

BANK-E-MILLIE AFGHAN (BMA)

Unconsolidated Condensed Interim Financial Statements

For the period ended March 20, 2026

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 29 Hoot 1404 (March 20, 2026) 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 141.295 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 1,831.54 million (USD 28.51 million) with Citibank New York, as at 29 Hoot 1404 (March 20, 2026). During our review, we were unable to verify the existence of the said account balance.

UHY.

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 29 Hoot 1404 (March 20, 2026), 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 Da Afghanistan Bank.

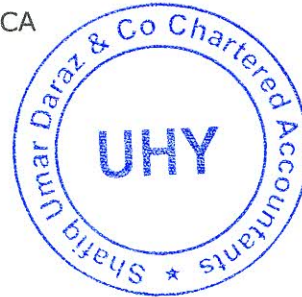
UHY Shafiq Umar Daraz & Co.

Chartered Accountants

Engagement Partner: Muhammad Shafiq, FCA

Location: Kabul, Afghanistan

Date: May 07, 2026



BANK-E-MILLIE AFGHAN
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
FOR THE THREE MONTHS ENDED 29 HOOT 1404 (20 MARCH 2026)

	Note	Un-Audited 20 March 2026 29 Hoot 1404 AFN	Audited 21 December 2025 30 Qaws 1404 AFN
Assets			
Cash and bank balances	3	19,996,133,592	21,502,078,913
Gold and silver at bank vault	4	136,750,431	120,733,758
Short-term investments	5	761,269,022	777,628,105
Financing / loans and advances	6	1,625,250,472	1,528,575,040
Long term investments	7	1,216,877,484	1,197,908,277
Property and equipment	8	1,273,694,051	1,272,069,724
Intangible assets	9	1,855,058	1,998,253
Investment properties	10	6,743,890,203	6,742,334,203
Other assets	11	3,523,243,778	3,566,693,202
Total assets		35,278,964,091	36,710,019,475
Liabilities			
Deposits from banks and customers	12	27,017,053,759	28,490,743,508
Lease liabilities	13	32,120,192	36,848,598
Deferred tax liability	14	738,727,427	733,383,450
Other liabilities	15	1,194,202,995	1,186,777,892
Total liabilities		28,982,104,373	30,447,753,448
Equity			
Share capital	16	1,000,000,000	1,000,000,000
Retained earnings		4,492,597,782	4,454,413,691
Surplus on revaluations - net		783,295,895	783,295,895
Exchange translation reserves		11,653,025	15,243,425
General reserve		9,313,016	9,313,016
Total equity		6,296,859,718	6,262,266,027
Total liabilities and equity		35,278,964,091	36,710,019,475

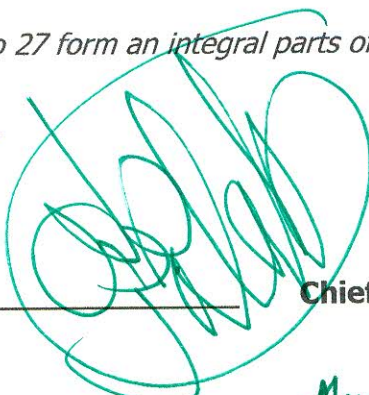
Contingencies and Commitments 17

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

Chief Executive Officer

Chief Finance Officer

BOS Chairman

UHY






BANK-E-MILLIE AFGHAN
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME (Un-Audited)
FOR THE THREE MONTHS ENDED 29 HOOT 1404 (20 MARCH 2026)

