EXPENSES</b>		
Consultancy fee	1,230	6,234
Office rent	7,447	2,340
Communication	15,071	17,028
System maintenance	6,112	3,172
Generator fuel and maintenance	4,879	7,371
Insurance	3,314	5,641
Legal, professional and statutory fee	1,896	1,959
Auditors' remuneration	552	550
Office security	6,633	6,669
Office stationery and supplies	1,832	2,005
Other operating expenses	825	1,886
Repairs and maintenance	670	740
Travel and transportation	7,587	7,212
Director's Expense	3,994	3,565
Trainings	24	88
Utilities	2,845	3,359
Marketing and promotional expenses	243	607
Miscellaneous	1,288	-
	66,442	70,426

## 19. RELATED PARTIES

Related parties of the Bank comprise of associates (including entities having directors in common with the Bank), major shareholders, directors and key management personnel.

### 19.1 Parent and ultimate controlling entity

Pattern of shareholding in the Bank is disclosed in note 12.1. Aga Khan Development Network entities collectively owns 51% (2024: 51%) of the Bank's capital.

	March 31, 2025 (Un-audited) ----- (AFN 000)	December 31, 2024 (Audited) -----
Note		
<b>19.2 Transactions with key management personnel</b>		
<b>Key management personnel compensation</b>		
Salaries and benefits	9,149	8,038
<b>Key management personnel outstanding balances</b>		
Advances to staff	3,488	2,537
Bank deposits	46,073	37,069
<b>19.3 Other related party outstanding balances and transactions</b>		
<b>Balances with related parties</b>		
Time deposits with banks	1,383,456	1,357,764
Loan to Telecom Development Company Afghanistan Limited (TDCA)	46,380	-
Receivable from Roshan against M-Paisa payments	8,144	8,632
Deposits from customers	1,386,982	1,724,249
	<b>Three months ended March 31, 2025 (Un-audited) ----- (AFN 000)</b>	<b>Three months ended March 31, 2024 (Un-audited) -----</b>
Note		
<b>19.4 Transactions with related parties</b>		
Interest income	1,619	2,233
Fee and commission income	1,847	584
Fee and commission expense	-	-
Interest expense on deposits from customers	-	-
Directors' fee and other expenses	3,994	3,565

## 20. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the amount that would be received on sale of an asset or paid on transfer of a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and fair values estimates. Underlying the definition of fair values the presumption that the Bank is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The Bank classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy is as

'Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

'Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset of liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservabl

As at the end of the reporting period, none of the non financial assets and liabilities have been carried at fair value. The carrying amount of the financial assets and financial liabilities is a reasonable approximation of their fair values.

## 21. CORRESPONDING FIGURES

Corresponding figures have been re-arranged and reclassified, wherever necessary, to facilitate comparisons. Following significant reclassifications were made during the period.

## 22. GENERAL

- Figures have been rounded off to the nearest thousand unless otherwise stated.
- Note have been rearranged for better presentation wherever necessary.

## 23. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information has been authorized for issue by the Board of Supervisors of the Bank on 12 / May / 25.

  
Chief Financial Officer



  
Chief Executive Officer