

Azizi Bank
Kabul, Afghanistan

Condensed Interim Financial Statements
along with
Accompanying Information
For the quarter ended as at March 31, 2019

INDEPENDENT REVIEW REPORT TO SHAREHOLDERS

Introduction

We have reviewed the accompanying Statement of Condensed Interim Financial Position of **Azizi Bank** (“the bank”) as of **March 31, 2019**, and the related Statement of Condensed Interim Comprehensive Income, Statement of Condensed Interim Changes in Equity and Statement of Condensed Interim Cash Flows for the three month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of this interim financial information in accordance with International Financial Reporting Standards (IFRSs), the requirements of the Law of Banking in Afghanistan and directives issued by the Da Afghanistan Bank (DAB). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standards on Review Engagements (ISRE) 2410, which applies to review the historic financial information performed by the independent auditor of the entity. A review of interim financial information 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.

Conclusion

Based on our review, nothing has come to our attention that cause to believe that accompanying interim financial information does not give a true and fair view of the condensed interim financial position of the bank as at March 31, 2019 and of its financial performance and its condensed interim cash flows for the three month period than ended in accordance with International Financial Reporting Standards (IFRSs), the requirements of the Law of Banking in Afghanistan and directives issued by Da Afghanistan Bank (DAB) rules and regulations.


Crowe Horwath Afghanistan

Auditors & Business Advisors
Kabul



AZIZI BANK
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2019

		Un-audited 31-Mar-2019	Audited 31-Dec-2018
	NoteAFN '000'.....	
ASSETS			
Cash and cash equivalents	5	15,060,796	12,724,347
Loans and advances to customers	6	6,923,009	7,385,811
Investments	7	11,204,095	12,870,567
Investment in subsidiary	8	1,775,000	1,775,000
Investment in APS	9	19,033	18,918
Property and equipment		1,025,399	1,046,611
Intangible assets		35,436	39,578
Non-current assets held for sale		308,938	307,807
Deferred tax	10	6,566	9,695
Other assets	11	4,427,526	4,276,457
Total assets		40,785,798	40,454,791
EQUITY AND LIABILITIES			
Liabilities			
Deposits from banks	12	3,642	3,624
Deposits from customers	13	34,634,732	34,278,839
Current tax liability	14	28,466	33,676
Other liabilities	15	206,032	179,359
Total liabilities		34,872,872	34,495,498
Equity			
Share capital	16	5,367,400	5,367,400
Revaluation surplus / deficit on available for sale investments		(26,263)	(38,780)
Retained earning		571,789	630,673
Total equity		5,912,926	5,959,293
Total equity and liabilities		40,785,798	40,454,791
Contingencies and commitments	22		

The annexed notes 1 to 25 form an integral part of these financial statements. CWA


Chief Executive Officer


Chief Financial Officer

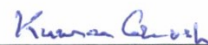
AZIZI BANK
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE QUARTER ENDED MARCH 31, 2019

	Note	Quarter Ended 31-Mar-2019AFN '000'	Quarter Ended 31-Mar-2018
Interest income	17	257,566	227,928
Interest expense	17	(104,952)	(113,317)
Net interest income		152,614	114,611
Fee and commission income	18	332,497	228,626
Fee and commission expense	18	(5,311)	(9,324)
Net fee and commission income		327,186	219,302
Operating income		479,800	333,913
Net impairment reversal/(loss) on loans and advances	6.2	26,871	(847,625)
Provision against time deposits, accrued interest, account receivable and non-funded facilities		-	176,625
Employee benefit expenses	19	(169,853)	(173,357)
Depreciation on fixed assets		(30,060)	(25,665)
Amortization of intangible assets		(4,141)	(3,612)
Operating lease expenses		(28,194)	(25,696)
Other expenses	20	(189,466)	(182,245)
Operating expenses		(394,843)	(1,081,574)
Foreign Exchange Gain		11,255	33,874
Gain on disposal of property and equipment		-	55
Other income		46,117	7,208
Non-operating income		57,372	41,137
Profit / (loss) before taxation		142,329	(706,524)
Taxation	21	(201,213)	(78,201)
Loss for the period		(58,884)	(784,725)
Other comprehensive income:			
Items that are or may be reclassified to profit or loss;			
Deficit on revaluation of available for sale investments		15,646	(6,975)
Related Deferred tax		(3,129)	1,395
		12,517	(5,580)
Total comprehensive (loss) /income for the period		(46,367)	(790,305)

The annexed notes 1 to 25 form an integral part of these financial statements. 



