



Reviewed Financial Statements

for Azizi Bank

(For the period ended March 31, 2020)

Confidential

MGI ILYAS SAEED CHARTERED ACCOUNTANTS

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Date: May 03, 2020

TO THE SHAREHOLDERS OF AZIZI BANK

Report on Review of Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Azizi Bank (“the bank”) as of March 31, 2020 and the related condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows for the three months period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these condensed interim financial statements in accordance with International Financial Reporting Standards (IFRSs), requirements of the Banking Law of Afghanistan and directives issued by the Da Afghanistan Bank (DAB). Our responsibility is to express a conclusion on these condensed 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 condensed 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.

Other Matter

The condensed interim financial statements of the bank for the period ended March 31, 2019 reviewed by another auditor who expressed unmodified opinion on the condensed interim financial statements on May 14, 2019.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements do not give a true and fair view of the condensed interim financial position of the bank as at March 31, 2020 and of its condensed interim financial performance and its condensed interim cash flows for the three months period then ended in accordance with International Financial Reporting Standards (IFRSs), requirements of the Banking Law of Afghanistan and directives issued by the Da Afghanistan Bank (DAB).



For and on behalf of;

Muhammad Abdul Basit



Muhammad Abdul Basit (ACA, CIA, CISA & APRM)

Ilyas Saeed Chartered Accountants

Kabul, Afghanistan.

Date:

AZIZI BANK
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2020

		Un-audited 31-Mar-2020	Audited 31-Dec-2019
	Note AFN '000'	
ASSETS			
Cash and bank balances	5	16,396,752	22,672,318
Loans and advances to customers	6	6,076,755	6,840,712
Investments	7	10,364,819	12,466,678
Investment in subsidiary	8	1,775,000	1,775,000
Investment in APS		-	19,665
Property and equipment	9	1,404,383	1,451,985
Intangible assets	10	34,846	33,357
Non-current assets held for sale	11	268,066	268,066
Deferred tax		-	2,920
Other assets	12	1,551,521	1,421,774
Total assets		37,872,142	46,952,476
EQUITY AND LIABILITIES			
Liabilities			
Deposits from banks	13	3,686	3,742
Deposits from customers	14	31,112,303	40,012,940
Current tax liability	15	-	121,807
Other liabilities	16	546,410	505,686
Total liabilities		31,662,399	40,644,175
Equity			
Share capital	17	5,367,400	5,367,400
Revaluation surplus / deficit on available for sale investments		-	(11,681)
Retained earnings		842,342	952,582
Total equity		6,209,742	6,308,301
Total equity and liabilities		37,872,141	46,952,476
CONTINGENCIES AND COMMITMENTS	18		

The annexed notes 1 to 25 form an integral part of the condensed interim financial statements.


 Chief Executive Officer


 Chief Financial Officer

AZIZI BANK
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2020

	Note	Quarter Ended 31-Mar-2020 AFN '000'	Quarter Ended 31-Mar-2019
Interest income	19	282,645	257,566
Interest expense	19	(85,896)	(104,952)
Net interest income		196,749	152,614
Fee and commission income	20	307,289	332,497
Fee and commission expense	20	(8,352)	(5,311)
Net fee and commission income		298,937	327,186
Operating income		495,686	479,800
Net impairment (loss)/reversal on loans and advances		(168,354)	26,871
Employee benefit expenses	21	(224,019)	(169,853)
Depreciation on fixed assets		(57,287)	(30,060)
Amortization of intangible assets		(3,534)	(4,141)
Office rent expense		(2,977)	(28,194)
Other expenses	22	(184,929)	(189,466)
Operating expenses		(641,099)	(394,843)
Foreign Exchange Gain		(12,823)	11,255
Other income		47,997	46,117
Non-operating income		35,174	57,372
(Loss)/ Profit before income tax		(110,239)	142,329
Income tax expense	23	-	(201,213)
Loss for the period		(110,239)	(58,884)
Other comprehensive income:			
Items that are or may be reclassified to profit or loss;			
		-	15,646
Surplus / Deficit on revaluation of available for sale investments		-	(3,129)
Related Deferred tax		-	12,517
Total comprehensive income for the period		(110,239)	(46,367)
Loss per share		(205.39)	(109.71)

The annexed notes 1 to 25 form an integral part of the condensed interim financial statements.


Chief Executive Officer


Chief Financial Officer

AZIZI BANK
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2020

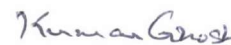
	Share capital	Surplus / (Deficit) on revaluation of available for sale investments	Retained earnings	Total
 AFN '000'			
Balance as at January 01, 2019 - (Audited)	5,367,400	(38,780)	630,673	5,959,293
Total comprehensive income for three months period ended March 31, 2019				
Loss for three months ended March 31, 2019	-	-	(58,884)	(58,884)
Other comprehensive income:				
Fair value reserve	-	15,646	-	15,646
Related tax	-	(3,129)	-	(3,129)
	-	12,517	-	(46,367)
Balance as at March 31, 2019 (Un-audited)	5,367,400	(26,263)	571,789	5,912,927
Total comprehensive income for nine months period ended December 31, 2019				
Profit for nine months ended December 31, 2019	-	-	380,792	380,792
Other comprehensive income:				
Fair value reserve	-	18,227	-	18,227
Related tax	-	(3,645)	-	(3,645)
	-	14,582	-	14,582
Balance as at December 31, 2019	5,367,400	(11,681)	952,581	6,308,301
Balance as at January 01, 2020 - (Audited)	5,367,400	(11,681)	952,581	6,308,301
Total comprehensive income for three months period ended March 31, 2020				
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	-	11,681	(110,239)	(98,558)
Transactions with owners				
Ordinary share issue/Redemption	-	-	-	-
Balance as at March 31, 2020 - (Un-Audited)	5,367,400	-	842,342	6,209,743

The annexed notes 1 to 25 form an integral part of the condensed interim financial statements.

Chief Executive Officer



Chief Financial Officer



AZIZI BANK


CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)

FOR THE PERIOD ENDED MARCH 31, 2020

	31-Mar-2020	31-Mar-2019
Note AFN '000'
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	(110,239)	142,329
Adjustments for:		
Depreciation	9 57,286	30,060
Amortization	10 3,534	4,141
Net impairment (reversal)/loss on loans and advances	6 168,354	(26,871)
Foreign exchange gain	12,823	(11,255)
	131,758	138,404
Increase / decrease in operating assets and liabilities:		
Loans and advances to customers	595,603	488,166
Other assets	(129,747)	(151,069)
Required deposits with DAB	17,623	-
Deposits from banks	(56)	18
Deposits from customers	(8,900,637)	355,893
Other liabilities	70,119	26,673
	(8,215,337)	858,085
Tax paid	(118,887)	(206,628)
Net cash generated from operating activities	(8,334,224)	651,458
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment made / investments divested	2,113,540	1,683,830
Purchase of property and equipment	9 (9,684)	(8,849)
Non-current assets held for sale	-	(1,131)
Purchase of intangible assets	10 (5,022)	-
Investment in subsidiary and APS	19,665	(115)
Net cash used in investing activities	2,118,500	1,673,736
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment against lease liability	(29,395)	-
Net cash generated from financing activities	(29,395)	-
Net increase in cash and cash equivalents	(6,245,119)	2,325,194
Cash and cash equivalents at beginning of the period	19,636,403	12,724,347
Effect of exchange rate changes	(12,823)	11,255
Cash and cash equivalents at the end of the period	13,378,461	15,060,796

The annexed notes 1 to 25 form an integral part of the condensed interim financial statements.


Chief Executive Officer


Chief Financial Officer