

PASHTANY BANK

Condensed Interim Financial Statements

For the period ended 31 Jawza 1404 (June 21, 2025)

INDEPENDENT AUDITOR'S REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Pashtany Bank ("the Bank") as at 31 Jawza 1404 (June 21, 2025) and the related condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows, and the notes to the condensed interim financial statements for the six months then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and fair presentation of these interim financial statements in accordance with the International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), the requirements of the Law of Banking in Afghanistan and directives issued by Da Afghanistan Bank. Our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial statements 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 interim financial statements do not give a true and fair view of the financial position of the Bank as at 31 Jawza 1404 (June 21, 2025) and of its financial performance and its cash flows for the six months period then ended in accordance International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) and the requirements of the Law of Banking in Afghanistan and directives issued by the Da Afghanistan Bank.

Emphasis of Matters

We draw attention to note 6.1 of the financial statements which discloses that an income earning deposit held with Citibank UAE is subject to no debit restriction. Our opinion is not modified in this regard.

UHY Shafiq Umar Daraz & Co.
Chartered Accountants
Engagement Partner: Umar Daraz, FCA
Location: Kabul, Afghanistan
Date: July 26, 2025




PASHTANY BANK
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 31 JAWZA 1404 (JUNE 21, 2025)

		Un-Audited 31 Jawza 1404 (June 21, 2025)	Audited 29 Qaws 1403 (Dec 19, 2024)
	Note	AFN	AFN
Assets			
Cash and cash equivalents	4	19,403,206,712	18,345,295,523
Loans and Advances	5	96,569	3,225,584
Investment and placements	6	3,741,286,951	3,647,519,625
Investment in governmental entities	7	105,752,502	105,752,502
Property and equipment	8	1,318,046,669	1,333,185,196
Intangible assets	9	37,621,453	34,384,117
Investment properties		1,996,001,390	1,996,001,390
Deferred tax assets - net		10,860,969	60,530,585
Other assets	10	2,805,519,677	2,684,739,141
Total assets		29,418,392,892	28,210,633,663
Equity and liabilities			
Equity			
Share capital		3,820,256,999	3,820,257,000
Accumulated losses		(646,492,324)	(1,266,680,008)
Surplus on revaluation of assets- net of tax		783,083,446	832,753,066
Total equity		3,956,848,121	3,386,330,058
Liabilities			
Deposits from banks and other financial institutions	11	41,429,596	41,423,171
Deposits from customers	12	25,175,218,627	24,464,608,165
Deferred grant		24,264,510	27,189,580
Other liabilities	13	220,632,038	291,082,689
Total liabilities		25,461,544,771	24,824,303,605
Total equity and liabilities		29,418,392,892	28,210,633,663
Contingencies and commitments	14		

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


Chief Executive Officer


Chief Finance Officer

PASHTANY BANK

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Un-audited)
FOR THE PERIOD ENDED 31 JAWZA 1404 (JUNE 21, 2025)**

	Notes	Six months ended		Three months ended	
		Un-audited	Un-audited	Un-audited	Un-audited
		31 Jawza 1404 (June 21, 2025)	31 Jawza 1403 (June 20, 2024)	31 Jawza 1404 (June 21, 2025)	31 Jawza 1403 (June 21, 2024)
		AFN	AFN	AFN	AFN
Interest income		56,963,741	64,466,826	28,135,634	35,327,093
Interest expense		-	(60,782)	-	(22,848)
Net interest income	15	56,963,741	64,406,044	28,135,634	35,304,245
Fee and commission income		97,142,863	83,424,831	44,603,948	41,425,051
Fee and commission expense		(281,861)	(790,283)	(105,837)	(262,352)
Net fee and commission income	16	96,861,002	82,634,548	44,498,111	41,162,698
		153,824,743	147,040,593	72,633,745	76,466,943
Other income	17	720,729,454	39,135,264	260,016,457	21,023,463
Amortization of deferred grant		2,925,069	2,892,748	1,486,775	1,470,615
Employee compensation	18	(89,269,171)	(79,289,105)	(48,001,017)	(40,463,026)
Impairment on loan and advances		2,299,692	-	1,934,856	-
Depreciation on property and equipment		(22,614,866)	(13,468,896)	(11,372,672)	(4,725,698)
Depreciation on right of use asset		(6,781,810)	(2,662,855)	(3,656,680)	-
Amortization on intangible assets		(3,614,244)	(2,964,249)	(1,848,203)	(1,542,115)
Finance cost on lease liabilities		(358,819)	(128,911)	(164,565)	-
Other operating expenses	19	(63,194,032)	(51,855,187)	(36,923,484)	(27,986,620)
Exchange Gain / (Loss)		12,160,829	83,385,308	6,939,818	(876,354)
Profit before tax		706,106,845	122,084,710	241,045,029	23,367,208
Income tax		(85,919,169)	(6,101,814)	(85,919,169)	(3,777,743)
Profit for the period		620,187,676	115,982,897	155,125,860	19,589,465
Other comprehensive income					
Adjustment of deferred tax liability relating to surplus		(49,669,620)	-	-	-
Total comprehensive income / (loss) for the period		570,518,056	115,982,897	155,125,860	19,589,465

