mazars

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REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION TO THE SHAREHOLDERS OF GHAZANFAR BANK

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Ghazanfar 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.

Conclusion

Based on our review, 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 6.1.2 to the condensed financial information that states the impact on provisions had the Asset Classification and Provisioning Regulation come into effective as of 31 March 2025.

Mazars Afghanistan Limited

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

MAZARS AFGHANISTAN KABUL LIMITED

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

	Note	31-Mar-2025 (Un-audited)	31-Dec-24 (Audited)
		..... AFN '000'	
ASSETS			
Cash and cash equivalents	4	**8,844,787**	9,309,867
Investments	5	**3,407,822**	3,347,123
Loans and advances	6	**1,581,765**	1,615,581
Property and equipment	7	**849,268**	264,176
Deferred tax assets		**8,692**	22,141
Other assets	8	**2,025,051**	1,475,478
Total assets		**16,717,385**	16,034,366
EQUITY AND LIABILITIES			
EQUITY			
Share capital		**1,244,040**	1,244,040
Capital Reserves		**68,743**	68,743
Retained earnings		**814,323**	689,447
Revaluation deficit on financial instruments at FVOCI		**(34,769)**	(67,054)
Total equity		**2,092,337**	1,935,177
LIABILITIES			
Deposits from customers	9	**12,301,215**	10,969,340
Deposits from financial institutions	10	**2,066,389**	2,919,605
Other liabilities	11	**184,262**	165,996
Lease liability	12	**47,731**	43,771
Provision for taxation		**25,451**	477
Total liabilities		**14,625,048**	14,099,189
Total equity and liabilities		**16,717,385**	16,034,366
Contingencies and commitments	13		

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

Chief Financial Officer	Chief Executive Officer	Chairman

GHAZANFAR 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'	
Profit/Interest income		**75,876**	55,331
Profit expense		**(7,062)**	(5,827)
Net Profit/interest income	14	**68,814**	49,504
Fee and commission income		**159,669**	122,608
Fee and commission expense		**(11,885)**	(5,843)
Net fee and commission income	15	**147,784**	116,765
Income from dealing in foreign currencies		**40,196**	10,472
		256,794	176,741
Other income	16	**121,011**	4,604
Impairment allowances	6.1.3	**(63,777)**	(852)
Loss on sale of securities		**(27,923)**	2,758
Employee compensation	17	**(59,333)**	(44,044)
Operating lease expenses		**(677)**	(560)
Finance cost on lease liability		**(1,316)**	(1,267)
Depreciation		**(14,817)**	(11,280)
Administrative expense	18	**(54,824)**	(79,056)
		(222,667)	(134,301)
Profit before tax		**155,138**	47,044
Taxation		**(30,262)**	(9,409)
Profit for the period		**124,876**	37,635
Other comprehensive income			
Items to be reclassified subsequently to profit or loss			
- (Unrealized loss) / gain on revaluation of AFS investment		**(43,461)**	(78,230)
- Related deferred tax		**8,692**	15,646
		(34,769)	(62,584)
Total comprehensive income / (loss) for the period		**90,107**	(24,949)

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

Chief Financial Officer | **Chief Executive Officer** | **Chairman**

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

	Issued, subscribed and paid-up share capital	Capital Reserves	Retained Earnings	Revaluation deficit on financial instruments	Total
	..... AFN '000'				
Balance as at December 31, 2023 (Audited)	1,244,040	68,743	525,844	(61,887)	1,776,740
Profit for the period	-	-	37,635	-	37,635
Revaluation deficit on financial instruments	-	-	-	(697)	(697)
	-	-	37,635	(697)	36,938
Balance as at March 31, 2024 (Un-audited)	1,244,040	68,743	563,479	(62,584)	1,813,678
Balance as at December 31, 2024 (Audited)	**1,244,040**	**68,743**	**689,447**	**(67,054)**	**1,935,177**
Profit for the period	**-**	**-**	**124,876**	**-**	**124,876**
Revaluation surplus on financial instruments	**-**	**-**	**-**	**32,285**	**32,285**
	-	**-**	**124,876**	**32,285**	**157,161**
Balance as at March 31, 2025 (Un-audited)	**1,244,040**	**68,743**	**814,323**	**(34,769)**	**2,092,338**

