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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 **30 June 2025**, and the related condensed interim statement of comprehensive income, changes in equity and cash flows for the six 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 30 June 2025.

Mazars Afghanistan Limited

Chartered Accountants
Engagement Partner: Muhammad Saqlain Siddiqui
Date: 18 August 2025
Place: Kabul, Afghanistan

MAZARS AFGHANISTAN KABUL LIMITED

GHAZANFAR BANK
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT 30 JUNE 2025

	Note	30-Jun-2025 (Un-audited)	31-Dec-24 (Audited)
		..... AFN '000'	
ASSETS			
Cash and cash equivalents	4	**7,220,608**	9,309,867
Investments	5	**4,037,935**	3,347,123
Loans and advances	6	**1,501,272**	1,615,581
Property and equipment	7	**508,020**	264,176
Deferred tax assets		**-**	22,141
Other assets	8	**2,712,672**	1,475,478
Total assets		**15,980,507**	16,034,366
EQUITY AND LIABILITIES			
EQUITY			
Share capital		**1,244,040**	1,244,040
Capital Reserves		**68,743**	68,743
Retained earnings		**811,506**	689,447
Revaluation deficit on financial instruments at FVOCI		**(19,323)**	(67,054)
Revaluation reserve on property and equipment		**183,450**	-
Total equity		**2,288,416**	1,935,177
LIABILITIES			
Deposits from customers	9	**10,784,154**	10,969,340
Deposits from financial institutions	10	**2,586,607**	2,919,605
Other liabilities	11	**181,000**	165,996
Lease liability	12	**53,817**	43,771
Deferred tax liabilities		**41,032**	-
Provision for taxation		**45,481**	477
Total liabilities		**13,692,091**	14,099,189
Total equity and liabilities		**15,980,507**	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 SIX MONTHS PERIOD ENDED ON 30 JUNE 2025

	Note	Half Yearly		Quarter Ended	
		30-Jun-25	30-Jun-24	30-Jun-25	30-Jun-24
		..... AFN '000'		..... AFN '000'	
Profit/Interest income		**149,696**	114,111	78,749	58,780
Profit expense		**(14,534)**	(12,083)	(7,472)	(6,256)
Net Profit/interest income	14	**135,162**	102,028	71,277	52,524
Fee and commission income		**318,112**	247,024	158,443	124,416
Fee and commission expense		**(25,542)**	(11,556)	(13,657)	(5,713)
Net fee and commission income	15	**292,570**	235,468	144,786	118,703
Income / (losses) from dealing in foreign currencies		**71,260**	(8,019)	31,064	(18,492)
		498,992	329,477	247,128	152,735
Other income	16	**173,887**	7,971	52,876	3,367
Impairment allowances	6.1.3	**(144,981)**	(5,326)	(81,204)	(4,474)
Loss on sale of securities		**(36,536)**	8,813	(8,613)	6,055
Employee compensation	17	**(109,223)**	(89,947)	(49,890)	(45,903)
Operating lease expenses		**(1,558)**	(1,399)	(881)	(840)
Finance cost on lease liability	12	**(2,602)**	(2,522)	(1,286)	(1,254)
Depreciation		**(30,418)**	(24,133)	(15,601)	(12,853)
Administrative expense	18	**(171,739)**	(197,639)	(116,915)	(118,583)
		(497,057)	(312,153)	(274,391)	(177,852)
Profit before tax		**175,822**	25,294	25,614	(21,751)
Taxation		**(53,763)**	(5,059)	(24,181)	4,350
Profit for the period		**122,059**	20,235	1,432	(17,401)
Other comprehensive income					
Items to be reclassified subsequently to profit or loss					
- Unrealized loss on revaluation of AFS investment		**(24,154)**	(90,709)	19,294	(12,479)
- Related deferred tax		**4,831**	18,142	(3,859)	2,496
		(19,323)	(72,567)	15,435	(9,983)
Items not to be classified subsequently to profit & loss					
- Revaluation reserve of property and equipment		**229,313**	-	229,313	-
- Related deferred tax		**(45,863)**	-	(45,863)	-
		183,450	-	183,450	-
Total comprehensive income / (loss) for the period		**286,186**	(52,332)	200,318	(27,384)

