

Azizi Bank
Kabul, Afghanistan

**Audited Financial Statements along with
Accompanying Information
For the year ended as at December 31, 2024**

INDEPENDENT AUDITORS' REPORT

To the shareholders of Azizi Bank

Opinion

We have audited the financial statements of Azizi Bank ("the Bank"), which comprise the statement of financial position as at December 31, 2024, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Bank as at December 31, 2024, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Law of Banking in Afghanistan and directives issued by the Central Bank of Afghanistan (DAB).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of Financial Statements* section of our report. We are independent of the Bank in accordance with the International Ethics Standard 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.

Emphasis of Matter

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. Our opinion is not modified in respect of this matter.
2. We draw attention to the note no. 6.7 and 7.2 of the financial statements, which describes the effects of suspension of "Asset Classifications and Provisioning Regulations" by the Da Afghanistan Bank. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined there is no key audit matter to communicate in our report.

Responsibility of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB) and with the requirements of the Law of Banking in Afghanistan.

and directives issued by the Da Afghanistan Bank (DAB), 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.

Those charged with governance are responsible for overseeing the Bank's financial reporting process.

Auditor's Responsibility

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 auditor's 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 the 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 scepticism 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 auditor's 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 auditor's 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 those charged with governance 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. *ulu*

Lynx Eyed Chartered Accountants

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An independent member firm of Morison Global
June 30, 2025

Kabul, Afghanistan



AZIZI BANK

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2024

		2024	2023
	Note AFN '000'	
ASSETS			
Cash and bank balances	5	29,833,828	28,184,983
Loans and advances to customers	6	2,324,694	2,695,633
Investments	7	457,883	461,453
Investment in subsidiary	8	1,775,000	1,775,000
Property and equipment	9	818,172	874,698
Intangible assets	10	73,481	131,321
Non-current assets held for sale	11	106,039	168,066
Other assets	12	1,462,920	1,527,849
Total assets		36,852,017	35,819,002
EQUITY AND LIABILITIES			
Liabilities			
Deposits from banks	13	160,164	26,388
Deposits from customers	14	29,593,620	28,932,276
Current tax liability	15	9,905	1,495
Other liabilities	16	515,924	321,154
Total liabilities		30,279,613	29,281,313
Equity			
Share capital	17	5,367,400	5,367,400
Retained earnings		1,205,004	1,170,289
Total equity		6,572,404	6,537,689
Total equity and liabilities		36,852,017	35,819,002

CONTINGENCIES AND COMMITMENTS

18

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



Chief Executive Officer



Chief Financial Officer

AZIZI BANK
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2024

		2024	2023
	Note AFN '000'	
Interest income	19	8,581	32,386
Interest expense	19	(38,507)	(56,586)
Net interest income		(29,926)	(24,200)
Fee and commission income	20	1,208,571	1,020,758
Fee and commission expense	20	(11,061)	(7,502)
Net fee and commission income		1,197,510	1,013,256
Operating income		1,167,584	989,056
Net impairment loss on loans and advances	6	(153,777)	-
Provision against - Non Current asset held for sale	11.1	-	(100,000)
Employee benefit expenses	21	(410,235)	(373,051)
Depreciation on fixed assets	9	(135,759)	(161,311)
Amortization of intangible assets	10	(73,186)	(76,565)
Finance cost on leases	16.1	(5,902)	(6,896)
Office rent expense		(7,196)	(8,295)
Other expenses	22	(395,453)	(383,542)
Operating expenses		(1,181,508)	(1,109,660)
Foreign exchange gain - net		6,302	76,706
Gain on disposal of property and equipment		635	2,454
Other operating income	23	56,513	65,427
Non-operating income		63,450	144,587
Profit before taxation		49,527	23,984
Taxation	24	(14,812)	(14,306)
Profit for the year		34,715	9,678
Other comprehensive income			
<i>Items that may be reclassified to profit or loss;</i>			
Surplus on revaluation of available for sale investments		-	-
Related Deferred tax		-	-
Total comprehensive income / (loss) for the year		34,715	9,678
Earnings per share (AFN)		65	18

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


Chief Executive Officer


Chief Financial Officer

AZIZI BANK

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2024

	Share capital	Revaluation reserve on financial instrument at FVOCI	Retained earnings	Total
 AFN '000'			
Balance as at January 01, 2023	5,367,400	-	1,160,611	6,528,011
Loss for the year	-	-	9,678	9,678
Other comprehensive income:				
Fair value reserve	-	-	-	-
Related tax	-	-	-	-
Total comprehensive income	-	-	9,678	9,678
Balance as at December 31, 2023	5,367,400	-	1,170,289	6,537,689
Balance as at January 01, 2024	5,367,400	-	1,170,289	6,537,689
Profit for the year	-	-	34,715	34,715
Other comprehensive income:				
Fair value reserve	-	-	-	-
Related tax	-	-	-	-
Total comprehensive income	-	-	34,715	34,715
Balance as at December 31, 2024	5,367,400	-	1,205,004	6,572,404

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



Chief Executive Officer



Chief Financial Officer

AZIZI BANK

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2024

		2024	2023
	Note	AFN '000'	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		49,527	23,984
Adjustments for:			
Gain on disposal of property and equipment		(635)	(2,454)
Depreciation	9	135,759	161,311
Amortization	10	73,186	76,565
Net impairment loss on loans and advances		153,777	-
Provision against - Non Current asset held for sale	11.1	-	100,000
Unwinding of discount related to lease liability	16.1	5,902	6,896
Foreign exchange gain		(6,302)	(76,706)
		411,215	289,596
Increase / decrease in operating assets and liabilities:			
Loans and advances to customers		217,162	454,274
Other assets		64,008	230,268
Non-current assets held for sale		62,027	(100,000)
Deposits from banks		133,776	24,388
Deposits from customers		661,344	1,868,823
Other liabilities	16	182,336	(65,433)
		1,731,868	2,701,916
Tax paid		(4,906)	(12,811)
Net cash used in / generated from operating activities		1,726,962	2,689,105
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment made and adjusted		3,570	121,696
Purchase of property and equipment		(73,460)	(24,326)
Purchase of intangible assets		(15,346)	(4,651)
Proceeds from sale of property and equipment		636	2,998
Net cash generated from / (used in) investing activities		(22,574)	195,717
CASH FLOWS FROM FINANCING ACTIVITIES			
Lease payments made		(61,845)	(52,565)
Net cash used in financing activities		(61,845)	(52,565)
Net increase in cash and cash equivalents		1,642,543	2,832,257
Cash and cash equivalents at beginning of the year		28,184,983	25,276,020
Effect of exchange rate changes		6,302	76,706
Cash and cash equivalents at the end of the year	5	29,833,828	28,184,983

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

Chief Executive Officer

Chief Financial Officer