

Reviewed Financial Statement

**Azizi Bank for the period
ended March 31, 2021**

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 2021 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 Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), Law of Banking in Afghanistan and the directives issued by Da Afghanistan Bank. Our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of Review

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.

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 2021, and of its financial performance and its cash flows for the three months period then ended in accordance International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), Law of Banking in Afghanistan and the directives issued by the Da Afghanistan Bank.

Other Matters

The condensed interim financial statements for the three months ended 31 March 2020 and the financial statements for the year ended 31 December 2020 were reviewed and audited, respectively, by another auditor who expressed unqualified review conclusion on the condensed interim financial statements for the three months ended 31 March 2020 on 09 May 2020 and unqualified audit opinion on the financial statements for the year ended 31 December 2020 on 01 March 2021.

Crowe Horwath Afghanistan

Crowe Horwath Afghanistan

Engagement Partner: Muhammad Najmussaib Shah - FCA

Location: Kabul, Afghanistan

Date:



AZIZI BANK**Statement of Financial Position**

As at 31 March 2021

		Un-audited	Audited
		31-Mar-2021	31-Dec-2020
	 AFN '000'	
Note			
ASSETS			
	Cash and bank balances	3 16,421,206	20,030,374
	Investments in financial instruments	4 12,220,271	17,432,874
	Loans and advances to customers	5 4,372,789	4,820,150
	Investment in subsidiary	6 1,775,000	1,775,000
	Property and equipment	7 1,471,773	1,519,023
	Intangible assets	8 38,862	43,932
	Other assets	9 2,079,950	1,739,156
	Deferred tax	24,485	-
	Total assets	38,404,336	47,360,509
EQUITY AND LIABILITIES			
Liabilities			
	Deposits from banks	10 3,699	3,694
	Deposits from customers	11 31,475,262	40,165,485
	Provision for taxation	12 -	42,819
	Other liabilities	13 660,265	615,957
	Deferred tax	-	630
	Total liabilities	32,139,226	40,828,585
Equity			
	Share capital	14 5,367,400	5,367,400
	Retained earnings	995,649	1,162,005
	Revaluation surplus / deficit on AFS investments	(97,939)	2,519
	Total equity	6,265,110	6,531,924
	Total equity and liabilities	38,404,336	47,360,509
CONTINGENCIES AND COMMITMENTS			
		15	

The annexed notes 1 to 23 form an integral part of these financial statements.



Chief Executive Officer



Chief Financial Officer

AZIZI BANK

Statement of Comprehensive Income

For the period ended March 31, 2021

		Quarter Ended 31-Mar-2021	Quarter Ended 31-Mar-2020
	Note AFN '000'	
Interest income		230,007	282,645
Interest expense		(77,805)	(85,896)
Net interest income	16	152,202	196,749
Fee and commission income		388,004	307,289
Fee and commission expense		(13,340)	(8,352)
Net fee and commission income	17	374,664	298,937
Operating income		526,866	495,686
Net impairment (loss) on loans and advances	5	(449,596)	(168,354)
Provision against time deposits, accrued interest, account receivable and non-funded facilities		-	-
Employee benefit expenses	18	(193,148)	(224,019)
Depreciation on fixed assets	7	(63,303)	(57,287)
Amortization of intangible assets	8	(5,070)	(3,534)
Low value lease and less than 12 months		(5,367)	(2,977)
Other expenses	19	(217,851)	(184,929)
Operating expenses		(934,334)	(641,099)
Foreign Exchange Gain		40,659	(12,823)
Income from loans under recovery		203,223	25,708
Other operating income		30,180	22,289
Non-operating income		274,062	35,174
Loss before taxation		(133,406)	(110,239)
Taxation	20	(32,950)	-
Loss for the year		(166,356)	(110,239)
Other comprehensive income:			
Items that may be reclassified to profit or loss			
Surplus / Deficit on revaluation of available for sale investments		(125,572)	-
Related Deferred tax		25,114	-
		(100,458)	-
Total comprehensive income/(loss) for the year		(266,814)	(110,239)
EPS (AFN)		(309.94)	(205.39)

The annexed notes 1 to 23 form an integral part of these financial statements.


 Chief Executive Officer


 Chief Financial Officer

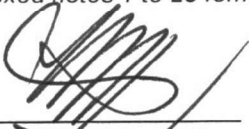
AZIZI BANK

Statement of changes In equity

For the period ended March 31, 2021

	Share capital	Retained earnings	Surplus / (Deficit) on revaluation of AFS investments	Total
	AFN '000'			
Balance as at 31 December 2019 - audited	5,367,400	952,582	(11,681)	6,308,301
Total comprehensive income for the period				
Loss for the period		(110,239)		(110,239)
Other comprehensive income:				
Fair value reserve	-	-	14,601	14,601
Related tax	-	-	(2,920)	(2,920)
Total comprehensive income	-	(110,239)	11,681	(98,558)
Balance as at March 31, 2020 - Un-audited	5,367,400	842,343	-	6,209,743
Balance as at December 31, 2020 - audited	5,367,400	1,162,005	2,519	6,531,924
Total comprehensive income for the period				
Loss for the period	-	(166,356)	-	(166,356)
Other comprehensive income:				
Fair value reserve	-	-	(125,572)	(125,572)
Related tax	-	-	25,114	25,114
Total comprehensive income	-	(166,356)	(100,458)	(266,814)
Balance as at March 31, 2021 - Un-audited	5,367,400	995,649	(97,939)	6,265,110

The annexed notes 1 to 23 form an integral part of these financial statements.


 Chief Executive Officer


 Chief Financial Officer

AZIZI BANK

Statement of cash flows

For the period ended March 31, 2021

		Un-audited 31-Mar-2021	Audited 31-Dec-2020
	Note AFN '000'	
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before taxation		(133,406)	(110,239)
Adjustments for:			
Depreciation	7	63,303	57,286
Amortization	8	5,070	3,534
Net impairment (reversal)/loss on loans and advances		449,596	168,354
Finance cost on lease liability		17,271	-
Disposal / Adjustment /Write Off - property and equipment		1,109	-
Foreign exchange gain		(40,659)	12,823
		362,285	131,758
Increase / decrease in operating assets and liabilities:			
Loans and advances to customers		(2,235)	595,603
Other assets		(334,555)	(129,747)
Required deposits with DAB		92,211	17,623
Deposits from banks		5	(56)
Deposits from customers		(8,690,223)	(8,900,637)
Other liabilities		71,256	70,119
		(8,863,541)	(8,347,095)
Tax paid		(82,008)	(118,887)
Net cash generated from operating activities		(8,583,264)	(8,334,224)
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment made / investments divested		5,087,031	2,113,540
Purchase of property and equipment		(17,162)	(9,684)
Purchase of intangible assets		-	(5,022)
Investment in subsidiary and APS		-	19,665
Net cash used in investing activities		5,069,870	2,118,499
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment against lease liability		(44,222)	(29,395)
Net cash generated from financing activities		(44,222)	(29,395)
Net increase in cash and cash equivalents		(3,557,616)	(6,245,120)
Cash and cash equivalents at beginning of the year		16,889,276	19,636,403
Effect of exchange rate changes		40,659	(12,823)
Cash and cash equivalents at the end of the year	3.4	13,372,319	13,378,460

The annexed notes 1 to 23 form an integral part of these financial statements.



Chief Executive Officer



Chief Financial Officer