

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

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Afghan United Bank** (the Bank) as at **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.

Basis for Qualified Conclusion

a) Due to our late appointment as auditors, we were unable to perform the review procedures necessary to obtain sufficient appropriate evidence regarding the opening balances of cash on hand and the Bank's investment in physical gold. These balances were subject to a qualified opinion in our audit of the financial statements for the year ended 31 December 2024. Accordingly, we were unable to obtain sufficient appropriate review evidence regarding these balances as at 30 June 2025 or the related opening balances.

b) During our review, we requested external confirmations for certain nostro account balances. Confirmations for balances totaling USD 12.701 million (AFN 891.77 million) as at 30 June 2025 were not received, and no alternative review evidence was available. These nostro accounts were also not independently confirmed in respect of the balances outstanding as at 31 December 2024, for which our audit opinion was qualified. Accordingly, we were unable to obtain sufficient appropriate review evidence regarding these balances as at 30 June 2025 or the related opening balances.



Qualified Conclusion

Based on our review, except for the possible effect of the matters described in under the "Basis for Qualified Conclusion" paragraph, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared in all material respects, in accordance with the requirements of Law of Banking in Afghanistan and International Accounting Standards 34 "Interim Financial Reporting".

Emphasis of Matter

We draw attention to note 7.2 to the condensed interim financial information that states the impact of provisions would have resulted in if Asset Classification and Provisioning Regulation was fully applied as of 30 June 2025.

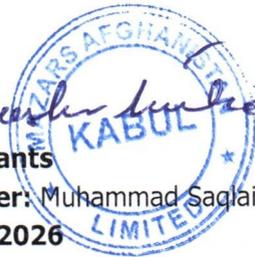
Muzas Alsharh Siddiqui

Chartered Accountants

Engagement Partner: Muhammad Saqlain Siddiqui

Date: 21 February 2026

Place: Kabul, Afghanistan



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

		30-Jun-25 (Un-audited)	31-Dec-24 (Audited)
	Note	AFN '000'	
ASSETS			
Cash and cash equivalents	5	18,514,134	14,600,491
Investments - net	6	2,191,801	2,005,209
Loans and advances to customers - net	7	3,727,612	4,392,401
Property and equipment	8	860,571	895,294
Intangible assets	9	5,098	6,817
Right of use	10	175,960	201,368
Deferred tax asset - net		49,776	57,443
Other assets	11	3,720,676	2,698,352
Total assets		<u>29,245,628</u>	<u>24,857,375</u>
EQUITY AND LIABILITIES			
EQUITY			
Issued and paid up capital	12	1,925,210	1,925,210
Revaluation reserve on property and equipment		520,190	556,449
Revaluation surplus on debt instruments at FVOCI		149,668	56,638
Accumulated losses		(352,171)	(427,631)
Total equity		<u>2,242,897</u>	<u>2,110,666</u>
LIABILITIES			
Deposits from customers	13	26,594,757	22,356,321
Lease liabilities	14	77,412	99,080
Other liabilities	15	330,562	291,308
Total liabilities		<u>27,002,731</u>	<u>22,746,709</u>
Total equity and liabilities		<u>29,245,628</u>	<u>24,857,375</u>
CONTINGENCIES AND COMMITMENTS	16		

The annexed notes 1 to 29 form an integral part of these condensed interim financial information.

**CHIEF FINANCIAL
OFFICER**



**CHIEF EXECUTIVE
OFFICER**

AFGHAN UNITED 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'			
Mark-up/ return/ interest earned	85,168	50,856	43,700	26,084
Mark-up/ return expense	(13,045)	(2,863)	(10,219)	22
Net mark-up/ return/ interest income	72,123	47,993	33,481	26,105
Fee and commission income	378,800	446,303	192,171	198,324
Fee and commission expense	(51,925)	(58,534)	(23,638)	(21,144)
Net fee and commission income	326,875	387,769	168,533	177,180
(Losses) / income from dealing in foreign currencies	(174,280)	47,341	(125,629)	(15,447)
Other income	741,640	7,989	27,587	16,406
Net operating income	966,359	491,091	103,971	204,245
(Charge) / reversal against non-performing loans and advances to customers	7.3 (594,830)	8,203	(457,987)	6,766
Loss on sale of securities	(15,791)	(30,919)	(15,791)	-
Depreciation and amortization	20 (64,394)	(77,359)	(28,532)	(36,878)
Personnel expenses	21 (146,776)	(135,197)	(73,950)	(70,360)
Finance cost on lease liabilities	(3,093)	(4,070)	(1,442)	(1,996)
Operating lease expenses	(3,032)	(4,522)	(1,763)	(3,972)
Operating expenses	22 (89,442)	(93,597)	(46,167)	(59,636)
Profit before tax	49,001	153,631	(521,660)	38,170
Income tax expense	(9,800)	(34,414)	103,049	(11,321)
Profit for the period	39,201	119,217	(418,611)	26,849
Other comprehensive income				
Items that may be classified to profit or loss subsequently				
Gain on remeasurement of AFS investments	116,287	58,172	57,500	22,971
Related deferred tax	(23,257)	-	(11,500)	-
	93,030	58,172	46,000	22,971
Total comprehensive income for the period	132,231	177,389	(372,611)	49,820