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

Chief Financial Officer | **Chief Executive Officer** | **Chairman**

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

	Notes	31-Mar-25 (Un-audited)	31-Mar-24 (Un-audited)
		..... AFN '000'	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		**155,138**	47,044
Adjustments for:			
Impairment allowances	6.1.3	**63,777**	852
Loss on disposal of securities		**27,923**	-
Finance cost on lease liability	12	**1,316**	1,267
Exchange gain on lease liability	12	**(129)**	4
Depreciation	7	**14,817**	11,280
Fixed assets written-off		**755**	-
		263,597	60,447
Changes in assets			
Loans and advances	6	**108,252**	35,194
Other assets	8	**(475,137)**	(423,710)
		(366,885)	(388,516)
Changes in liabilities			
Deposits from customers	9	**1,331,875**	973,858
Deposits from financial institutions		**(853,216)**	6,810
Other liabilities		**18,266**	31,743
		496,924	1,012,411
Net cash flow from operating activities before tax		**393,637**	684,342
Tax paid		**(20,272)**	(175)
Net cash from operating activities		**373,365**	684,166
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment		**(9,879)**	(4,786)
Acquisition of right of use assets		**(14,383)**	-
Proceeds from disposal of property and equipment		**13**	-
Capital work in progress		**(575,734)**	(995)
Placements		**-**	-
Investments	5	**(240,982)**	(227,122)
Net cash generated (used in) investing activities		**(840,966)**	(232,903)
CASH FLOWS FROM FINANCING ACTIVITIES			
Acquisition of right of use assets	7.2	**14,383**	-
Repayment of lease liability		**(11,863)**	(7,091)
Net cash from / (used) in financing activities		**2,520**	(7,091)
Net (decrease) / increase in cash and cash equivalents		**(465,080)**	444,173
Cash and cash equivalents, beginning of the year		**9,309,867**	6,200,234
Cash and cash equivalents, end of period		**8,844,787**	6,644,407

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

Chief Financial Officer	Chief Executive Officer	Chairman

1 STATUS AND NATURE OF BUSINESS

Ghazanfar Bank ("the Bank") is a commercial Bank incorporated under the Banking Laws of Afghanistan. The registered office of the Bank is located at Wazir Akbar Khan, Sher Pur, District 10, Kabul, Afghanistan.

The Bank obtained business license from Afghanistan Ministry of Commerce and industries bearing license no: D-29098 is registered as a limited liability company. The bank commenced its operations on 01 March 2009 under the license for commercial banking issued by the Da Afghanistan Bank (DAB) under the Law of Banking in Afghanistan. Currently, the Bank is being operated with Fifteen branches with Islamic Banking operations (2024: Fifteen branches with Islamic banking operations) in different provinces of Afghanistan.

This condensed interim financial information for the period ended March 31, 2025 (including comparatives) have been approved and authorized for issue by the Board of Supervisors on 14 - March, 2025.

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.

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.

3 ACCOUNTING POLICIES

3.1 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.

3.2 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.

3.3 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.

		Note	31-Mar-25 (Un-audited)	31-Dec-24 (Audited)
			..... AFN '000'	
4	**CASH AND CASH EQUIVALENTS**			
	Cash in hand	4.1	**913,341**	1,604,428
	Balances with banks	4.2	**5,675,698**	5,421,624
	Balances with investment managers	4.3	**1,933,549**	135,090
	Short term placements	4.4	**322,200**	2,148,725
			8,844,787	9,309,867
4.1	**Cash in hand**			
	Local currency		**467,054**	656,712
	Foreign currencies		**446,286**	947,716
			913,341	1,604,428
4.2	**Balances with banks**			
	Balances with central bank			
	Local currency current accounts		**3,774,911**	1,911,349
	Foreign currency current accounts		**392,826**	1,535,959
			4,167,737	3,447,308
	Balances with other banks (domestic)		**21**	1,092,021
	Balances with other banks (foreign)		**1,507,940**	882,295
			5,675,698	5,421,624

4.3 Balances with investment managers

This represents balances maintained with the investment management companies for future investment opportunities.

4.4	**Short term placements**			
	Al-Wakala deposits	4.4.1	**214,800**	1,655,575
	Short term placements	4.4.2	**107,400**	493,150
			322,200	2,148,725

4.4.1 This represents Al-Wakala deposits with Al-Salam bank Bahrain, with expected profit returns of (3.75% to 6%), with maturity dates from 12 February 2025 to 17 Jan 2030 (2024: 4.25). The bank has no credit risk ratings.

4.4.2 This represents placements with maturity less than 3 months with Aktif bank and Nural bank, carrying interest rates ranging from 3.20 % to 4.25 % (2024: 4.25% to 4.50%), these banks have BB credit risk rating.

