

## MUDARABAH AGREEMENT WITH FMFB-A

MISFA and FMFB signed the second Mudarabah agreement amounting AFN 636 million. Under the agreement, MISFA, as Rabb-ul-mal shall provide the investment capital to FMFB (Mudarib). The first Mudarabah agreement was signed with FMFB in 2022 for AFN 722 million. As of end Dec 2024; FMFB has provided Murabaha financing to over 21,000 MSMEs worth AFN 2.9 billion.

## INSTITUTIONAL DIAGNOSIS OF MISFA

MISFA hired M-Crill, an India –based consulting firm to conduct an institutional diagnosis of MISFA aimed to identify the institutional gaps and recommend solutions in order to address the shortcomings. Mr. Sudhir Narayan, the key consultant from M-Crill, initiated the institutional diagnosis of MISFA by reviewing MISFA’s bylaws, policies and procedures and also consulted all key stakeholders of MISFA including the MFIs, UN agencies, ACGF, MoF and DAB. The assessment report will outline institutional gaps and propose actionable solutions. The study is expected to be completed in the first quarter of 2025.

## DAB CONFERENCE ON MICROFINANCE

MISFA participated in the Microfinance Conference organized by the Central Bank. During the event, MISFA delivered a presentation on MISFA and the sector status and also took part in the panel discussions. MISFA also received a No Objection Certification (NOC) as a support agency for the microfinance sector in accordance with the DAB regulation.



## AAOIFI ANNUAL CONFERENCE

MISFA sponsored a delegation to attend AAOIFI’s annual conference in Bahrain. The participants included MISFA’s Board and Sharia Board members, as well as Board members and senior management of the MFIs. MISFA has signed a Memorandum of Understanding (MoU) with AAOIFI to enhance mutual cooperation with a focus developing the capacity of the microfinance sector in Islamic finance accounting principles.



## MUDARABAH AGREEMENT WITH MUTAHID

MISFA and Mutahid signed a Mudarabah agreement under which MISFA as Rabb-ul-Mal will provide AFN 160 Million Mudarabah capital to Mutahid (Mudarib). The total Mudarabah capital with Mutahid stands at AFN 345.6 Million.

Mutahid is a key player in the microfinance sector of Afghanistan. The institution currently operates through 16 Branches across 11 provinces and serves over 16,821 Islamic finance clients.



## SECTOR UPDATE



**41,699**

ACTIVE ISLAMIC FINANCING CLIENTS



**79,178**

FINANCING CLIENTS (CUMULATIVE)