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

UHY

Chief Executive Officer

Chief Financial Officer

PASHTANY BANK
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 JAWZA 1404(JUNE 21, 2025)

	Share capital	Retained earnings	Surplus on revaluation of property and equipment	Total
	-----AFN-----			
Balance as at December 21, 2023 - audited	3,820,257,000	(1,448,060,627)	847,146,946	3,219,343,319
Profit for the period	-	570,518,056	-	570,518,056
Balance as at (June 20, 2024) - un-audited	<u>3,820,257,000</u>	<u>(877,542,570)</u>	<u>847,146,946</u>	<u>3,789,861,376</u>
Balance as at December 19, 2024 - audited	3,820,257,000	(1,266,680,000)	832,753,066	3,386,330,066
Profit for the period		620,187,676		620,187,676
Other comprehensive income			(49,669,620)	(49,669,620)
Balance as at (June 21, 2025) - un-audited	<u>3,820,257,000</u>	<u>(646,492,324)</u>	<u>783,083,446</u>	<u>3,956,848,123</u>

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

Chief Executive Officer

Chief Financial Officer

PASHTANY BANK
CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 JAWZA 1404(JUNE 21, 2025)

	Un-audited 31 Jawza 1404 (June 21, 2025) AFN	Un-audited 31 Jawza 1403 (June 20, 2024) AFN
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	706,106,845	122,084,710
Adjustments for:		
Depreciation on property and equipment	22,614,866	13,468,896
Amortization on intangible assets	3,614,244	2,964,249
Depreciation on right of use asset	6,781,810	2,662,855
Finance cost on lease liabilities	358,819	128,911
Amortization of deferred grants	(2,925,069)	(2,892,748)
	<u>736,551,515</u>	<u>138,416,873</u>
Chnages in working capital		
Increase/(decrease) in Deposits from banks	6,425	2,297
Increase/(decrease) in Deposits from customers	710,610,462	2,798,527,970
(Increase)/decrease in Loan and Advances	(3,129,015)	3,474,793
(Increase)/decrease in Other assets	(208,188,483)	(210,332,114)
Increase/(decrease) in Other liabilities	(64,764,433)	31,554,128
Net cash generated from operating activities	<u>1,171,086,471</u>	<u>2,761,643,947</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(13,721,738)	(11,841,935)
Placements and investments	(93,767,326)	(209,913,137)
Net cash used in investing activities	<u>(107,489,064)</u>	<u>(221,755,072)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Lease rentals paid	(5,686,218)	(2,743,852)
Net cash used in financing activities	<u>(5,686,218)</u>	<u>(2,743,852)</u>
Net increase in cash and cash equivalents	1,057,911,189	2,537,145,023
Cash and cash equivalents at beginning of the year	18,345,295,523	14,035,140,531
Cash and cash equivalents at the end of the period	<u>19,403,206,712</u>	<u>16,572,285,555</u>

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

УНУ.


Chief Executive Officer


Chief Financial Officer

PASHTANY BANK
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE PERIOD ENDED 31 JAWZA 1404 (JUNE 21, 2025)

1. STATUS AND NATURE OF OPERATIONS

Pashtany Bank ("the Bank") got registered with Afghanistan Investment Support Agency (AISA) on 26 June 2004 as a limited liability company and received formal commercial bank license from Da Afghanistan Bank (DAB) to operate nationwide at the same date. The principal business place of the Bank is at Muhammad Jan Khan Watt, Kabul, Afghanistan with 26 branches and 11 counter (2024: 26 branches and 9 counter) nationwide.