	Note	Three Months Ended	
		Un-Audited 20 March 2026 29 Hoot 1404 AFN	Un-Audited 20 March 2025 30 Hoot 1403 AFN
Net income from financial assets & liabilities			
Income from financial assets		27,683,942	40,719,160
Expense on financial liabilities		(4,979,999)	(2,157,104)
Net profit income	18	22,703,943	38,562,056
Fee and commission income and expenses			
Fee and commission income		56,567,768	51,270,401
Fee and commission expense		(394,517)	(386,135)
Net commission income	19	56,173,251	50,884,266
Other income			
Realized exchange gain/(loss)		8,538,041	211,980
Unrealized exchange gain/(loss)		(11,138,741)	(5,168,375)
Gain on revaluation of gold and silver		16,016,673	10,562,472
Other operating income	20	23,375,600	692,905,860
		36,791,573	698,511,937
Total operating income		115,668,767	787,958,259
Operating expenses			
Provision/(Reversal) on financings and advances	6.5	(4,800,121)	11,920,377
Personnel expenses	21	59,975,591	56,551,275
Finance cost on lease liability	13	392,607	360,570
Depreciation	8	10,728,687	12,330,536
Amortization	9	143,195	148,554
Other expenses	22	28,260,348	307,659,870
Total operating expenses		94,700,307	388,971,182
Total operating profit		20,968,460	398,987,077
Share in gain on associates and equity investments		23,457,207	-
Profit before taxation		44,425,667	398,987,077
Taxation	23	(6,241,576)	(75,662,445)
Profit for the period		38,184,091	323,324,632
Other comprehensive income			
<i>Items that may be classified to profit or loss subsequently</i>			
FX fluctuation on investment in AATC - Subsidiary		(4,488,000)	-
Related deferred tax / deferred tax adjustment		897,600	5,591,678
Other comprehensive income, net of tax		(3,590,400)	5,591,678
Total comprehensive income for the period		34,593,691	328,916,310

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

Chief Executive Officer

Chief Finance Officer

Chairman BOS

UH

**BANK-E-MILLIE AFGHAN
STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED 29 HOOT 1404 (20 MARCH 2026)**

	AFN	AFN	AFN	AFN	AFN	AFN	AFN
	Share capital	Retained earnings	Revaluation surplus	Exchange translation reserves	General reserve	Total	
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	
Incremental depreciation - net of deferred tax	-	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	
Balance as at 30 Qaws 1404 (21 December 2025) - Audited	1,000,000,000	4,454,413,691	783,295,895	15,243,425	9,313,016	6,262,266,027	
Profit for the period	-	38,184,091	-	-	-	38,184,091	
Exchange rate differences on translation of investment in AATC Subsidiary - net of tax	-	-	-	(3,590,400)	-	(3,590,400)	
Balance as at 29 Hoot 1404 (20 March 2026) - Un audited	1,000,000,000	4,492,597,782	783,295,895	11,653,025	9,313,016	6,296,859,718	

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

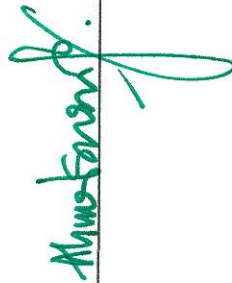
Uth.



Chief Executive Officer



Chief Finance Officer



Chairman BOS

**BANK-E-MILLIE AFGHAN
STATEMENT OF CASHFLOWS
FOR THE THREE MONTHS ENDED 29 HOOT 1404 (20 MARCH 2026)**

	Note	Un-Audited 20 March 2026 29 Hoot 1404 AFN	Un-Audited 20 March 2025 30 Hoot 1403 AFN
Operating activities			
Profit before taxation		44,425,667	398,987,077
Adjustments for non-cash items:			
Depreciation	8	10,728,687	12,330,536
Amortization	9	143,195	148,554
Share in (gain) / loss of associate and equity investments	7	(23,457,207)	-
Provision on loans and advances	6.5	4,800,121	11,920,377
Finance cost on lease liability	13	392,607	360,570
		<u>(7,392,597)</u>	<u>24,760,037</u>
Adjustments for changes in operating assets and liabilities:			
Loans and advances to customers	6	(88,911,113)	(132,208,153)
Other assets	11	38,961,423	(291,925,146)
Deposits from banks and customers	12	(1,473,689,749)	938,193,299
Other liabilities	15	7,344,183	484,621,442
Lease liabilities		(392,607)	1,140,090
		<u>(1,516,687,863)</u>	<u>999,821,533</u>
Retirement benefit paid	15.2	(80,920)	-
		<u>(80,920)</u>	<u>-</u>
Net cash (used in)/ generated from operating activities		(1,479,735,713)	1,423,568,647
Investing activities			
Long term investments		-	(5,555,649)
(Investment in) / divestment from placements with banks	5	16,359,083	15,066,115
Capital expenditure on investment properties	10.2	(1,556,000)	(2,847,958)
Acquisition of property and equipment		(11,883,977)	(2,224,854)
Net cash generated from investing activities		2,919,106	4,437,654
Cash flows from financing activities			
Recognition / (repayment) of lease obligations - net		(4,728,406)	(4,944,838)
Net cash used in financing activities		(4,728,406)	(4,944,838)
Effect of exchange rate differences on provisions		(8,383,635)	-
Net (decrease) / increase in cash and cash equivalents		(1,489,928,648)	1,423,061,463
Cash and cash equivalents at beginning of the period		21,622,812,671	25,190,600,933
Cash and cash equivalents at end of the period	3.4	20,132,884,023	26,613,662,396

