

Azizi Bank
Kabul, Afghanistan
Audited Financial Statement for the
Quarter ended 30 September 2024

Report on Review of Condensed Interim Financial Statements to the Shareholders of Azizi Bank

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Azizi Bank** ("the Bank") as at 30 September 2024 and the related condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows, and the notes to the condensed interim financial statements for the nine months then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and fair presentation of these interim financial statements in accordance with the International Financial Reporting Standards (IFRS) and specifically with the International Accounting Standard (IAS) 34, Interim Financial Statements issued by International Accounting Standards Board (IASB) and in conformity with the Law of Banking in Afghanistan and directives issued by Da Afghanistan Bank (DAB). Our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of Review

Except as explained in the following paragraph, we conducted our review in accordance with International Standard on Review Engagements 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.


Emphasis of Matters

1. We draw attention to the note no. 1.2 of the financial statements, which indicates that the measures taken by the bank due to events or conditions that may cast significant doubt on Bank's ability to continue as a going concern have been effectively instigated affirmatively. Bank is still committed to continue adopting such further measures to exterminate any additional complications running into the operational activities of the bank due to the existing political situation of the country.
2. We draw attention to the note no. 5.7 of the financial statements, which describes the effects of suspension of "Asset Classifications and Provisioning Regulations" issued by the Da Afghanistan Bank.

Our conclusion is not modified in respect of these matter.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements do not give a true and fair view of the financial position of the Bank as at 30 September 2024, and of its financial performance and its cash flows for the nine months period then ended in accordance with the International Financial Reporting Standards (IFRS) and specifically with the International Accounting Standard (IAS) 34, Interim Financial Statements issued by International Accounting Standards Board (IASB) and in conformity with the Law of Banking in Afghanistan and directives issued by Da Afghanistan Bank (DAB).

Lynx Eyed Chartered Accountants
Lynx Eyed Chartered Accountants
An independent member firm of Morison Global
Kabul, Afghanistan
Date: 

AZIZI BANK**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)**

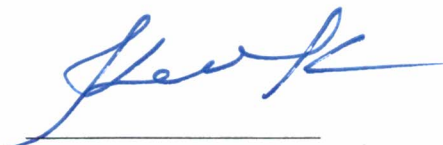
As at 30 Sep 2024

		Un-audited 30-Sep-2024	Audited 31-Dec-2023
	Note AFN '000'	
ASSETS			
Cash and bank balances	3	29,050,512	28,184,983
Investments in financial instruments	4	455,156	461,453
Loans and advances to customers	5	2,508,336	2,695,633
Investment in subsidiary	6	1,775,000	1,775,000
Property and equipment	7	827,987	874,698
Intangible assets	8	77,857	131,321
Other assets	9	1,707,277	1,695,915
Total assets		36,402,125	35,819,002
EQUITY AND LIABILITIES			
Liabilities			
Deposits from banks	10	18,994	26,388
Deposits from customers	11	29,155,713	28,932,276
Provision for taxation		31,364	1,495
Other liabilities	12	513,286	321,154
Total liabilities		29,719,356	29,281,313
Equity			
Share capital	13	5,367,400	5,367,400
Retained earnings		1,315,369	1,170,289
Total equity		6,682,769	6,537,689
Total equity and liabilities		36,402,125	35,819,002
CONTINGENCIES AND COMMITMENTS			
	14		

The annexed notes 1 to 22 form an integral part of these financial statements.