The annexed notes 1 to 29 form an integral part of these condensed interim financial information.

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**AFGHAN UNITED BANK
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED ON 30 JUNE 2025**

	Share capital	Revaluation reserve on property and equipment	Revaluation surplus on debt instruments at FVOCI	Accumulated losses	Total
	AFN '000'				
Note					
Balance as at January 01, 2024 (Audited) - Restated	1,925,210	626,137	(20,104)	(731,020)	1,800,223
Transfer of realized revaluation surplus	13	-	(43,656)	43,656	-
Profit for the period	-	-	-	119,219	119,219
Other comprehensive income	-	(755)	58,172	-	57,418
Total comprehensive income for the period	-	(755)	58,172	119,219	176,636
Balance as at June 30, 2024 (Un-audited)	<u>1,925,210</u>	<u>581,726</u>	<u>38,068</u>	<u>(568,145)</u>	<u>1,976,859</u>
Balance as at January 01, 2025 (Audited)	1,925,210	556,449	56,638	(427,631)	2,110,666
Transfer of realized revaluation surplus	13	-	(36,259)	36,259	-
Profit for the period	-	-	-	39,201	39,201
Other comprehensive income	-	-	93,030	-	93,030
Total comprehensive income for the period	-	-	93,030	39,201	132,231
Balance as at June 30, 2025 (Un-audited)	<u>1,925,210</u>	<u>520,190</u>	<u>149,668</u>	<u>(352,171)</u>	<u>2,242,897</u>

The annexed notes 1 to 29 form an integral part of these condensed interim financial information.

Rashid

CHIEF FINANCIAL OFFICER



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AFGHAN UNITED BANK
CONDENSED INTERIM STATEMENT OF CASH FLOW (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED ON 30 JUNE 2025

	30-Jun-25 (Un-audited)	30-Jun-24 (Un-audited)
Note	AFN '000'	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	49,001	153,633
Adjustments for:		
(Reversal) / charge against non-performing loans and advances to customers	594,830	(8,203)
Loss on sale of securities	15,791	-
Finance cost on lease liabilities	3,093	4,070
Depreciation and amortization	64,394	77,359
	<u>727,109</u>	<u>226,859</u>
Changes in current assets:		
Loans and advances to customers	69,959	31,214
Other assets	(1,022,324)	(343,216)
Changes current liabilities:		
Deposits from customers	4,238,436	605,985
Other liabilities	39,254	76,020
Deferred tax	-	30,677
	<u>4,052,434</u>	<u>627,539</u>
Income tax paid	(9,800)	(34,006)
Net cash from operating activities	<u>4,042,634</u>	<u>593,533</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(9,953)	(9,251)
Purchase of intangible assets	-	(1,122)
Acquisition of right-of-use assets	(3,750)	-
Investments	(86,003)	184,268
Net cash (used in) / from investing activities	<u>(99,706)</u>	<u>173,895</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Lease payments	(29,286)	95,831
Net cash (used in) / from financing activities	<u>(29,286)</u>	<u>95,831</u>
Net increase in cash and cash equivalents	<u>3,913,642</u>	<u>863,259</u>
Cash and cash equivalents, beginning of year	14,600,491	12,088,032
Cash and cash equivalents, end of period	<u>18,514,133</u>	<u>12,951,291</u>

The annexed notes 1 to 29 form an integral part of these condensed interim financial information.



CHIEF FINANCIAL
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AFGHAN UNITED BANK
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED ON 30 JUNE 2025

1 STATUS AND NATURE OF BUSINESS

- 1.1** The Bank commenced its operations on 4 October 2007 under the license of commercial banking issued by Da Afghanistan Bank (DAB) under the Law of Banking in Afghanistan. It is a full fledge bank principally engaged in the business of commercial banking with a network of 35 operational branches in different provinces of Afghanistan. The bank also holds license from Afghanistan Investment Support Agency (AISA) bearing license no: D-27284. The registered office of the Bank is located at Shahr-e-Naw, Kabul, Afghanistan.