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

Chief Executive Officer

Chief Finance Officer

Chairman BOS

BANK-E-MILLIE AFGHAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 29 HOOT 1404 (20 MARCH 2026)

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 1933 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 96.7508%. The Bank has 39 branches (2025:39 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 accountitng 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 1404 (21 December 2025). *U.H.*

BANK-E-MILLIE AFGHAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 29 HOOT 1404 (20 MARCH 2026)

		Un-Audited	Audited
		20 March 2026	21 December 2025
		29 Hoot 1404	30 Qaws 1404
	Note	AFN	AFN
3	Cash and bank balances		
	Cash in hand	1,181,369,484	1,739,748,875
	Balances with Da Afghanistan Bank (DAB)	15,411,341,611	15,966,542,321
	Nostro accounts & balances with domestic banks	3,403,422,497	3,795,787,717
		<u>19,996,133,592</u>	<u>21,502,078,913</u>
3.1	Cash in hand		
	Local currency	698,192,053	877,498,390
	Foreign currency	405,600,431	801,903,985
	Cash in ATMs	77,577,000	60,346,500
		<u>1,181,369,484</u>	<u>1,739,748,875</u>
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	12,663,459,015	12,906,880,117
	Foreign Currency	2,747,882,596	3,059,662,204
		<u>15,411,341,611</u>	<u>15,966,542,321</u>
3.2.1	The foreign currencies includes USD, GBP, EURO and PKR.		
3.3	Nostro accounts & balances with domestic banks		
	Nostro accounts balances	2,759,184,667	2,542,686,383
	Balances with domestic banks - Local currency	169,127	181,527
	Balances with domestic banks - Foreign currency	644,068,703	1,252,919,808
		<u>3,403,422,497</u>	<u>3,795,787,717</u>
3.3.1	Nostro accounts balances		
	Citibank New York	1,831,547,287	1,889,723,331
	Zhejiang Chaozhou Commercial Bank China	916,783,264	641,583,308
	Habib Bank - Pakistan	10,251,114	10,757,589
	Canara Bank	603,002	622,155
		<u>2,759,184,667</u>	<u>2,542,686,383</u>
3.3.1	"No debit restrictions" were imposed on these foreign currency accounts since prior years.		
3.3.2	Balances with domestic banks - Local currency		
	Pashtany Bank	109,527	121,927
	Azizi Bank	9,600	9,600
	Ghazanfar Bank	50,000	50,000
		<u>169,127</u>	<u>181,527</u>

UHY.

BANK-E-MILLIE AFGHAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 29 HOOT 1404 (20 MARCH 2026)

		Un-Audited 20 March 2026 29 Hoot 1404 AFN	Audited 21 December 2025 30 Qaws 1404 AFN
3.3.3	Balances with domestic banks - Foreign currency		
	Pashtany Bank	234,222	245,931
	New Kabul Bank	239,038	246,764
	Azizi Bank	5,031	6,185
	Ghazanfar Bank	643,590,412	1,252,420,929
		644,068,703	1,252,919,808
3.4	Cash and cash equivalents		
	Cash in hand	1,181,369,484	1,739,748,875
	Balances with Da Afghanistan Bank (DAB)	15,411,341,611	15,966,542,321
	Nostro accounts & balances with domestic banks	3,403,422,497	3,795,787,717
	Gold and silver at bank vault	136,750,431	120,733,758
		20,132,884,023	21,622,812,671
4	Gold and silver at bank vault		
	Gold	61,031,597	54,909,179
	Silver	75,718,834	65,824,579
		136,750,431	120,733,758
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 20 March 2026, (29 Hoot 1404) resulting in revaluation gain, the impact was accordingly taken in the financial statements, approved by the BoM of the bank.		
5	Short-term investments		
	RAK Bank	145,766,676	126,541,311
	First Abu Dhabi Bank	742,445,351	766,027,889
		888,212,027	892,569,201
	Accrued interest for FAB	18,823,671	11,600,216
		907,035,698	904,169,417
	Provision on RAK Bank placement	(145,766,676)	(126,541,311)
		761,269,022	777,628,105
5.1	This income earned from conventional interest-bearing accounts or loans is considered haram (forbidden). So, bank is following Islamic accounting principles which cannot treat it as legitimate income, so the interest income is treated as charity payable for purification of income.		
5.2	Provision on RAK Bank placement		
	Balance at the beginning of the period	126,541,311	137,397,530
	Provision relating to accrued profit	23,121,000	-
	Exchange rate differences	(3,895,635)	(3,389,584)
	Balance at the end of period	145,766,676	126,541,311

