

BANK-E-MILLIE AFGHAN (BMA)

Unconsolidated Condensed Interim Financial Statements

For the period ended March 20, 2025

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

Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of Bank-e-Millie Afghan ("the Bank") as at 30 Hoot 1403 (March 20, 2025) and the related unconsolidated condensed interim statement of profit or loss and other comprehensive income, unconsolidated condensed interim statement of changes in equity and unconsolidated condensed interim statement of cash flows, and the notes to the unconsolidated condensed interim financial statements for the three months then ended (here-in-after referred to as the "unconsolidated condensed interim financial statements"). Management is responsible for the preparation and fair presentation of these unconsolidated condensed 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 unconsolidated condensed 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.

Basis for Qualified Conclusion

- a) The Bank has an investment in a wholly owned subsidiary "Afghan American Trading Co. Inc." (AATC) which is carried at a cost of AFN 155.595 million (USD 2.2 million). Due to non-availability of the financial information of this subsidiary, the Bank has not prepared the consolidated financial statements as required under the Banking Law of Afghanistan and IFRS 10. Further, for the reasons disclosed in note 7.1.1 to the unconsolidated condensed interim financial statements, we have not been able to obtain sufficient and appropriate evidence regarding the existence and recoverability of the above-referred investment.
- b) The Bank has a Nostro account balance amounting to AFN 2,016.91 million (USD 28.51 million) with Citibank New York, as at 30 Hoot 1403 (March 20, 2025). During our review, we were unable to verify the existence of the said account balance.

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Qualified Conclusion

Based on our review, except for the possible effects of the matters described in under the "Basis for Qualified Conclusion" nothing has come to our attention that causes us to believe that the accompanying unconsolidated condensed interim financial statements do not give a true and fair view of the financial position of the Bank as at 30 Hoot 1403 (March 20, 2025), and of its financial performance and its cash flows for the three 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 Matter

We draw attention to note 11.3 of the unconsolidated condensed interim financial statements which describes the effects of the refund of the Insurance premium paid to ADPF/DAB and provision for reimbursement of interest income on loans and advances received by the bank in prior periods.

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Chartered Accountants

Engagement Partner: Umar Daraz, FCA

Location: Kabul, Afghanistan

Date: April 04, 2025



BANK-E-MILLIE AFGHAN**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION****AS AT 30 HOOT 1403 (20 MARCH 2025)**

		Un-Audited 20 March 2025 30 Hoot 1403 AFN	Audited 20 December 2024 30 Qaws 1403 AFN
Assets	Note		
Cash and bank balances	3	24,226,568,231	22,524,911,687
Gold and silver at bank vault	4	96,217,778	85,655,307
Short-term investments	5	803,365,343	788,299,228
Loans and advances to customers - net	6	1,139,676,203	1,019,388,427
Long term investments	7	1,031,418,626	1,025,862,977
Property and equipment	8	1,263,032,165	1,273,291,936
Intangible assets	9	2,445,013	2,593,566
Investment properties	10	6,314,299,591	6,311,451,633
Other assets	11	3,429,199,608	3,470,718,861
Total assets		38,306,222,558	36,502,173,622
Liabilities			
Deposits from banks and customers	12	30,017,820,210	29,079,626,911
Lease liabilities	13	21,708,308	25,371,774
Current Tax Liabilities		81,254,653	-
Deferred tax liability	14	742,071,543	747,663,221
Other liabilities	15	1,116,131,247	645,599,751
Total liabilities		31,978,985,961	30,498,261,657
Equity			
Share capital	16	1,000,000,000	1,000,000,000
Retained earnings		4,512,502,661	4,169,320,969
Surplus on revaluations - net		783,295,895	803,152,955
Exchange translation reserves		22,125,025	22,125,025
General reserve		9,313,016	9,313,016
Total equity		6,327,236,597	6,003,911,965
Total liabilities and equity		38,306,222,558	36,502,173,622

Contingencies and Commitments 17

The annexed notes from 1 to 27 form an integral parts of these unconsolidated condensed interim financial statements.

Acting CEO & Chief Finance Officer

BOS Member

BOS Chairman

BANK-E-MILLIE AFGHAN
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME (Un-Audited)
FOR THE THREE MONTHS ENDED 30 HOOT 1403 (20 MARCH 2025)

		Three Months Ended	
		20 March 2025	19 March 2024
		30 Hoot 1403	29 Hoot 1402
		Un-Audited	Un-Audited
		AFN	AFN
Net income from financial assets & liabilities			
Income from financial assets		40,719,160	34,872,291
Expense on financial liabilities		(2,157,104)	(2,977,123)
Net Profit income	18	38,562,056	31,895,168
Fee and commission income and expenses			
Fee and commission income		51,270,401	48,291,690
Fee and commission expense		(386,135)	(423,941)
Net commission income	19	50,884,266	47,867,749
Other income			
Realized exchange gain /(loss)		211,980	(41,067)
Unrealized exchange gain / (loss)		(5,168,375)	37,565,284
Gain on revaluation of gold and silver		10,562,472	-
Other operating income	20	692,905,860	181,392,843
		698,511,937	218,917,060
Total operating income		787,958,259	298,679,977
Operating expenses			
Provision on loans and advances	6.1	11,920,377	(9,523,927)
Personnel expenses	21	56,551,275	55,117,283
Finance cost on lease liability	13	360,570	350,000
Depreciation	8.1	12,330,536	11,036,864
Amortization	9	148,554	143,186
Other expenses	22	307,659,870	35,074,073
Total operating expenses		388,971,182	92,197,478
Total operating profit		398,987,077	206,482,499
Profit before taxation		398,987,077	206,482,499
Taxation		(75,662,445)	(33,783,444)
Profit for the period		323,324,632	172,699,055
Other comprehensive gain			
<i>Items that may be classified to profit or loss subsequently</i>			
Deferred tax adjustment		5,591,678	-
Total comprehensive profit for the period		328,916,309	172,699,055

The annexed notes from 1 to 27 form an integral parts of these unconsolidated condensed interim financial statements.

