



Audited Consolidated Financial Statements

for Azizi Bank

(For the year ended December 31, 2019)

Confidential

MGI ILYAS SAEED CHARTERED ACCOUNTANTS

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AZIZI BANK
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2019

	Note	2019AFN '000'.....	2018
Assets			
Cash and cash equivalents	5	36,690,534	28,015,532
Loans and advances / Islamic Financing & Related Assets	6	7,634,111	8,235,272
Investments	7	16,362,635	14,009,163
Investment in Afghanistan Payment System / Other investment	8	138,841	729,143
Property and equipment	9	1,925,677	1,366,868
Intangible assets	10	329,753	374,064
Non current assets held for sale / Investment in Real Estate	11	364,349	417,315
Deferred tax asset	12	76,440	119,974
Other assets	13	3,268,006	2,691,881
Total assets		66,790,346	55,959,212
Liabilities			
Deposits from banks	14	3,742	3,623
Deposits from customers	15	49,608,925	45,341,615
Short term financing - Shuaa Capital		1,418,040	376,550
Current tax liability	17	121,807	33,676
Other liabilities	18	993,846	541,182
Total liabilities		52,146,360	46,296,646
Equity of Unrestricted Investment Account Holders	16	8,729,230	4,214,252
Owner's equity			
Share capital	19	5,367,400	5,367,400
Retained earnings		547,356	80,914
		5,914,756	5,448,314
		66,790,346	55,959,212
CONTINGENCIES AND COMMITMENTS	29		

The annexed notes 1 to 34 form an integral part of these consolidated financial statements.

Kumar Ghosh
 Chairman

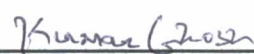
Chief Executive Officer

Chief Financial Officer

AZIZI BANK
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2019

	Note	2019AFN '000'.....	2018
Interest income / Deferred sales and diminishing musharaka rentals	20	1,372,208	1,177,999
Profit on Islamic investment	21	121,583	56,308
Interest expense	22	(388,704)	(501,692)
Return on unrestricted investment accounts	23	(187,431)	(54,503)
Net interest income / Bank share as mudarib		917,656	678,112
Fee and commission income / Revenue from banking services	24	1,721,881	1,442,618
Fee and commission expense / Expense on banking services		(62,358)	(51,219)
Net fee and commission income / income from banking services		1,659,523	1,391,399
Operating income		2,577,179	2,069,511
Employee benefit expenses	25	(1,005,869)	(878,071)
Depreciation and amortization	9&10	(356,892)	(181,188)
Operating lease expenses		(101,036)	(181,521)
Other expenses	26	(1,334,279)	(1,136,998)
Operating expenses		(2,798,076)	(2,377,778)
Provision for impairment - net	6	(273,762)	(572,479)
Foreign exchange gain		779,667	323,759
Gain on disposal of non-current asset held for sale		1,004	4,065
Other non-operating income		460,801	942,566
Non-operating income		1,241,472	1,270,390
Profit before taxation		746,813	389,644
Taxation	27	(322,145)	(156,224)
Profit for the year		424,668	233,420
Other comprehensive income:		14,022	-
Items that are or may be reclassified to profit or loss;			
Surplus / Deficit on revaluation of available for sale investments		(14,601)	(48,475)
Related Deferred tax		2,920	9,695
		2,341	(38,780)
Total comprehensive income for the year		427,009	194,640

The annexed notes 1 to 34 form an integral part of these consolidated financial statements.


Chairman





Chief Executive Officer


Chief Financial Officer

AZIZI BANK
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2019

	Share capital	Retained earning	Total
AFN '000'.....		
Balance as at January 01, 2018	5,367,400	(113,726)	5,253,674
Total comprehensive income for the year:			
Total Comprehensive income for the year	-	194,640	194,640
Contribution by owners:			
Issuance of shares	-	-	-
Balance as at December 31, 2018	<u>5,367,400</u>	<u>80,914</u>	<u>5,448,314</u>
Balance as at January 01, 2019	5,367,400	80,914	5,448,314
Profit for the year	-	424,845	424,845
Other Comprehensive Income	-	41,597	41,597
	<u>5,367,400</u>	<u>547,356</u>	<u>5,914,756</u>

The annexed notes 1 to 34 form an integral part of these consolidated financial statements.

<p> _____ Chairman</p>	<p> _____ Chief Executive Officer</p>	<p> _____ Chief Financial Officer</p>
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AZIZI BANK
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2019

	Note	2019AFN '000'.....	2018
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		746,813	389,644
Adjustments for:			
Impairment loss on loans and advances/ Impairment (gain)/ loss on financing	6	267,645	767,956
Depreciation	9	299,872	165,930
Amortization on intangible assets	10	57,021	15,353
Provision against non-funded facilities		-	(195,477)
Gain on sale of property and equipment		(1,004)	(4,633)
Unwinding of lease liability discount		20,504	
Foreign exchange gain		(111,092)	(139,752)
		<u>1,279,759</u>	<u>999,021</u>
Increase / decrease in operating assets and liabilities:			
Loans and advances to customers / Murabaha receivables		344,191	(451,544)
Other assets		(576,125)	(2,231,418)
Right of use assets		(488,831)	-
Required reserve with DAB		(525,245)	(236,651)
Deposits from banks / Current Accounts from banks		118	(1,088,546)
Deposits from customers / Current Accounts from customers and unrestricted funds		8,782,287	6,340,380
Short term financing - Shuaa Capital		1,041,490	376,550
Other liabilities		85,443	6,368
		<u>9,943,087</u>	<u>3,714,160</u>
Net cash generated from / (used in) operating activities before taxation		9,943,087	3,714,160
Taxes paid / collected		(227,238)	(122,548)
		<u>9,715,849</u>	<u>3,591,612</u>
Net cash generated from / (used in) operating activities		9,715,849	3,591,612
CASH FLOWS FROM INVESTING ACTIVITIES			
Investments made / investments divested		(1,735,323)	(6,842,123)
Investments in subsidiary and Afghanistan payment system		(748)	(51,460)
Purchase of property and equipment		(371,118)	(113,211)
Purchase of intangible assets / Islamic Banking - development cost		27,534	(212,376)
Non-current assets held for sale / Investment in Real Estate		52,827	(9,806)
Proceed from sale of property and equipment		2,744	5,785
		<u>(2,024,084)</u>	<u>(7,223,191)</u>
Net cash generated from investing activities		(2,024,084)	(7,223,191)
CASH FLOWS FROM FINANCING ACTIVITIES			
Lease Liability		465,054	-
Payment against lease liability		(118,331)	-
Issuance/Redemption of share capital		-	50,000
		<u>346,723</u>	<u>50,000</u>
Net cash generated from financing activities		346,723	50,000
Net increase in cash and cash equivalents		8,038,488	(3,581,579)
Net cash and cash equivalents at beginning of the year		24,139,838	27,581,191
Effect of exchange rate changes		111,269	140,226
		<u>32,289,595</u>	<u>24,139,838</u>
Cash and cash equivalents at the end of the year	5	32,289,595	24,139,838

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Chairman


Chief Executive Officer


Chief Financial Officer