UW

BANK-E-MILLIE AFGHAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 29 HOOT 1404 (20 MARCH 2026)

	Note	Un-Audited 20 March 2026 29 Hoot 1404 AFN	Audited 21 December 2025 30 Qaws 1404 AFN
6	Financing and advances		
	Murabaha financing	1,731,926,457	1,640,426,054
	Diminishing mushareka financing	705,006,786	707,596,076
	Financing and advances - gross	2,436,933,243	2,348,022,130
	Allowance for impairment loss		
	Murabaha financing	(146,801,505)	(153,918,502)
	Diminishing mushareka financing	(664,881,265)	(665,528,588)
	6.1	(811,682,770)	(819,447,090)
		1,625,250,472	1,528,575,040

----- 20 MARCH 2026 -----				
	Note	Gross	Impairment	Carrying Value
6.1	Murabaha financing			
	6.1.1	164,061,748	(16,466,286)	147,595,462
	6.1.1	11,702,875	(117,029)	11,585,846
	6.1.1	562,434,253	(23,715,223)	538,719,030
	6.1.2	30,063,380	(435,384)	29,627,996
	6.1.3	19,184,522	(191,845)	18,992,677
	6.1.3	944,479,679	(105,875,738)	838,603,941
		1,731,926,457	(146,801,505)	1,585,124,952

----- 21 December 2025 -----				
		Gross	Impairment	Carrying Value
	Car financing	149,470,956	(16,802,248)	132,668,708
	House financing	11,557,845	(115,578)	11,442,267
	Construction material	438,825,436	(27,206,452)	411,618,984
	Home appliances	21,555,226	(332,169)	21,223,057
	Trade finance	23,009,309	(413,515)	22,595,794
	Corporate equipment	996,007,282	(109,048,540)	886,958,742
		1,640,426,054	(153,918,502)	1,486,507,552

6.1.1 These represent financing for purchase of cars, houses and for the purpose of construction. These carry profit at rates ranging from 3% to 10% (2025: 5% to 8%) per annum and have maturity between 1 to 5 years. These are secured against personal guarantees and in certain cases the mortgage of immovable properties.

6.1.2 These represent financing for purchase of home appliances, which include air conditioners and refrigerators, mobiles and other appliances, These carry profit at rates ranging from 3% to 9% (2025: 5% to 8%) per annum and are extended for 12 months to 72 months. These are secured against personal guarantees and immovable properties.

6.1.3 These represent financing for purchase of Raw material, plant, machinery and other equipment for the business purposes for corporates, These carry profit at rates ranging from 3% to 9% (2025: 5% to 8%) per annum and have maturity between 1 to 7 years. These are secured against personal guarantees and in certain cases the mortgage of immovable properties.

UHT.

BANK-E-MILLIE AFGHAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 29 HOOT 1404 (20 MARCH 2026)

		----- 20 MARCH 2026 -----			
		Note	Gross	Impairment	Carrying Value
6.2	Diminishing mushareka financing				
	Diminishing mushareka	6.2.1	705,006,786	(664,881,265)	40,125,520
			<u>705,006,786</u>	<u>(664,881,265)</u>	<u>40,125,520</u>
		----- 21 December 2025 -----			
	Diminishing mushareka	6.2.1	707,596,076	(665,528,588)	42,067,488
			<u>707,596,076</u>	<u>(665,528,588)</u>	<u>42,067,488</u>

6.2.1 These represents restructuring of conventional loans into Diminishing Musharaka, carrying profit rate of 10% per annum.

		Note	Un-Audited 20 March 2026 29 Hoot 1404 AFN	Audited 21 December 2025 30 Qaws 1404 AFN
6.3	Allowance for impairment loss			
	Balance at the beginning		819,447,092	1,121,224,099
	Charge for the period		1,469,577	698,145,444
	Reversals during the period		(6,269,698)	(266,992,582)
	Net (reversal) / charge for the period		(4,800,121)	431,152,862
	Charge offs during the period	6.3.1	-	(732,977,903)
	Exchange rate difference		(2,964,201)	48,033
	Balance at the end		811,682,770	819,447,092

6.3.1 During the ALCO meeting held on 1403/12/26, the committee approved the charge-off of all outstanding conventional loans, as ratified by the Board of Management (BoM).