Acting CEO and Chief Finance Officer

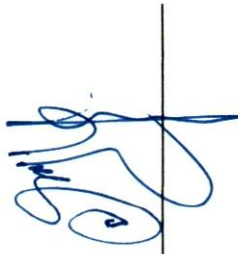
BOS Member

Chairman BOS

BANK-E-MILLIE AFGHAN
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Un-Audited)
FOR THE THREE MONTHS ENDED 30 HOOT 1403 (20 MARCH 2025)

	Share capital	Retained earnings	Revaluation surplus	Exchange translation reserves	General reserve	Total
Balance as at 30 Qaws 1402 (21 December 2023)-Audited	1,000,000,000	4,127,941,758	792,247,503	18,930,624	9,313,016	5,948,432,901
Profit for the period	-	172,699,055	-	-	-	172,699,055
Balance as at 29 Hoot 1402 (19 March 2024) - Un-audited	1,000,000,000	4,300,640,813	792,247,503	18,930,624	9,313,016	6,121,131,956
Balance as at 30 Qaws 1403 (20 December 2024)-Audited	1,000,000,000	4,169,320,969	803,152,955	22,125,025	9,313,016	6,003,911,965
Profit for the period	-	323,324,632	-	-	-	323,324,632
Transfer from surplus to retained earnings	-	19,857,060	(19,857,060)	-	-	-
Balance as at 30 Hoot 1403 (20 March 2025) - Un-audited	1,000,000,000	4,512,502,661	783,295,895	22,125,025	9,313,016	6,327,236,597

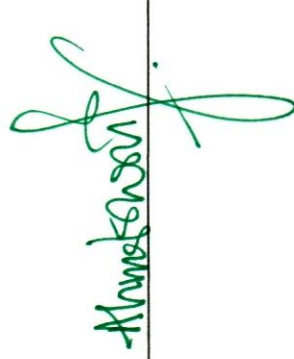
The annexed notes from 1 to 27 form an integral parts of these *unconsolidated condensed interim financial statements*. **۵۴۱**



Acting CEO and Chief Finance Officer



BOS Member



Chairman BOS

BANK-E-MILLIE AFGHAN
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASHFLOWS (Un-Audited)
FOR THE THREE MONTHS ENDED 30 HOOT 1403 (20 MARCH 2025)

		20 March 2025 30 Hoot 1403 Un-Audited AFN	19 March 2024 29 Hoot 1402 Un-Audited AFN
	Note		
Operating activities			
Profit / (loss) before taxation		398,987,077	206,482,499
Adjustments for non-cash items:			
Depreciation	8.1	12,330,536	11,036,864
Amortization	9	148,554	143,186
Provision on loans and advances	6.1	11,920,377	(9,523,927)
Finance cost on lease liability	13	360,570	350,000
		24,760,037	2,006,122
Adjustments for changes in operating assets and liabilities:			
Loans and advances to customers	6	(132,208,153)	19,302,106
Other assets		(291,925,146)	(79,241,018)
Deposits from banks and customers	12	938,193,299	(694,091,875)
Other liabilities		484,621,442	(11,068,943)
Lease liabilities		1,140,090	4,218,073
		999,821,533	(760,881,657)
Net cash used in operating activities		1,423,568,647	(552,393,036)
Investing activities			
long term investments	7	(5,555,649)	(7,898,000)
placements with banks	5	15,066,115	(48,104,770)
Acquisition of property and equipment	8	(2,224,854)	(1,906,520)
Acquisition of investment properties	10.1	(2,847,958)	-
Net cash used in investing activities		4,437,654	(57,909,290)
Cash flows from financing activities			
Recognition / (repayment) of lease obligations - net		(4,944,838)	(3,484,804)
Net cash generated from / (used in) financing activities		(4,944,838)	(3,484,804)
Net decrease in cash and cash equivalents		1,423,061,463	(613,787,130)
Cash and cash equivalents at beginning of period		25,190,600,933	26,366,323,584
Cash and cash equivalents at end of period	3.4	26,613,662,396	25,752,536,454

The annexed notes from 1 to 27 form an integral parts of these unconsolidated condensed interim financial statements.

Acting CEO and Chief Finance Officer

BOS Member

Chairman BOS

1 Status and nature of operations

Bank-e-Millie Afghan (the Bank) is domiciled in The Islamic Republic of Afghanistan. The Bank was incorporated in 1935 and it has been granted license for commercial banking by Da Afghanistan Bank (DAB) on 26 June 2004. The Bank also obtained a private investment license on 08 November 2004 under the Law of Domestic and Foreign Investment and is primarily engaged in the business of banking as mentioned in Law of Banking in Afghanistan. Ministry of Finance is the majority shareholder of the Bank having shareholding of 96.75%. The Bank has 39 branches (2024: 39 branches) in operation.

