

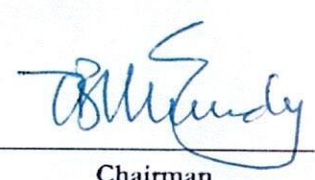
The First MicroFinance Bank - Afghanistan  
Statement of Financial Position  
As at December 31, 2025

	Note	December 31 2025	December 31 2024
		----- (AFN in '000) -----	
<b>Assets</b>			
Cash and bank balances	6	4,362,547	4,411,391
Investments/Placements/Sukuk	7	3,023,507	2,511,094
Islamic financing and related assets-net	8	1,969,552	1,486,895
Operating fixed assets	9	202,440	163,743
Intangible assets	10	27,190	51,713
Deferred tax asset - net	11	316,084	346,700
Other assets	12	836,558	764,119
<b>Total Assets</b>		<u>10,737,878</u>	<u>9,735,655</u>
<b>Liabilities</b>			
Deposits from customers	13	8,973,409	8,230,016
Other liabilities	15	344,494	375,361
<b>Total Liabilities</b>		<u>9,317,903</u>	<u>8,605,377</u>
<b>Equity</b>			
Share capital	16	796,008	796,008
Capital reserves	16.3	212,137	206,038
Share capital pending allotment		765,087	600,166
Retained earnings		(353,323)	(469,208)
Revaluation of Financial Instruments FVOCI		66	(2,726)
<b>Total equity</b>		<u>1,419,975</u>	<u>1,130,278</u>
<b>Total equity and liabilities</b>		<u>10,737,878</u>	<u>9,735,655</u>
<b>Contingencies and commitments</b>	17		

The annexed notes 1 to 34 form an integral part of these financial statements.

  
Chief Financial Officer

  
Chief Executive Officer

  
Chairman

The First MicroFinance Bank - Afghanistan  
Statement of Comprehensive Income  
For the year ended December 31, 2025

		December 31 2025	December 31 2024
	Note	----- (AFN in '000) -----	
Mark-up / return / interest earned	18	478,486	346,944
Mark-up / return / interest earned - (expensed)/ income	19	(12,175)	21,950
<b>Net mark-up / interest income</b>		<u>466,311</u>	<u>368,894</u>
Fee and commission income	20	57,591	51,778
Fee and commission expense	21	(1,714)	(2,321)
<b>Net fee and commission income</b>		<u>55,877</u>	<u>49,457</u>
Income from dealing in foreign currencies		54,156	49,237
<b>Revenue</b>		<u>576,344</u>	<u>467,588</u>
Other income	22	462,131	110,581
Impairment loss on loans and advances to customers	8.2	(199,685)	(479,106)
Impairment loss on placements	7	(5,176)	(7,377)
General provision on other assets	12	-	(21,080)
Personnel expenses	23	(389,325)	(401,221)
Depreciation and amortisation	9 & 10	(38,659)	(68,725)
Finance cost on lease liabilities	15.1	(561)	(3,000)
Other operating expenses	24	(250,199)	(281,249)
Net operating gain/(loss)		<u>154,870</u>	<u>(683,589)</u>
Non-operating revenue and expenses:			
Development grant income	15	4,532	9,704
Expenditure against grants	25	(4,532)	(9,704)
<b>Profit/(loss) before tax</b>		<u>154,870</u>	<u>(683,589)</u>
Income tax	26	(32,885)	127,344
<b>Profit/(loss) for the year</b>		<u>121,985</u>	<u>(556,245)</u>
Other comprehensive income/(loss)		2,792	(2,726)
<b>Total comprehensive income/(loss)</b>		<u>124,777</u>	<u>(558,971)</u>
<b>Earnings/(loss) per share</b>	27	<u>1,382</u>	<u>(6,300)</u>

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Chief Executive Officer

  
Chairman

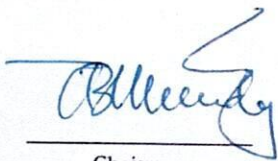
The First MicroFinance Bank - Afghanistan  
Statement of Changes in Equity  
For the year ended December 31, 2025