		Note	Un-Audited 20 March 2026 29 Hoot 1404 AFN	Audited 21 December 2025 30 Qaws 1404 AFN
7	Long term investments			
	Afghan American Trading Co. Inc.	7.1	141,295,000	145,783,000
	Pashtany Bank	7.2	883,347,601	859,890,394
	Investment in equity instruments	7.3	192,234,883	192,234,883
			<u>1,216,877,484</u>	<u>1,197,908,277</u>
7.1	Afghan American Trading Co. Inc.			
	Opening balance		145,783,000	154,385,000
	Exchange gain / (loss)		(4,488,000)	(8,602,000)
	Closing balance	7.1.1	<u>141,295,000</u>	<u>145,783,000</u>

7.1.1 This represents investment of the Bank in its wholly owned foreign subsidiary, Afghan American Trading Co. Inc. (AATC), which is carried at a cost of USD 2.200 million (translated to AFN 141.29 million) (2025: USD 2.2 million translated to AFN 145.78 million). In accordance with IFRS 10 - Consolidated Financial Statements, the Bank has determined that it does not exercise control over AATC. As a result, the investment is accounted for at cost, and the subsidiary has not been consolidated in the Bank's financial statements.

UHS

BANK-E-MILLIE AFGHAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 29 HOOT 1404 (20 MARCH 2026)

7.2 Investment in associates

The bank use equity method of accounting for determining the carrying value of the investment in Pashtany Bank. Set out below is the movement during the year in the investment in associates:

	Note	Un-Audited 20 March 2026 29 Hoot 1404 AFN	Audited 21 December 2025 30 Qaws 1404 AFN
7.2.1 Pashtany Bank			
Opening balance		859,890,394	679,243,094
Share of profit / (loss)		23,457,207	180,647,300
Closing balance		883,347,601	859,890,394
7.3 Investment in equity instruments			
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
		192,234,883	192,234,883

UHY,

BANK-E-MILLIE AFGHAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 29 HOOT 1404 (20 MARCH 2026)

8	Property and equipment	Note	Un-Audited 20 March 2026 29 Hoot 1404 AFN	Audited 21 December 2025 30 Qaws 1404 AFN
8.1	Cost			
	Balance at beginning		1,514,619,760	1,476,815,982
	Additions during the period		12,468,673	30,229,460
	Write offs during the period		(790,179)	(6,376,887)
	Adjustments		(402,888)	13,951,205
			1,525,895,366	1,514,619,760
8.2	Accumulated depreciation			
	Balance at beginning		242,550,036	203,524,046
	Charge for the period		10,728,687	47,508,635
	Write offs during the period		(746,824)	(6,036,270)
	Ajustments		(330,584)	(2,446,375)
		8.2.1	252,201,315	242,550,036
	Carrying amount		1,273,694,051	1,272,069,724

8.2.1 Depreciation is recognized in profit or loss on a straight line basis over the useful life of an item of property and equipment.

9	Intangible assets	Note	Un-Audited 20 March 2026 29 Hoot 1404 AFN	Audited 21 December 2025 30 Qaws 1404 AFN
	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		25,447,030	24,851,717
	Charge for the period	9.2	143,195	595,314
			25,590,225	25,447,030
	Carrying amount		1,855,058	1,998,253

9.1 Intangibles assets include core banking software and licensing rights.

9.2 Intangibles are amortized at the rates ranging from 20% to 33% (2025: 20% to 33%) per annum.

UHY

BANK-E-MILLIE AFGHAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 29 HOOT 1404 (20 MARCH 2026)

		Un-Audited 20 March 2026 29 Hoot 1404 AFN	Audited 21 December 2025 30 Qaws 1404 AFN
	Note		
10	Investment Properties		
	Investment properties	5,723,657,579	5,723,657,579
	Capital work in progress	1,020,232,624	1,018,676,624
		6,743,890,203	6,742,334,203

10.1 This includes an investment property, with a fair value of Afs 140,947,680, which was transferred to the Bank by the Ministry of Finance (MoF), the Bank's major shareholder. The MoF instructed the Bank to record this amount as capital contributed by MoF. The property's fair value was determined by an independent valuer and approved by both Da Afghanistan Bank (DAB) and MoF. The Bank subsequently obtained approval from DAB to formally record this transaction in its financial records. This amount will be adjusted in equity and shareholding will be changed upon completion of legal formalities.