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 SIX MONTHS PERIOD ENDED ON 30 JUNE 2025

	Issued, subscribed and paid-up share capital	Capital Reserves	Retained Earnings	Revaluation deficit on financial instruments	Revaluation reserve on property and equipment	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	-	-	20,235	-	-	20,235
Revaluation deficit on financial instruments	-	-	-	(10,680)	-	(10,680)
	-	-	20,235	(10,680)		9,555
Balance as at June 30, 2024 (Un-audited)	1,244,040	68,743	546,079	(72,567)	-	1,786,295
Balance as at December 31, 2024 (Audited)	**1,244,040**	**68,743**	**689,447**	**(67,054)**	**-**	**1,935,177**
Profit for the period	-	-	**122,059**	-	-	**122,059**
Revaluation surplus on financial instruments	-	-	-	**47,731**	-	**47,731**
Revaluation reserve on property and equipment	-	-	-	-	**183,450**	**183,450**
	-	-	**122,059**	**47,731**	**183,450**	**353,240**
Balance as at June 30, 2025 (Un-audited)	**1,244,040**	**68,743**	**811,506**	**(19,323)**	**183,450**	**2,288,417**

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 SIX MONTHS PERIOD ENDED ON 30 JUNE 2025

	Notes	30-Jun-25 (Un-audited)	30-Jun-24 (Un-audited)
		..... AFN '000'	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		**175,822**	25,294
Adjustments for:			
Impairment allowances	6.1.3	**144,981**	5,326
Loss on disposal of securities		**36,536**	-
Finance cost on lease liability	12	**2,602**	2,522
Exchange gain / (loss) on lease liability	12	**79**	(370)
Depreciation	7	**30,418**	24,133
Fixed assets written-off		**1,144**	-
		391,582	56,905
Changes in assets			
Loans and advances	6	**41,331**	87,776
Other assets	8	**(1,226,535)**	773,938
		(1,185,204)	861,714
Changes in liabilities			
Deposits from customers	9	**(185,187)**	1,420,113
Deposits from financial institutions		**(332,998)**	264,025
Other liabilities		**15,220**	35,966
		(502,965)	1,720,104
Net cash flow from operating activities before tax		**(1,296,587)**	2,638,722
Tax paid		**(8,661)**	-
Net cash (used in) / from operating activities		**(1,305,248)**	2,638,722
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment		**(16,101)**	(8,826)
Acquisition of right of use assets		**(38,060)**	(34,275)
Proceeds from disposal of property and equipment		**27**	-
Capital work in progress		**994**	(2,024)
Investments	5	**(745,474)**	(201,098)
Net cash generated used in investing activities		**(798,614)**	(246,224)
CASH FLOWS FROM FINANCING ACTIVITIES			
Acquisition of right of use assets	7.2	**38,060**	34,275
Repayment of lease liability		**(23,457)**	(15,757)
Net cash from financing activities		**14,603**	18,519
Net (decrease) / increase in cash and cash equivalents		**(2,089,259)**	2,411,017
Cash and cash equivalents, beginning of the year		**9,309,867**	6,200,234
Cash and cash equivalents, end of period		**7,220,608**	8,611,251

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 June 30, 2025 (including comparatives) have been approved and authorized for issue by the Board of Supervisors on 18-Aug, 2025.

2 STATEMENT OF COMPLIANCE

2.1 This condensed interim financial information of the Bank for the six months period ended 30 June 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 six months period ended 30 June 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. Except for property and equipment the bank has changed accounting policy from cost model to revaluation model effective from 17 May 2025.