The condensed financial information for the six months ended June 21, 2025 have been approved and authorized for issue by the Board of Supervisors on *26th July* 2025.

- 1.2** Financial sector of Afghanistan has been deeply impacted by the economic fallout resulting from actions taken by the United States, International Monetary Fund (IMF), the World Bank and western countries post takeover of Afghanistan by the Islamic Emirate of Afghanistan on August 15, 2021. These actions included freezing of the foreign reserves of USD 9 billion by the US Treasury's Office of Foreign Assets Control (OFAC), suspending access to Special Drawing Rights (SDRS) and additional funding of USD 370 million by IMF, and halting of aid by the World Bank and Germany – the biggest donor. Economy of Afghanistan has been heavily reliant on foreign aid whereby foreign aid constituted around 42% of GDP and three-quarter of the budget. Lack of access to foreign exchange can lead to balance of payment crisis since Afghanistan also runs a large trade deficit constituting around 28% of GDP or economy might significantly contract in response to severe lack of foreign exchange.

The Central Bank of Afghanistan (DAB) imposed strict limits on the cash withdrawals. DAB further moved to reduce the cash reserve requirements for the banks by bringing down cash reserve requirements from 12% on local currency deposits to 8% and from 14% to 10% on foreign currency deposits. DAB also imposed restrictions on international transactions to stem the capital outflows.

Interest income on capital notes and overnight deposits constituted major sources of income for the Bank and currently, DAB has suspended interest on capital notes and overnight deposits pending further decision by the Cabinet. Management is closely monitoring the situation and has implemented the plans to mitigate the risks emanating from current situation. These include:

- Cost cutting measures have been taken including all major contracts with vendors have been renegotiated for significant reduction which include leases.
- The Bank continues to enhance its commission income on custom duties collection and electricity bills collection.
- The Bank is providing cash withdrawal facility, through its ATMs based on interoperability of AfPay, to customers of other banks.
- Western Union continue to provide services in Afghanistan, and international money transfer services are also provided by the Bank through Western Union.
- The Bank currently holds sufficient liquid assets to make payments against deposit withdrawals.

Measures taken by the Central Bank including strict limits on cash withdrawals, reducing reserve requirements provide essential support for sustainability. Based on above, the condensed interim financial information have been prepared on a going concern basis.

UHY.

PASHTANY BANK
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE PERIOD ENDED 31 JAWZA 1404 (JUNE 21, 2025)

Note 1.2 (Contd...)

On December 31, 2021, DAB provided an exemption to all banks from the implementation of "Asset Classification and Provisioning Regulations" (ACPR), this relaxation was initially exempted until February 28, 2023 (circular ref. No.3101/3391), this was further extended to April 2, 2024 (circular ref. No. 12398/12922) and subsequently to October 2, 2024 (letter no. 11227). Hence, impairment loss on loans and advances of the Bank has been calculated on the basis of their status as of 30 June 2021 and no further provision has been made againsts those loans and advances which subsequently did not perform well due to the current situation of the country.

Therefore, these relaxations have significant impact on the Bank's financial results. These measures from DAB, has helped the bank in avoiding excessive provisioning and protected its capital base in a very unusual situation.

2. ACCOUNTING POLICIES

2.1 Basis of preparation

The condensed interim financial information of the Bank for the six months period ended June 21, 2025 have been prepared in accordance with the requirements of the International Accounting Standard 34 -" Interim Financial Reporting", the Law of Banking in Afghanistan, and other laws and regulations issued by Da Afghanistan Bank (DAB). In case where requirements differ, the requirement of the Law of Banking in Afghanistan, and other laws and regulations issued by DAB take precedence.

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 material accounting policies information (priorly: Significant accounting policies) required in the annual financial information. Accordingly, the condensed interim financial information should be read in conjunction with the annual financial information of the Bank for the year ended December 19, 2024.

Comparative statement of financial position is extracted from the annual financial statements as at December 19, 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 information for the six months period ended June 21, 2025.

