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ENAT BANK

ANNUAL REPORT 2017/18

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VISION MISSION VALUES

Vision statement

To become world class bank mainly by leveraging women's economic capabilities

Mission statement

To remain true to our name and set a trend in the provision of best quality banking service with special focus on the needs of women, and play a catalytic role in stimulating social, economic development and increasing shareholders' value .

Core Values

Authentic
Trustworthy
Excellence
Bold aspiration
Better Life
Impartiality
Teamwork

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PROMOTERS

Front: From right to left

- Sara Abera
- Meaza Ashenafi
- Hadia M.Gonji
- Aster Solomon

Back: From right to left

- Amelework Gidey
- Rahel Zewdie
- Hirut Alamerew
- Nigest Haile
- Almaz Tseham
- Askale Benti
- Mekiya Mamiyu

MESSSAGE FROM THE CHAIRPERSON OF THE BOARD OF DIRECTORS

Hanna Tilahun

I am honored to serve as chair of the board of Enat Bank ; a company with a history of success, unique business model, committed to become stronger, and more customers focused than ever before.

I can't believe that it has been a year since almost seven new board members including myself, as the board chair, has assumed office. Our new board of directors brings a broad range of capabilities, including expertise in financial services, risk management, technology, human capital management, finance and accounting, corporate responsibility and regulatory matters. And on behalf of the board of directors, I am pleased to report the financial performance of the company in 2017/2018. I would like to start by thanking our valued shareholders for the faith and confidence you have entrusted in us, and for your investment in Enat Bank.

The Board of Directors remains focused on enhancing the company's position to deliver long-term value to our shareholders. To do this, the board has held quite number of meetings to ensure the continuity and sustenance of profitability. The board also oversees risk management and governance, and carried out other important duties directly, and through Board subcommittees that have strong experienced chairs and members.

I would characterize the company's financial performance as solid. We ordinarily would have expected to see more growth of earnings. However, taking into consideration the lack of favorable economic situation in the country, we consider it positive that we maintained profitability and a return on equity that ranks near the top of our peer group. Nevertheless, we all know that we can do better as our capital levels remained strong.

In pursuit of our unwavering commitment to focus on the women market, and as the frontrunner for banking on women, the bank is crafting a new women market strategy in partnership with International Financial Corporation (IFC). The advisory services engagement will provide capacity building to our Women's Financial Services team and women's ambassadors in the branches.

To further complement our efforts to bring about incremental change in the Bank, we hold an extended session over several days to review the three-year strategic plan and make adjustments based on the operating market environment, and other opportunities. We are also planning to expand strategically into newer business frontiers and value propositions. To this effect, we are on the verge of launching mobile and wallet banking service, to update and transform our services, aiming for more global standards in the new fiscal year.

Finally, I would like to congratulate and commend our board members and the employees of Enat Bank for their remarkable achievement with inspiring dedication and our shareholders for their continued investment in our Bank. We recognize the commitment that you, as investors in Enat Bank have made in the company to strengthen our capital base. We are confident that the optimistic leadership provided by our management, combined with the operational and cultural changes will mark 2018/2019 as a positive inflection point on our quest to become a better company.

BOARD OF DIRECTORS


Wro Hanna Tilahun
Chairperson


Ato Habtu Dimtsu
Board Deputy Chair
Member


Wro Shitaye Hussein
Member


Wro Frehiwot Worku
Member


Wro Nigest Haile
Member


Amb. Konjit
Sinegiorgis Member


Ato Alemayehu Kebede
Member


Ato Eyobed Tibebu
Member

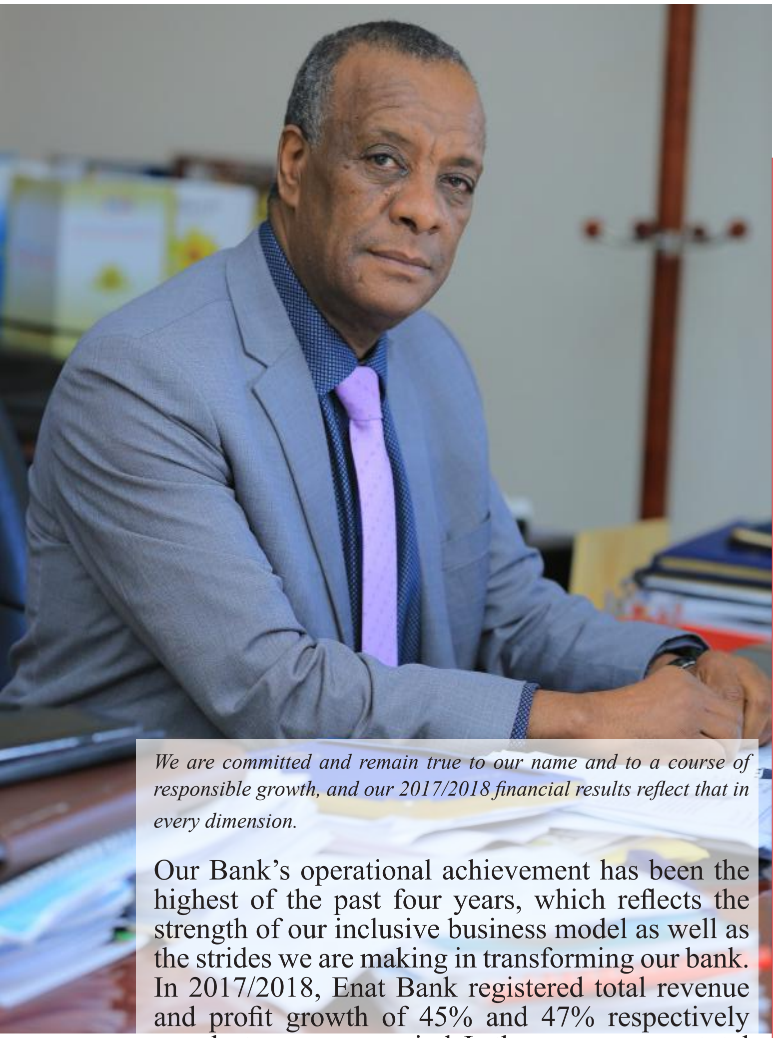

Wro Roman Legesse
Member


Ato Woldegabriel Naizgi
Member


Ato Itana Ayana
Member

MESSAGE FROM THE PRESIDENT

Wondwossen Teshome



We are committed and remain true to our name and to a course of responsible growth, and our 2017/2018 financial results reflect that in every dimension.

Our Bank's operational achievement has been the highest of the past four years, which reflects the strength of our inclusive business model as well as the strides we are making in transforming our bank. In 2017/2018, Enat Bank registered total revenue and profit growth of 45% and 47% respectively over last year same period. In the same manner, total asset has increased to Birr 6.5 billion exhibiting 33% growth over that of last year same period, while the paid up capital has nearly reached Birr 1 billion exceeding that of last year same period by 27%. Despite, these facts that we all know, our business traverse was not easy in the past year due to various external factors, and the situation has practically narrowed the credit market.

With respect to maintaining loan quality, the ratio of Non-performing Loan to total loans has been brought down to less than 2% which is by far lower than the regulatory requirement, and the tolerable target of the Bank. The financial services provided to our women customers have also shown a constant increase which signifies our commitment in strengthening women economic empowerment. Our performance was solid, but we can, and should do better. I can say without reservation that Enat Bank today is a better company than it was a year ago, and I am confident we will be even better a year from now.