		Un-Audited 20 March 2026 29 Hoot 1404 AFN	Audited 21 December 2025 30 Oaws 1404 AFN
	Note		
10.2	Capital work in progress		
	Opening balance	1,018,676,624	587,794,054
	Additions during the period	1,556,000	430,882,570
	Closing balance	1,020,232,624	1,018,676,624

10.2.1 This represents payments made to National Development Corporation (NDC), a related party, for construction work on an investment property of the bank in Dehmazang, Kabul.

U4.

BANK-E-MILLIE AFGHAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 29 HOOT 1404 (20 MARCH 2026)

		Un-Audited 20 March 2026 29 Hoot 1404 AFN	Audited 21 December 2025 30 Qaws 1404 AFN
11	Other assets		
	Required reserve at Da Afghanistan Bank (DAB)	2,250,449,183	2,335,330,409
	Advance salaries	7,581,894	7,555,534
	Prepayments	5,573,697	4,621,950
	Advance tax to MoF	531,584,046	540,407,537
	Rent receivable against investment properties	81,189,121	118,693,505
	Profit receivable on financing and advances	394,943,608	349,865,420
	Security deposits with Pashtany Bank	40,000,000	40,000,000
	Security deposit with Western union	7,707,000	7,951,800
	Receivable from Western Union	89,427,420	44,481,788
	Receivable from DAB on ADPF Reversal Charges	103,085,855	103,088,819
	Other receivables	34,471,124	37,465,610
		3,546,012,948	3,589,462,372
	Provision held against other assets	(22,769,170)	(22,769,170)
		3,523,243,778	3,566,693,202
11.1	Required reserve at Da Afghanistan Bank (DAB)		
	Local currency	1,403,817,805	1,463,152,765
	Foreign currency	846,631,378	872,177,644
		2,250,449,183	2,335,330,409

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 DAB based on relevant CAMEL rating 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.

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.

UHY.

BANK-E-MILLIE AFGHAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 29 HOOT 1404 (20 MARCH 2026)

		Un-Audited 20 March 2026 29 Hoot 1404 AFN	Audited 21 December 2025 30 Qaws 1404 AFN
11.4	Provision held against other assets	Note	
	Balance at the beginning of the period	22,769,170	22,839,870
	Charge for the period	-	-
	Reversals during the period	-	(70,700)
	Balance at the end of the period	22,769,170	22,769,170
12	Deposits from banks and customers		
	Banks and Customers Deposits	12.1 26,844,532,117	28,311,590,901
	Margin against letter of guarantee	12.2 172,521,642	179,152,607
		27,017,053,759	28,490,743,508
12.1	Banks and Customers Deposits		
	Local currency		
	Qard current deposits	16,840,849,413	17,338,491,102
	Mudarabah saving deposits	12.1.1 1,270,934,860	1,278,930,817
	Mudarabah term deposits	12.1.1 582,662,163	583,527,582
		18,694,446,436	19,200,949,501
	Foreign currency		
	Qard current deposits	5,007,089,158	5,851,390,910
	Mudarabah saving deposits	12.1.1 2,718,054,868	2,812,429,115
	Mudarabah term deposits	12.1.1 424,941,655	446,821,375
		8,150,085,681	9,110,641,400
		26,844,532,117	28,311,590,901
12.1.1	Mudaraba saving deposits and mudarabah term deposits under Islamic banking are not based on fixed rates arrangements, it is dependent upon actual earned profit or sustained loss, if any.		
12.2	Margin against letter of guarantee	Note	
	Local currency	79,832,732	84,565,681
	Foreign currency	92,688,910	94,586,926
		172,521,642	179,152,607
13	Lease liabilities		
	Opening balance	36,848,598	25,371,774
	Recognition of lease liability	-	13,220,339
	Finance cost for the period / year	392,607	1,948,702
	Lease rentals paid	(5,008,197)	(18,662,877)
	Exchange Transalation	(112,816)	-
	Adjustment for modification of lease liability	-	14,970,661
		32,120,192	36,848,598
14	Recognized deferred tax liability		
	Property and equipment	197,062,909	195,823,974
	Investment in associate	(6,542,506)	(11,233,948)
	Investment property	730,258,921	729,947,721
	Exchange translation reserve	2,913,256	3,810,856
	Carry forward taxable losses	(184,965,153)	(184,965,153)
		738,727,427	733,383,450

U41.