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	30-Jun-25 (Un-audited)	31-Dec-24 (Audited)
			..... AFN '000'	
4	**CASH AND CASH EQUIVALENTS**			
	Cash in hand	4.1	**1,064,439**	1,604,428
	Balances with banks	4.2	**3,026,521**	5,421,624
	Balances with investment managers	4.3	**208,912**	135,090
	Short term placements	4.4	**2,920,736**	2,148,725
			7,220,608	9,309,867
4.1	**Cash in hand**			
	Local currency		**540,880**	656,712
	Foreign currencies		**523,559**	947,716
			1,064,439	1,604,428
4.2	**Balances with banks**			
	Balances with central bank			
	Local currency current accounts		**766,993**	1,911,349
	Foreign currency current accounts		**127,434**	1,535,959
			894,427	3,447,308
	Balances with other banks (domestic)		**1,242,020**	1,092,021
	Balances with other banks (foreign)		**890,074**	882,295
			3,026,521	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	**1,685,040**	1,655,575
	Short term placements	4.4.2	**1,235,696**	493,150
			2,920,736	2,148,725

4.4.1 This represents Al-Wakala deposits with Al-Salam bank Bahrain, with expected profit returns of (3.95%), with maturity dates from 12 February 2025 to 25 Aug 2025 (2024: 4.25). The bank has no credit risk ratings.

4.4.2 This represents placements with maturity less than 3 months with Nural bank, carrying interest rates 3.85% (2024: 4.25% to 4.50%), these banks have BB credit risk rating.

5	**INVESTMENTS**			
	Available for sale			
	Investment in bonds/ sukuk	5.1	**1,095,799**	427,099
	Held for trading			
	Investment in equity instruments	5.2	**340,673**	128,911
	Investment in gold	5.3	**66,018**	-
			1,502,490	556,010
	Loss reserve on debt instruments		**-**	(10,568)
			1,502,490	545,442
	Held to maturity			
	Investments in T-bills	5.4	**525,312**	992,629
	Investment in Bond / Sukuk	5.5	**648,691**	759,980
	Longterm Mudarabah Deposit	5.6	**140,420**	-
			1,314,423	1,752,609
	Investments in Emerging bonds	5.7	**1,221,022**	1,049,071
			4,037,935	3,347,123

5.1	**Investment in bonds/ sukuk**	**Ratings**			
	Dubai Islamic Bank DIB Sukuk, UAE	Aa-		**388,680**	274,493
	Banque Saudi Fransi, Saudit Arabia	A-		**21,148**	-
	DP World Crescent LTD Sukuk, UAE	Baa2		**33,856**	-
	First Abu Dhabi FABUH Sukuk, UAE	Aa-		**345,318**	-
	Kingdom of Saudi Arabia Sukuk KSA, UAE	A+		**144,158**	-
	Perusahaan Penerbit SBSN, Indonesia	BBB		**35,925**	-
	SAUDI ELEC GLB SUKUK, Saudi Arabia	A+		**18,761**	-
	Sharjah Sukuk Program, UAE	BBB-		**107,952**	-
	Srilankan Sovereign Bond	NR		-	13,449
	KSA Bond	NR		-	139,157
			5.1.1	**1,095,799**	427,099

5.1.1 This represents foreign investments with coupon rates ranging from 1.41% to 5.27% and maturities from 14 January 2026 to 17 September 2030. FAB is acting as the investment custodian of these investment.

	Cost - net	Unrealized loss	Market value
	..... (AFN '000)		
	1,096,977	(1,178)	1,095,799

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

	Cost	Unrealized loss	Market value
	..... (AFN '000)		
Shares of listed entities	363,649	(22,976)	340,673

5.3 This represents investment in physical and paper gold in Gold Stream Global and Aktif Bank. The gold is revalued on monthly basis and the impact is reflected accordingly in the financial statements.

5.4 This represents investments in US Treasury Bills (risk rating AA+), carrying coupon rates ranging from 3.76% to 4.34% for the period. These investments have a maturity dates from 3 Jul 2025 to 28 Nov 2025. These investments are made through ARK, DAMAN & STP-Partners Ltd asset managers of the bank.