	Share capital	Capital reserves	Retained earnings	Revaluation of Financial Instruments FVOCI	Share capital pending allotment	Total
	----- (AFN in '000) -----					
<b>Balance at January 01, 2024</b>	796,008	206,038	87,037	-	-	1,089,083
Loss for the year	-	-	(556,245)	-	-	(556,245)
Other comprehensive loss	-	-	-	(2,726)	-	(2,726)
<b>Total comprehensive loss</b>	-	-	(556,245)	(2,726)	-	(558,971)
<b>Transactions with shareholders</b>						
Amount received for new capital issue					600,166	600,166
<b>Balance at December 31, 2024</b>	<u>796,008</u>	<u>206,038</u>	<u>(469,208)</u>	<u>(2,726)</u>	<u>600,166</u>	<u>1,130,278</u>
Profit for the year	-	-	121,985	-	-	121,985
Other comprehensive income	-	-	-	2,792	-	2,792
<b>Transfer to capital reserves</b>		6,099	(6,099)			
<b>Transactions with shareholders</b>						
Amount received for new capital issue					164,921	164,921
<b>Balance at December 31, 2025</b>	<u>796,008</u>	<u>212,137</u>	<u>(353,323)</u>	<u>66</u>	<u>765,087</u>	<u>1,419,975</u>

The annexed notes 1 to 34 form an integral part of these financial statements.

~~Chief Financial Officer~~

  
Chief Executive Officer

  
Chairman

The First MicroFinance Bank - Afghanistan  
Statement of Cash Flows  
For the year ended December 31, 2025

	December 31 2025	December 31 2024
Note	----- (AFN in '000) -----	
<b>Cash flows from operating activities</b>		
<b>Profit/(loss) before tax</b>	154,870	(683,589)
Adjustments for:		
Depreciation and amortisation	9 & 10 38,659	78,429
Impairment loss on loans and advances to customers	8.2 199,685	479,106
Impairment loss on placements/investments	6 & 7 5,176	7,377
General provision on other assets	12 -	21,080
Loss/(gain) on disposal of property and equipment	22 112	(157)
Finance cost on lease liabilities	15.1 561	3,000
Revaluation of Financial Instruments FVOCI	2,792	(2,726)
Grant income	25 (4,532)	(9,704)
	<u>397,323</u>	<u>(107,184)</u>
Changes in:		
(Increase)/Decrease in loans and advances to customers	(682,342)	102,170
Increase in other assets	(72,439)	(58,775)
Increase in deposits from customers	743,393	229,554
Decrease in other liabilities	(15,007)	(35,307)
	<u>370,928</u>	<u>130,458</u>
Income tax paid	(2,269)	-
Grant received	23,977	17,444
<b>Net cash flows generated from operating activities</b>	<u>392,636</u>	<u>147,902</u>
<b>Cash flows from investing activities</b>		
Purchase of property and equipment	(74,641)	(7,241)
Proceeds from disposal of property and equipment	(118)	332
Net investment in placements/ Sukuk	(60,783)	(316,537)
<b>Net cash flows used in investing activities</b>	<u>(135,542)</u>	<u>(323,446)</u>
<b>Cash flows from financing activities</b>		
Repayment of lease liabilities	15.1 (23,710)	(9,670)
Repayment of loans and borrowings	-	(820,722)
Equity raised	164,921	600,166
<b>Net cash flows generated from/(used in) financing activities</b>	<u>141,211</u>	<u>(230,226)</u>
Net increase in cash and cash equivalents	398,305	(405,770)
Cash and cash equivalents at beginning of the year	6,613,325	7,019,095
<b>Cash and cash equivalents at end of the year</b>	28. <u>7,011,630</u>	<u>6,613,325</u>

The annexed notes 1 to 34 form an integral part of these financial statements.

  
Chief Financial Officer

  
Chief Executive Officer

  
Chairman

30.6 Capital management

**Regulatory capital**

The Bank's regulator DAB sets and monitors capital requirements for the Bank. The capital adequacy of the Bank is assessed in two tiers as per regulations of the DAB. As of reporting date, DAB requires the Bank to maintain financial capital of not less than AFN 1 billion, the Bank complies with this requirement keeping in view its share capital and share premium, and regulatory capital to risk-weighted asset ratio of not less than 12 percent and a core (Tier 1) capital to risk-weighted asset ratio of not less than 6 percent.