3. MATERIAL ACCOUNTING POLICIES INFROMATIONS

- 3.1 The material accounting policies informations adopted in preparation of the condensed interim financial information are consistent with those followed in the preparation of the annual financial statements of the Bank for the year ended December 19, 2024.
- 3.2 The estimates / judgments assumptions used in the preparation of this condensed interim financial information are consistent with those applied in the preparation of the annual financial statements of the Bank for the year ended December 19, 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 December19, 2024.

U44.

PASHTANY BANK
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE PERIOD ENDED 31 JAWZA 1404 (JUNE 21, 2025)

		31 Jawza 1404 (June 21, 2025) Un-audited AFN	29 Qaws 1403 (Dec 19, 2024) Audited AFN
4. CASH AND CASH EQUIVALENTS	Note		
Cash in hand	4.1	1,790,608,170	1,787,798,826
Cash at ATM	4.2	22,530,978	21,540,188
Balances with Da Afghanistan Bank	4.3	16,999,536,476	15,986,208,049
Balances with other banks	4.4	590,531,088	549,748,460
		<u>19,403,206,712</u>	<u>18,345,295,523</u>
4.1 Cash in hand			
Local currency		858,626,259	593,423,752
Foreign currency		931,981,911	1,194,375,074
		<u>1,790,608,170</u>	<u>1,787,798,826</u>
4.2 Cash at ATM			
Local currency		22,116,800	21,058,000
Foreign currency		414,178	482,188
		<u>22,530,978</u>	<u>21,540,188</u>
4.3 Balances with Da Afghanistan Bank			
Current accounts:			
Local currency		16,232,165,916	15,530,224,010
Foreign currency		767,370,560	455,969,543
		16,999,536,476	15,986,193,553
Overnight deposit	4.3.1	-	14,496
		<u>16,999,536,476</u>	<u>15,986,208,049</u>
4.4 Balances with other banks			
In Afghanistan			
Current accounts:			
Azizi Bank		19,305,466	19,171,002
Bank Millie Afghan		45,532,390	45,491,880
Maiwand Bank		2,086,840	2,078,387
Ghazanfar Bank		2,519	5,395,562
		66,927,215	72,136,831
Outside Afghanistan			
Current accounts:			
Aktif Bank, Turkey		11,054,735	5,953,172
Nurol Bank, Turkey		7,483,216	6,223,741
Zhejiang Chouzhou Commercial Bank, China		505,065,922	465,434,715
		523,603,873	477,611,628
	4.4.1	<u>590,531,088</u>	<u>549,748,460</u>

4.4.1 These represent non-interest bearing balances available on demand.

۵۴۱.

PASHTANY BANK
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE PERIOD ENDED 31 JAWZA 1404 (JUNE 21, 2025)

		31 Jawza 1404 (June 21, 2025) Un-audited AFN	29 Qaws 1403 (Dec 19, 2024) Audited AFN
	Note		
5. LOANS AND ADVANCES			
Consumer Loan			
Gross Loan		2,433,824	7,862,531
Allowances for impairment losses		(2,337,255)	(4,636,947)
Carrying Value	5.1	<u>96,569</u>	<u>3,225,584</u>

5.1 ConsumConsumer loans were funded facilities designed for permanent government employees with a service period of 5 to 33 years. These loans carry no interest rate (2024: Nil).

		31 Jawza 1404 (June 21, 2025) Un-audited AFN	29 Qaws 1403 (Dec 19, 2024) Audited AFN
	Note		
6. INVESTMENTS AND PLACEMENTS			
Placements	6.1	<u>3,741,286,951</u>	<u>3,647,519,625</u>
		<u>3,741,286,951</u>	<u>3,647,519,625</u>

6.1 Placements

Outside Afghanistan

Aktif Bank, Turkey

Citi Bank, UAE

First Abu Dhabi Bank

Nurol Bank, Turkey

		185,666,000	184,366,000
6.1.1		2,643,429,158	2,593,066,059
		803,898,993	766,044,066
		108,292,800	104,043,500
6.1.2		<u>3,741,286,951</u>	<u>3,647,519,625</u>

6.1.1 The bank has invested in Money Market Deposit (MMTD) in Citibank UAE. Due to international sanctions on the country, Citibank has imposed no debit restriction on this balance

6.1.2 These placements are in foreign currencies with a maturity up to 364 days and carry interest rate ranging from 2.50% to 4.42% (2024:2.50% to 5.56%) per annum.

Ugh.