5	**INVESTMENTS**			
	Available for sale			
	Investment in bonds/ sukuk	5.1	**424,670**	427,100
	Held for trading			
	Investment in equity instruments	5.2	**83,824**	128,911
	Investment in gold	5.3	**35,256**	-
			543,750	556,011
	Loss reserve on debt instruments		**-**	(10,568)
			543,750	545,443
	Held to maturity			
	Investments in T-bills	5.4	**994,661**	992,629
	Investment in Bond / Sukuk	5.5	**660,016**	759,980
	Longterm Mudarabah Deposit	5.6	**143,200**	-
			1,797,877	1,752,609
	Investments in Emerging bonds	5.7	**1,066,196**	1,049,071
			3,407,822	3,347,123

5.1 This represents foreign currency investment in; Sovereign bond of Saudi Government International Bond (KSA Bond) having risk rating (A+) at coupon rate of 2.90% per annum with the maturity of Oct 22, 2025, Dubai Islamic Bank Sukuk (DIB Sukuk) having risk rating (A) at coupon rate of 2.95% per annum with the maturity of Jan 26, 2026. FAB is acting as the investment custodian of these investment.

Cost - net	Unrealized loss	Market value
..... (AFN '000)		
424,921	**(251)**	**424,670**

5.2 This represents investment in equity market which are listed on NYSE and NASDAQ stock exchanges. FAB, Shuaa , BHM & STP UAE is acting as the securities custodian of these investments.

	Cost	Unrealized loss	Market value
	..... (AFN '000)		
Shares of listed entities	**127,035**	**(43,210)**	**83,825**

5.3 This represents investment in physical gold in Gold Stream Global and placed in its vault. The gold is revalued on monthly basis and the impact is reflected accordingly in the financial statements, approved by CFO of the bank.

5.4 This represents investments in US Treasury Bills (risk rating AA+), carrying coupon rates ranging from 3.94% to 4.35% for the period. These investments have a maturity dates from 15 Apr 2025 to 26 Dec 2025. These investments are made through FAB, DAMAN & STP-Partners Ltd asset managers of the bank.

5.5 These represent an investment in Sovereign bonds of Oman (risk rating B+), Bahrain (risk rating B+), EI Sukuk Company Ltd (risk rate A+), Democratic social regs (Sri Lanka) (risk Rate CCC+) having coupon rates ranging from 3.10% to 6.88% per annum. These investments have a maturity dates from 23 Sep 2025 to Feb 15, 2028. FAB & STP UAE investment advisors are acting as the custodian of these investments.

5.6 This represents long term Mudarabah deposit with Al-Salam Bank - Bahrain, with expected profit returns of 6%, with maturity of 17 Jan 2030. The bank has no credit risk ratings.

5.7	**Investments in emerging bonds**	**Ratings**	**Note**	**31-Mar-25**	**31-Dec-24**
				---------- AFN '000 ----------	
	Emerging market infrastructure funds	NR	5.7.1	**264,920**	260,665
	Emerging real estate development funds	NR	5.7.1	**357,356**	351,616
	SIL Emerging Real Estate funds	NR	5.7.1	**143,200**	140,900
	SIL Emerging Infrastructure Devel Bond	NR	5.7.1	**300,720**	295,890
				1,066,196	1,049,071

5.7.1 This represents investments in Emerging Market Infrastructure (Carrying 5% coupon and having maturity dates 26 September 2026), Emerging Real Estate Development Funds (Carrying coupon rates ranging from 7%, having maturity date of 30 November 2026), SIL Emerging Real Estate funds (Carrying coupon rate of 7.5% having maturity date of 31 August 2026) and SIL Emerging Infrastructure Development Bond with nature of mutual funds with no credit risk ratings and active market prices, carrying (AA) country risk and coupon rate of 7% per annum with the maturity of Dec 24, 2027 , issued by UAE Corporations. The UAE country risk is (AA) (31 December 2024: AA). These investments are made through DAMAN and STP-Partners Ltd asset managers of the bank.