BANK-E-MILLIE AFGHAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 29 HOOT 1404 (20 MARCH 2026)

		Un-Audited 20 March 2026 29 Hoot 1404	Audited 21 December 2025 30 Qaws 1404
	Note	AFN	AFN
15 Other liabilities			
Profit payable to mudarabah deposits		15,173,058	7,985,438
Deferred income on murabaha financings		399,282,455	351,337,845
Deferred income on operational ijara		57,793,930	91,601,130
Security deposits on rented investment properties		14,295,034	22,016,035
Withholding tax payable	15.1	10,740,338	14,757,365
Dividend payable		20,716,068	20,716,068
Retention money on construction of investment property		120,929,673	119,649,056
Defined benefit plan (pension scheme)	15.2	109,421,749	109,502,669
Accrued expenses		13,339,406	15,175,287
Government salaries payable		199,976	1,028,009
Interest payable for conventional loans	15.3	276,648,633	276,972,297
Bidding guarranty payable		4,523,669	4,774,305
Others	15.4	151,139,006	151,262,388
		1,194,202,995	1,186,777,892

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.

		Un-Audited 20 March 2026 29 Hoot 1404	Audited 21 December 2025 30 Qaws 1404
	Note	AFN	AFN
15.2 Defined benefit plan (pension scheme)			
Opening net liability		109,502,669	127,643,129
Charge for the period		-	-
Employee contribution		-	-
Benefits paid during the period	15.2.1	(80,920)	(18,140,460)
Closing net liability		109,421,749	109,502,669

15.2.1 This amount represents the pension paid to active employees.

		Un-Audited 20 March 2026 29 Hoot 1404	Audited 21 December 2025 30 Qaws 1404
	Note	AFN	AFN
15.3 Interest payable for conventional loans			
Opening balance		276,972,297	-
Amount recognised as expense	11.3	-	278,354,877
Payments during the period		(323,664)	(1,382,580)
Closing balance		276,648,633	276,972,297

15.4 This amount includes Afs 140,947,680, payable to Ministry of Finance (MoF) for property acquired in Dehmazang on 17/01/1402.

UHF.

BANK-E-MILLIE AFGHAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 29 HOOT 1404 (20 MARCH 2026)

	Note	Un-Audited 20 March 2026 29 Hoot 1404 AFN	Audited 21 December 2025 30 Qaws 1404 AFN
16 Share capital			
16.1 Authorised			
100,000 (2025: 100,000) ordinary shares of AFN 10,000 each		1,000,000,000	1,000,000,000
16.2 Issued, subscribed and paid up capital			
100,000 (2025: 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		214,636,962	220,088,361
Off Balance sheet assets - USD		151,218,886	135,096,510
		365,855,848	355,184,871

U45.

BANK-E-MILLIE AFGHAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 29 HOOT 1404 (20 MARCH 2026)

	Note	Un-Audited 20 March 2026 29 Hoot 1404 AFN	Un-Audited 20 March 2025 30 Hoot 1403 AFN
22 Other expenses			
Advertising and publicity		865,543	210,576
Repairs and maintenance	22.1	5,039,942	4,649,500
Postage and telegram		7,516	2,450
Deposits insurance expense		16,300	3,084,000
Utilities		3,248,378	3,203,400
Fuel expenses		1,758,695	1,261,449
Printing and stationery		548,883	1,259,845
Travelling		509,650	463,010
Telephone and communication		3,284,433	3,930,408
Security charges		11,590,847	9,347,664
Statuary audit & compliance review fee		283,594	79,840
Loss on disposal of non-current assets		43,355	81,855
Accrual of Repayment of Interest received	11.3	-	278,273,457
Others		1,063,212	1,812,417
		28,260,348	307,659,870

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.

	Note	Un-Audited 20 March 2026 29 Hoot 1404 AFN	Un-Audited 20 March 2025 30 Hoot 1403 AFN
23 Taxation			
Current tax		-	-
Deferred tax		(6,241,576)	(75,662,445)
		(6,241,576)	(75,662,445)

UHy.