PASHTANY BANK

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE PERIOD ENDED 31 JAWZA 1404 (JUNE 21, 2025)**

		31 Jawza 1404 (June 21, 2025)	29 Qaws 1403 (Dec 19, 2024)
		Un-audited	Audited
	Note	AFN	AFN
7. INVESTMENT IN GOVERNMENTAL ENTITIES			
Ariana Afghan Airlines		281,241	281,241
Hotel Intercontinental Kabul		64,435	64,435
Afghan Card Corporation		2,822,884	2,822,884
Pakht-e-Herat		65,542	65,542
Shirkat Nasaji Afghan		83,518,400	83,518,400
Bank-e-Millie Afghan		11,340,000	11,340,000
Afghan National Insurance Company		7,660,000	7,660,000
	7.1	105,752,502	105,752,502

- 7.1** These are designated as investments which qualify as financial instruments under IAS 39, "Financial Instruments" and held at cost in the absence of related fair value.

		31 Jawza 1404 (June 21, 2025)	29 Qaws 1403 (Dec 19, 2024)
		Un-audited	Audited
	Note	AFN	AFN
8. PROPERTY AND EQUIPMENT			
Operating fixed assets	8.1	1,296,161,050	1,305,581,228
Right of use assets - buildings	8.2	21,885,619	27,603,968
		1,318,046,669	1,333,185,196

Uhy.

PASHTANY BANK
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE PERIOD ENDED 31 JAWZA 1404 (JUNE 21, 2025)

		31 Jawza 1404 (June 21, 2025)	29 Qaws 1403 (Dec 19, 2024)
		Un-audited	Audited
	Note	AFN	AFN
8.1 Property and equipment			
Gross Carrying Amount			
At beginning of the period/ year		1,685,694,401	1,630,601,229
Additions during the period/ year		13,721,738	55,100,072
Disposals of the period/ year		-	(6,900)
Closing balance		1,699,416,139	1,685,694,401
Accumulated Depreciation			
At beginning of the period/ year		380,113,173	348,895,223
Charge for the period/ year		23,141,916	31,224,935
Accumulated deprecation on disposal		-	(6,985)
Closing balance		403,255,089	380,113,173
Carrying Value		1,296,161,050	1,305,581,228

8.2 Right Of Use Assets

Cost			
Opening Balance		59,005,154	32,571,096
Additions during the period/year		-	26,434,058
Lease modifications	8.2.1	536,411	-
Closing balance		59,541,565	59,005,154
Accumulated depreciation			
Opening balance		31,401,186	20,115,977
Charge for the period/year		6,254,760	11,285,209
Closing balance		37,655,946	31,401,186
Carrying amount as of the year end		21,885,619	27,603,968

8.2.1 As a result of leases of branches renegotiated by the Bank after August 15, 2021, lease rentals have been reduced. Reduction in rent has been treated as lease modification in accordance with IFRS 16.

		31 Jawza 1404 (June 21, 2025)	29 Qaws 1403 (Dec 19, 2024)
		Un-audited	Audited
	Note	AFN	AFN
9. INTANGIBLE ASSETS			
Cost			
Opening balance	9.1	66,577,541	64,003,541
Additions during the year		6,851,580	2,574,000
Closing balance		73,429,121	66,577,541

UHY.

PASHTANY BANK
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE PERIOD ENDED 31 JAWZA 1404 (JUNE 21, 2025)

		31 Jawza 1404 (June 21, 2025)	29 Qaws 1403 (Dec 19, 2024)
		Un-audited	Audited
	Note	AFN	AFN
<i>Note 9 (Contd...)</i>			
Less: Accumulated amortization			
Opening balance		32,193,424	25,676,766
Charge for the period/ year		3,614,244	6,516,658
Closing balance		35,807,668	32,193,424
Written down value		37,621,453	34,384,117

- 9.1** Intangible assets include cost amounting to AFN 58,178,178 for licenses acquired for Core Banking System (Oracle) as a part of the IT infrastructure development financed by the World Bank project to modernize Afghan State-Owned Banks. The amortization rate of intangible assets determined is 10% p.a. Moreover, new licenses of Sophos and other softwares were acquired and the amortization rate of intangible assets determined is 33.33% p.a.