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		Note	31-Mar-25 (Un-audited)	31-Dec-24 (Audited)
			---------- AFN '000 ----------	
6	**LOANS AND ADVANCES TO CUSTOMERS - NET**			
	Conventional loans		**1,303,617**	1,340,683
	Islamic loans		**583,518**	530,392
			1,887,135	1,871,075
	IMPAIRMENT			
	Conventional loans		**(253,584)**	(249,804)
	Islamic loans		**(51,786)**	(5,688)
		6.1	**(305,370)**	(255,492)
			1,581,765	1,615,583

6.1 Impairment allowance - summary

Balance at the beginning of the period / year		**255,492**	254,775
Charge for the period / year		**81,296**	16,981
Reversal		**(6,860)**	-
Exchange rate differences		**4,952**	717
		334,880	272,473
Write offs		**(29,510)**	(16,981)
Balance at the end of the period / year	6.1.1	**305,370**	255,492

6.1.1 Impairment - details

		31 March 2024			31 December 2024		
		Gross amount	Impairment allowance	Carrying amount	Gross amount	Impairment allowance	Carrying amount
		..... AFN '000'					
Conventional financing							
Running finance	6.1.2	**819,398**	**(179,760)**	**639,638**	806,541	(176,918)	629,623
SME loans		**163**	**-**	**163**	300	(26)	273
Term loans		**484,056**	**(73,824)**	**410,232**	533,842	(72,860)	460,982
		1,303,617	**(253,584)**	**1,050,033**	1,340,683	(249,804)	1,090,878
Islamic financing							
Murabaha		**583,518**	**(51,786)**	**531,732**	530,392	(5,688)	524,703
		1,887,135	**(305,370)**	**1,581,765**	1,871,074	(255,492)	1,615,581

6.1.2 As per DAB Letter No. 6223/4527, dated 29 November 2024, notifying further deferral of the ACPR regulation as of 31 December 2024, and instructing the banks to recognize 30% of the previously unrecorded provisions by 2025, the bank total provision as of 31 March 2025, if ACPR was effective, would have been Afn 657mn. In accordance with the above circular, the Bank has recognized 11% of the deferred provision as of the reporting date, amounting to AFN 74mn. The Bank plans to recognize the full 30% of the deferred provision by 31 December 2025, in compliance with the requirements outlined in the DAB circular.

	31-Mar-25 (Un-audited)	31-Dec-24 (Audited)
6.1.3 Impairment (charge) / reversal on financial assets	---------- AFN '000 ----------	
Impairment reversal on receivables from financial institutions	**10,659**	14,532
Net provision on AFS investments	**-**	-
Exchange loss / (gain) on currency translation	**-**	-
Loan charged off during the period / year	**(74,436)**	(16,981)
Provisions on funded facilities - Net	**(63,777)**	(2,449)

		Note	31-Mar-25 (Un-audited)	31-Dec-24 (Audited)
7	**PROPERTY AND EQUIPMENT**		..... AFN '000'	
	Operating fixed assets			
	Property and equipment	7.1	**188,078**	183,453
	Right of use asset	7.2	**78,655**	73,922
	Capital work in progress		**1,562**	6,801
	Acquisition of land	7.3	**580,973**	-
			849,268	264,176
7.1	**Cost**			
	Opening balances		**518,624**	504,538
	Additions during the period / year		**8,433**	15,912
	Transfer from capital work in progress		**1,447**	996
	Disposals during the period / year		**(755)**	(2,822)
	Closing balances		**527,749**	518,624
	Accumulated Depreciation			
	Opening balances		**335,171**	317,794
	Charge for the period / year		**5,244**	20,165
	Adjustment		**-**	-
	Disposals during the period / year		**(744)**	(2,788)
	Closing balances		**339,671**	335,171
	Written down value		**188,078**	183,453
7.2	**Right of use assets**			
	Cost			
	Opening balance		**225,904**	179,865
	Additions during the period / year		**568**	49,064
	Lease modification		**13,815**	4,888
	Write-Off		**-**	(7,913)
	Adjustment		**(77)**	-
	Closing balances		**240,210**	225,904
	Accumulated Depreciation			
	Opening balance		**151,982**	121,144
	Charge for the period / year		**9,573**	30,838
	Closing balances		**161,555**	151,982
	Carrying Amount		**78,655**	73,922

7.3 This represents acquisition of 2acre (8,100square meters) land, located in Airport road, for construction of head office premises in the future.