2 STATEMENT OF COMPLIANCE

- 2.1** This condensed interim financial information of the Bank for the 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.

3 Standards, interpretations and amendments to published approved accounting standards that are effective in the current period

There are certain new and amended standards and interpretations that are mandatory for the Bank's accounting periods beginning on or after 1 January 2025 but are considered not to be relevant or do not have any significant effect on the Bank's operations.

4 ACCOUNTING POLICIES

- 4.1** The accounting policies adopted in preparation of this condensed interim financial information are consistent with those followed in the preparation of the annual financial statements of the Bank for the year ended 31 December 2024.
- 4.2** The estimates / judgments assumptions used in the preparation of this condensed interim financial information is consistent with those applied in the preparation of the annual financial statements of the Bank for the year ended 31 December 2024.
- 4.3** The financial risk management policies and procedures are the same as those disclosed in annual financial statements of the Bank for the year ended 31 December 2024.



AFGHAN UNITED BANK
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED ON 30 JUNE 2025

		<u>30-Jun-25</u>	<u>31-Dec-24</u>
		<u>(Un-audited)</u>	<u>(Audited)</u>
	Note	<u>AFN '000'</u>	
5 CASH AND CASH EQUIVALENT			
Cash in hand	5.1	3,472,620	2,770,045
Cash in ATM	5.2	140,701	134,941
Balances with banks	5.3	14,876,191	11,481,213
Short-term placements		-	197,600
Balance with asset manager		24,622	18,668
		18,514,134	14,602,467
<i>Allowances for impairment - Placement</i>		-	(1,976)
		18,514,134	14,600,491
5.1 Cash in hand			
- Local currency		1,268,786	1,139,093
- Foreign currencies		2,203,834	1,630,952
		3,472,620	2,770,045
5.2 Cash in ATM Machines			
- Local currency		136,755	130,108
- Foreign currency		3,946	4,833
		140,701	134,941
5.3 Balances with banks			
<i>Balances with central bank</i>			
- Local currency current accounts		2,528,353	4,079,992
- Foreign currencies current accounts		328,890	912,340
- Overnight deposits		8	8
		2,857,251	4,992,340
Balances with other banks (domestic)		81,707	41,852
Balances with other banks (foreign)		11,937,233	6,447,021
		14,876,191	11,481,213

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AFGHAN UNITED BANK
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED ON 30 JUNE 2025

		<u>30-Jun-25</u>	<u>31-Dec-24</u>
		<u>(Un-audited)</u>	<u>(Audited)</u>
	Note	<u>AFN '000'</u>	
6 INVESTMENTS - NET			
Debt instruments at fair value through OCI:			
Sovereign Sukuks	6.1	187,231	191,742
Investment in gold bullion	6.2	370,054	296,120
		557,285	487,862
Debt instruments at amortised cost:			
Long term placements	6.3	1,667,873	1,532,674
<i>Allowances for impairment</i>	6.4	(33,357)	(15,327)
		1,634,516	1,517,347
Investment-net		2,191,801	2,005,209

6.1 This represents investment in sukuku with Binghatti SPC Ltd, Sobha Ltd, Suci Second investment Com and Esic Ltd having maturity ranging 2025 to 2031 (2024: 2026 to 2030) and carry profit rates ranging from 5.17% to 9.63% (2024: 1.96% to 2.97%) per annum, managed through DAMAN asset managers.

6.2 This represents investment in physical gold of 50 KGs during September 2021 (2024: 50 KGs) kept under the custody of DGCI Dubai, a private local agent company in UAE.

6.3 This represents long-term placements with foreign banks in Turkey, Bahrain and Dubai, carrying profit rates ranging from 3.5% to 7% and maturity from 2024 to 2030.

6.4 General provision is maintained against held to maturity placements as per the DAB's *Asset Classification and Provisioning Regulation* @ 2% of the gross amount of those placements.