BANK-E-MILLIE AFGHAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 29 HOOT 1404 (20 MARCH 2026)

24 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:

	Un-Audited 20 March 2026 29 Hoot 1404 AFN	Audited 21 December 2025 30 Qaws 1404 AFN
Note	AFN	AFN
Shareholders (percentage)		
Ministry of Finance	96.7508%	96.7508%
Afghan Red Crescent	2.0731%	2.0731%
Pashtany Bank	1.1344%	1.1344%
Afghan Air Force	0.0370%	0.0370%
Kabul Municipality	0.0046%	0.0046%
	100.0000%	100.0000%
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
	Country of Incorporation	Ownership Percentage
Subsidiaries and associated companies		
Afghan American Trading Co. Inc.	USA	100.00%
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%

UHM.

BANK-E-MILLIE AFGHAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 29 HOOT 1404 (20 MARCH 2026)

24.1 Transactions with related parties

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

	Un-Audited 20 March 2026 29 Hoot 1404 AFN	Un-Audited 20 March 2025 30 Hoot 1403 AFN
Note	AFN	AFN
Supervisors and key management personnel:		
Basic salary & Bonus	5,063,261	5,695,272
Board of Supervisor's meeting fee	1,810,000	1,500,000
	6,873,261	7,195,272
Associates		
Pashtany Bank	883,347,601	859,890,394
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
Subsidiaries:		
Afghan American Trading Co. Inc.	141,295,000	145,783,000
24.2 Balances with related parties:		
Pashtany Bank	883,347,601	859,890,394
Afghan National Insurance Company	18,606,641	18,606,641
Afghan American Inc.	141,295,000	145,783,000
Ariana Afghan Airlines	172,256,476	172,256,476

U4.

BANK-E-MILLIE AFGHAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 29 HOOT 1404 (20 MARCH 2026)

25 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 AFN 1,000 million and regulatory capital to be 13.5% 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 7% 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.

	Un-Audited 20 March 2026 29 Hoot 1404 AFN	Audited 21 December 2025 30 Qaws 1404 AFN
Tier 1 capital		
Total equity	6,296,859,718	6,262,266,027
Less: Current period profit	(38,184,091)	(265,235,662)
Less: Surplus on revaluation of property and equipment - net	(783,295,895)	(783,295,895)
Less: Intangible assets	(1,855,058)	(1,998,253)
Total Tier 1	5,473,524,674	5,211,736,217
Tier 2 capital		
Profit for the period	38,184,091	265,235,662
Surplus on revaluation of property and equipment - net	783,295,895	783,295,895
General loss reserves on credits Allowable Portion	14,025,082	12,858,124
Total Tier 2	835,505,068	1,061,389,681
Allowable deduction-equity investment	(1,216,877,484)	(1,197,908,277)
Total regulatory capital (Tier 1 + Tier 2)	5,092,152,258	5,075,217,621
Risk-weight categories		
0% risk weight:		
Cash in Afghani and fully-convertible foreign currencies	1,181,369,484	1,739,748,875
Direct claims on DAB	17,661,790,794	18,301,872,730
Precious metals and precious stones	136,750,431	120,733,758
	18,979,910,709	20,162,355,363
0% risk-weight total (above total x 0%)	-	-

Uhm,

BANK-E-MILLIE AFGHAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 29 HOOT 1404 (20 MARCH 2026)

	Note	Un-Audited 20 March 2026 29 Hoot 1404 AFN	Audited 21 December 2025 30 Qaws 1404 AFN
20% risk weight:			
Balances with other banks		4,291,634,524	4,688,356,918
20% risk-weight total (above total x 20%)		858,326,905	937,671,384
50% risk weight:			
Balances with other banks		-	-
50% risk-weight total (above total x 50%)		-	-
100% risk weight:			
All other assets		12,987,637,475	12,828,064,766
Less: intangible assets		(1,855,058)	(1,998,253)
Allowable deduction-equity investment		(1,216,877,484)	(1,197,908,277)
		11,768,904,933	11,628,158,236
100% risk-weight total (above total x 100%)		11,768,904,933	11,628,158,236
0% risk weight:			
Guarantees		365,855,848	355,184,871
		365,855,848	355,184,871
0% credit conversion factor total (risk-weighted total x 0%)		-	-
Total risk-weighted assets		12,627,231,837	12,565,829,620
Tier 1 Capital Ratio			
(Tier 1 capital as % of total risk-weighted assets)		43.35%	41.48%
Regulatory Capital Ratio			
(Regulatory capital as % of total risk-weighted assets)		40.33%	40.39%

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 07, 2026.

Chief Executive Officer

Chief Finance Officer

Chairman BOS