		Note	31-Mar-25 (Un-audited)	31-Dec-24 (Audited)
8	**OTHER ASSETS**		..... AFN '000'	
	Restricted deposits with DAB	8.1	**850,953**	775,169
	Prepayments	8.2	**65,193**	72,847
	Receivable from Western Union		**63,949**	18,805
	Profit receivable	8.3	**13,268**	24,162
	Interest receivable		**19,506**	19,614
	Security deposits	8.4	**383,062**	424,680
	Receivable from humanitarian organization	8.5	**547,774**	130,591
	Others	8.6	**81,346**	9,610
			2,025,051	1,475,478

8.1 Restricted deposits with DAB

Local currency		**256,588**	163,177
Foreign currencies		**594,366**	611,992
	8.1.1	**850,953**	775,169

8.1.1 This represents non-interest bearing statutory reserves maintained with DAB as minimum reserve calculated at 7% for local currency and 9% of foreign currency deposits in accordance with Article 3 "Required Reserves Regulation" of the Banking Regulations issued by DAB.

8.2 This includes 20 years prepayment rental expense for the hairatan branch to the related party of the bank, amounting AFN to 46.98 million (2023: AFN 47.83mn).

8.3 This includes profit receivable on account of Murabaha investments, Sovereign sukuks and Murabaha facility.

8.4 Security Deposits

		31-Mar-25 (Un-audited)	31-Dec-24 (Audited)
		---------- AFN '000 ----------	
Pashtany bank	8.4.1	**358,000**	352,250
Ziraat bank	8.4.2	**-**	47,763
CSC Bank & Western union		**25,062**	24,667
		383,062	424,680

8.4.1 Security deposits for providing DABs bills collections.

8.4.2 Cash margin on issuance letter of credits

8.5 This represents receivables against the provision of cash distribution services to the international humanitarian organization, amount of AFN 179,886 thousands and USD amount equivalent to AFN 367,888 thousands, which was subsequently received by the bank.

8.6 This includes receivables against CSC intermediary account amounting to 9.35 million, APS intermediary account amounting to 44million, advance salaries 8.83 million, derivative contracts 3.44 million and others 15.73 million.

	Note	31-Mar-25 (Un-audited)	31-Dec-24 (Audited)
		..... AFN '000'	
9 DEPOSITS FROM CUSTOMERS			
Conventional			
Current deposits		**7,510,389**	5,576,073
Saving deposits		**615,368**	691,220
Term deposits		**80,116**	78,890
		8,205,873	6,346,183
Islamic			
Current deposits		**1,310,204**	1,840,618
Saving deposits		**902,609**	911,506
Mudarabah fixed deposits		**402,153**	395,506
		2,614,966	3,147,630
Margin deposits			
Margin deposits - expired		**14,910**	14,673
Margin deposits - unexpired	9.1	**1,465,466**	1,460,854
		1,480,376	1,475,527
		12,301,215	10,969,340

9.1 This represent cash margin money held against bank guarantee ranging from 5% to 100% of the guarantee amount.

	31-Mar-25 (Un-audited)	31-Dec-24 (Audited)
	..... AFN '000'	
10 DEPOSITS FROM FINANCIAL INSTITUTIONS		
Deposits from Banks		
Demand Deposits of Banks	**958,076**	1,107,265
Deposits from OFI's		
Current deposits	**65,113**	266,940
Term deposits	**1,043,200**	1,545,400
	1,108,313	1,812,340
	2,066,389	2,919,605

NQ

		Note	31-Mar-25 (Un-audited)	31-Dec-24 (Audited)
			..... AFN '000'	
11	**OTHER LIABILITIES**			
	Interest payable on customer deposits		**8,016**	8,016
	Profit payable on Islamic customer deposits		**23,211**	22,137
	Withholding tax		**14,120**	9,931
	Unearned commission on bank guarantees		**14,864**	16,330
	Accrued expenses		**40,313**	27,643
	Dividend payable	11.1	**17,274**	17,274
	Payable against canceled shares		**22,960**	22,960
	Payable to donor	11.2	**20,577**	12,032
	Other liabilities	11.3	**22,927**	29,673
			184,262	165,996

11.1 This represents dividend payable to disputed shareholder declared in 2020.

11.2 This represents balance received from ACGF against providing loans to SMEs under AMAD project and recovery of guaranteed loans.