Our plan for 2018/2019 is to focus beyond the financial achievements; we are on the process of crafting a new strategy which would be a tool to attain a superlative service and efficiency in our operations. Among the strategies and sub-strategies are penetration into new markets through innovation and introduction of Digital Financial Services among which mobile banking and wallet services are our priorities. Besides, to enhance financial inclusion, we are working on customizing Interest Free Banking (IFB) to be ultimately launched. Moreover, a pretty good number of customer value proposition plans are on table to be prioritized and included in the strategy.

Our team members are our most valuable resource, and a key competitive advantage we cannot transform into a better, stronger Enat Bank without their talent and dedication.

We are driving for a consistent culture across the company, and we aim to communicate more effectively so that team members are clear about what we expect of them. This is especially important in a time of transformation. We are making investments in our team members. We offer leadership development programs that serve team members with diverse abilities as well as other recruiting, training and development initiatives.

In closing, I want to express my appreciation to our Board of Directors for the knowledge, experience, and leadership they have shown during the past year. Special recognition goes to our employees for their contributions and commitment and without a doubt, they are our most important resource. Further thanks to our shareholders, whose unwavering confidence in our Bank, has made us to standout; and the NBE whose close supervision has helped us to comply with all regulatory requirements.

Thank you for placing your trust in Enat Bank, and for your support.

MANAGEMENT TEAM


Ato Wondwossen Teshome
President


Wro Birtukan G/Egzi
VP. Operations


Ato Ermias Andarge
VP. Corporate Sevices


Wro Genet Hagos
Chief Audit Exucutive


Ato Belay Gezahegn
Dir. Business
Dev't. & Planning Dep't


Wro Lelise Temesgen
Dir. Credit Management
Dep't


Wro Lealem Getachew
Dir. IBD
Dep't


Ato Dinku Kasaye
Chief Information Officer


Wro Abeba Tesfaye
Dir. Women's Financial
Services Dep't


Ato Haile Atfaye
Dir HRM & SS
Dep't

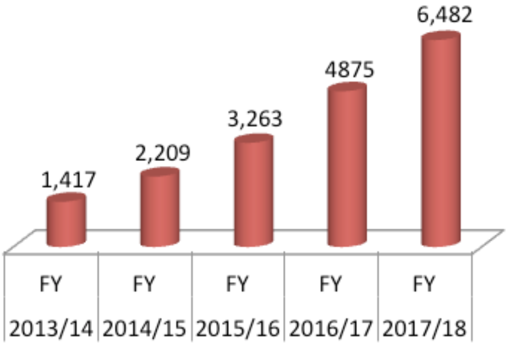

Ato Melese Gizaw
Dir. Risk & Compliance


Ato Henok Yilma
Dir. Finance & Accounts
Dep't

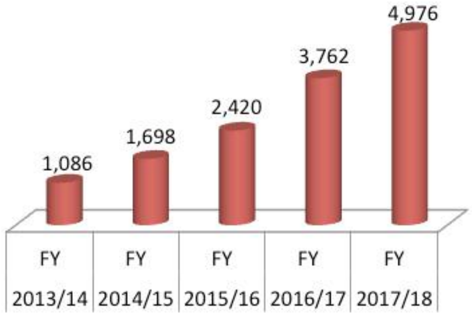

Wro Sheway Takele
Dir. Legal Service
Dep't

Financial Performance Highlights (In Millions of Birr)

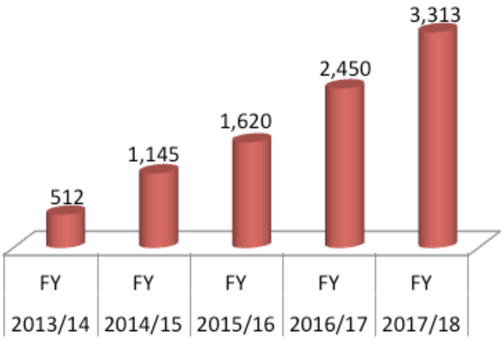
Total Assets



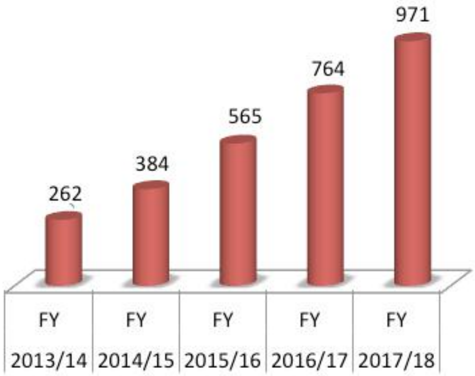
Total Deposits



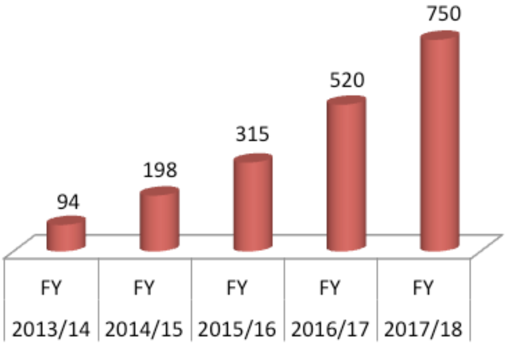
Total Loans and Advances



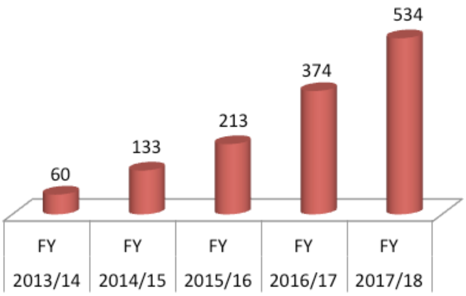
Paid up capital



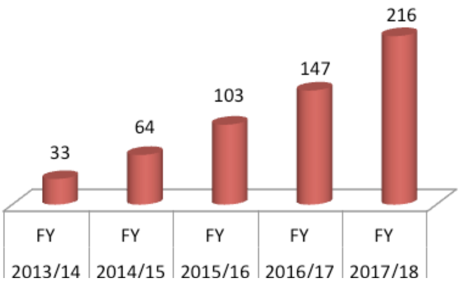
Total Income



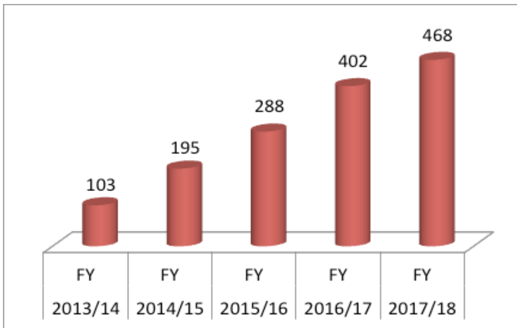
Total Expense



Profit before tax



Staff Strength



I. Corporate Governance

To ensure the prevalence of vigorous corporate governance, different Board subcommittees answerable to the Board have been organised. The subcommittees comprise Board of Directors that have expertise in the thematic areas of the specialised subcommittees. The committees are expected to discharge their responsibility as stated in the Corporate Governance Directive Number SBB/62/2015 of the National Bank of Ethiopia.

- **Board Business Development Subcommittee:** The committee has been entrusted with the responsibility of reviewing all business development activities. It has held about 11 meeting in 2017/18 FY to review different policies, proposals and the progress of different projects as well as operational plan and Budget for 2018/19.