		31 Jawza 1404 (June 21, 2025)	29 Qaws 1403 (Dec 19, 2024)
		Un-audited	Audited
	Note	AFN	AFN
10. OTHER ASSETS			
Required reserves with Da Afghanistan Bank	10.1	2,211,040,168	2,042,979,987
Advance tax		424,729,456	510,648,625
Advances to employees		14,933,431	13,974,478
Advances to suppliers		3,180,493	2,034,039
Interest accrued on loan and time deposits		27,808,191	42,775,645
Security deposit		4,704,600	4,674,600
Receivable from financial institution		14,499,833	14,683,600
Receivable from Sale of Collateral		-	-
Others		119,123,335	67,651,767
		2,820,019,507	2,699,422,741
Provision against receivable from financial institution	10.2	(14,499,833)	(14,683,600)
Net carrying amount		2,805,519,677	2,684,739,141

10.1 Currency profile of required reserve with DAB

Local currency	10.1.1	1,535,424,824	1,334,199,210
Foreign currencies		675,615,344	708,780,777
		2,211,040,168	2,042,979,987

- 10.1.1** 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 rate.

۵۴۷.

PASHTANY BANK
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE PERIOD ENDED 31 JAWZA 1404 (JUNE 21, 2025)

		31 Jawza 1404 (June 21, 2025)	29 Qaws 1403 (Dec 19, 2024)
		Un-audited	Audited
	Note	AFN	AFN
10.2 Receivable from financial institutions			
Opening for the year		14,683,600	14,351,634
Additions for the year		-	
Exchange (loss) / gain on translation		(183,767)	331,967
Closing for the year	10.2.1	14,499,833	14,683,600

10.2.1 This amount relates to a time deposit maintained with UBL Peshawar branch matured several years ago however could not be received by the Bank despite several reminders and attempts. Inspection team of DAB, in their review report of 2019, concluded that this amount should be written-off. Full provision has been maintained against this balance as disclosed in note 14.5 to the financial statements.

		31 Jawza 1404 (June 21, 2025)	29 Qaws 1403 (Dec 19, 2024)
		Un-audited	Audited
	Note	AFN	AFN
11. DEPOSITS FROM BANKS			
Bank-e-Millie Afghan		40,296,555	40,294,119
Maiwand Bank		80,750	80,750
Afghan United Bank		935,077	931,909
Azizi Bank		81,801	81,228
New Kabul Bank		14,568	14,466
Ghazanfar Bank		20,845	20,699
		41,429,596	41,423,171

12. DEPOSITS FROM CUSTOMERS

Fixed deposits	12.1	712,353	707,376
Saving deposits	12.2	4,515,698,373	4,578,316,186
Current deposits		20,658,807,901	19,885,584,603
		25,175,218,627	24,464,608,165

12.1 This includes fixed deposit of USD 9,976 (equivalent AFN 712 thousands) from the Ministry of Commerce which carry no interest .

12.2 These carry no interest rate (2024: 0) p.a. for AFN currency and no interest for deposits in USD and other currencies.

۵۴۳.

PASHTANY BANK
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE PERIOD ENDED 31 JAWZA 1404 (JUNE 21, 2025)

		31 Jawza 1404 (June 21, 2025) Un-audited AFN	29 Qaws 1403 (Dec 19, 2024) Audited AFN
13. OTHER LIABILITIES			
Employees pension fund		95,945,613	108,122,717
Accrued expenses		7,505,380	10,456,020
Other payables		100,362,055	149,807,277
Withholding tax payable		1,775,176	1,966,643
Lease liability		15,043,814	20,730,032
		<u>220,632,038</u>	<u>291,082,689</u>
14. CONTINGENCIES AND COMMITMENTS			
Bank guarantees issued	14.1	<u>1,479,008,385</u>	<u>1,455,073,869</u>
14.1 Bank guarantees issued by the Bank are backed up by 100% cash margin.			
		Un-audited 31 Jawza 1404 (June 21, 2025) AFN	Un-audited 31 Jawza 1403 (June 20, 2024) AFN
15. NET INTEREST INCOME			
Interest income calculated using the effective interest method			
Cash and cash equivalents		56,963,741	64,131,935
Loan and advances		-	334,891
		56,963,741	64,466,826
Interest expense			
Saving deposits		-	60,782
		-	60,782
Net interest income		<u>56,963,741</u>	<u>64,406,044</u>
16. NET FEE AND COMMISSION INCOME			
Fee and commission income			
Fee		24,555,885	19,036,379
Commission		72,586,978	64,388,452
		97,142,863	83,424,831
Fee and commission expense			
Fund transfer charges		207,605	(107,640)
Account maintenance charges		74,256	(682,643)
		281,861	(790,283)
Net fee and commission income		<u>96,861,002</u>	<u>82,634,548</u>

UUN.