- 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; Tier 2 capital cannot exceed the amount of Tier 1 capital.

The Bank's regulatory capital position at December 31, 2025 was as follows:

Regulatory Capital	Dec 31, 2025	Dec 31, 2024
	----- (AFN in '000) -----	
<b>Tier 1 capital</b>		
Total equity capital	1,419,975	1,130,278
Less: Intangible assets	(27,190)	(51,713)
Less: Net Deferred Tax Assets	(316,084)	(346,700)
Less: Profit for the year	(121,986)	-
<b>Total tier 1 (core) capital</b>	<u>954,715</u>	<u>731,865</u>
<b>Tier 2 (Supplementary) Capital:</b>		
General loss reserves on credits as per DAB's regulation, but restricted to 1.25% of total risk-weighted exposures	-	14,093
Revaluation Reserves on Available-for Sale Investments	66	-
Add: Profit for the year	121,986	-
<b>Total tier 2 (supplementary) capital</b>	<u>122,052</u>	<u>14,093</u>
<b>Total Regulatory capital = Tier 1 + Tier 2</b>	<u>1,076,767</u>	<u>745,958</u>
<b>Risk-weighted assets</b>		
<b>On-balance sheet</b>		
<b>0% risk weight:</b>		
Cash in Afghani and fully-convertible foreign currencies	864,632	1,104,759
Direct claims on DAB	4,001,064	3,807,390
Loans guaranteed by development institutions	-	-
<b>Total</b>	<u>4,865,696</u>	<u>4,912,149</u>
0% risk-weight total (above total x 0%)	<u>-</u>	<u>-</u>
<b>20% risk weight:</b>		
Balances with banks operating in category A countries	1,231,273	802,632
Direct claims in non-category A countries	1,635,281	1,571,428
Loans guaranteed by development institutions	92,503	54,173
<b>Total</b>	<u>2,959,057</u>	<u>2,428,233</u>
20% risk-weight total (above total x 20%)	<u>591,811</u>	<u>485,647</u>
<b>100% risk weight:</b>		
All other assets	2,943,748	2,489,521
Less: intangible assets	(27,190)	(51,713)
Less: Net Deferred Tax Assets	(316,084)	(346,700)
All other assets - net	<u>2,600,474</u>	<u>2,091,108</u>
100% risk-weight total (above total x 100%)	<u>2,600,474</u>	<u>2,091,108</u>

31.5 Capital management (Continued....)

	Dec 31, 2025	Dec 31, 2024
	----- (AFN in '000) -----	
<b>Off-balance sheet</b>		
<b>0% risk weight:</b>		
Guarantees issued	-	-
Undrawn loan and overdraft facilities	935	-
0% credit conversion factor total (risk-weighted total x 0%)	-	-
0% risk-weight total (above total x 0%)	-	-
<b>20% risk weight:</b>		
Guarantees issued	13,264	5,947
20% credit conversion factor total (risk-weighted total x 20%)	2,653	1,189
<b>100% risk weight:</b>		
Guarantees	-	-
100% credit conversion factor total (risk-weighted total x 100%)	-	-
100% risk-weight total (above total x 100%)	-	-
<b>Total risk-weighted assets</b>	<b>3,191,156</b>	<b>2,577,944</b>
<b>Tier 1 Capital Ratio</b> (Tier 1 capital as % of total risk-weighted assets)	<b>29.9%</b>	<b>28.4%</b>
<b>Regulatory Capital Ratio</b> (Regulatory capital as % of total risk-weighted assets)	<b>33.7%</b>	<b>28.0%</b>

32. CORRESPONDING FIGURES

Corresponding figures have been re-arranged and re-classified, where necessary, for more appropriate presentation.

33. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorized for issue on 23/03/26 by the Board of Supervisors of the Bank.

34. GENERAL

Figures have been rounded off to the nearest thousand.

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Chief Financial Officer

  
\_\_\_\_\_  
Chief Executive Officer

  
\_\_\_\_\_  
Chairman