Chief Executive Officer



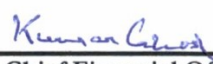
Chief Financial Officer

AZIZI BANK
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED MARCH 31, 2019

	Share capital	(Deficit) on revaluation of available for sale investments	Retained earnings	Total
AFN '000'.....			
Balance as at January 01, 2019 - (Audited)	5,367,400	(38,780)	630,673	5,959,293
Loss for the period	-	-	(58,884)	(58,884)
Other comprehensive income:				
Fair value reserve	-	15,646	-	15,646
Related tax	-	(3,129)	-	(3,129)
	-	12,517	-	12,517
Total comprehensive income	-	12,517	(58,884)	(46,367)
Transactions with owners				
Ordinary share issue/Redemption	-	-	-	-
Balance as at March 31, 2019 - (Un-audited)	5,367,400	(26,263)	571,789	5,912,926
<i>Quarter ended 31 March 2018:</i>				
Balance as at January 01, 2018 - (Audited)	5,367,400	-	463,483	5,830,883
Loss for the period	-	-	(784,725)	(784,725)
Other comprehensive income:				
Fair value reserve	-	(6,975)	-	(6,975)
Related tax	-	1,395	-	1,395
Total comprehensive income	-	(5,580)	(784,725)	(790,305)
Transactions with owners				
Ordinary share issue/Redemption	-	-	-	-
Balance as at March 31, 2018 - (Un-audited)	5,367,400	(5,580)	(321,242)	5,040,578

The annexed notes 1 to 25 form an integral part of these financial statements.


Chief Executive Officer


Chief Financial Officer

AZIZI BANK


CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE QUARTER ENDED MARCH 31, 2019

	31-Mar-2019	31-Mar-2018
AFN	'000'.....
Note		
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (loss) before taxation	142,329	(784,725)
Adjustments for:		
Gain on disposal of property and equipment	-	(55)
Depreciation	30,060	25,665
Amortization	4,141	3,612
Net impairment (reversal) / loss	(26,871)	823,427
Foreign exchange gain	(11,255)	(33,874)
	<u>138,404</u>	<u>34,050</u>
Increase / decrease in operating assets and liabilities:		
Loans and advances to customers	488,166	289,059
Other assets	(151,069)	(161,332)
Deposits from banks	18	(185,892)
Deposits from customers	355,893	(3,287,786)
Other liabilities	26,673	51,894
	<u>858,085</u>	<u>(3,260,007)</u>
Tax paid / adjusted	(206,628)	-
Net cash generated from /used in operating activities	<u>651,458</u>	<u>(3,260,007)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investments - net	1,683,830	1,839,084
Purchase of property and equipment	(8,849)	(44,965)
Non-current assets held for sale	(1,131)	1,155
Purchase of intangible assets	-	1,427
Proceeds from sale of property and equipment	-	55
Investment in subsidiary and APS	(115)	118
Net cash used in / generated from investing activities	<u>1,673,736</u>	<u>1,796,874</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares	-	-
Net cash generated from financing activities	-	-
Net increase in cash and cash equivalents	<u>2,325,194</u>	<u>(1,463,133)</u>
Cash and cash equivalents at beginning of the period	12,724,347	19,858,653
Effect of exchange rate changes	11,255	33,874
Cash and cash equivalents at the end of the period	<u>15,060,796</u>	<u>18,429,394</u>

The annexed notes 1 to 25 form an integral part of these financial statements. *CAF*



Chief Executive Officer



Chief Financial Officer