The registered office of the Bank is at Pashtanistan Square, Kabul, Afghanistan.

2 Basis of preparation

2.1 Statement of compliance

These unconsolidated condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board (IASB) and the Law of Banking in Afghanistan and the directives issued by DAB. Whenever the requirement of the Law of Banking in Afghanistan differs with the requirements of the IFRS, the requirement of the Law of Banking in Afghanistan takes precedence.

Bank-e-Millie Afghan holds one wholly owned subsidiaries namely 'Afghan American Trading Co. Inc. As per International Financial Reporting Standard (IFRS) 10 'Consolidated Financial Statements', being a parent, Bank-e-Millie Afghan is required to prepare consolidated financial statements, but the same cannot be prepared by the management, due to non-availability of latest audited financial statements of the subsidiaries for the reasons disclosed in note 8 'Long term investments.

2.2 Mandatory Departure

Mandatory departure of International Financial reporting Standards (IFRS) - 9 "Financial Instruments", based on the decision of Da Afghanistan Bank until further notice.

2.3 Basis of measurement

These unconsolidated condensed interim financial statements have been prepared on the historical cost basis except for investment property, land and building which are measured at revalued amount.

2.4 Functional and presentation currency

These unconsolidated condensed interim financial statements are presented in Afghani, which is the Bank's functional currency. The amounts in the financial statements have been rounded to the nearest Afghani.

2.5 Use of estimates and judgments

The Bank makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates and judgments will, by definition, rarely equal the related actual results.

2.6 Material Accounting Policies Informations

The material accounting policies (priorly: Significant accountintg policies) adopted in preparation of these unconsolidated condensed interim financial information are consistent with those followed in the preparation of the annual unconsolidated financial statements of the Bank for the year ended 30 Qaws 1403 (20 December 2024).

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BANK-E-MILLIE AFGHAN

NOTES TO THE UNCONSOLIDATED CONDENSED INTERM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 30 HOOT 1403 (20 MARCH 2025)

			20 March 2025 30 Hoot 1403 Un-Audited AFN	20 December 2024 30 Qaws 1403 Audited AFN
3	Cash and bank balances	Note		
	Cash in hand	3.1	4,521,646,066	4,770,888,878
	Balances with Da Afghanistan Bank (DAB)	3.2	16,719,864,178	14,665,278,036
	Nostro accounts & balances with domestic banks	3.3	2,985,057,987	3,088,744,773
			24,226,568,231	22,524,911,687
3.1	Cash in hand			
	Local currency	3.1.1	2,649,892,549	2,278,613,216
	Foreign currency	3.1.2	1,808,522,017	2,433,673,162
	Cash in ATMs		63,231,500	58,602,500
			4,521,646,066	4,770,888,878
3.1.1	This represents cash at vaults in the branches of the bank.			
3.1.2	The foreign currencies includes USD, GBP, EURO and PKR.			
3.2	Balances with Da Afghanistan Bank (DAB)			
	Local currency		14,111,053,089	12,259,180,426
	Foreign Currency	3.2.1	2,608,811,089	2,406,097,610
			16,719,864,178	14,665,278,036
3.2.1	The foreign currencies includes USD, GBP, EURO and PKR.			
3.3	Nostro accounts & balances with domestic banks			
	Nostro accounts balances	3.3.1	2,140,855,947	2,081,122,252
	Balances with domestic banks - Local currency	3.3.2	133,527	134,193
	Balances with domestic banks - Foreign currency	3.3.3	844,068,513	1,007,488,328
			2,985,057,987	3,088,744,773
3.3.1	Nostro accounts balances			
	Citibank New York		2,016,912,135	2,001,227,417
	Zhejiang Chaozhou Commercial Bank China		111,256,993	67,365,977
	Habib Bank - Pakistan		12,022,789	11,869,992
	Canara Bank		664,030	658,866
	Bank of Africa - Europe		-	-
			2,140,855,947	2,081,122,252
3.3.1	"No debit restrictions" were imposed on these foreign currency accounts since prior years.			
			20 March 2025 30 Hoot 1403 Un-Audited AFN	20 December 2024 30 Qaws 1403 Audited AFN
3.3.2	Balances with domestic banks - Local currency	Note		
	Pashtany Bank		123,927	124,593
	Azizi Bank		9,600	9,600
			133,527	134,193

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BANK-E-MILLIE AFGHAN

NOTES TO THE UNCONSOLIDATED CONDENSED INTERM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 30 HOOT 1403 (20 MARCH 2025)