5.5 These represent an investment in Sovereign bonds of Oman (risk rating BB+), Bahrain (risk rating B+), EI Sukuk Company Ltd (risk rate A+), Democratic social regs (Sri Lanka) (risk Rate CCC+) having coupon rates ranging from 1.83% to 6.88% per annum. These investments have a maturity dates from 23 Sep 2025 to Feb 15, 2038. FAB, DAMAN & 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**	**30-Jun-25**	**31-Dec-24**
				---------- AFN '000 ----------	
	Emerging market infrastructure funds	NR	5.7.1	**259,777**	260,665
	Emerging real estate development funds	NR	5.7.1	**350,418**	351,616
	SIL Emerging Real Estate funds	NR	5.7.1	**140,420**	140,900
	SIL Emerging Infrastructure Devel Bond	NR	5.7.1	**154,462**	295,890
	GGH infrastructure development bond	NR	5.7.1	**315,945**	-
				1,221,022	1,049,071

5.7.1 This represents investments in Emerging Market Infrastructure (Carrying 5% coupon and having maturity dates 16 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, GGH 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 6% per annum with the maturity of April 15, 2028, issued by UAE Corporations. The UAE country risk is (AA) (31 December 2024: AA). These investments are made through DAMAN, ARK and STP-Partners Ltd asset managers of the bank.

		Note	30-Jun-25 (Un-audited)	31-Dec-24 (Audited)
			---------- AFN '000 ----------	
6	**LOANS AND ADVANCES TO CUSTOMERS - NET**			
	Conventional loans		**1,099,465**	1,340,683
	Islamic loans		**613,571**	530,392
			1,713,037	1,871,075
	IMPAIRMENT			
	Conventional loans		**(197,333)**	(249,804)
	Islamic loans		**(14,433)**	(5,688)
		6.1	**(211,765)**	(255,492)
			1,501,271	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		**218,420**	16,981
Reversal		**(62,780)**	-
Exchange rate differences		**(860)**	717
		410,273	272,473
Write offs		**(198,508)**	(16,981)
Balance at the end of the period / year	6.1.1	**211,765**	255,492

6.1.1 Impairment - details

		30 Jun 2025			31 December 2024		
		Gross amount	Impairment allowance	Carrying amount	Gross amount	Impairment allowance	Carrying amount
		..... AFN '000'					
Conventional financing							
Running finance	6.1.2	**691,934**	**(122,290)**	**569,644**	806,541	(176,918)	629,623
SME loans		**67**	**-**	**67**	300	(26)	273
Term loans		**407,464**	**(75,042)**	**332,422**	533,842	(72,860)	460,982
		1,099,465	**(197,333)**	**902,133**	1,340,683	(249,804)	1,090,878
Islamic financing							
Murabaha		**613,571**	**(14,433)**	**599,139**	530,392	(5,688)	524,703
		1,713,037	**(211,765)**	**1,501,272**	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 30 June 2025, if ACPR was effective, would have been Afn 598mn. In accordance with the above circular, the Bank has recognized 20.19% of the deferred provision as of the reporting date, amounting to AFN 144.98mn. 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.

	30-Jun-25 (Un-audited)	31-Dec-24 (Audited)
6.1.3 Impairment charge on financial assets	---------- AFN '000 ----------	
Impairment reversal on receivables from financial institutions	**10,659**	14,532
Loan charged off during the period / year	**(155,640)**	(16,981)
Provisions on funded facilities - Net	**(144,981)**	(2,449)