Chief Executive Officer



Chief Financial Officer

AZIZI BANK
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

For the nine-month period ended 30 Sep 2024

	Note	Nine months ended		Three months ended	
		30-Sep-2024 (Un-audited)	30-Sep-2023 (Un-audited)	30-Sep-2024 (Un-audited)	30-Sep-2023 (Un-audited)
	 AFN '000'			
Interest income		4,236	28,866	1,477	372
Interest expense		(29,235)	(46,525)	(9,331)	(11,104)
Net interest income	15	(24,999)	(17,659)	(7,854)	(10,732)
Fee and commission income		900,354	708,870	306,705	226,828
Fee and commission expense		(9,283)	(6,048)	(5,302)	(1,492)
Net fee and commission income	16	891,071	702,822	301,403	225,336
Operating income		866,072	685,163	293,549	214,604
Net impairment (loss) on loans and advances	5	-	5,973	-	390
Employee benefit expenses	17	(302,234)	(276,680)	(105,813)	(93,231)
Depreciation on fixed assets	7	(71,061)	(85,724)	(22,458)	(25,804)
Amortization of intangible assets	8	(54,778)	(57,937)	(18,377)	(19,020)
Short term leases		(46,865)	(43,489)	(16,175)	(15,821)
Other expenses	18	(261,800)	(239,468)	(101,980)	(81,302)
Operating expenses		(736,738)	(697,325)	(264,803)	(234,788)
Foreign Exchange Gain		4,271	126,428	(31,894)	49,511
Gain on disposal of Property and Equipments		-	2,343	-	-
Income from loans under recovery		14,359	1,925	8,102	1,746
Other operating income		33,386	52,815	9,584	20,536
Non-operating income		52,016	183,511	(14,208)	71,793
Profit before taxation		181,350	171,350	14,539	51,610
Taxation	19	(36,270)	(43,975)	(2,955)	(20,028)
Profit for the period		145,080	127,375	11,584	31,582
Other comprehensive income:					
<i>Items that may be reclassified to profit or loss</i>					
Surplus / (Deficit) on revaluation of available for sale investments				-	-
Related Deferred tax				-	-
Total comprehensive (loss) / income for the period		145,080	127,375	11,584	31,582
Earnings Per Share (AFN)		270.30	237.31	21.58	58.84

The annexed notes 1 to 22 form an integral part of these financial statements.


Chief Executive Officer


Chief Financial Officer

AZIZI BANK
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

For the nine-month period ended 30 Sep 2024

	Share capital	Retained earnings	Surplus / (Deficit) on revaluation of AFS investments	Total
 AFN '000'			
Balance as at January 01, 2023 - audited	5,367,400	1,160,612	-	6,528,012
Profit for the period		127,375	-	127,375
Other comprehensive income:				
Fair value reserve	-	-	-	-
Related tax	-	-	-	-
Total comprehensive income	-	127,375	-	127,375
Balance as at Sep 30, 2023 - Un-audited	<u>5,367,400</u>	<u>1,287,987</u>	<u>-</u>	<u>6,655,387</u>
Balance as at January 01, 2024 - audited	5,367,400	1,170,289	-	6,537,689
Profit for the period	-	145,080	-	145,080
Other comprehensive income:				
Fair value reserve	-	-	-	-
Related tax	-	-	-	-
Total comprehensive income	-	145,080	-	145,080
Balance as at Sep 30, 2024 - Un-audited	<u>5,367,400</u>	<u>1,315,369</u>	<u>-</u>	<u>6,682,769</u>

The annexed notes 1 to 22 form an integral part of these financial statements.


Chief Executive Officer



Chief Financial Officer

AZIZI BANK**CONDENSED INTERIM STATEMENT OF CASH FLOWS**

For the nine-month period ended 30 Sep 2024

		Un-audited 30-Sep-2024	Un-audited 30-Sep-2023
Note		AFN '000'	
CASH FLOWS FROM OPERATING ACTIVITIES			
	Profit / (Loss) before taxation	181,350	171,350
	Adjustments for:		
	Depreciation	71,062	85,723
	Amortization	54,778	57,937
	(Re-integration) / Impairment allowance on loans and advances	-	(5,973)
	Finance cost on lease liability	3,239	3,239
	Disposal / Adjustment / Write Off - property and equipment	-	-
	Foreign exchange gain / (Loss)	(4,271)	(126,428)
		306,157	185,848
	Increase / decrease in operating assets and liabilities:		
	Loans and advances to customers	187,297	(2,368,365)
	Other assets	(11,362)	1,959
	Required deposits with DAB	(500)	25,141
	Deposits from banks	(7,394)	61,432
	Deposits from customers	223,937	(1,075,847)
	Other liabilities	192,132	153,914
		584,109	(3,201,766)
	Tax paid	(6,401)	(9,486)
	Net cash used in operating activities	883,865	(3,025,404)
CASH FLOWS FROM INVESTING ACTIVITIES			
	Investment made / investments matured	6,297	2,523,830
	Purchase of property and equipment	(24,350)	(4,056)
	Purchase of intangible assets	(1,314)	(1,498)
	Net cash generated from investing activities	(19,368)	2,518,276
CASH FLOWS FROM FINANCING ACTIVITIES			
	Payment against lease liability	(3,239)	(3,239)
	Net cash used in financing activities	(3,239)	(3,239)
	Net increase in cash and cash equivalents	861,258	(510,367)
	Cash and cash equivalents at beginning of the period	28,184,983	25,276,020
	Effect of exchange rate changes	4,271	126,428
	Cash and cash equivalents at the end of the period	29,050,512	24,892,081

The annexed notes 1 to 22 form an integral part of these financial statements.


 Chief Executive Officer


 Chief Financial Officer