			20 March 2025 30 Hoot 1403 Un-Audited AFN	20 December 2024 30 Qaws 1403 Audited AFN
3.3.3	Balances with domestic banks - Foreign currency	Note		
	Pashtany Bank		263,308	261,706
	New Kabul Bank		264,150	262,868
	Azizi Bank		10,137	10,760
	Ghazanfar Bank		843,530,918	1,006,952,994
			844,068,513	1,007,488,328
3.4	Cash and cash equivalents			
	Cash in hand		4,521,646,066	4,770,888,878
	Balances with Da Afghanistan Bank (DAB)		16,719,864,178	14,665,278,036
	Nostro accounts & balances with domestic banks		2,985,057,987	3,088,744,773
	Required reserve at Da Afghanistan Bank (DAB)	11.1	2,290,876,387	2,580,033,939
	Gold and silver at bank vault	4	96,217,778	85,655,307
			26,613,662,396	25,190,600,933
4	Gold and silver at bank vault			
	Gold		41,273,378	35,496,387
	Silver		54,944,400	50,158,920
		4.1	96,217,778	85,655,307
4.1	This represents gold and silver coins located at bank's main vault, acquired in the early years after inception of BMA in Afghanistan. However, these gold coins were revalued on 19 March 2025, (30 Hoot 1403) resulting in revaluation gain, the impact was accordingly taken in the financial statements, approved by the BoM of the bank.			
5	Short-term investments	Note	20 March 2025 30 Hoot 1403 Un-Audited AFN	20 December 2024 30 Qaws 1403 Audited AFN
	Murabaha Deposit in RAK Bank - by IBW		135,058,239	134,007,946
	First Abu Dhabi Bank		781,343,396	775,267,201
			916,401,635	909,275,147
	Accrued Interest		22,021,947	13,032,027
			938,423,582	922,307,174
	Provision on RAK Bank placement	5.1	(135,058,239)	(134,007,946)
			803,365,343	788,299,228
5.1	Provision on RAK Bank placement			
	Balance at the beginning of the period		134,007,946	137,397,530
	Exchange rate differences		1,050,293	(3,389,584)
	Balance at the end of period		135,058,239	134,007,946

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BANK-E-MILLIE AFGHAN
**NOTES TO THE UNCONSOLIDATED CONDENSED INTERM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 30 HOOT 1403 (20 MARCH 2025)**

		20 March 2025 30 Hoot 1403 Un-Audited AFN	20 December 2024 30 Qaws 1403 Audited AFN
6	Loans and advances to customers - net		
	Conventional Loans	734,355,027	732,977,902
	Islamic Loans		
	- Murabaha	811,182,495	659,772,086
	- Diminishing mushareka	732,317,310	747,862,537
		1,543,499,805	1,407,634,623
	Loans and advances to customers - gross	2,277,854,832	2,140,612,525
	Allowance for impairment loss		
	Conventional	(734,355,027)	(732,977,902)
	Islamic loans - murabaha	(186,070,744)	(189,476,416)
	Islamic loans - diminishing mushreka	(217,752,858)	(198,769,780)
		6.1 (1,138,178,629)	(1,121,224,098)
		1,139,676,203	1,019,388,427
6.1	Allowance for impairment loss		
	Balance at the beginning	1,121,224,098	2,526,757,159
	Charge for the period	26,524,254	491,896,395
	Reversals during the period	(14,603,877)	(330,489,037)
	Net reversal / (charge) for the period	11,920,377	161,407,358
	Write offs during the period	-	(1,632,576,891)
	Exchange rate difference	5,034,155	65,636,472
	Balance at the end	1,138,178,630	1,121,224,098
7	Long term investments		
	Afghan American Trading Co. Inc.	7.1 155,595,000	154,385,000
	Pashtany Bank	683,588,743	679,243,094
	Investment in equity instruments	192,234,883	192,234,883
		1,031,418,626	1,025,862,977
7.1	Afghan American Trading Co. Inc.		
	Opening balance	154,385,000	158,290,000
	Exchange gain / (loss)	1,210,000	(3,905,000)
	Closing balance	7.1.1 155,595,000	154,385,000

7.1.1 Afghan American Trading Co. Inc. is wholly owned subsidiary of the bank wherein investment cost is USD 2.2 million. Previously there was a dispute with the management of Afghan American Trading Co (AATC) and the bank launched an investigation into the affairs of the AATC by appointing its legal representative in US. The latest audited financial statements of AATC are not available and the bank cannot assess the recoverability of its investment in AATC.

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BANK-E-MILLIE AFGHAN
**NOTES TO THE UNCONSOLIDATED CONDENSED INTERM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 30 HOOT 1403 (20 MARCH 2025)**

			20 March 2025 30 HOOT 1403 Un-Audited AFN	20 December 2024 30 Qaws 1403 Audited AFN
	Property and equipment	Note		
8	Cost			
	Balance at beginning of the period		1,476,815,982	1,516,152,167
	Additions during the period		2,224,854	25,042,837
	Revaluation		-	23,038,500
	Write offs during the period		(2,222,851)	(236,512,369)
	Modification Adjustment		-	149,094,847
			1,476,817,985	1,476,815,982
8.1	Accumulated depreciation			
	Balance at beginning of the period		203,524,046	269,599,232
	charges for Lease liability		4,584,267	-
	Charge for the period		7,746,269	39,456,637
	Write offs during the period		(2,140,996)	(219,250,031)
	Adjustment		72,234	113,718,208
			213,785,819	203,524,046
	Carrying amount		1,263,032,165	1,273,291,936
9	Intangible assets			
	Cost			
	Balance at beginning of the period		27,445,283	27,308,282
	Additions		-	517,000
	Disposals		-	(379,999)
		9.1	27,445,283	27,445,283
	Amortization			
	Balance at beginning of the period		24,851,717	24,424,126
	Charge for the period	9.2	148,553	584,110
	Disposals		-	(156,519)
			25,000,270	24,851,717
	Carrying amount		2,445,013	2,593,566
9.1	Intangibles assets include core banking software and licensing rights.			
9.2	Intangibles are amortized at the rates ranging from 20% to 33% (2023: 20% to 33%) per annum.			
			20 March 2025 30 Hoot 1403 Un-Audited AFN	20 December 2024 30 Qaws 1403 Audited AFN
10	Investment Properties	Note		
	Investment properties		5,723,657,579	5,723,657,579
	Capital work in progress	10.1	590,642,012	587,794,054
			6,314,299,591	6,311,451,633
10.1	Capital work in progress			
	Opening balance		587,794,054	582,370,539
	Additions during the period		2,847,958	5,423,515
	Closing balance		590,642,012	587,794,054