- **Board Audit Subcommittee:** The Audit Committee has shouldered the responsibility of providing independent oversight of the Bank's financial reporting and internal control system and ensuring checks and balances within the bank. In effect, the committee has held 12 meetings in the past fiscal year of which four are sessions held to review quarterly assurance reports and the rest are to deliberate various pertinent issues.

- **Board Human Resources Affairs Subcommittee:** The subcommittee has made three meetings to discuss issues related to human resource developments and reward & benefits.

- **Board Risk & Compliance Subcommittee:** The Board Risk & Compliance Subcommittee has held seventeen meetings in the fiscal year to assess Loan Review, Risk and Compliance and Asset- Liability Committees reports. This committee has wide ranging responsibilities of overviewing the maintenance of asset quality, the assurances of compliances and efficacy of liquidity management.

Information Technology

Our Bank is endaeavouaring to create strong IT platform to maintain operational reliability. On the front of product development, we are about to launch Mobile Financial Services like mobile Banking and wallet services. In addition, system integrations with Ethiopian Airlines, Ethiopia Commodity Exchange (ECX) and Dangote Cement Factory are on the final phase to go operational.

Project Management

A project office has been established for a new strategic plan formulation. The main focus of the office has been to bring dynamism in performances through updating the existing strategic plan and proactively respond to the changes in the external environment. The new strategic plan will be expected to come out soon for implementation.

Besides, the project office has been given further responsibility of launching the Interest Free banking service with all its features to enhance the financial inclusion through penetration into the new market.

The Adoption of International Financial Reporting Standards (IFRS)

The adoption of IFRS has been handled by internal project team and external consultant. The major objective of adopting IFRS is to comply with the requirement of the new accounting standard. The conversion of the legacy to the new accounting standard has been successfully accomplished. In this respect, the 2017/18 Annual Financial Reports have been prepared in accordance with the requirements of IFRS.

Human Resource Management and Development

We believe that developed Human Capital can help harness the business to bring about real difference. In capitalizing on the human resource aspect trainings have been conducted on different core and support related topics. With respect to career development 105 staff members have been promoted to new positions. In developing the human resource and enhance new skills, 57 trainings have been given under different themes. The trainings has covered wide range of scope from general to specialised ones like leadership, customer service, finance, information technology, and other packages.

At present, the total number of employees as at june 30,2018 has reached 468. Of the total 57% are female while the remaining 43% are male. In the fiscal year 99 new employees have been hired.

II. Banking on Women Guarantee Risk Fund

SUPPORTING LOCAL WOMEN BUSINESSES

Since 2014/2015, our Shareholders had contributed a total of ETB 8.9 Million investing in "Guarantee Risk Funds" special loan program for women-owned businesses only.

In this loan program, financial and non-financial resources are coordinated to support women enterprises that have viable business ideas, but lack collateral. The primary goal of the program focuses on identifying and providing solutions that improve access to finance to women businesses and help to solve complex economic problems.

Enat Bank is a pioneer in gender lens investing in Ethiopia. This portfolio is taking specific steps to empower women, and support gender equality. Since launching in 2015, the Bank have provided loans to 28 women businesses, of which some were startups, and others had existing businesses and needed an extra working capital. Both groups have passed through an entrepreneurship skill training program, and participated in capacity building for business plan development. In addition, they have completed financial literacy training and have shown savings at least 5% of the loan amount granted for the business.

In 2017/2018 from the loans provided in this program 5 borrowers whom their loan matured have paid –off in full. In addition, to repaying the loans they have also succeeded to acquiring movable collateral, and created 81 new jobs. Currently the program has ETB 4.3 Million available in funds, and 15 businesses loan applications are in processing.

Small Business Big Impact
"I like owning my own business…It's all up to me"

Helping Women Micro-Businesses & Communities Thrive

Our efforts in financing local women businesses are helping to drive economic development and job creation.

Linking With MFIs to Make Women Access to Finance A Reality

Enat Bank, last year injected an extra 5 million in loans to two MFIs, Eshet and PEACE for a total of 10 million; which in return they advanced economic mobility for 958 women's businesses.

Through linking with MFIs, we are supporting women's economically, helping individuals and families solve tough challenges, and connect more deeply with people in our community. We are also bringing mentoring, training, and funding to women, and have allowed us to help women from all over Ethiopia grow their businesses in their communities. Through all of these efforts, we're helping to create more sustainable economies and a better future for us all.

Investing in Women's Entreprises is Helping us Build A Brighter Future

When Lidia decided to pursue her lifelong dream of designing and selling specialty leather bags, belt and wallet she was excited — and a little anxious.

"My first production facility was very small," Lidia said. "We had 4 manual machines and 3 employees. I didn't have enough employees, and my business started to grow. It was very scary, and like many small businesses, I wasn't sure we would survive."

Lidia heard about the Risk Fund Women's loan program from friends but didn't believe a bank can give loan with no collateral. She still came to meet with the Women's Financial Services Focal contact specialist for help.

"We came into Lidia's life at a time when her company was experiencing tremendous growth in the export market. She had need for financing the purchase of 9 machineries, raw material and working capital" said Abeba Tesfai, Enat Bank Women Financial Services Director. "We described how our Risk Guarantee Funds will help her company. She applied for a loan of Birr

300,000 and completed the prerequisite for the loan program. "It was a lot of hard work and determination, to spend her time in training, but it finally paid off," she said. Her loan was approved.

She also became member of CAWEE, (Center for Accelerated Women's Economic Empowerment), & AWEP (African Women Entrepreneurship Program)) which gave her international exposure visits to the EU markets, and the Inter Africa Trade market. She then was able to receive additional 18 different machineries for leather production from JICA as a grant.

She trained and hired other 19 young women from Organizations that provide training to Destitute Children and Women. She also, signed-up for a business scaling up training program, and started to focus more on R&D of new products and revised her business strategy and planning.

Lidia Leather Crafts currently has a total of 19 employees, 30 machineries and ETB 3 Million in capital . The business had outgrown its small business roots from the time it turned to Women's Program at Enat Bank, and the future is simply amazing.

Lidia Leather Craft' story illustrates how we are at our best when we work.

Lidia said

"I am lucky because I heard of the women's Loan program. It not only gave me access to finance to purchase machineries with no collateral, and helped me to the export market, but it also gave my business the visibility to the Japan Embassy Grant competition award for machineries which allowed me to receive 19 leather production machines.

So I consider this as a Double LUCK.

I believe that someone invisible was there to help me as a guarantor, and my dream is to give it back and guarantee another woman business.

It's a unique program, and I appreciate Enat Bank."

Customer Service and Advice

Whether we are working with an individual, a family, a small business, a growing company, or a global firm, we want to know and understand our customers and their financial goals.

Then, to help them be financially successful, we want to provide best-in-class service and guidance that will help them reach their goals. Our business model enables us to advise and serve our customers at every step of their financial lives. Take Lidia Million from Addis Ababa who three years ago started a company called Lidia Leather Crafts. She was a checking account customer, and she turned to our Women's Financial Services Team which took care of her business as it grew. Over the last three years, Lidia Leather Craft turned to Enat Bank Women's Financial Services Team for advice, financing, and services that helped her business succeed.

Non Financial Services Empowering Women Through

Entrepreneurs Workshop

We know that much of a company's market value comes from or is affected by factors never reported on a balance sheet, including its social and environmental impact.

These non-financial factors are equally important, and perhaps a better, more telling measure of the degree to which companies approach business in support of returns that are more reliably sustainable. Yet companies create value across multiple dimensions, and our prosperity is linked inextricably to the communities we serve and the challenges they face. The value we create must also be shared to be sustainable long-term.