PASHTANY BANK
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE PERIOD ENDED 31 JAWZA 1404 (JUNE 21, 2025)

		Un-audited 31 Jawza 1404 (June 21, 2025)	Un-audited 31 Jawza 1403 (June 20, 2024)
	Note	AFN	AFN
17. OTHER INCOME			
Recovery of loans written-off			
Loan principal		236,359,683	8,190,334
Loan interest		23,750	84,691
		236,383,433	8,275,024
Rental income		37,151,451	29,418,305
ADIC insurance reimbursement	17.1	440,811,860	-
Others		6,382,710	1,441,935
		<u>720,729,454</u>	<u>39,135,264</u>

17.1 The bank has recorded an income from the reimbursement of ADIC insurance premiums, which were paid by the bank to ADIC/DAB from October 2009 to 31 December 2024. This is in accordance with Sharia Ruling No. 1151, dated 27 May 2024, issued by the Dar-ul-Eftah of the Islamic Emirate of Afghanistan.

		Un-audited 31 Jawza 1404 (June 21, 2025)	Un-audited 31 Jawza 1403 (June 20, 2024)
	Note	AFN	AFN
18. EMPLOYEE COMPENSATION			
Salaries, wages and benefits		89,199,171	74,955,275
Bonus		-	3,488,000
Staff welfare		70,000	845,830
		<u>89,269,171</u>	<u>79,289,105</u>

۰۰۰۰.

PASHTANY BANK
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE PERIOD ENDED 31 JAWZA 1404 (JUNE 21, 2025)

	Un-audited 31 Jawza 1404 (June 21, 2025)	Un-audited 31 Jawza 1403 (June 20, 2024)
Note	AFN	AFN
19. OTHER OPERATING EXPENSES		
Repair and maintenance	5,764,437	3,436,701
Travel and conveyance	857,056	280,700
Advertisement and publicity	1,288,107	1,094,907
Software's support services	2,159,548	1,534,022
Building rent and tax	-	76,582
Deposit insurance	-	6,831,934
Internet expense	4,514,708	3,176,596
Security expense	13,656,315	12,363,308
Printing and stationery	2,606,446	2,399,522
Communication	309,605	253,439
Electricity	6,286,282	6,151,282
Fuel expenses	2,029,398	1,367,232
Auditor's remuneration	341,101	1,410,900
Cleaning and water	317,405	160,768
Kindergarten expense	63,635	82,856
Employees training expenses	96,516	14,180
Others	22,903,473	11,220,257
	<u>63,194,032</u>	<u>51,855,187</u>

UHY.

PASHTANY BANK
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE PERIOD ENDED 31 JAWZA 1404 (JUNE 21, 2025)

20 Exposure to currency risk

The Bank's exposure to foreign currency risk was as follows based on notional amounts.

21 June 2025	USD	Euro	Others
Cash and cash equivalents	1,700,603,209	31,874,685	517,236,304
Investment and placements	3,704,404,151	36,882,800	-
Other assets	702,553,225	8,141,688	14,500,900
	<u>6,107,560,585</u>	<u>76,899,173</u>	<u>531,737,203</u>
Deposits from banks and other financial institutions	-	-	-
Deposits from customers	5,206,396,753	74,278,920	511,909,269
Other liabilities	37,505,645	104,090	4,412,878
	<u>5,243,902,399</u>	<u>74,383,010</u>	<u>516,322,147</u>
Net foreign currency exposure	<u>863,658,186</u>	<u>2,516,163</u>	<u>15,415,057</u>
19 December 2024	USD	Euro	Others
Cash and cash equivalents	2,287,350,246	307,206,701	673,058,570
Investment and placements	3,545,761,793	-	-
Other assets	734,951,176	21,367,647	29,948,143
	<u>6,568,063,214</u>	<u>328,574,348</u>	<u>703,006,712</u>
Deposits from banks and other financial institutions	1,671,474	90,536	-
Deposits from customers	6,329,466,368	208,695,048	669,109,728
Other liabilities	62,849,792	1,985,507	4,057,900
	<u>6,393,987,633</u>	<u>210,771,091</u>	<u>673,167,627</u>
Net foreign currency exposure	<u>(5,530,329,447)</u>	<u>(208,254,928)</u>	<u>(657,752,571)</u>

Ung.