BANK-E-MILLIE AFGHAN**NOTES TO THE UNCONSOLIDATED CONDENSED INTERM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 30 HOOT 1403 (20 MARCH 2025)**

			20 March 2025	20 December 2024
			30 Hoot 1403	30 Qaws 1403
			Un-Audited	Audited
11	Other assets	Note	AFN	AFN
	Required reserve at Da Afghanistan Bank (DAB)	11.1	2,290,876,387	2,580,033,939
	Advance salaries		8,225,172	9,535,158
	Prepayments		6,831,465	2,963,174
	Advance tax to MoF	11.2	571,072,604	580,806,446
	Rent receivable against investment properties		41,034,959	37,903,562
	Accrued profit on loans and advances - Islamic		198,904,741	154,617,894
	Security deposits with Pashtany Bank		40,000,000	40,000,000
	Security deposit with Western union		8,487,000	8,421,000
	Receivable from Western union inbound / outbound		147,553,264	64,735,788
	Receivable from ADPF /DAB for reimbursement of insurance premiums	11.3	103,085,855	-
	Other receivables		35,968,031	14,541,770
			3,452,039,478	3,493,558,731
	Provision held against other assets	11.4	(22,839,870)	(22,839,870)
			3,429,199,608	3,470,718,861
11.1	Required reserve at Da Afghanistan Bank (DAB)			
	Local currency		1,357,401,052	1,454,920,843
	Foreign currency		933,475,335	1,125,113,096
		11.1.1	2,290,876,387	2,580,033,939
11.1.1	This represents required reserve amount being maintained with DAB in order to meet minimum reserve requirement of Article 64 "Required Reserves Regulation" of DAB Bank Law with the percentage set as per Circular No. 7530/8679 dated 3/6/1444 of DAB. Required reserves are not available for use in the Bank's day-to-day operations. It is calculated by applying 8% to deposits denominated in AFN and 10% to deposits denominated in foreign currency, credited by the DAB from the respective nostro current accounts of the bank with DAB.			
11.2	This represents outstanding amount of advance income tax paid on 18 September 2019 to Ministry of Finance (MoF), based on approval of the BOS, which is adjustable against the future tax liabilities to MoF.			

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- 11.3** The bank has recorded an accrual for income from the reimbursement of ADPF insurance premiums totalling AFN 663 million, which were paid by the bank to ADPF/DAB from October 2009 to 20 December 2024. Additionally, the bank has accrued for the repayment of interest income earned from loans and advances between 15th August 2021 to 20th December 2024, amounting to AFN 278 million. 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, along with subsequent orders issued by the Supreme Court of the Islamic Emirate of Afghanistan (Order No. 373, dated 27 August 2024) and DAB Letter No.185/287 dated 24 January 2025. On 03 March 2025, the aforementioned ADPF reimbursement amounting to AFN 563 million was received from DAB.

		20 March 2025 30 Hoot 1403 Un-Audited AFN	20 December 2024 30 Qaws 1403 Audited AFN
11.4	Provision held against other assets	Note	
	Balance at the beginning of the period	22,839,870	143,543,271
	Charge for the period		
	Charge for the period	-	-
	Reversals during the period	-	-
	Net (reversal) / charge for the period	-	-
	Write offs during the period	-	(110,217,151)
	Exchange rate differences	-	(10,486,250)
	Balance at the end of the period	22,839,870	22,839,870

12 Deposits from banks and customers

Local currency

Conventional deposits	12.1	18,948,488,022	17,540,263,009
Islamic deposits	12.2	1,259,575,494	899,246,876
Margin against letter of guarantee	12.3	74,378,223	82,150,388
		20,282,441,739	18,521,660,273

Foreign Currency

Conventional deposits	12.1	9,089,420,730	9,927,875,956
Islamic deposits	12.2	559,868,088	544,013,395
Margin against letter of guarantee	12.3	86,089,653	86,077,287
		9,735,378,471	10,557,966,638
		30,017,820,210	29,079,626,911

12.1 Conventional deposits

Local currency

Current deposits	17,734,074,320	16,300,259,318
Saving deposits	1,183,636,713	1,209,226,702
Term deposits	30,776,989	30,776,989
	18,948,488,022	17,540,263,009

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BANK-E-MILLIE AFGHAN
**NOTES TO THE UNCONSOLIDATED CONDENSED INTERM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 30 HOOT 1403 (20 MARCH 2025)**
12.1 Conventional deposits...Continued

		20 March 2025	20 December 2024
		30 Hoot 1403	30 Qaws 1403
		Un-Audited	Audited
	Note	AFN	AFN
Foreign currency			
Current deposits		5,204,275,306	5,422,668,416
Saving deposits		3,550,512,396	4,173,328,911
Term deposits		334,633,028	331,878,629
		9,089,420,730	9,927,875,956
		28,037,908,752	27,468,138,965