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		Note	30-Jun-25 (Un-audited)	31-Dec-24 (Audited)
7	**PROPERTY AND EQUIPMENT**		..... AFN '000'	
	Operating fixed assets			
	Property and equipment	7.1	**418,227**	183,453
	Right of use asset	7.2	**83,986**	73,922
	Capital work in progress		**5,807**	6,801
			508,020	264,176
7.1	**Cost**			
	Opening balances		**518,624**	504,538
	Additions during the period / year		**14,654**	15,912
	Transfer from capital work in progress		**1,447**	996
	Fixed Asset Revaluation	7.3	**388,762**	-
	Adjustments	7.4	**(366,797)**	-
	Disposals during the period / year		**(1,144)**	(2,822)
	Closing balances		**555,545**	518,624
	Accumulated Depreciation			
	Opening balances		**335,171**	317,794
	Charge for the period / year		**10,624**	20,165
	Adjustments	7.4	**(207,362)**	-
	Disposals during the period / year		**(1,115)**	(2,788)
	Closing balances		**137,318**	335,171
	Written down value		**418,227**	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		**37,492**	4,888
	Write-Off		**(8,106)**	(7,913)
	Adjustment		**(96)**	-
	Closing balances		**255,762**	225,904
	Accumulated Depreciation			
	Opening balance		**151,982**	121,144
	Charge for the period / year		**19,794**	30,838
	Closing balances		**171,776**	151,982
	Carrying Amount		**83,986**	73,922

7.3 This represents the value of assets derived from a revaluation exercise conducted by an independent valuer appointed by the bank. The updated asset values have been recorded in the bank's books effective from 17 May 2025.

7.4 In connection with the revaluation exercise, the Bank implemented a change in its accounting policy for Property and Equipment, shifting from the cost model to the revaluation model. As a result of this policy change, The carrying values of assets were updated to reflect the revalued amounts determined in the revaluation report. The impact of the revaluation and related adjustments has been recognized in the financial statements under Other Comprehensive Income, with a corresponding effect in the Revaluation Reserve within equity.

		Note	30-Jun-25 (Un-audited)	31-Dec-24 (Audited)
8	**OTHER ASSETS**		..... AFN '000'	
	Restricted deposits with DAB	8.1	**935,042**	775,169
	Prepayments	8.2	**644,875**	72,847
	Receivable from Western Union		**51,648**	18,805
	Profit receivable	8.3	**12,023**	24,162
	Interest receivable		**31,593**	19,614
	Security deposits	8.4	**375,635**	424,680
	Receivable from humanitarian organization	8.5	**442,661**	130,591
	Others	8.6	**219,195**	9,610
			2,712,672	1,475,478
8.1	**Restricted deposits with DAB**			
	Local currency		**254,139**	163,177
	Foreign currencies		**680,904**	611,992
		8.1.1	**935,042**	775,169

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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 45.24 million (2024: AFN 47.83mn), and prepayment against purchasing of land for Bank head office amounting AFN 580.9 million

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

			30-Jun-25 (Un-audited)	31-Dec-24 (Audited)
			---------- AFN '000 ----------	
8.4	**Security Deposits**			
	Pashtany bank	8.4.1	**351,050**	352,250
	Ziraat bank	8.4.2	**-**	47,763
	CSC Bank & Western union		**24,585**	24,667
			375,635	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 118.74 Million and USD amount equivalent to AFN 323.92 million.

8.6 This includes receivables against APS intermediary account amounting to 11.82million, advance salaries 7.3 million, derivative contracts 198.21 million and others 1.9 million.

		Note	30-Jun-25 (Un-audited)	31-Dec-24 (Audited)
			..... AFN '000'	
9	**DEPOSITS FROM CUSTOMERS**			
	Conventional			
	Current deposits		**5,910,845**	5,576,073
	Saving deposits		**628,286**	691,220
	Term deposits		**78,638**	78,890
			6,617,769	6,346,183
	Islamic			
	Current deposits		**1,403,802**	1,840,618
	Saving deposits		**914,316**	911,506
	Mudarabah fixed deposits		**396,582**	395,506
			2,714,700	3,147,630
	Margin deposits			
	Margin deposits - expired		**14,623**	14,673
	Margin deposits - unexpired	9.1	**1,437,062**	1,460,854
			1,451,685	1,475,527
			10,784,154	10,969,340