The biggest impact we make is through providing non-financial services to address major economic issues, which the Small & Medium Enterprises faces, especially women entrepreneurs. Such as entrepreneurship skill, networking, access to market, others enabling environment, and of course increased financing which is exactly what is needed to move the needle on these major challenges. We are excited that we are exploring innovative ways to get the whole financial community — government agencies, nonprofits, private equity and major investors and insurance company to think about addressing these issues with us. If we can continue to build partnerships that embrace these new financial structures, we can have a meaningful impact on our empowering women businesses challenges while ensuring good value for our clients and shareholders.

During 2017/2018, the Bank participated in Small & medium Banking Forum, in Rwanda; Women Political Leader Global Forum Focus session on 'Money or Mentorship'? How politicians and financiers can team up to ensure financial inclusion and economic empowerment for women.

Also, the Women Financial Services Department Director participated on a debate with Academician at a conference that the University of Luxembourg and the European Investment Bank Institute organized, at the EIB headquarters in Luxembourg. The conference was dedicated to discuss "Financing the SDGs", with one opening session on the wide issue and three sessions on financing 3 specific SDGs: Water (#6), Health (#3) and Gender (#5); find ways to mobilize finance supporting women to get access to new jobs opportunity, and to contribute to the other SDGs. The access to job will create a dynamic for more independence, better health and child education.

Financial Literacy

One way we deliver on our commitment to making financial lives better is through our free financial literacy services to our client's specifically marginalized women.

By simplifying complex personal finance topics through easy-to-understand tools and videos, financial educations empower women to understand their financial choices, and make confident decisions about their personal finances. Year- to date , we extended financial literacy seminars to 27358 women.

Financial literacy is also available for other customers and non-customers alike. However, for women customers, it's embedded in our non-financial services and its offerings, budgeting tool, which puts timely information at clients' fingertips to help them improve their financial outcomes. And we see evidence that it is helping. Especially those who participated in the financial education seminaries are growing their saving balances.

This is particularly important for anyone looking to improve their financial footing, such as young adults looking to start a new business, or those who are smart savers. That is why financial literacy seminar is part of our broader women empowerment approach to provide women clients and women small businesses financial expertise, tools, and products tailored to help them achieve their specific financial goals.

III. Corporate Citizenship

We want to make every community in which we live and do business better, through the products and services we offer, the way we operate, our support of diversity and inclusion, and our many forms of philanthropy.

In 2017/2018, our bank contributed nearly ETB 1 Million in donation and sponsorship funding to support needy communities directly and through humanitarian organizations. For example, Macedonia Home of the Elderly & Mentally Disabled; Kidney Failure Dialysis Charity Organization and Cheshire Services Ethiopia were the recipient of our donations.

In addition, our Bank supported and participated at three events. "Emma" Maternal Health event organized by Green Life, Diplomatic bazar, organized by diplomatic Spouses Group of Ethiopia (DSGE); and Days for Girls International. The objective of the first event was to provide awareness of Mothers and Mothers-To-Be wellbeing at our community. Woy Birtukan G/Egzi, Vice President of Operations, Enat Bank was the guest speaker at the event.

Also, on the celebration of Mother's day the Bank distributed branded Umbrella`s as a gift for Mothers and women engaged in retail business that have been operating in the streets of Addis Ababa

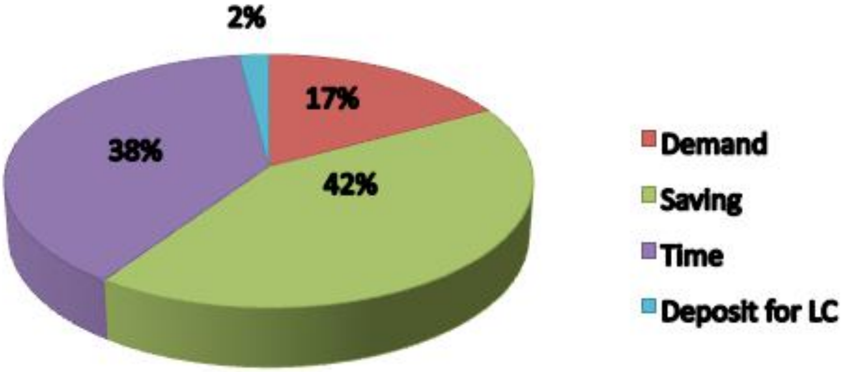
One of the Businesses Financed by Enat Bank.

1. Financial performance

1.1. Deposit Mobilization

Total deposit has reached Birr 4.9 billion at the end of June 2018, and exhibited 33 per cent steady increase compared to last year same period. The mix of deposits is per the Bank's tactical objective to contain costs in that savings deposit constitute the largest share of 44% followed by time which is 38% and demand deposits 18% .The total number of accountholders is more than 70 thousand of which 56% are females.

Percentage Composition of Deposit by Type



1.2. Paid-up capital mobilization

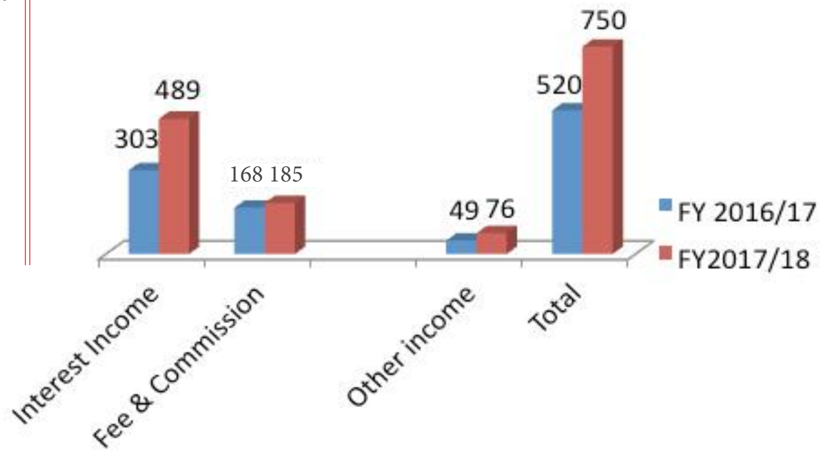
Total paid up capital has reached Birr 971 million. This is an overachievement of 8% over the target of Birr 902 million. Paid up capital mobilized from Women has reached Birr 579 million or 60% of the total paid up capital while the number of women shareholders stood at 65% of the total shareholders.

1.3. Loans and advances

Total outstanding loans and advances stood at Birr 3.3 billion which is 10% overachievement against the target of Birr 3.1 billion. Export and construction sectors were the main contributors to the achievement, which constituted 18.6% and 19.6% of shares.

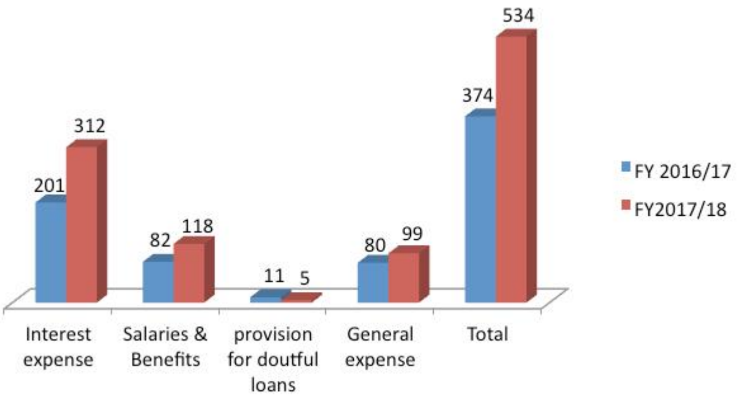
1.4. Revenues

The bank has generated a total income of birr 750 million with 2% overachievement against last year targets of Birr 736 million. Of the total income, interest income accounts 65% and commission income constitutes about 25% while other income is about 10%.