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AFGHAN UNITED BANK
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED ON 30 JUNE 2025

		30-Jun-25	31-Dec-24
		(Un-audited)	(Audited)
AFN '000'			
7 LOANS AND ADVANCES TO CUSTOMERS - NET			
Conventional Loans		4,788,457	4,838,314
Islamic Loans		199,755	235,589
		4,988,212	5,073,903
Impairment allowances	7.1	(1,260,600)	(681,502)
	7.1.1	3,727,612	4,392,401
7.1 Impairment allowances			
Balance at the beginning of the year		681,502	724,199
Charge for the period / year	7.1.1	584,638	-
Reversals for the period / year		(5,727)	(43,665)
Exchange rate differences		187	968
		1,260,600	681,502
Balance at the end of the period / year	7.1.1	1,260,600	681,502

7.1.1	Note	30 June 2025			31 December 2024		
		Gross amount	Impairment allowance	Carrying amount	Gross amount	Impairment allowance	Carrying amount
	 AFN '000 AFN '000		
Conventional financing							
		3,454,431	(991,385)	2,463,045	3,486,881	(594,126)	2,892,755
	7.1.2	1,334,026	(250,960)	1,083,067	1,351,433	(73,291)	1,278,142
	7.1.3	4,788,457	(1,242,345)	3,546,112	4,838,314	(667,417)	4,170,897
Islamic financing							
		199,755	(18,255)	181,500	235,589	(14,086)	221,503
	7.1.4	4,988,212	(1,260,599)	3,727,612	5,073,903	(681,503)	4,392,400

7.1.2 These carry interest rate ranging between 10% to 15% (2024: 10% to 15%). These are secured against mortgage of immoveable properties.

7.1.3 These carry interest rate at 10% to 15% (2024: 10% to 15%) per annum. These loans are secured against personal guarantees, mortgage of immoveable commercial and residential properties and assignment of receivables.

7.1.4 These represent sale and purchase agreements under which the Bank had paid finance for the purchase of goods and then sold the requisite goods to the customer on profit margin which is ranging from 3% to 15% (2024: 3% to 15%) per annum. These facilities are extended for the period of three months to 6 months (2024: 3 months to 6 months) and secured against mortgage of immoveable properties, Personal Guarantees, and Direct Payment undertaking from the purchaser.

7.2 As per DAB Letter No. 6216/4520, which notified the further deferral of the ACPR regulation as of 31 December 2024 and instructed banks to recognize 30% of the previously unrecorded provisions by 2025, the Bank has recorded AFN 581.54 million (26.7%) as at 30 June 2025. Had the ACPR remained continuously in effect, the total provision requirement as at 30 June 2025 would have been approximately AFN 4,107 million.

	30-Jun-25	31-Dec-24
	(Un-audited)	(Audited)
AFN '000'		
7.3 Impairment reversal / (charge) on financial assets		
Net provision against investments and Placements	(15,919)	(6,471)
Net impairment (provision) / reversal on loans and advances to customers	(578,911)	43,665
	(594,830)	37,194



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AFGHAN UNITED BANK
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED ON 30 JUNE 2025

8 PROPERTY AND EQUIPMENTS	30-Jun-25	31-Dec-24
	(Un-audited)	(Audited)
	AFN '000'	
Operating fixed assets		
Property & equipment	860,571	895,294
Right of use asset	175,960	201,368
	1,036,531	1,096,662
8.1 Cost		
Opening balances	2,318,525	2,294,696
Addition during the period / year	9,953	25,168
Disposal during the period / year	-	(1,339)
Closing balances	2,328,478	2,318,525
Accumulated Depreciation		
Opening balances	1,423,234	1,325,294
Charged for the period / year	44,673	99,028
Disposal during the period / year	-	(1,091)
Closing balances	1,467,907	1,423,231
Written down value	860,571	895,294
The cost / revalued amount of fully depreciated property and equipment still in use are as follows:		
	30-Jun-25	31-Dec-24
	(Un-audited)	(Audited)
	AFN '000'	
Furniture and fixtures	103,551	75,752
Computer equipment	263,346	245,357
Vehicles	129,416	92,907
Office equipment	186,624	151,987
	578,679	566,003
9 INTANGIBLE ASSETS	30-Jun-25	31-Dec-24
	(Un-audited)	(Audited)
	AFN '000'	
Cost		
Opening balances	281,932	275,530
Addition during the period / year	-	6,402
Closing balances	281,932	281,932
Accumulated Depreciation		
Opening balances	275,115	271,215
Charged for the period / year	1,719	3,900
Disposal during the period / year	-	-
Closing balances	276,834	275,115
Written down value	5,098	6,817
9.1	Intangible assets include computer software and licenses. The amortization rate of intangible assets is 33.33% (2024: 33.33%). The gross carrying amount of fully amortized intangible assets still in use is AFN 271.619 thousand (2024: AFN 271.619 thousand).	
10 RIGHT OF USE ASSETS	30-Jun-25	31-Dec-24
	(Un-audited)	(Audited)
	AFN '000'	
Cost		
Opening balance	432,987	415,849
Additions	-	22,255
Deletion during the year	-	-
Modification	3,750	(3,778)
Adjustment	(11,196)	(1,339)
Closing balance	425,541	432,987
Accumulated depreciation		
Opening balance	231,619	180,591
Amortization charge for the period / year	22,263	52,363
Deletion during the year	-	-
Adjustment	(4,301)	(1,335)
Closing balance	249,581	231,619
Carrying values	175,960	201,368
Useful life	2 to 5 and 20 years	