12.2 Islamic deposits
Local currency

Current deposits		662,979,796	297,059,646
Saving deposits	12.2.1	17,268,564	23,261,328
Term deposits	12.2.1	579,327,134	578,925,902
		1,259,575,494	899,246,876

Foreign currency

Current deposits		56,356,680	48,333,337
Saving deposits	12.2.1	57,346,311	54,489,812
Term deposits	12.2.1	446,165,097	441,190,246
		559,868,088	544,013,395
		1,819,443,582	1,443,260,271

12.2.1 Saving deposits and term deposits under Islamic banking are not based on fixed rates arrangements, it is dependent upon actual earned profit or sustained loss, if any.

		20 March 2025	20 December 2024
		30 Hoot 1403	30 Qaws 1403
		Un-Audited	Audited
	Note	AFN	AFN
12.3 Margin against letter of guarantee			
Foreign currency - active		86,089,653	86,077,287
Local currency - active		74,378,223	82,150,388
		160,467,876	168,227,675

13 Lease liabilities

Opening balance		25,371,774	17,611,355
Recognition of lease liability		-	10,941,830
Finance cost for the period		360,570	350,000
Lease rentals paid		(4,944,838)	(9,651,650)
Rent payable		861,976	(1,795,230)
Adjustment for Modification of lease liability		-	7,170,471
		21,708,308	25,371,774

14 Recognized deferred tax liability

Property and equipment		212,882,375	219,343,477
Investment in associate		(46,494,278)	(47,363,702)
Investment property		772,458,219	772,458,219
Exchange translation reserve		4,425,005	4,425,005
Carry forward taxable losses		(201,199,778)	(201,199,778)
		742,071,544	747,663,221

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		20 March 2025 30 Hoot 1403 Un-Audited	20 December 2024 30 Qaws 1403 Audited
	Note	AFN	AFN
15 Other liabilities			
Accrued profit on deposits - islamic		10,327,729	8,160,870
Deferred income on murabaha loans		216,823,049	172,200,670
Deferred income on donated assets		1,174,428	1,685,733
Deffered Income on Operational Ijara AFN		14,693,380	13,293,540
Security deposits on rented investment properties		19,393,339	18,982,360
Withholding tax payable	15.1	13,938,681	19,148,874
Dividend payable		20,716,068	20,716,068
Guarantee on construction of investment property		58,626,551	58,558,801
Defined benefit plan (pension scheme)	15.2	118,405,063	127,643,129
Accrued expenses		30,248,080	28,765,002
Government salaries payable		119,392	13,984,349
Rent payable		2,062,350	1,795,230
Bidding Guarranty		6,944,303	8,788,599
Repayment of Interest income received	11.3	278,273,457	-
Others	15.3	324,385,377	151,876,526
		<u>1,116,131,247</u>	<u>645,599,751</u>

15.1 This represents withholding taxes deducted from contractors and payroll, which will be offsetted with advance tax paid by the bank to MoF, subject to official initiation from MoF.

		20 March 2025 30 Hoot 1403 Un-Audited	20 December 2024 30 Qaws 1403 Audited
	Note	AFN	AFN
15.2 Defined benefit plan (pension scheme)			
Opening net liability		131,776,510	173,854,815
Charge for the year		-	6,401,083
Employee contribution		-	6,401,083
Benefits paid during the year		(13,371,447)	(49,285,095)
Closing net liability	15.2.1	<u>118,405,063</u>	<u>131,776,510</u>

15.2.1 On March 31, 2024 (1445/9/21), H.E. Ameerul-Moomneen under Order # 4802, has discontinued the pension scheme across all government sectors. This change shall take effect from 20 March, 2024.

15.3 This amount includes a balance of Afs 140,947,680 payable to the Ministry of Finance (MOF) for the property acquired in Dehamang on 07/01/1402.

		20 March 2025 30 Hoot 1403 Un-Audited	20 December 2024 30 Qaws 1403 Audited
	Note	AFN	AFN
16 Share capital			
16.1 Authorised			
100,000 (2023: 100,000) ordinary shares of AFN 10,000 each		<u>1,000,000,000</u>	<u>1,000,000,000</u>

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BANK-E-MILLIE AFGHAN
**NOTES TO THE UNCONSOLIDATED CONDENSED INTERM FINANCIAL STATEMENTS
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		20 March 2025 30 Hoot 1403 Un-Audited AFN	20 December 2024 30 Qaws 1403 Audited AFN
	Note		
16.2 Issued, subscribed and paid up capital			
100,000 (2023: 100,000) ordinary shares of AFN 10,000 each		1,000,000,000	1,000,000,000
16.3 The issued shares are subscribed by the following parties:			
Ministry of Finance		967,508,024	967,508,024
Afghan Red Crescent		20,731,432	20,731,432
Pashtany Bank		11,343,832	11,343,832
Afghan Air Force Commander		370,411	370,411
Kabul Municipality		46,301	46,301
		1,000,000,000	1,000,000,000
17 Contingencies and Commitments			
Letter of guarantees			
Off Balance sheet assets - AFN		212,510,388	212,510,388
Off Balance sheet assets - USD		128,977,159	128,977,159
		341,487,547	341,487,547
18 Net income from financial assets & liabilities			
Income from financial assets			
Interest on short term investment		9,133,879	9,826,607
Interest on loans and advances - conventional		-	268,028
Profit on loans and advances - Islamic		31,585,281	24,777,656
		40,719,160	34,872,291
Expense on financial liabilities			
Interest on deposits - conventional		-	-
Profit to Murabaha customers - Islamic		2,157,104	2,977,123
		2,157,104	2,977,123
Net income from financial assets & liabilities		38,562,056	31,895,168
19 Fee and commission income and expenses			
Fee and commission income			
Commission income	19.1	17,452,631	13,952,125
Commission on Western Union inbound & outbound		7,018,081	9,590,380
Payroll processing fee		7,864,615	7,009,740
Customer account service charges		3,392,473	3,475,679
Commission on government revenue collection		11,160,479	10,737,986
Income on remittances inward & outward		4,382,122	3,525,780
		51,270,401	48,291,690