1.5. Expense

Total outlay for the fiscal year has reached Birr 534 million. This is 5% below the tolerable target set. Of the total expense, interest expense on deposits constitutes about 58%. In this regard, immense effort has been exerted to minimise the cost of fund through broadening the deposit base to lessen its negative impact on the profitability of the Bank.



1.6. Profit

Profit before tax is Birr 216 million. This indicates that there is an increment of 47% growth over that of 2016/17 fiscal year. This profit is the highest ever in comparison to the past fiscal years. The Bank has been making every possible effort to pay higher dividened per share and such an effort has assisted the Bank to sustainably register higher profit growth every year.

However, the effort to mobilise higher paid up capital every year to attain the level required by the central bank has indirectly dwarfed the ability of the Bank to pay higher dividend to our shareholders. It should, nevertheless, be realised that the increase in the net worth of the Bank through capital mobilisation will in the near future help to unleash its potential to reward our shareholders with highly competent dividend.

Auditors’ Report 2017/18

Enat Bank Share Company
IFRS financial statements
For the period ended 30 June 2018
Corporate information

Directors (As of 30 June 2018)

Meaza Ashenafi	Board of Director (Chair Person)	(Resigned December 2017)
Kefyalew Zegeye Nigussie	Board of Director (Member)	(Resigned December 2017)
Chanyalew Yilma Ashagre	Board of Director (Vice Chair Person)	(Resigned December 2017)
Aster Solomon Neway	Board of Director (Member)	(Resigned December 2017)
Nigist Haile Goshu	Board of Director (Member)	(Appointed January2018
Netsanet Mengistu Almaw	Board of Director (Member)	(Resigned December 2017)
Kongit Sinegiorgis W/Mariam (Amb)	Board of Director (Member)	(Appointed January 2018)
Kassahun Abberu Wolde (Dr.)	Board of Director (Member)	(Resigned December 2017)
Winta Yohannes Girmay	Board of Director (Member)	(Resigned December 2017)
Hana Tilahun Tefera	Board of Director (Chair Person)	(Appointed January2018
Alemayehu Kebede Beshah	Board of Director (Member)	(Appointed January2018
Assefa Bekele	Board of Director (Member)	(Resigned February 2016)
Mekete Shiferaw	Board of Director (Member)	(Resigned February 2016)
Frehiwot Worku Beyene	Board of Director (Member)	(Appointed January2018
Eyobed Tibebu Lisanework	Board of Director (Member)	(Appointed January2018
Welde Gebreal Nizigi	Board of Director (Member)	(Appointed January2018
Itana Ayana Leta	Board of Director (Member)	(Appointed January2018
Roman Legesse W/Gebreal	Board of Director (Member)	(Appointed January2018
Shitaye Hussen Ahmed	Board of Director (Member)	(Appointed January2018
Habtu Dimsu Werese	Board of Director (Vice Chair Person)	(Appointed January2018

Executive management (As of 30 June 2018)

Wondwossen Teshome Tesema	President	(Appointed February 2014)
Birtukan Gebreegzi Gebretekle	Vice President	(Appointed Novembe 2011)
Ermias Andarge Ayele	Vice President	(Appointed September 2012)
Lealem Getachew Fikre	Director, International Banking Department	(Appointed January 2013)
Dinku Kassaye Habtemariam	Chief Information Officer	(Appointed March 2013)
Lelise Temesgen Tucho	Director,Credit Management Department	(Appointed September 2012)
Melese Gizaw Desta	Director, Risk & Compliance Management Department	(Appointed September 2012)
Shewaye Takele Gebreyes	Director, Legal Services Department	(Appointed October 2013)
Haile Atfaye Ayele	Director, Human Resource Management & support Services	(Appointed May 2014)
Genet Hagos Gebremedhin	Director, Internal Audit Department	(Appointed January 2015)
Belay Gezahegn Demeke	Director, Business Development & Planning Department	(Appointed May 2015)
Henok Yilma Haileselassie	Director, Finance and Accounts Department	(Appointed May 2015)
Abeba Tesfai Nugussie	Director, Women Financial Services Department	(Appointed August 2015)

Independent auditor

Degefa and Tewodros Audit Service

P.O Box 8118
Addis Ababa
Ethiopia

Corporate office

Enat Bank Share Company
Kirkos sub-city,Woreda 08,Around Bambiss Bridge
P O Box 18401
Addis Ababa, Ethiopia

Principal bankers

Berhan International Bank
TK International building
China - Africa Square
P.O Box 387 - 1110
Addis Ababa, Ethiopia

Oromia International Bank
Ras Abebe Aragay St Senga
Infont Addis Ababa University college of commerce
P.O Box 27520 - 1000
Addis Ababa, Ethiopia

Enat Bank Share Company
IFRS Financial Statements
For the Period Ended 30 June 2018
Report of the directors

The directors submit their report together with the financial statements for the period ended 30 June 2018, to the members of Enat Bank (" the Bank"). This report discloses the financial performance and state of affairs of the Bank

Incorporation and address

Enat Bank was incorporated in Ethiopia in 2011 by eleven visionary Ethiopian women who envisioned of creating a fully-fledged commercial bank with a special focus on women banking needs.

Principal activities

The mandate of the Bank is to provide banking services for all, with a special focus of faciltating greater access to and use of financial services for women, and creating values for shareholders. The bank's inclusive business model initiative involves women entrepreneurs in order to expand economic opportunities while creating value for Ethiopia’s businesses, and society in general.

Results and dividends

The Bank's results for the year ended 30 June 2018 are set out on page 24 . The profit for the year has been transferred to retained earnings. The summarised results are presented below.

	30 June 2018 Birr'000	30 June 2017 Birr'000
Net interest income	177,465	102,768
Profit / (loss) before tax	216,524	146,510
Tax (charge) / credit	(57,649)	(34,307)
Profit / (loss) for the year	158,875	112,203
Other comprehensive profit / (loss) net of taxes	(2,048)	91
Total comprehensive profit / (loss) for the year	156,826	112,294

Directors

The directors who held office during the year and to the date of this report are set out on page 19

Enat Bank Share Company
IFRS Financial Statements
For the period ended 30 June 2018
Statement of directors' responsibilities

In accordance with the Banking Business Proclamation No. 592/2008, the National Bank of Ethiopia (NBE) may direct the Bank to prepare financial statements in accordance with international financial statements standards, whether their designation changes or they are replaced, from time to time.

The Bank's president is responsible for the preparation and fair presentation of these financial statements in conformity with accounting principles generally accepted in Ethiopia and in the manner required by the Commercial Code of Ethiopia of 1960, 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. The Bank is required keep such records as are necessary to:

a) exhibit clearly and correctly the state of its affairs;

b) explain its transactions and financial position; and

c) enable the National Bank to determine whether the Bank had complied with the provisions of the Banking Business Proclamation and regulations and directives issued for the implementation the aforementioned

The Bank's president accepts responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards, Banking Business Proclamation, Commercial code of 1960 and the relevant Directives issued by the National Bank of Ethiopia.