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

		30-Jun-25 (Un-audited)	31-Dec-24 (Audited)
		..... AFN '000'	
10	**DEPOSITS FROM FINANCIAL INSTITUTIONS**		
	Deposits from Banks		
	Demand Deposits of Banks	**1,473,987**	1,107,265
	Deposits from OFI's		
	Current deposits	**72,199**	266,940
	Term deposits	**1,040,420**	1,545,400
		1,112,619	1,812,340
		2,586,607	2,919,605

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		Note	30-Jun-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		**18,509**	22,137
	Withholding tax		**13,539**	9,931
	Unearned commission on bank guarantees		**13,902**	16,330
	Accrued expenses		**35,519**	27,643
	Dividend payable	11.1	**17,274**	17,274
	Payable against canceled shares		**22,960**	22,960
	Payable to donor	11.2	**16,184**	12,032
	Other liabilities	11.3	**35,097**	29,673
			181,000	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.

		30-Jun-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	**(23,457)**	(31,860)
	Accrued finance cost for the period / year	**2,602**	5,060
	Lease modification	**37,492**	(4,888)
	Write off	**(7,075)**	4,262
	Adjustment	**(6)**	(5,038)
	Exchange gain	**(79)**	(433)
	Carrying amount	**53,817**	43,771

13	**CONTINGENCIES AND COMMITMENTS**		
	Contingencies		
	Contingencies - Bank guarantees issued	**5,830,987**	5,673,237
	Letters of credits	**-**	47,763
		5,830,987	5,721,000
	Commitments - Un-used portion of Overdraft	**4,213**	4,195
	Commitments - Wakalah Investment	**702,100**	-

		Note	30-Jun-25 (Un-audited)	30-Jun-24 (Un-audited)
			..... AFN '000'	
14	**NET PROFIT / INTEREST INCOME**			
	Interest income			
	Interest income on Placements		**34,583**	53,637
	Loans and advances - Murabaha		**29,326**	29,523
	Bonds and Sukuk		**85,787**	30,950
	Total profit / interest income		**149,696**	114,111
	Profit expense			
	Customer deposits	14.2	**14,534**	12,083
			14,534	12,083
	Net profit / interest income		**135,162**	102,028
14.2	**Profit attributle to customer deposits**			
	Term deposits - Mudurabah		**12,203**	10,321
	Saving deposits - Mudarabah		**2,331**	1,763
			14,534	12,083

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			30-Jun-25 (Un-audited)	30-Jun-24 (Un-audited)
			..... AFN '000'	
15	**NET FEE AND COMMISSION INCOME**			
	Fee and commission income			
	Commission on bank guarantees		**36,927**	26,361
	Commission on letter of credits		**561**	827
	Fund transfer fee		**220,132**	174,194
	Deposit accounts servicing		**32,513**	16,296
	Commission on cash management		**27,979**	29,345
	Total fee and commission income		**318,112**	247,024
	Fee and commission expense			
	Inter bank transaction fee		**(16,964)**	(2,385)
	Electronic banking fee		**(8,578)**	(9,171)
	Net fee and commission income		**292,570**	235,468
16	**OTHER INCOME /EXPENSE - NET**			
	Other income			
	Reimbursement from ADIC insurance premium	16.1	**135,808**	-
	Recovery of loan previously written off		**100,030**	2,920
	Revaluation gain on investment in gold		**2,290**	-
	Other		**16,071**	5,051
			254,198	7,971
	Other expense			
	Interest repayment - loans and advances	16.2	**80,311**	-
			80,311	-
	Other income /expense - net		**173,887**	7,971

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.