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**NOTES TO THE UNCONSOLIDATED CONDENSED INTERM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 30 HOOT 1403 (20 MARCH 2025)**

		20 March 2025 30 Hoot 1403 Un-Audited AFN	19 March 2024 29 Hoot 1402 Un-Audited AFN
	Note		
Note 19 (Contd...)			
Fee and commission expense			
Fund transfer charges		375,305	410,514
Inter bank transaction fee		5,230	1,427
Others		5,600	12,000
		386,135	423,941
Net fee and commission income		50,884,266	47,867,749
19.1 This includes commission income on bank guarantees, electricity utility bills collection, commission on ATM services and other miscellaneous commission of the bank.			
		20 March 2025 30 Hoot 1403 Un-Audited AFN	19 March 2024 29 Hoot 1402 Un-Audited AFN
	Note		
20 Other operating income			
Rental income		17,406,431	14,609,489
Recoveries from loan and advances written off		2,221,110	154,026,480
Dividend received from investment associates		1,767,686	-
Reimbursement of ADPF insurance premiums	11.3	665,778,372	-
Other income		5,732,261	12,756,874
		692,905,860	181,392,843
21 Personnel expenses			
Salaries and benefits		56,475,601	55,117,283
Scholarship and training expenses		75,674	-
		56,551,275	55,117,283
22 Other expenses			
Advertising and publicity		210,576	617,250
Repairs and maintenance	22.1	4,649,500	3,849,725
Postage and telegram		2,450	440
Deposits insurance expense		3,084,000	2,578,931
Utilities		3,203,400	2,471,681
Fuel expenses		1,261,449	1,363,520
Printing and stationery		1,259,845	2,258,356
Travelling		463,010	617,275
Telephone and communication		3,930,408	4,004,065
Security charges		9,347,664	7,315,893
Statuary audit & compliance review fee		79,840	-
Loss on disposal of non-current assets		81,855	7,767,071
Repayment of Interest received	11.3	278,273,457	-
Others		1,812,416	2,229,866
		307,659,870	35,074,073
22.1 This represents repairs and maintenance cost on investment properties, software's, office equipment's, furniture, vehicles and other miscellaneous items of the bank.			

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BANK-E-MILLIE AFGHAN

NOTES TO THE FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED 30 HOOT 1403 (20 MARCH 2025)

23

Related parties

The Bank has a related party relationship with its shareholders, subsidiaries and associated companies, directors and key management personnel. Details is as follows:

	20 March 2025 30 Hoot 1403 Un-Audited AFN	20 December 2024 30 Qaws 1403 Audited AFN
Note		
Shareholders (percentage)		
Ministry of Finance	96.751%	96.751%
Afghan Red Crescent	2.073%	2.073%
Pashtany Bank	1.134%	1.134%
Afghan Air Force	0.037%	0.037%
Kabul Municipality	0.005%	0.005%
	100%	100%
Shareholders (Amount in AFN)		
Ministry of Finance	967,508,024	967,508,024
Afghan Red Crescent	20,731,432	20,731,432
Pashtany Bank	11,343,832	11,343,832
Afghan Air Force Commander	370,411	370,411
Kabul Municipality	46,301	46,301
	1,000,000,000	1,000,000,000
Subsidiaries and associated companies	Country of Incorporation	Ownership Percentage
Afghan American Trading Co. Inc.	USA	100%
Pashtany Bank	Afghanistan	28.77%
Afghan National Insurance Company	Afghanistan	7.66%
Ariana Afghan Airlines Company	Afghanistan	6.25%
Edahdia Mazar Sharif	Afghanistan	41.63%
Sherkat Saderat Pakhta Herat	Afghanistan	8.00%
Sherkat pashmena Bafi Qandahar	Afghanistan	29.95%
Sherkat Yakhsazi Herat	Afghanistan	8.46%
Sherkat Teel Kashi Herat	Afghanistan	17.99%
Sherkat Nasaji Afghan	Afghanistan	54.25%
Sherkat Pashtoon Kandahar	Afghanistan	12.32%
Sherkat Atahadia Andkhoy Maimana	Afghanistan	38.21%

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FOR THE THREE MONTHS ENDED 30 HOOT 1403 (20 MARCH 2025)

23.1 Transactions with related parties

The Bank had transactions with following related parties at mutually agreed terms during the period:

