

## INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF NATIONAL BANK OF PAKISTAN - AFGHANISTAN OPERATIONS

### Opinion

We have audited the financial statements of National Bank of Pakistan - Afghanistan Operations (the Bank), which comprise the statement of financial position as at December 31, 2025, and the statement of profit and loss, statement of comprehensive income, statement of cash flows for the year then ended and statement of changes in equity, and notes to the financial statements and material accounting policy information and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the bank as at December 31, 2025, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs). Issued by the International Accounting Standard Board (IASB), the law of banking in Afghanistan, and other laws and regulations issued by Da Afghanistan Bank.

### Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Bank in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants (IESBA Code)* together with the ethical requirements that are relevant to our audit of the financial statements in Afghanistan, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibilities of Management and the Board for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

The Board is responsible for overseeing the Bank's financial reporting process.

### Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide The Board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

KABUL

DATED: 08 APR 2026

  
CHARTERED ACCOUNTANTS  
Engagement Partner: Muhammad Kamran



**NATIONAL BANK OF PAKISTAN - AFGHANISTAN OPERATIONS**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2025**

	Notes	31-Dec-25 AFN '000	31-Dec-24
<b>ASSETS</b>			
Cash and cash equivalents	6	1,523,111	1,681,313
Investments	7	679,948	681,344
Loans and advances to customers	8	-	48,660
Property and equipment	9	5,318	6,724
Intangible asset	10	14,852	16,607
Other assets	11	132,136	208,406
Advance tax - net		14,463	14,919
Deferred tax asset	12	52,225	43,827
<b>TOTAL ASSETS</b>		<u>2,422,053</u>	<u>2,701,801</u>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Head office equity - capital account	13	1,196,219	1,196,219
Retained earnings		(138,366)	(88,626)
<b>TOTAL EQUITY</b>		<u>1,057,853</u>	<u>1,107,593</u>
<b>LIABILITIES</b>			
Payable to Head Office	14	91,482	97,434
Deposits from customers	15	1,236,922	1,458,082
Deposit from bank		1,693	1,793
Lease Liabilities	16	1,995	3,769
Other liabilities	17	32,108	33,130
<b>TOTAL LIABILITIES</b>		<u>1,364,200</u>	<u>1,594,208</u>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<u>2,422,053</u>	<u>2,701,801</u>
<b>Contingencies and commitments</b>	18		<i>Bdb</i>

The annexed notes 1 to 29 form an integral part of these financial statements.

**CHIEF FINANCIAL OFFICER**



**OPERATION MANAGER**



**NATIONAL BANK OF PAKISTAN - AFGHANISTAN OPERATIONS**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED DECEMBER 31, 2025**

	Notes	31-Dec-25 AFN '000	31-Dec-24
Profit return / Interest income		40,310	33,021
Profit return / Interest expense		-	-
<b>Net profit return / interest income</b>	19	<u>40,310</u>	<u>33,021</u>
Fee and commission income	20	59,532	2,872
Gain in sales of asset and lease		-	285
<b>Operating income</b>		<u>99,842</u>	<u>36,178</u>
(Impairment) / reversal allowance on loans and advances, and receivables		(79,174)	3,918
Exchange loss		(9,269)	(2,404)
Employee compensation		(40,276)	(42,888)
Depreciation	9	(3,196)	(2,791)
Amortization	10	(1,755)	(1,724)
Finance cost on lease		(350)	(546)
Administrative expenditure	21	(22,030)	(21,189)
		<u>(156,051)</u>	<u>(67,624)</u>
<b>Loss before tax</b>		<u>(56,209)</u>	<u>(31,446)</u>
Taxation	22	6,469	6,219
<b>Loss for the year</b>		<u>(49,740)</u>	<u>(25,226)</u>
Other comprehensive income		-	-
<b>Total comprehensive loss for the year</b>		<u><u>(49,740)</u></u>	<u><u>(25,226)</u></u>

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**CHIEF FINANCIAL OFFICER**

**OPERATION MANAGER**

**NATIONAL BANK OF PAKISTAN - AFGHANISTAN OPERATIONS  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED DECEMBER 31, 2025**

	Capital Account- from Head Office	Retained Earnings	Total
	AFN '000		
Balance as at January 01, 2024	1,196,219	(63,400)	1,132,819
Loss for the year	-	(25,226)	(25,226)
Other comprehensive income	-	-	-
Total comprehensive loss for the year	-	(25,226)	(25,226)
Balance as at December 31, 2024	1,196,219	(88,626)	1,107,593
Balance as at January 01, 2025	1,196,219	(88,626)	1,107,593
Loss for the year	-	(49,740)	(49,740)
Other comprehensive income	-	-	-
Total comprehensive loss for the year	-	(49,740)	(49,740)
Balance as at December 31, 2025	1,196,219	(138,366)	1,057,853

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**CHIEF FINANCIAL OFFICER**

**OPERATION MANAGER**

**NATIONAL BANK OF PAKISTAN - AFGHANISTAN OPERATIONS**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2025**

	Notes	31-Dec-25 AFN '000	31-Dec-24
<b>Cash flows from operating activities</b>			
Loss before taxation		(56,209)	(31,446)
Adjustments for:			
Depreciation	9	3,196	2,791
Amortization		1,755	1,724
Finance cost on lease		350	546
Gain in sales of asset and lease		-	(285)
(Impairment) / reversal on loans and advances to customers	8.3	(79,174)	3,918
		<u>(130,082)</u>	<u>(22,752)</u>
<b>Changes in operating assets and liabilities</b>			
Loans and advances to customers		127,834	(2,682)
Other assets		76,270	(16,177)
Deposits from customers		(221,160)	49,024
Deposits from banks		(100)	(506)
Payable to Head Office		(5,951)	332
Other liabilities		(1,023)	9,019
		<u>(154,212)</u>	<u>16,258</u>
Cash used in / generated from operations		(154,212)	16,258
Taxes paid		(1,473)	-
Net cash (used in) / generated from operating activities		<u>(155,685)</u>	<u>16,258</u>
<b>Cash flows from investing activities</b>			
Acquisition of property and equipment	9	(1,790)	(443)
Proceeds from sale of fixed assets	10	-	-
Proceeds from investments	7	1,396	(399,087)
Net cash used in investing activities		<u>(394)</u>	<u>(399,530)</u>
<b>Cash flows from financing activities</b>			
Repayment of lease liabilities	16	(2,124)	(2,124)
Net cash used in financing activities		<u>(2,124)</u>	<u>(2,124)</u>
Net decrease in cash and cash equivalents		(158,202)	(385,396)
Cash and cash equivalents at beginning of the year		1,681,313	2,066,709
Cash and cash equivalents at the end of the year		<u>1,523,111</u>	<u>1,681,313</u>

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**CHIEF FINANCIAL OFFICER**

**OPERATION MANAGER**