		30-Jun-25 (Un-audited)	30-Jun-24 (Un-audited)
		..... AFN '000'	
17	**EMPLOYEE COMPENSATION**		
	Salaries and wages	**95,213**	87,214
	Food allowances	**2,601**	1,721
	Staff bonus	**11,386**	1,012
	Staff welfare	**22**	-
		109,223	89,947
18	**ADMINISTRATIVE EXPENSE**		
	Security guards expenses	**15,562**	14,960
	Software annual maintenance	**6,767**	8,323
	Insurance	**20,559**	35,040
	Communication	**3,053**	2,890
	Advertisement	**7,686**	5,136
	Travelling and conveyance	**6,039**	6,198
	Utilities	**9,247**	6,103
	Fuel	**2,419**	1,966
	Repair and maintenance	**5,974**	7,222
	Stationery and printing	**4,108**	3,415
	Directors meeting fees	**7,541**	6,098
	Donation	**50,056**	48,050
	Food expenses	**1,985**	1,982
	Staff training	**1,298**	493
	Audit fee	**768**	768
	Consultancy & advisory	**18,839**	41,150
	Other expenses	**9,838**	7,846
		171,739	197,639

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	
	30-Jun-25 (Un-audited)	31-Dec-24 (Audited)	30-Jun-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 2024: 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	
	30-Jun-25 (Un-audited)	31-Dec-24 (Audited)	30-Jun-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	**62,260**	89,448	**762,872**	341,524
Deposits repaid during the period	**64,765**	83,954	**773,805**	328,295
Exchange rate difference	**(80)**	-	**(108)**	-
Deposits at the end of the period	**21,458**	24,043	**22,821**	33,863

	30-Jun-25 (Un-audited)	31-Dec-24 (Audited)
Nature of transactions	..... AFN '000'	
(c) Other related party transactions with shareholders and its associated		
Prepayment / Security Deposit for Hairatan Branch	**45,248**	46,143

	Directors and other key management personnel (and close family members)		Shareholders and its associated companies	
	30-Jun-25 (Un-audited)	30-Jun-24 (Un-audited)	30-Jun-25 (Un-audited)	30-Jun-24 (Un-audited)
	---------- AFN '000 ----------			
(c) Other related party expenses during the period				
Directors' fee	**7,541**	6,098	-	-
Rent paid	-	-	**4,255**	1,708
Donation paid	-	-	**50,056**	-

	30-Jun-25 (Un-audited)	30-Jun-24 (Un-audited)
	..... AFN '000'	
(d) Key Management compensation		
Salaries and other short-term benefits	**19,349**	18,586
	19,349	18,586

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:

	30-Jun-25 (Un-audited)	31-Dec-24 (Audited)
	..... AFN '000'	
Tier 1 capital		
Share holders' equity	**2,288,416**	1,935,177
Less: Other Equity Components	**(164,127)**	67,054
Less: Profit for the period / year	**(122,059)**	(163,604)
Net Deferred tax assets	**-**	(22,141)
Total tier 1 (core) capital	**2,002,230**	1,816,486
Tier 2 capital		
General allowances on standard advances	**-**	22
Revaluation reserves on fixed assets	**183,450**	-
Add: Profit for the period / year	**122,059**	163,604
Total tier 2 (supplementary) capital	**305,509**	163,626
Total Regulatory capital = Tier 1 + Tier 2	**2,307,739**	1,980,112
Risk-weight categories		
0% risk weight:		
Cash in Afghani and fully-convertible foreign currencies	**1,064,439**	1,604,428
Direct claims on DAB	**1,829,469**	4,222,477
0% risk-weight total (above total x 0%)	**-**	-
20% risk weight:		
Demand deposits with banks	**2,341,007**	2,109,406
Short term deposits with banks	**3,061,156**	2,148,725
Guaranteed by multilateral lending institutions	**379,811**	265,560
Total	**5,781,974**	4,523,691
20% Risk-Weight Total (Above Total x 20%)	**1,156,395**	904,738
50% risk weight:		
Qualifying Residential Mortgage Loans	-	-
Qualifying Real Estate Construction Loans	-	-
Total	**-**	-
50% risk-weight total (above total x 50%)	**-**	-