Map



AFGHAN UNITED BANK
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED ON 30 JUNE 2025

	Note	30-Jun-25	31-Dec-24
		(Un-audited)	(Audited)
		AFN '000'	
11 OTHER ASSETS			
Restricted deposit with DAB	11.1	2,278,583	2,041,342
Advance tax		23,597	23,597
Prepayment and advances		33,462	20,012
Advances to employees		20,071	15,805
Security deposits	11.2	387,684	401,183
Interest receivable	11.3	68,046	57,957
Receivable from Moneygram	11.4	850,057	109,972
Receivable from humanitarian organization		37,250	13,456
CSC visa card settlements		6,518	-
Others		15,408	15,028
		3,720,676	2,698,352

11.1 This represents statutory reserve maintained with DAB as minimum reserve in accordance with Banking Regulations issued by Da Afghanistan Bank. These minimum reserves carry no interest. During the year minimum reserve rates on deposits for AFN 8% and for foreign currency 10%.

11.2 Security deposits

Pashtany bank	11.2.1	351,050	352,250
New Kabul bank		-	40,000
CSC bank		17,551	17,611
Other		29,337	1,609
		397,938	411,470
Provisions		(10,254)	(10,287)
		387,684	401,183

11.2.1 Security deposits against electricity bills collection for DABS.

11.3 This represents interest receivables against loans and advances to customers before the changes in country, the bank has recorded provisions on these outstandings accordingly.

11.4 This represents receivables from money gram against fund transfers, subsequently this balance has been settled.

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AFGHAN UNITED BANK
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED ON 30 JUNE 2025

	30-Jun-25	31-Dec-24
	(Un-audited)	(Audited)
	AFN '000'	
12 SHARE CAPITAL		
Authorized 40,000,000 (2023: 40,000,000) ordinary shares of AFN 250 each	10,000,000	10,000,000
Issued, subscribe and paid-up shares 8,088,120 ordinary shares of AFN 250 each, as per Article of Association	2,022,030	2,022,030
<i>Less: required reduction of 387,280 ordinary shares of AFN 250 each, due to the reclassification of revaluation surplus against PPE</i>	(96,820)	(96,820)
12.1		
Issued, subscribed and paid-up - 7,700,840 (2023: 7,700,840) ordinary shares of AFN 250 each	1,925,210	1,925,210

12.1 Following the directions from DAB, through letter # 12525-10859, the share capital of the bank is reduced by AFN 96.820 million which was recorded in 2010 against the revaluation of fixed asset. This reduction in the capital of the bank has been transferred to the revaluation reserves on the fixed assets.

	30-Jun-25	31-Dec-24
	(Un-audited)	(Audited)
	AFN '000'	
13 DEPOSITS FROM CUSTOMERS		
Conventional		
Current deposits	-	14,864,804
Saving deposits	-	478,413
Term deposits	-	391,579
	-	15,734,795
Islamic		
Current deposits	20,628,622	2,339,229
Saving deposits	1,423,334	722,125
13.1		
Term deposits	560,153	240,130
13.1		
Wakala special fund	175,000	200,000
13.2		
	22,787,108	3,501,484
Margin deposits		
Margin deposits - expired	2,147,164	2,214,869
Margin deposits - unexpired	1,660,486	905,173
	3,807,649	3,120,042
	26,594,757	22,356,321

13.1 Profit disbursed rates on Islamic saving and term deposits during the year, ranged from 0.0438% to 0.0657% and 0.297% to 1.23% six months to one year respectively (2024: 0.25% to 0.38% and 1.73% to 3.456%) per annum.