**47%**

WOMEN CLIENTS



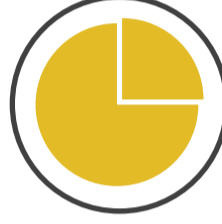
**AFN 6.620 billion**

CUMULATIVE ISLAMIC FINANCING



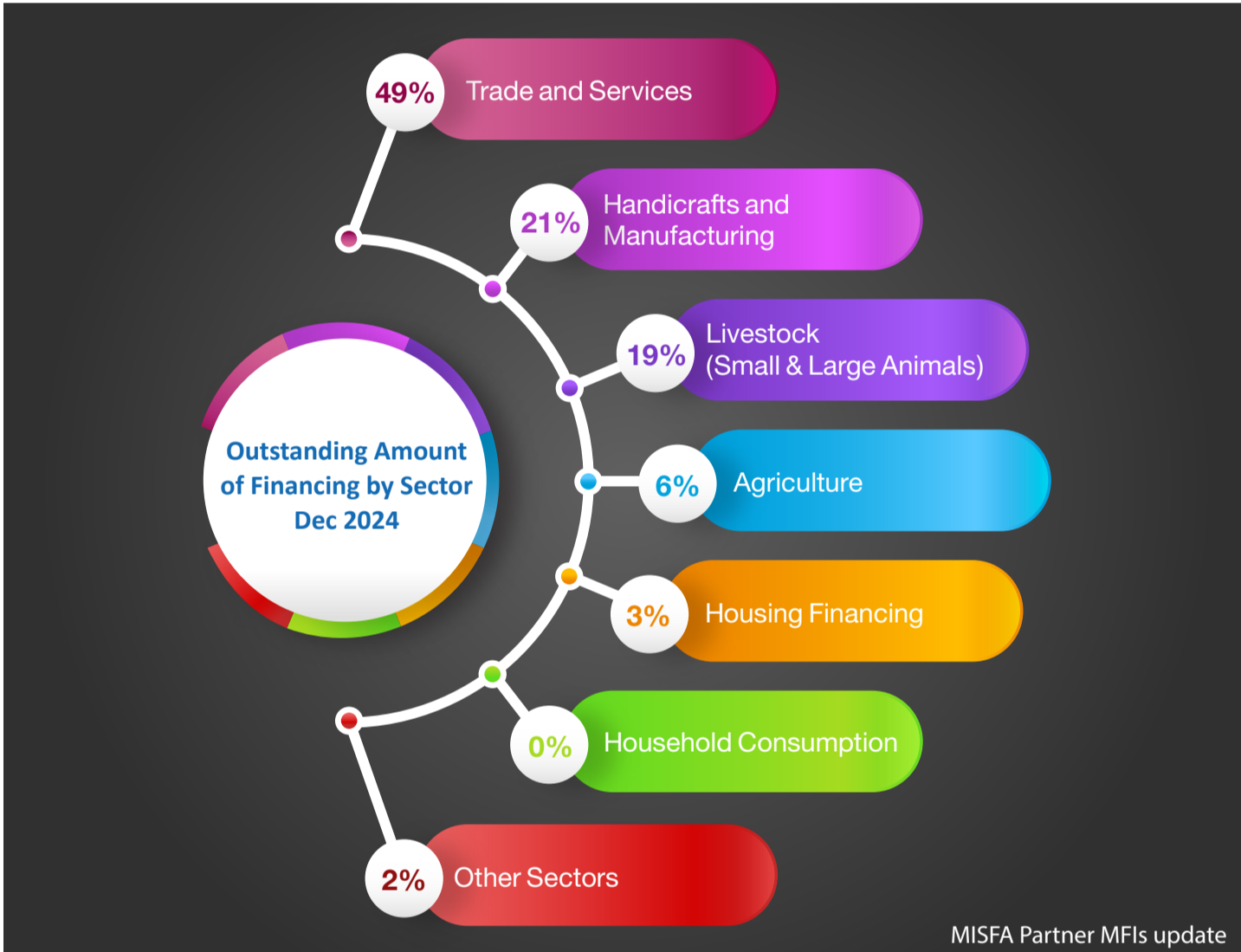
**AFN 47,914**

OUTSTANDING FINANCE PER CLIENT



**AFN 2.611 BILLION**

GROSS OUTSTANDING PORTFOLIO



## FROM HUMBLE BEGINNINGS TO A THRIVING BUSINESS:

## THE JOURNEY OF LAL MOHAMMAD SAEEDI

Lal Mohammad Saeedi, a 46-year-old carpenter from Kabul, Afghanistan, has spent nearly three decades mastering his craft. Originally from the Bagrami district, he now resides in Chelsetoon, where he runs a small but growing factory specializing in handcrafted wooden boxes for sewing machines—proudly branded with his name.

A dedicated family man, Lal Mohammad is the backbone of his household, supporting eight family members, including his five children. His oldest son has recently completed 12<sup>th</sup> grade and is pursuing English and Computer studies at Azerakhsh, one of Kabul’s top training centers. His two youngest sons are still in school, while all three boys actively help him in the workshop. Despite many challenges, he continues to invest in his children’s education, manage household expenses, and provide medical care for his diabetic wife and 90-year-old father.

For years, Lal Mohammad relied solely on his limited resources to sustain his business. That changed when one of his customers encouraged him to seek financing from **Mutahid-DFI**. Taking a leap of faith, Lal Mohammad secured his first loan (Conventional) of **AFN 55,000** before August 2021, which allowed him to buy essential raw materials such as wood and nails. Seeing the positive impact, he successfully repaid the loan in full and applied for **Sharia-compliant financing of AFN 75,000**, which enabled him to invest in a wood-cutting and polishing machine—significantly increasing his efficiency and production capacity.

With the financial support and his unwavering determination, Lal Mohammad’s business flourished. He was able to hire three workers, providing them with stable jobs to support their families. “The financing helped me purchase a machine, raw materials, and most importantly, it allowed me to create jobs for others in my community,” he says.



But Lal Mohammad’s vision doesn’t stop here. After fully repaying his loan, his next goal is to secure additional financing from Mutahid-DFI to invest in a **solar energy system** to power his workshop, further expand his operations, and bring more people on board. His dream is to build a **large-scale factory** that not only meets Afghanistan’s demand but also exports these high-quality wooden boxes beyond the country’s borders.

Lal Mohammad’s story is a testament to how **hard work, resilience, and the right financial support** can transform a small workshop into a thriving enterprise. From a one-man operation earning AFN 5,000 to 7,000 to a growing business generating more than AFN 15,000 a month while uplifting others, he proves that success is within reach for those who dare to dream and act.

With his eyes set on the future, Lal Mohammad is carving a path toward a **bigger, brighter, and more sustainable** business.