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	30-Jun-25 (Un-audited)	31-Dec-24 (Audited)
	..... AFN '000'	
100% risk weight		
Loans and advances - Gross	**1,121,461**	1,350,043
Property and Equipment	**508,020**	264,176
All other assets	**5,704,004**	4,076,771
Total	**7,333,485**	5,690,990
100% Risk-Weight Total (Above Total x 100%)	**7,333,485**	5,690,990
Off-balance-sheet items with 0% Credit Conversion Factor		
Undrawn loan and overdraft facilities	**4,213**	4,195
Total	**4,213**	4,195
0% Credit Conversion Factor Total (Above Total x 0%)	**-**	**-**
Off-balance-sheet items with 20% Credit Conversion Factor		
Commercial letters of credit	-	-
100% Risk Weight	-	-
Total	-	-
20% Credit Conversion Factor Total (Risk-Weighted Total x 20%)	-	-
Off-balance sheet items with 100% Credit Conversion Factor		
Guarantees and Standby Letters of Credit		
20% Risk Weight	-	-
100% Risk Weight	**785,836**	712,939
Total	**785,836**	712,939
100% Credit Conversion Factor Total(Risk-Weighted Totals x 100%)	**785,836**	712,939
	9,275,715	7,308,668
Tier 1 Capital Ratio	**21.59**	24.85
Regulatory Capital Ratio	**24.88**	27.09

Currently the bank is having above AFN 4,780.6 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 June 30, 2025, for Islamic Banking operations:

	30-Jun-25 (Un-audited)	31-Dec-24 (Audited)
	..... AFN '000'	
ASSETS		
Cash and cash equivalents	**864,327**	1,672,270
Alwakala deposits with FIs	**1,825,460**	1,655,575
Investments in Sukuk securities	**745,424**	1,034,473
Murabaha Islamic Financing	**599,139**	524,703
Deferred tax assets	**16**	532
Other assets	**272,695**	520,298
Total assets	**4,307,061**	5,407,851
EQUITY AND LIABILITIES		
EQUITY		
Retained earnings	**(48,109)**	18,210
Revaluation deficit on financial instruments	**(66)**	(2,129)
Total equity	**(48,175)**	16,081
LIABILITIES		
Current deposits	**1,450,318**	2,043,438
Mudarabah saving deposits	**914,316**	911,506
Mudarabah fixed deposits	**1,891,395**	2,393,459
Other liabilities	**99,207**	43,367
Total liabilities	**4,355,236**	5,391,770
Total equity and liabilities	**4,307,061**	5,407,851
Contingencies and commitments	**1,199,326**	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 six months period ended June 30, 2025, from Islamic Banking operations:

	Half Yearly		Quarter Ended	
	30-Jun-25	**30-Jun-24**	**30-Jun-25**	**30-Jun-24**
	..... AFN '000'		..... AFN '000'	
Total profit income	**80,466**	48,621	**38,040**	25,498
Total profit expense	**(14,534)**	(12,083)	**(7,472)**	(6,257)
Net Profit income	**65,932**	36,538	**30,568**	19,241
Revenue from banking services	**47,142**	41,921	**23,052**	18,011
Expense on banking services	**(903)**	(237)	**(419)**	(76)
Net revenue form banking services	**46,239**	41,685	**22,633**	17,935
Losses from dealing in foreign currencies	**(8,410)**	(63,453)	**(4,922)**	(17,786)
	103,761	14,769	**48,280**	19,390
Other income	**6,849**	7,976	**4,132**	2,700
Impairment allowances and charge off	**(99,872)**	(16,871)	**(25,432)**	(4,475)
Employee compensation	**(26,951)**	(26,532)	**(10,829)**	(13,925)
Operating lease expenses	**(173)**	(168)	**(107)**	(88)
Finance cost on lease liability	**(945)**	(1,068)	**(416)**	(587)
Depreciation and Amortization	**(8,101)**	(7,700)	**(3,620)**	(4,134)
Administrative expense	**(40,888)**	(50,124)	**(21,087)**	(24,394)
	(176,930)	(102,462)	**(61,491)**	(47,603)
Loss before tax	**(66,320)**	(79,717)	**(9,079)**	(25,513)
Taxation	**-**	-	**-**	-
Loss after tax	**(66,320)**	(79,717)	**(9,079)**	(25,513)

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**