The President is of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the company and of its profit or loss.

The President further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the President to indicate that the company will not remain a going concern for at least twelve months from the date of this statement.

Signed on behalf of the Directors by:

Hanna Tilahun
Board Chairperson
[Date]

Wondwossen Teshome
President
[Date]

Enat Bank Share Company
Independent auditors' report
For the period ended 30 June 2018

We have audited the accompanying financial statements of ENAT BANK SHARE COMPANY which comprise the statement of financial position as at 30 June 2018, the statement of comprehensive income and statement of cash flows for the year then ended and summary of significant accounting policies and other explanatory information.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of ENAT BANK SHARE COMPANY as at 30 June 2018 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standard (IFRS) and related interpretations as issued by International Accounting Standard Board(IASB). As required by the commercial code of Ethiopia, based on our audit we report as follows:

i. Pursuant to Article 375(1) of the Commercial Code of Ethiopia of 1960 and based on our reviews of the Board of Directors' report, we have not noted any matter that we may wish to bring to your attention.

ii. Pursuant to article 375 (2) of the Commercial Code of Ethiopia we recommend the financial statements be approved.

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 the Financial Statements section of our report. We are independent of the company in accordance with the International Ethics Standards 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 Ethiopia, 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.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, 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; we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matter to be communicated in our report.

Key Audit Matter	How our Audit Addressed the key Audit matter
The Bank has changed its Financial Reporting Framework from local reporting practice to International Financial reporting standard (IFRS) which required the bank to prepare its first IFRS compliant financial statements as at 30 June 2018 and the conversion process also required preparation of opening Statement of Financial Position	We have assigned a team with vast experience of banking business and hands-on experience on IFRS conversion process. The bank engaged international consultancy firm (PricewaterhouseCoopers, Pwc) to enable it to properly convert the accounts to IFRS requirements and concerned

as at 01 July 2016 and Comparative Financial statements for the year ended 30 June 2017. Due to newness of the IFRS to the Bank and the country as a whole, it had challenges in the area of business process, knowledge and training, market information and technology requirements which made the conversion process and preparation of the first IFRS based Financial Statement tiresome. As result, we have had series of discussions with the concerned unit of the bank on the matter; reviewed relevant documents and of course the verification work took us much time.	staffs were trained both locally and aboard to ensure sustainability of IFRS compliance. The management of the bank further explained to us that it used various alternative ways for gathering various market information and used unobservable inputs in cases where market information was not available as per requirement of IFRS and it is also considering information system updates and upgrades to enable it to comply to data requirements of IFRS.

Responsibilities of Management and Those charged with Governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting policies of the company and for such internal controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatements whether due to fraud or error.

In preparing the financial statements management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis for accounting unless management either intends to liquidate the company or to close operations, or has no realistic alternative but to do so.

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

Auditors Responsibility for the Audit of the financial Statements

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 users taken on the basis of these financial statements.

Degef & Tewodros Audit Services
Partnership
Chartered Certified Accountants

Addis Ababa
October 23, 2018

Enat Bank Share Company
IFRS Financial Statements
For the Period Ended 30 June 2018
Statement of profit or loss and other comprehensive income

	Notes	30 June 2018 Birr'000	30 June 2017 Birr'000
Interest income	5	489,608	303,444
Interest expense	6	(312,143)	(200,676)
Net interest income		177,465	102,768
Fee and commission income	7	185,463	168,280
Fee and commission expense	7	-	-
Net fees and commission income		185,463	168,280
Other operating income	8	76,190	49,123
Total operating income		439,118	320,171
Loan impairment charge	9	(5,128)	(11,102)
Impairment losses on other assets	10	-	-
Net operating income		433,990	309,069
Personnel expenses	11	(118,196)	(82,449)
Amortisation of intangible assets	19	(5,690)	(5,690)
Depreciation and impairment of property, plant and equipment	20	(16,385)	(12,199)
Other operating expenses	12	(77,193)	(62,221)
Profit before tax		216,524	146,510
Income tax expense	13	(57,649)	(34,307)
Profit after tax		**158,875**	**112,203**
Other comprehensive income (OCI) net on income tax			
Items that will not be subsequently reclassified into profit or loss:			
Remeasurement gain/(loss) on retirement benefits obligations	24	(2,926)	130
Deferred tax (liability)/asset on remeasurement gain or loss	13	878	(39)
Remeasurement gain / (loss) on AFS assets			
		(2,048)	91
Total comprehensive income for the period		**156,826**	**112,294**
Basic & diluted earnings per share (Birr)	25	184	168

The notes on pages 28 to 91 are an integral part of these financial statements.

Enat Bank Share Company
IFRS Financial Statements
As at 30 June 2018
Statement of financial position

	Notes	30 June 2018 Birr'000	30 June 2017 Birr'000	1 July 2016 Birr'000
ASSETS				
Cash and balances with banks	14	1,307,717	1,085,418	767,434
Loans and receivables	15	3,313,951	2,450,484	1,620,487
Investment securities:				
- Available for sale	17	15,902	15,270	15,270
- Loans and receivables	17	1,379,940	971,546	547,389
Other assets	18	312,343	233,253	209,935
Intangible assets	19	19,587	25,278	25,811
Property, plant and equipment	20	124,210	94,424	77,158
Current tax assets	13	-	-	-
Deferred tax assets	13	-	-	-
Acquired Asset	21	8,725	-	-
Total assets		**6,482,374**	**4,875,673**	**3,263,484**
LIABILITIES				
Deposits from customers	22	5,090,526	3,852,008	2,499,814
Current tax liabilities	13	35,998	15,106	3,092
Other liabilities	23	147,123	103,756	113,107
Retirement benefit liability	24	6,380	2,549	1,820
Deferred tax liabilities	13	15,455	6,804	5,038
Total liabilities		**5,295,482**	**3,980,223**	**2,622,871**
EQUITY				
Share capital	25	971,011	763,917	565,130
Retained earnings	26	72,404	38,887	18,136
Legal reserve	27	104,884	65,165	40,217
Regulatory risk reserve	28	31,305	21,468	14,114
Special reserve	29	9,245	5,923	3,016
Other reserves	24	(1,957)	91	-
Total equity		1,186,892	895,450	640,613
Total equity and liabilities		**6,482,374**	**4,875,673**	**3,263,484**

The notes on pages 28 to 91 are an integral part of these financial statements.