13.2 Wakala special fund contract with commencement date from April 2024 to April 2027, carrying 2% markup per annum.

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AFGHAN UNITED BANK
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FOR THE SIX MONTHS PERIOD ENDED ON 30 JUNE 2025

	30-Jun-25	31-Dec-24
	(Un-audited)	(Audited)
AFN '000'		
14 LEASE LIABILITIES		
Opening balance	99,080	126,104
Addition during the period / year	-	22,255
Payment during the period / year	(29,286)	(51,638)
Lease modification	3,750	-
Adjustments	-	(4,008)
Finance cost for the period / year	3,093	7,494
Exchange gain / (loss)	775	(1,127)
	<u>77,412</u>	<u>99,080</u>

	30-Jun-25	31-Dec-24
	(Un-audited)	(Audited)
AFN '000'		
15 OTHER LIABILITIES		
Accrued expenses	28,540	40,396
Profit payable	31,510	21,926
Withholding tax	4,422	3,997
Unearned commission on guarantees	29,054	40,508
ATM settlement payables	89,661	27,401
Investment risk reserve	83,931	83,950
Sundry deposit	43,055	50,020
Others	20,389	23,110
	<u>330,562</u>	<u>291,308</u>

15.1 This includes payables against CSC, VISA and APS settlements.

15.2 This belongs to Islamic mode of financing and represents common deferred Murabaha income.

15.3 This includes long outstanding balances against customer deposits with no movements.

15.4 This includes payables against landlords for lease contracts amounting to AFN 8.75 million (2024: AFN 10.65mn), moneygram agent commission payable AFN 4.85 million (2024: AFN 5.793mn) and others AFN 6.79 million (2024: Others AFN 6.61mn).

16 CONTINGENCIES AND COMMITMENTS

Commitments

Bank Guarantees issued	16.3	<u>4,540,403</u>	<u>3,514,207</u>
Un-used commitments		<u>-</u>	<u>-</u>

16.3 This includes expired and unexpired guarantees amounting to AFN 330.674 million and 4,209.729 million respectively (2024: 1,296mn and 2,217mn). These guarantees are secured against counter guarantee and cash margin ranging from 0% to 100%.

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AFGHAN UNITED BANK
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED ON 30 JUNE 2025

	Note	30-Jun-25	30-Jun-24
		(Un-audited)	(Un-audited)
		AFN '000'	
17	NET MARK-UP/ RETURN/ INTEREST INCOME		
	Mark-up/ return/ profit income		
	-Placements	70,057	47,228
	-Murabaha facilities	8,635	1
	-Sukuk investments	5,898	2,979
		<u>84,590</u>	<u>50,209</u>
	Mark-up/ return/ interest earned		
	-Placement	578	-
	-Overnight placements	-	647
		<u>578</u>	<u>647</u>
		<u>85,168</u>	<u>50,856</u>
	Mark-up/ return expense		
	Deposits from customers	(13,045)	(2,863)
		<u>(13,045)</u>	<u>(2,863)</u>
	Mark-up/ return/ interest income - net	<u>72,123</u>	<u>47,993</u>
		30-Jun-25	30-Jun-24
		(Un-audited)	(Un-audited)
		AFN '000'	
18	NET FEE AND COMMISSION INCOME		
	Fee and commission income		
	Commission and processing fee on bank guarantees	58,452	60,678
	Commission and processing fee on letters of credit issued	-	5,569
	Remittance services	270,405	326,912
	Bills collection	7,200	6,784
	Accounts servicing fee	29,030	35,797
	Electronic banking	13,714	10,563
		<u>378,800</u>	<u>446,303</u>
	Fee and commission expense		
	Agents commission	(33,298)	(42,061)
	Interbank transactions fee	(1,903)	(1,468)
	Electronic banking	(16,723)	(15,004)
		<u>(51,925)</u>	<u>(58,534)</u>
	Fee and commission income - net	<u>326,875</u>	<u>387,769</u>
19	OTHER INCOME		
	Reimbursement from ADIC insurance premium	19.1	433,011
	Recovery of loans written off	19.2	274,602
	Other		34,027
			<u>7,989</u>
			<u>741,640</u>
19.1	This represents amounts received from ADIC amounting to AFN 288.96 million and foreign currencies: equivalent to AFN 144.04.		
	As per the Sharia Ruling No. 1151, dated 27 May 2024, issued by the Dar-ul-Eftah of the Islamic Emirate of Afghanistan, following the orders issued by the Supreme Court of the Islamic Emirate of Afghanistan, No. 373, dated 27 August 2024, and DAB letter No. 8306/6070, dated 11 January 2025. Based on the aforesaid letters, the bank was entitled to receive reimbursement of ADPF (formerly ADIC) insurance premiums totaling AFN 505.25 million, which had been paid by the bank from October 2009 to 30 June 2024 on customer deposits in AFN, USD, and EUR currencies. Moreover, on 11 February 2025, the bank received and recognized AFN 433.011 million as income, representing 100% reimbursement of ADIC premiums on customer deposits in USD and EUR, and 80% reimbursement on customer deposits in AFN.		
19.2	This represents recovery from written-off Murabaha loan.		
		30-Jun-25	30-Jun-24
		(Un-audited)	(Un-audited)
		AFN '000'	
20	DEPRECIATION AND AMORTIZATION		
	Depreciation of property & equipment	44,673	51,491
	Amortization of right of use assets	18,002	23,961
	Amortization of intangible assets	1,719	1,907
		<u>64,394</u>	<u>77,359</u>
21	PERSONNEL EXPENSES		
	Salaries and wages	124,190	115,486
	Other allowances and benefits	22,586	19,710
		<u>146,776</u>	<u>135,197</u>