11.3 This includes sundry deposits, rent payable and other suspend liabilities.

		31-Mar-25 (Un-audited)	31-Dec-24 (Audited)
		..... AFN '000'	
12	**LEASE LIABILITY**		
	Opening balance	**43,771**	27,604
	Addition during the period / year	**568**	49,064
	Payment during the period / year - principal	**(11,863)**	(31,860)
	Accrued finance cost for the period / year	**1,316**	5,060
	Lease modification	**13,815**	(4,888)
	Write off	**-**	4,262
	Adjustment	**(6)**	(5,038)
	Exchange loss / (gain)	**129**	(433)
	Carrying amount	**47,731**	43,771

13 CONTINGENCIES AND COMMITMENTS

Contingencies		
Contingencies - Bank guarantees issued	**5,855,448**	5,673,237
Letters of credits	**27,808**	47,763
	5,883,256	5,721,000
Commitments - Un-used portion of Overdraft	**4,296**	4,195

		Note	31-Mar-25 (Un-audited)	31-Mar-24 (Un-audited)
			..... AFN '000'	
14	**NET PROFIT / INTEREST INCOME**			
	Interest income			
	Interest income on Placements		**15,636**	24,857
	Loans and advances		**14,430**	15,718
	Bonds and Sukuk		**45,810**	14,756
	Total profit / interest income		**75,876**	55,331
	Profit expense			
	Loan and advances	14.1	**-**	-
	Customer deposits	14.2	**7,062**	5,827
			7,062	5,827
	Net profit / interest income		**68,813**	49,504
14.2	**Profit expense on customers deposits**			
	Term deposits		**5,808**	5,004
	Saving deposits		**1,254**	823
			7,062	5,827

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			31-Mar-25 (Un-audited)	31-Mar-24 (Un-audited)
15	**NET FEE AND COMMISSION INCOME**		..... AFN '000'	
	Fee and commission income			
	Commission on bank guarantees		**18,020**	12,139
	Commission on letter of credits		**202**	662
	Fund transfer fee		**104,631**	76,484
	Deposit accounts servicing		**21,155**	7,658
	Commission on cash management		**15,661**	25,665
	Total fee and commission income		**159,669**	122,608
	Fee and commission expense			
	Inter bank transaction fee		**(7,016)**	(933)
	Electronic banking fee		**(4,869)**	(4,910)
	Net fee and commission income		**147,784**	116,765
16	**OTHER INCOME /EXPENSE - NET**			
	Other income			
	Reimbursement from ADIC insurance premium	16.1	**135,808**	-
	Recovery of loan previously written off		**2,148**	2,146
	Revaluation gain on investment in gold		**424**	-
	Other		**6,899**	2,458
			145,279	4,604
	Other expense			
	Loan and advances	16.2	**24,269**	-
			24,269	-
	Other income /expense - net		**121,011**	4,604

16.1 This represents amounts received from ADIC amounting to AFN 92,588 thousands and foreign currencies: USD equivalent to AFN 41,936 and EUR 1,314.

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 156.84 million, which had been paid by the bank from October 2009 to 30 June 2024 on customer deposits in AFN, USD, and EUR currencies. However, on 17 February 2025, the bank received and recognized AFN 135.808 million as income, representing 100% reimbursement of ADIC premiums on customer deposits in USD and EUR, and 80% reimbursement on customer deposits in AFN.

16.2 This represents repayment of interest income against loans and advances as per DAB Letter No. 8306/6070, dated 11 January 2025.

17	**EMPLOYEE COMPENSATION**		
	Salaries and wages	**47,227**	42,915
	Food allowances	**982**	826
	Staff bonus	**11,124**	303
		59,333	44,044
18	**ADMINISTRATIVE EXPENSE**		
	Security guards expenses	**6,967**	5,899
	Software annual maintenance	**3,524**	4,126
	Insurance	**9,992**	17,513
	Communication	**1,501**	1,440
	Advertisement	**2,347**	3,523
	Travelling and conveyance	**2,460**	2,890
	Utilities	**4,281**	2,895
	Fuel	**1,391**	1,033
	Repair and maintenance	**2,304**	2,309
	Stationery and printing	**1,955**	1,210
	Directors meeting fees	**2,779**	2,927
	Food expenses	**971**	1,129
	Staff training	**393**	143
	Audit fee	**384**	240
	Consultancy & advisory	**6,675**	29,193
	Other expenses	**6,899**	2,586
		54,824	79,056

19 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Parent and ultimate controlling entity

The Bank is owned by individual shareholders owing equity shares in different proportions. Mr. Mohammad Ibrahim Ghazanfar and Mr. Mohammad Ismail Ghazanfar each holds 36.16% and 36.15% respectively of issued, subscribed and paid up capital while remaining 27.69% is held by Mrs. Shukria Amin. This is based on the revised article of association approved from the DAB.

Associated entities

Associated entities include all sister companies under Ghazanfar Group including Ghazanfar Naft and Gas, Ghazanfar investments and Ghazanfar Foundation.

Key management personnel

Key management personnel includes Board of Supervisors, Chief Executive Officer, Deputy Chief Executive Officer, Chief Financial Officer, Chief Credit Officer, Chief Operation Officer and Chief Islamic Banking Officer.