PASHTANY BANK
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE PERIOD ENDED 31 JAWZA 1404 (JUNE 21, 2025)

21 RELATED PARTY TRANSACTIONS

Parent and ultimate controlling party

The Bank is owned by individual shareholders who owns Bank's shares in different proportions.

Key management personnel

Chief Executive Officer
 Chief Financial Officer
 Chief Operating Officer
 Chief Credit 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:

	Transactions		Balances	
	Un-audited			
	(June 21, 2025)	June 20, 2024	(June 21, 2025)	June 20, 2024
	AFN		AFN	
Transactions with key management	7,883,500.00	5,779,750.00	-	-
Salaries and other benefits	-	-	-	-

22 CAPITAL MANAGEMENT

The Bank's objective when managing capital, which is broader concept than the equity on the face of balance sheets are:

- (i) To comply with the capital requirement set by the DAB
- (ii) To safeguard the Bank's ability to continue as going concern so that it can continue to be self sustainable ; and
- (iii) To maintain strong capital base to support the development of its business.

Uth.

PASHTANY BANK
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE PERIOD ENDED 31 JAWZA 1404 (JUNE 21, 2025)

Note 22 (Contd...)

The Bank regulatory capital position as at June 21, 2025 is as follows:

	31 Jawza 1404 (June 21, 2025)	29 Qaws 1403 (Dec 19, 2024)
Note	Un-audited AFN	Audited AFN
Core (Tier 1) Capital:		
Total shareholder's equity	3,956,848,121	3,386,330,058
Less:		
Profit for the year	(620,187,676)	(166,986,739)
Deferred tax assets - Net	(10,860,969)	(60,530,585)
Intangible assets	(37,621,453)	(34,384,117)
Surplus on revaluation of fixed assets	(783,083,446)	(832,753,066)
	<u>2,505,094,577</u>	<u>2,291,675,551</u>
Supplementary (Tier 2) Capital:		
Profit for the year	620,187,676	166,986,739
Surplus on revaluation of fixed assets	783,083,446	832,753,066
	<u>1,403,271,122</u>	<u>999,739,805</u>
Total regulatory capital	<u>3,908,365,699</u>	<u>3,291,415,356</u>
Risk-weight categories		
0% risk weight:		
Cash in Afghani and fully-convertible foreign currencies	1,813,139,148	1,809,339,014
Direct claims on DAB	19,210,576,644	18,029,188,036
Total	<u>21,023,715,792</u>	<u>19,838,527,050</u>
0% risk-weight total (above total x 0%)	<u>-</u>	<u>-</u>
20% risk weight:		
Balances with other banks	4,331,818,039	4,197,268,085
20% risk-weight total (above total x 20%)	<u>866,363,608</u>	<u>839,453,617</u>
100% risk weight:		
All other assets	4,079,696,149	4,194,159,075
Intangible assets	(37,621,453)	(34,384,117)
Net deferred tax asset	(10,860,969)	(60,530,585)
100% risk-weight total (above total x 100%)	<u>4,031,213,727</u>	<u>4,099,244,373</u>
0% risk weight:		
Guarantees	1,479,008,385	1,455,073,869
0% credit conversion factor total (risk-weighted total x 0%)	<u>-</u>	<u>-</u>
Total risk-weighted assets	<u>4,897,577,335</u>	<u>4,938,697,990</u>
Tier 1 Capital Ratio (Tier 1 capital as % of total risk-weighted assets)	51.15%	46.40%
Regulatory Capital Ratio (Regulatory capital as % of total risk-weighted assets)	79.80%	66.65%

23 CORRESPONDING FIGURES

23.1 Corresponding figures have been reclassified / re-arranged wherever necessary to facilitate comparison in the presentation in the current year.

23.2 The figures in these condensed interim financial information have been rounded off to the nearest in AFN.

ۛۛۛ.



Chief Executive Officer

Chief Financial Officer