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AFGHAN UNITED BANK
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED ON 30 JUNE 2025

	30-Jun-25	30-Jun-24
	(Un-audited)	(Un-audited)
	AFN '000'	
22 OPERATING EXPENSES		
Security guards expenses	26,351	25,820
Insurance	-	12,689
Communication	10,469	8,085
Advertisement	3,690	5,997
Utilities	17,129	16,534
Repairs and maintenance	12,420	9,851
Travelling and conveyance	859	767
Food expenses	2,655	2,860
Legal and professional fees	4,198	804
Directors meeting fees	3,888	3,666
Stationery and printing	4,274	4,602
Training expenses	972	(527)
Audit fees	764	(153)
Other expenses	1,773	2,602
	89,442	93,597

23 RELATED PARTY TRANSACTIONS

Parent and ultimate controlling party

The Bank is owned by individual shareholder who owns the 100% shareholdings of the bank.

Key management personnel

Key management personnel includes Chief Executive Officer, Deputy Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Chief Credit Officer, Chief Risk Officer and Chief Compliance Officer.

Transactions with related parties

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

	Balances		Transactions	
	30-Jun-25	31-Dec-24	30-Jun-25	30-Jun-24
	(Un-audited)	(Audited)	(Un-audited)	(Un-audited)
	AFN '000'			
Shareholders				
Loans and advances	-	-	-	-
Interest income	-	-	-	-
Deposit	1,708	1,714	-	-
Transactions with directors and other key management personnel				
Salary and other benefits	-	-	13,435	15,393
Directors' fee	-	-	3,888	3,666
Advance salary	202	2,121	-	-

- 23.1** In addition to salaries and remuneration, the Bank also provides non-cash benefits to executives which include furnished accommodation, meals and travel.

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AFGHAN UNITED BANK
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED ON 30 JUNE 2025

24 CAPITAL MANAGEMENT

Regulatory capital

The Banks' regulator Da Afghanistan Bank sets and monitors capital requirements for the Bank. The capital adequacy of the Bank is assessed in two tiers as per regulations of the Da Afghanistan Bank.

- Tier 1 or core capital, consisting of the highest quality capital elements that fully meet all the essential characteristics of capital; to be 6% of risk weighted assets.
- Tier 2 or supplementary capital, which includes other instruments which, to a varying degree, fall short of the quality of Tier 1 capital, but nonetheless contribute to the overall strength of a bank as a going concern.
- Regulatory capital is the sum of Tier 1 and Tier 2 capital. Besides, Tier 2 capital cannot exceed from total amount of Tier 1 capital. The Bank complies with these regulations.

The Bank's regulatory capital position at June 30, 2025 was as follows:

	30-Jun-25 (Un-audited)	31-Dec-24 (Audited)
	AFN '000'	
Tier 1 capital		
Total Equity	2,242,897	2,110,666
Less:		
Intangible assets	5,098	6,817
Net Deferred Tax Assets	49,776	57,443
Profit for the period / year	39,201	216,078
Revaluation reserve on property and equipment	520,190	556,449
Revaluation surplus on debt instruments at FVOCI	149,668	56,638
	763,933	893,425
Total tier 1 (core) capital	1,478,964	1,217,241
Tier 2 capital		
Profit for the period / year	39,201	216,078
Revaluation reserve on property and equipment	520,190	556,449
Revaluation surplus on debt instruments at FVOCI	67,351	56,638
Total tier 2 (supplementary) capital	626,742	829,165
Total regulatory capital	2,105,706	2,046,406
Risk-Weight Categories		
0% risk weight:		
Cash in Afghani and fully-convertible foreign currencies	3,613,321	2,904,986
Direct claims on DAB	5,135,834	7,033,682
Total	8,749,155	9,938,668
0% Risk-Weight Total (Above Total x 0%)	-	-
	30-Jun-25 (Un-audited)	31-Dec-24 (Audited)
	AFN '000'	
20% risk weight		
Loans Collateralized by Claims on Central Banks and Central Governments of Category A Countries	-	-
Direct Claims on banks licensed in Category A countries	444,427	504,674
Short-term Claims on Banks Licensed In Non-Category A Countries Guaranteed by Multilateral Lending Institutions	11,574,514	6,179,823
Cash Items in Process of Collection	-	-
Other	-	-
Total	12,018,940	6,684,497
20% Risk-Weight Total (Above Total x 20%)	2,403,788	1,336,899

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AFGHAN UNITED BANK
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED ON 30 JUNE 2025

25 CORRESPONDING FIGURES

Corresponding figures have been re-arranged and reclassified, where necessary, to reflect better presentation of events and transactions.