The financial statements on pages24to27were approved and authorised for issue by the board of directors on October 24 2018 and were signed on its behalf by:

Hanna Tilahun
Board Chairperson
Date:

Wondwossen Teshome
President
Date:

Enat Bank Share Company
IFRS Financial Statements
For the Period Ended 30 June 2018
Statement of changes in equity

	Notes	Share capital Birr'000	Retained earnings Birr'000	Other reserves Birr'000	Legal reserve Birr'000	Regulatory risk reserve Birr'000	Special reserve Birr'000	Total Birr'000
As at 1 July 2016		565,130	18,136	-	40,217	14,114	3,016	640,613
								-
Profit for the period	26	-	112,203		-	-	-	112,203
Other comprehensive income:								-
Re-measurement gains on defined benefit plans (net of tax)				91				91
Transaction with owners in their capacity as owners :								-
Contribution of equity net of transaction cost		198,787						198,787
Dividend provided for			(56,243)					(56,243)
								-
Transfer to legal reserve	27		(24,948)		24,948			-
Transfer to regulatory risk reserve	28		(7,354)			7,354		-
Transfer to special reserve	29		(2,907)				2,907	-
Total comprehensive income for the period		198,787	20,751	91	24,948	7,354	2,907	254,838
As at 30 June 2017		763,917	38,887	91	65,165	21,468	5,923	895,451
As at 1 July 2017		763,917	38,887	91	65,165	21,468	5,923	895,451
Profit for the period	26		158,875					158,875
Other comprehensive income:								-
Re-measurement gains on defined benefit plans (net of tax)				(2,048)				(2,048)
Transaction with owners in their capacity as owners								-
Contribution of equity net of transaction costs		207,094						207,094
Dividend paid for			(71,380)					(71,380)
Transfer to legal reserve	27		(39,719)		39,719			-
Transfer to regulatory risk reserve	28		(9,837)			9,837		-
Transfer to special reserve	29		(3,322)				3,322	-
Directors share from the profit			(1,100)					(1,100)
								-
Total comprehensive income for the period		207,094	33,517	(2,048)	39,719	9,837	3,322	291,441
As at 30 June 2018		971,011	72,404	(1,957)	104,884	31,306	9,245	1,186,892

The notes on pages 28 to 91 are an integral part of these financial statements.

Enat Bank Share Company
IFRS Financial Statements
For the Period Ended 30 June 2018
Statement of cash flows

	Notes	30 June 2018 Birr'000	30 June Birr'000
Cash flows from operating activities			
Cash generated from operations	30	568,695	637,904
Witholding tax paid		(1)	(2)
Income tax paid		(27,228)	(20,565)
Net cash (outflow)/inflow from operating activities		**541,465**	**617,337**
Cash flows from investing activities			
Purchase of investment securities	17	(408,394)	(424,157)
Purchase of Equity Investments		(632)	-
Purchase of intangible assets	19	-	(5,157)
Purchase of property, plant and equipment	20	(46,173)	(29,477)
Acquired Assets		(8,725)	-
Proceeds from sale of property, plant and equipment	30	-	12
Proceed on disposal of asset held for sale	21	-	-
Net cash (outflow)/inflow from investing activities		(463,924)	(458,779)
Cash flows from financing activities			
Proceeds from issues of shares	25	207,094	198,787
Dividend paid		(71,381)	(55,360)
Directors profit share paid		(1,100)	(1,017)
Net cash (outflow)/inflow from financing activities		134,613	142,410
Net increase/(decrease) in cash and cash equivalents		**212,157**	**300,970**
Cash and cash equivalents at the beginning of the year	14	1,085,418	767,434
Foreign exchange (losses)/ gains on cash and cash equivalents		10,142	17,014
Cash and cash equivalents at the end of the year	14	**1,307,717**	**1,085,418**

The notes on pages 28 to 91 are an integral part of these financial statements.

Enat Bank Share Company
IFRS financial statements
For the period ended 30 June 2018
Notes to the financial statements

1 General information

Enat Bank SC (" the Bank") is a private commercial Bank domiciled in Ethiopia. The Bank became operational on 5 March 2013 in accordance with the provisions of the Commercial code of Ethiopia of 1960 and the Licensing and Supervision of Banking Business Proclamation No. 84/1994. The Bank registered office is at:

Enat Bank Share Company
Kirkos sub-city,Woreda 08,Around Bambiss Bridge
P O Box 18401
Addis Ababa, Ethiopia

The bank is involved in provision of banking services for all, with a special focus of faciltating greater access to and use of financial services for women, and creating values for shareholders. The bank's inclusive business model initiative involves women entrepreneurs in order to expand economic opportunities while creating value for Ethiopia's businesses, and society in general.

2 Summary of significant accounting policies

2.1 Introduction to summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These

2.2 Basis of preparation

The financial statements for the period ended 30 June 2018 have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). Additional information required by National regulations is included where appropriate.

The financial statements comprise the statement of profit or loss and other comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and the notes to the financial statements.

The financial statements for the period ended 30 June 2018 are the first the Bank has prepared in accordance with IFRS. Refer to note 39 for information on how the Bank adopted IFRS.

The financial statements have been prepared in accordance with the going concern principle under the historical cost

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Bank's accounting policies. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions changed. Management believes that the underlying assumptions are appropriate and that the Bank's financial statements therefore present the financial position and results fairly. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 4.

2.2.1 Going concern

The financial statements have been prepared on a going concern basis. The management have no doubt that the Bank would remain in existence after 12 months.

2.2.2 Changes in accounting policies and disclosures

New Standards, amendments, interpretations issued but not yet effective.

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 30 June 2018, and have not been applied in preparing these financial statements. None of these is expected to have a significant effect on the financial statements of the Bank, except the following set out below:

IFRS 9 - Financial Instruments

IFRS 9, published in July 2014, replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. IFRS 9 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted.

(a) Classification and measurement

IFRS 9 require all financial assets, except equity instruments and derivatives, to be assessed based on a combination of the entity's business model for managing the assets and the instruments' contractual cash flow characteristics. The IAS 39 measurement categories will be replaced by: fair value through profit or loss (FVPL), fair value through other comprehensive income (FVOCI), and amortised cost. IFRS 9 will also allow entities to continue to irrevocably designate instruments that qualify for amortised cost or fair value through OCI instruments as FVPL, if doing so eliminates or significantly reduces a measurement or recognition inconsistency. Equity instruments that are not held for trading may be irrevocably designated as FVOCI, with no subsequent reclassification of gains or losses to the income statement. The accounting for financial liabilities will largely be the same as the requirements of IAS 39, except for the treatment of gains or losses arising from an entity's own credit risk relating to liabilities designated at FVPL. Such movements will be presented in OCI with no subsequent reclassification to the income statement, unless an accounting mismatch in profit or loss would arise.

Having completed its initial assessment, the Bank has concluded that loans and advances to customers, treasury bills and other financial assets that are classified as loans and receivables under IAS 39 are expected to be measured at amortised cost under IFRS 9 and equity investments will be classified as FVOCI.

(b) Impairment of financial assets

IFRS 9 will also fundamentally change the loan loss impairment methodology. The standard will replace IAS 39's incurred loss approach with a forward-looking expected loss (ECL) approach. The Bank will be required to record an allowance for expected losses for all loans and other debt financial assets not held at FVPL, together with loan commitments and financial guarantee contracts. The allowance is based on the expected credit losses associated with the probability of default in the next twelve months unless there has been a significant increase in credit risk since origination, in which case, the allowance is based on the probability of default over the life of the asset.

The Bank will establish a policy to perform an assessment at the end of each reporting period of whether credit risk has increased significantly since initial recognition by considering the change in the risk of default occurring over the remaining life of the financial instrument.

To calculate ECL, the Bank will estimates the risk of a default occurring on the financial instrument during its expected life. ECLs are estimated based on the present value of all cash shortfalls over the remaining expected life of the financial asset, i.e., the difference between: the contractual cash flows that are due to the Bank under the contract, and the cash flows that the Bank expects to receive, discounted at the effective interest rate of the loan.

In comparison to IAS 39, the Bank expects the impairment charge under IFRS 9 to be more volatile than under IAS 39 and to result in an increase in the total level of current impairment allowances. Under IFRS 9, the Bank will group its loans into Stage 1, Stage 2 and Stage 3, based on the applied impairment methodology, as described below:

Enat Bank Share Company
IFRS financial statements
For the period ended 30 June 2018
Notes to the financial statements

· Stage 1 – Performing loans: when loans are first recognised, the Bank recognises an allowance based on 12-month expected credit losses.