Transactions with related parties

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

	Directors and other key management personnel (and close family members)		Shareholders and its associated companies	
	31-Mar-25 (Un-audited)	31-Dec-24 (Audited)	31-Mar-25 (Un-audited)	31-Dec-24 (Audited)
Nature of transactions	---------- AFN '000 ----------			
(a) Loans and advances to related parties				
Loans outstanding at the beginning of the period / year	-	-	-	47,476
Loans issued during the period / year	-	-	-	-
Loans repayments during the period / year	-	-	-	(47,476)
Exchange gain	-	-	-	-
Loans outstanding at the end of the period / year	-	-	-	-
Interest income earned	-	-	-	(9,011)

The facilities provided to related parties carry mark-up of 7% p.a. (31 December 2023: 7% p.a.) payable on monthly basis and are secured against mortgage of residential property and personal guarantees of directors and representative of shareholders of the Bank.

	Directors and other key management personnel (and close family members)		Shareholders and its associated companies	
	31-Mar-25 (Un-audited)	31-Dec-24 (Audited)	31-Mar-25 (Un-audited)	31-Dec-24 (Audited)
Nature of transactions	---------- AFN '000 ----------			
(b) Deposits from related parties				
Deposits at the beginning of the period	**24,043**	18,549	**33,863**	20,634
Deposits received during the period	**36,076**	89,448	**599,797**	341,524
Deposits repaid during the period	**34,635**	83,954	**606,319**	328,295
Exchange rate difference	**383**	-	**519**	-
Deposits at the end of the period	**25,867**	24,043	**27,859**	33,863
	-			

	31-Mar-25 (Un-audited)	31-Dec-24 (Audited)
Nature of transactions	..... AFN '000'	
(c) Other related party transactions with shareholders and its associated companies		
Prepayment / Security Deposit for Hairatan Branch	**45,691**	46,143

	Directors and other key management personnel (and close family members)		Shareholders and its associated companies	
	31-Mar-25 (Un-audited)	31-Mar-24 (Un-audited)	31-Mar-25 (Un-audited)	31-Mar-24 (Un-audited)
	---------- AFN '000 ----------			
(c) Other related party expenses during the period				
Directors' fee	**2,779**	2,927	-	-
Rent paid	-	-	**2,160**	288

	31-Mar-25 (Un-audited)	31-Mar-24 (Un-audited)
	..... AFN '000'	
(d) Key Management compensation		
Salaries and other short-term benefits	**9,675**	8,979
	9,675	8,979

20 CAPITAL MANAGEMENT

Regulatory capital

Da Afghanistan Bank (DAB) sets and monitors capital requirements for all Banks. Bank is required to maintain at all times the paid up capital plus reserves in excess of Afs 1 billion and regulatory capital to be 12% of the risk weighted assets. The capital adequacy of the Bank is assessed in two tiers as per regulations of the DAB.

- 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 and Tier 2 capital cannot exceed amount of Tier 1 capital. The Bank complies with these regulations.

The Bank's regulatory capital position as on September 30, 2024 is as follows:

	31-Mar-25 (Un-audited)	31-Dec-24 (Audited)
	..... AFN '000'	
Tier 1 capital		
Share holders' equity	**2,092,337**	1,935,177
Less: Other Equity Components	**34,769**	67,054
Less: Profit for the period / year	**(124,876)**	(163,604)
Less: Intangible assets	**-**	-
Net Deferred tax assets	**(8,692)**	(22,141)
Total tier 1 (core) capital	**1,993,538**	1,816,486
Tier 2 capital		
General allowances on standard advances	**-**	22
Add: Profit for the period / year	**124,876**	163,604
Total tier 2 (supplementary) capital	**124,876**	163,626
Total Regulatory capital = Tier 1 + Tier 2	**2,118,414**	1,980,112
Risk-weight categories		
0% risk weight:		
Cash in Afghani and fully-convertible foreign currencies	**913,341**	1,604,428
Direct claims on DAB	**5,018,690**	4,222,477
0% risk-weight total (above total x 0%)	**-**	-
20% risk weight:		
Demand deposits with banks	**3,441,510**	2,109,406
Short term deposits with banks	**322,200**	2,148,725
Guaranteed by multilateral lending institutions	**322,206**	265,560
Total	**4,085,916**	4,523,691
20% Risk-Weight Total (Above Total x 20%)	**817,183**	904,738
50% risk weight:		
Qualifying Residential Mortgage Loans	-	-
Qualifying Real Estate Construction Loans	-	-
Total	**-**	-
50% risk-weight total (above total x 50%)	**-**	-