26 GENERAL

Figures have been rounded off to the nearest thousand unless otherwise stated

27 APPROVAL OF THE CONDENSED INTERIM FINANCIAL INFORMATION

These condensed interim financial information were approved by the bank of supervisors for issue on 21-Feb-26.

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CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE OFFICER

AFGHAN UNITED BANK
NOTES TO THE CONDENSED INTERIM STATEMENTS (UN-AUDITED)
AS OF 30 JUNE 2025

28 ISLAMIC BANKING INFORMATION

28.1 Islamic Banking Financial Position

The Bank has the following interim financial position as at June 30, 2025, for Islamic Banking operations:

	30-Jun-25	31-Dec-24
	(Un-audited)	(Audited)
	AFN '000'	
ASSETS		
Cash and cash equivalent	18,514,128	1,920,555
Alwakala deposits with FIs	1,634,515	1,046,183
Investments in Sukuk securities	187,231	191,742
Investment in gold	370,054	296,120
Murabaha Islamic Financing	181,500	221,499
Property and equipment	860,571	-
Intangible assets	5,099	-
Right of use	175,915	-
Deferred tax assets	59,576	-
Other assets	8,129,637	436,079
Total assets	30,118,225	4,112,178
EQUITY AND LIABILITIES		
EQUITY		
Issued and paid up capital	1,925,210	-
Revaluation reserve on property and equipment	520,191	-
Revaluation surplus on debt instruments at FVOCI	149,668	56,638
Retained earnings	224,781	(243,212)
Total equity	2,819,850	(186,574)
LIABILITIES		
Current deposits	20,628,622	2,339,229
Mudarabah saving deposits	1,423,334	722,125
Mudarabah fixed deposits	560,153	240,130
Wakala deposits	175,000	200,000
Margin deposits	3,807,649	595,591
Deferred tax liability	-	21,803
Other liabilities	544,604	126,100
Provision for taxation	159,013	53,774
Total liabilities	27,298,375	4,298,752
Total equity and liabilities	30,118,225	4,112,178
Contingencies and commitments	4,540,403	1,069,980

CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE OFFICER

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AFGHAN UNITED BANK
NOTES TO THE CONDENSED INTERIM STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED ON 30 JUNE 2025

28.2 Islamic Banking Profit or Loss

The Bank has the following profit or loss for the six months ended 30 June 2025 , from Islamic Banking operations:

	Half Yearly		Quarter Ended	
	30 June 2025	30 June 2024	30 June 2025	30 June 2024
	AFN '000'			
Total profit income	84,605	11,501	66,467	5,746
Total profit expense	(13,045)	(17)	(10,219)	2,868
Net profit	71,560	11,484	56,248	8,614
Revenue from banking services	378,800	55,490	346,212	27,793
Expense on banking services	(51,925)	(318)	(51,785)	(142)
Net revenue form banking services	326,875	55,172	294,427	27,651
(Losses) / income from dealing in foreign currencies	(1,293)	15,292	(9,733)	(5,469)
	397,141	81,949	340,942	30,795
Other income	715,023	3,253	447,974	3,253
Impairment allowances	(20,520)	-	(17,151)	-
Loss on sale of securities	(15,791)	(30,919)	(15,791)	-
Personnel expenses	(146,776)	(6,443)	(143,707)	(3,406)
Operating lease expenses	(3,032)	(57)	(3,021)	(34)
Finance cost on lease liabilities	(3,093)	-	(3,089)	-
Depreciation and Amortization	(64,376)	(961)	(63,398)	(956)
Operating expenses	(80,364)	(3,045)	(79,904)	(1,481)
	(333,952)	(41,426)	(326,062)	(5,877)
Profit before tax	778,212	43,776	462,854	28,171
Taxation	(159,013)	(8,762)	(96,731)	(5,641)
Profit after tax	619,199	35,014	366,122	22,530

29 GENERAL

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

CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE OFFICER

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