

**Azizi Bank**  
**Kabul, Afghanistan**  
**Audited Financial Statement for the**  
**Quarter ended 31 March 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 31 March 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 three 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 31 March 2024, and of its financial performance and its cash flows for the three 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 31 March 2024

		Un-audited 31-March-2024	Audited 31-Dec-2023
	Note	..... AFN '000' .....	
<b>ASSETS</b>			
Cash and bank balances	3	27,568,029	28,184,983
Investments in financial instruments	4	472,684	461,453
Loans and advances to customers	5	2,727,452	2,695,633
Investment in subsidiary	6	1,775,000	1,775,000
Property and equipment	7	852,038	874,698
Intangible assets	8	113,116	131,321
Other assets	9	1,837,430	1,695,915
<b>Total assets</b>		<b>35,345,749</b>	<b>35,819,002</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Liabilities</b>			
Deposits from banks	10	19,745	26,388
Deposits from customers	11	28,215,323	28,932,276
Provision for taxation		25,883	1,495
Other liabilities	12	443,574	321,154
<b>Total liabilities</b>		<b>28,704,525</b>	<b>29,281,313</b>
<b>Equity</b>			
Share capital	13	5,367,400	5,367,400
Retained earnings		1,273,824	1,170,289
<b>Total equity</b>		<b>6,641,224</b>	<b>6,537,689</b>
<b>Total equity and liabilities</b>		<b>35,345,749</b>	<b>35,819,002</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	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 three-month period ended 31 March 2024

		Quarter Ended 31-Mar-2024	Quarter Ended 31-Mar-2023
Note		..... AFN '000' .....	
	Interest income	1,366	14,985
	Interest expense	(10,007)	(17,235)
	<b>Net interest income</b>	<b>(8,641)</b>	<b>(2,250)</b>
	Fee and commission income	315,699	252,273
	Fee and commission expense	(940)	(2,915)
	<b>Net fee and commission income</b>	<b>314,759</b>	<b>249,358</b>
	<b>Operating income</b>	<b>306,118</b>	<b>247,108</b>
	Net impairment (loss) on loans and advances	-	5,583
	Employee benefit expenses	(93,279)	(91,747)
	Depreciation on fixed assets	(24,941)	(32,950)
	Amortization of intangible assets	(18,205)	(19,573)
	Short term leases	(14,091)	(13,865)
	Other expenses	(70,725)	(78,422)
	<b>Operating expenses</b>	<b>(221,241)</b>	<b>(230,975)</b>
	Foreign Exchange Gain	31,408	47,828
	Income from loans under recovery	-	179
	Other operating income	13,132	17,787
	<b>Non-operating income</b>	<b>44,540</b>	<b>65,794</b>
	<b>Profit before taxation</b>	<b>129,418</b>	<b>81,927</b>
	Taxation	(25,883)	(16,385)
	<b>Profit for the period</b>	<b>103,535</b>	<b>65,542</b>
	<b>Other comprehensive income:</b>		
	<i>Items that may be reclassified to profit or loss</i>		
	Surplus / (Deficit) on revaluation of available for sale investments		
	Related Deferred tax		
	<b>Total comprehensive (loss) / income for the period</b>	<b>103,535</b>	<b>65,542</b>
	<b>Earnings Per Share (AFN)</b>	<b>192.90</b>	<b>122.11</b>

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 three-month period ended as at 31 March 2024

	Share capital	Retained earnings	Surplus / (Deficit) on revaluation of AFS investments	Total
	..... AFN '000' .....			
<b>Balance as at January 01, 2023 - audited</b>	5,367,400	1,160,612	-	6,528,012
Profit for the period		65,542	-	65,542
Other comprehensive income:				
Fair value reserve	-	-	-	-
Related tax	-	-	-	-
Total comprehensive income	-	65,542	-	65,542
<b>Balance as at March 31, 2023 - Un-audited</b>	<u>5,367,400</u>	<u>1,226,154</u>	<u>-</u>	<u>6,593,554</u>
<b>Balance as at January 01, 2024 - audited</b>	5,367,400	1,170,289	-	6,537,689
Profit for the period	-	103,535	-	103,535
Other comprehensive income:				
Fair value reserve	-	-	-	-
Related tax	-	-	-	-
Total comprehensive income	-	103,535	-	103,535
<b>Balance as at March 31, 2024 - Un-audited</b>	<u>5,367,400</u>	<u>1,273,824</u>	<u>-</u>	<u>6,641,224</u>

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 Chief Executive Officer


  
 Chief Financial Officer

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

For the three-month period ended 31 March 2024

		Un-audited 31-Mar-2024	Un-audited 31-March-2023
	Note	..... AFN	'000' .....
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit / (Loss) before taxation		129,418	81,927
<b>Adjustments for:</b>			
Depreciation	7	24,939	32,950
Amortization	8	18,205	19,573
(Re-integration) / Impairment allowance on loans and advances		-	(5,583)
Finance cost on lease liability		3,239	3,239
Disposal / Adjustment / Write Off - property and equipment		-	1,120
Foreign exchange gain / (Loss)		(31,408)	(47,828)
		<u>144,392</u>	<u>85,398</u>
<b>Increase / decrease in operating assets and liabilities:</b>			
Loans and advances to customers		(31,819)	63,636
Other assets		(129,922)	(115,685)
Right of use assets		-	-
Required deposits with DAB		(11,593)	9,524
Deposits from banks		(6,643)	(40)
Deposits from customers		(716,953)	(3,221,404)
Other liabilities		122,421	143,610
		(774,510)	(3,120,359)
Tax paid		(1,494)	6
<b>Net cash used in operating activities</b>		<u>(631,612)</u>	<u>(3,034,955)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment made / investments matured		(11,231)	11,491
Purchase of property and equipment		(2,279)	(1,534)
Purchase of intangible assets		-	(1,498)
<b>Net cash generated from investing activities</b>		<u>(13,511)</u>	<u>8,458</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Payment against lease liability		(3,239)	(3,239)
<b>Net cash used in financing activities</b>		<u>(3,239)</u>	<u>(3,239)</u>
<b>Net increase in cash and cash equivalents</b>		<u>(648,362)</u>	<u>(3,029,736)</u>
Cash and cash equivalents at beginning of the period		28,184,983	25,276,020
Effect of exchange rate changes		31,408	47,828
<b>Cash and cash equivalents at the end of the period</b>		<u><u>27,568,029</u></u>	<u><u>22,294,112</u></u>

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Chief Executive Officer


  
Chief Financial Officer