	31-Mar-25 (Un-audited)	31-Dec-24 (Audited)
	..... AFN '000'	
100% risk weight		
Loans and advances - Gross	**1,259,559**	1,350,043
Property and Equipment	**849,268**	264,176
All other assets	**4,610,957**	4,076,771
Total	**6,719,784**	5,690,990
100% Risk-Weight Total (Above Total x 100%)	**6,719,784**	5,690,990
Off-balance-sheet items with 0% Credit Conversion Factor		
Undrawn loan and overdraft facilities	**4,296**	4,195
Total	**4,296**	4,195
0% Credit Conversion Factor Total (Above Total x 0%)	**-**	**-**
Off-balance-sheet items with 20% Credit Conversion Factor		
Commercial letters of credit	**5,562**	-
100% Risk Weight	**22,246**	-
Total	**27,808**	-
20% Credit Conversion Factor Total (Risk-Weighted Total x 20%)	**4,449**	-
Off-balance sheet items with 100% Credit Conversion Factor		
Guarantees and Standby Letters of Credit		
20% Risk Weight	**-**	-
100% Risk Weight	**751,242**	712,939
Total	**751,242**	712,939
100% Credit Conversion Factor Total(Risk-Weighted Totals x 100%)	**751,242**	712,939
	8,292,658	7,308,668
Tier 1 Capital Ratio	**24.04**	24.85
Regulatory Capital Ratio	**25.55**	27.09

Currently the bank is having above AFN 4,500.3 million expired bank guarantees due to which the risk weight of such guarantees is considered zero which results an increase in Tier 1 Capital ratio and the Regulatory Capital Ratio.

21 GENERAL

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

Chief Financial Officer	Chief Executive Officer	Chairman

22 Islamic Banking Information

22.1 Islamic Banking Financial Position

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

	31-Mar-25 (Un-audited)	31-Dec-24 (Audited)
	..... AFN '000'	
ASSETS		
Cash and cash equivalents	**2,174,731**	1,672,270
Alwakala deposits with FIs	**358,000**	1,655,575
Investments in Sukuk securities	**924,389**	1,034,473
Murabaha Islamic Financing	**531,732**	524,703
Deferred tax assets	**9**	532
Other assets	**305,085**	520,298
Total assets	**4,293,946**	5,407,851
EQUITY AND LIABILITIES		
EQUITY		
Retained earnings	**(39,030)**	18,210
Revaluation deficit on financial instruments	**(35)**	(2,129)
Total equity	**(39,065)**	16,081
LIABILITIES		
Current deposits	**1,327,072**	2,043,438
Mudarabah saving deposits	**902,609**	911,506
Mudarabah fixed deposits	**1,890,958**	2,393,459
Other liabilities	**212,372**	43,367
Total liabilities	**4,333,011**	5,391,770
Total equity and liabilities	**4,293,946**	5,407,851
Contingencies and commitments	**1,197,238**	1,199,512

Chief Financial Officer | **Chief Executive Officer** | **Chairman**

22.2 Islamic Banking Interim Profit or Loss

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

	31-Mar-25 (Un-audited)	31-Mar-24 (Un-audited)
	..... AFN '000'	
Total profit income	**42,426**	23,123
Total profit expense	**(7,062)**	(5,827)
Net Profit income	**35,364**	17,296
Revenue from banking services	**24,089**	23,910
Expense on banking services	**(484)**	(161)
Net revenue form banking services	**23,605**	23,749
Losses from dealing in foreign currencies	**(3,488)**	(45,667)
	55,482	(4,621)
Other income	**2,717**	5,276
Impairment allowances and charge off	**(74,440)**	(12,397)
Employee compensation	**(16,122)**	(12,607)
Operating lease expenses	**(67)**	(79)
Finance cost on lease liability	**(529)**	(481)
Depreciation and Amortization	**(4,481)**	(3,566)
Administrative expense	**(19,801)**	(25,730)
	(115,439)	(54,859)
Loss before tax	**(57,241)**	(54,204)
Taxation	**-**	-
Loss after tax	**(57,241)**	(54,204)

23 GENERAL

No significant reclassification/rearrangement has been made in these condensed interim financial information. Figures have been rounded off to the nearest Thousand of AFN.

Chief Financial Officer	Chief Executive Officer	Chairman