		20 March 2025 30 Hoot 1403 Un-Audited AFN	19 March 2024 29 Hoot 1402 Un-Audited AFN
Supervisors and key management personnel:	Note		
Basic salary & Bonus		5,695,272	5,350,227
Board of Supervisor's meeting fee		1,500,000	1,336,500
		7,195,272	6,686,727
Associates			
Pashtany Bank		683,588,743	679,243,094
Ariana Afghan Airlines Company		172,256,476	172,256,476
Afghan National Insurance Company		18,606,641	18,606,641
Sherkat Saderat Pakhta Herat		844,289	844,289
Sherkat Nasaji Afghan		455,853	455,853
Edahdia Mazar Sharif		30,150	30,150
Sherkat pashmena Bafi Qandahar		15,944	15,944
Edahdia Andkhoy Maimana		12,479	12,479
Sherkat Yakhsazi Herat		7,076	7,076
Sherkat Teel Kashi Herat		4,794	4,794
Sherkat Sahami Pashtoon Kandahar		1,181	1,181

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BANK-E-MILLIE AFGHAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 30 HOOT 1403 (20 MARCH 2025)

24 Capital management

Regulatory capital

DAB sets and monitors capital requirements for the Bank. The Bank is required to maintain at all times the paid up capital plus reserves in excess of Afs 1,000 million 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.

	20 March 2025 30 Hoot 1403 Un-Audited AFN	20 December 2024 30 Qaws 1403 Audited AFN
Tier 1 capital		
Total equity	6,327,236,597	6,003,911,965
Less: Current period profit	(323,324,632)	(41,379,211)
Less: Surplus on revaluation of property and equipment - net	(783,295,895)	(803,152,955)
Less: Intangible assets	(2,445,013)	(2,593,566)
Total Tier 1	5,218,171,057	5,156,786,233
Tier 2 capital		
Profit for the period	323,324,632	41,379,211
Surplus on revaluation of property and equipment - net	783,295,895	803,152,955
General loss reserves on credits Allowable Portion	3,559,860	6,936,882
Total Tier 2	1,110,180,387	851,469,048
Allowable deduction-equity investment	(1,031,418,626)	(1,025,862,977)
Total regulatory capital (Tier 1 + Tier 2)	5,296,932,818	4,982,392,304

Risk-weight categories

0% risk weight:

Cash in Afghani and fully-convertible foreign currencies

Direct claims on DAB

Precious metals and precious stones

0% risk-weight total (above total x 0%)

4,521,646,066	4,770,888,878
19,010,740,565	17,245,311,975
96,217,778	85,655,307
23,628,604,409	22,101,856,160
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BANK-E-MILLIE AFGHAN

NOTES TO THE FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED 30 HOOT 1403 (20 MARCH 2025)

	20 March 2025 30 Hoot 1403 Un-Audited AFN	20 December 2024 30 Qaws 1403 Audited AFN
Note		
Note 24 (Contd...)		
20% risk weight:		
Balances with other banks	3,901,459,622	3,998,019,920
20% risk-weight total (above total x 20%)	780,291,924	799,603,984
50% risk weight:		
Balances with other banks	-	-
50% risk-weight total (above total x 50%)	-	-
100% risk weight:		
All other assets	12,050,213,318	11,680,369,526
Less: intangible assets	(2,445,013)	(2,593,566)
Allowable deduction-equity investment	(1,031,418,626)	(1,025,862,977)
	11,016,349,679	10,651,912,983
100% risk-weight total (above total x 100%)	11,016,349,679	10,651,912,983
0% risk weight:		
Guarantees	351,745,228	341,487,547
	351,745,228	341,487,547
0% credit conversion factor total (risk-weighted total x 0%)	-	-
Total risk-weighted assets	11,796,641,604	11,451,516,967
Tier 1 Capital Ratio		
(Tier 1 capital as % of total risk-weighted assets)	44.23%	45.03%
Regulatory Capital Ratio		
(Regulatory capital as % of total risk-weighted assets)	44.90%	43.51%

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BANK-E-MILLIE AFGHAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 30 HOOT 1403 (20 MARCH 2025)

25 Reclassifications

During the year, the Bank reclassified the required reserve with Da Afghanistan Bank (DAB) from Cash and Cash Equivalents to Other Assets to ensure a more appropriate presentation of transactions and events for comparison purposes. Corresponding figures for the prior period have been re-arranged and re-classified where necessary to ensure consistency and comparability in the financial statements.

	20 March 2025 30 Hoot 1403 Un-Audited AFN	20 December 2024 30 Qaws 1403 Audited AFN
Cash and bank balances (excluding required reserves with DAB)	24,226,568,231	22,524,911,687
Cash and bank balances (including required reserves with DAB)	26,517,444,618	25,104,945,626
	(2,290,876,387)	(2,580,033,939)
Other assets (including required reserves with DAB)	3,429,199,608	3,470,718,861
Other assets (excluding required reserves with DAB)	1,138,323,221	890,684,922
	2,290,876,387	2,580,033,939
Effect on equity and profit or loss and other comprehensive income	-	-

26 General
The amounts have been rounded off to nearest AFN.

27 Date of authorisation for issue

These financial statements were authorised for issue by the Board of Supervisors of the Bank-e-Millie Afghan on May 04, 2025. *Umm.*

Acting CEO & Chief Finance Officer *[Signature]* BOS Member *[Signature]*

Chairman BOS *[Signature]*