· Stage 2 – Underperforming loans: when a loan shows a significant increase in credit risk, the Bank records an allowance for the lifetime expected credit loss.

· Stage 3 – Impaired loans: the Bank recognises the lifetime expected credit losses for these loans. In addition, in Stage 3 the Bank accrues interest income on the amortised cost of the loan net of allowances.

When estimating lifetime ECLs for undrawn loan commitments, the Bank will:

· Estimate the expected portion of the loan commitment that will be drawn down over the expected life of the loan commitment and;

· Calculate the present value of cash shortfalls between the contractual cash flows that are due to the entity if the holder of the loan commitment draws down that expected portion of the loan and the cash flows that the entity expects to receive if that expected portion of the loan is drawn down.

For financial guarantee contracts, the Bank will estimate the lifetime ECLs based on the present value of the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the guarantor expects to receive from the holder, the debtor or any other party. If a loan is fully guaranteed, the ECL estimate for the financial guarantee contract would be the same as the estimated cash shortfall estimate for the loan subject to the guarantee.

For revolving facilities such as credit cards and overdrafts, the Bank measures ECLs by determining the period over which it expects to be exposed to credit risk, taking into account the credit risk management actions that it expects to take once the credit risk has increased and that serve to mitigate losses.

The Bank will incorporate forward-looking information in both the assessment of significant increase in credit risk and the measurement of ECLs.

The Bank will considers forward-looking information such as macroeconomic factors (e.g., unemployment, GDP growth, interest rates, etc.) and economic forecasts.

(c) Hedge accounting

IFRS 9 allows entities to continue with the hedge accounting under IAS 39 even when other elements of IFRS 9 become mandatory on 1 January 2018. The new hedging rules are, however, not expected to impact the Bank.

IFRS 15 - Revenue from contracts with customers

IFRS 15 was issued in May 2014 and establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

This standard deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service.

The standard replaces IAS 18 'Revenue' and IAS 11 'Construction contracts' and related interpretations. The standard is effective for annual periods beginning on or after 1 January 2018 and earlier application is permitted. The Bank is yet to fully assess the expected impact on this standard.

IFRS 16 - Leases

This standard was issued in January 2016 (Effective 1 January 2019) . It sets out the principles for the recognition, measurement, presentation and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. The standard introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. it also substantially carries forward the lessor accounting requirements in IAS 17. The Bank is yet to fully assess the expected impact of this standard.

IFRIC Interpretation 22 - Foreign Currency Transactions and Advance Consideration

The interpretation clarifies that in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the nonmonetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine a date of the transactions for each payment or receipt of advance consideration.

Entities may apply the amendments on a fully retrospective basis. Alternatively, an entity may apply the interpretation prospectively to all assets, expenses and income in its scope that are initially recognised on or after:
(i) The beginning of the reporting period in which the entity first applies the interpretation or;
(ii) The beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the interpretation. The effective date for the amendment is 1 January 2018.

2.3 Foreign currency translation

a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Bank operates ('the functional currency'). The functional currency and presentation currency of the Bank is the Ethiopian Birr (Birr).

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at exchange rates of monetary assets and liabilities denominated in currencies other than the Bank's functional currency are recognised in profit or loss within other (loss)/income. Monetary items denominated in foreign currency are translated using the closing rate as at the reporting date.

Changes in the fair value of monetary securities denominated in foreign currency classified as available for sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in other comprehensive income.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets measure at fair value, such as equities classified as available for sale, are included in other comprehensive income.

2.4 Recognition of income and expenses

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Bank and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

The Bank, earns income from interest on loans given for domestic trade and services, building and construction, manufacturing, agriculture and personal loans. Other incomes includes margins on letter of credits and performance gaurantees.

2.5.1 Interest and similar income and expense

For all financial instruments measured at amortised cost and interest bearing financial assets classified as available–for–sale interest income or expense is recorded using the Effective Interest rate (EIR), which is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or financial liability. The calculation takes into account all contractual terms of the financial instrument (for example, prepayment options) and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the Effective Interest Rate (EIR), but not future credit losses.

The carrying amount of the financial asset or financial liability is adjusted if the Bank revises its estimates of payments or receipts. The adjusted carrying amount is calculated based on the original EIR and the change in carrying amount is recorded as 'Interest and similar income' for financial assets and Interest and similar expense for financial liabilities.

Once the recorded value of a financial asset or a group of similar financial assets has been reduced due to an impairment loss, interest income continues to be recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

2.5.2 Fees and commission

Fees and commission income and expenses that are integral to the effective interest rate on a financial asset or liability are included in the measurement of the effective interest rate. Other fees and commission income such as correspondent charges and estimation fees, are recognised as the related services are performed.

When a loan commitment is not expected to result in the draw-down of a loan, loan commitment fees are recognised on a straight-line basis over the commitment period.

Other fees and commission expenses relates mainly to transaction and service fees are expensed as the services are received.

2.5.3 Dividend income

This is recognised when the Bank’s right to receive the payment is established, which is generally when the shareholders approve and declare the dividend.

2.5.4 Foreign exchange revaluation gains or losses

These are gains and losses arising on settlement and translation of monetary assets and liabilities denominated in foreign currencies at the functional currency's spot rate of exchange at the reporting date. This amount is recognised in the income statement and it is further broken down into realised and unrealised portion.

The monetary assets and liabilities include financial assets within the cash and bank balances, foreign currencies deposits received and held on behalf of third parties .

2.6 Financial instruments - initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

2.6.1 Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Bank commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified into four categories:
- Loans and receivables
- Available-for-sale financial investments
- Fair value through profit and loss
- Held to maturity

a) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest and similar income in income statement. The losses arising from impairment are recognised in income statement in loan impairment charge.

The Bank's loans and receivables comprise of loans and advances to customers, investment security and other financial assets.

b) Available-for-sale (AFS)

AFS investments include equity . Equity investments classified as AFS are those which are neither classified as held–for–trading nor designated at fair value through profit or loss.

After initial measurement, AFS financial investments are subsequently measured at fair value with unrealised gains or losses recognised in OCI and credited in the AFS reserve until the investment is derecognised, at which time the cumulative gain or loss is recognised in other operating income, or the investment is determined to be impaired, when the cumulative loss is reclassified from the AFS reserve to income statement in impairment loss on financial investment. Unquoted equity securities whose fair value cannot be reliably measured are carried at cost less impairment.

'Day 1' profit or loss

When the transaction price differs from the fair value of other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable markets, the Bank immediately recognises the difference between the transaction price and fair value (a 'Day 1' profit or loss) in 'Other operating income'. In cases where fair value is determined using data which is not observable, the difference between the transaction price and model value is only recognised in the profit or loss when the inputs become observable, or when the instrument is derecognised.

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Derecognition of financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Bank's statement of financial position) when:

- the rights to receive cash flows from the asset have expired, or
- the Bank has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass–through' arrangement; and either

(a) the Bank has transferred substantially all the risks and rewards of the asset, or
(b) the Bank has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Bank has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Bank continues to recognise the transferred asset to the extent of the Bank's continuing involvement. In that case, the Bank also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Bank has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Bank could be required to repay.

Impairment of financial assets

The Bank assesses at each reporting date, whether there is any objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event'), has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the borrower or a group of borrowers is experiencing significant financial difficulty, the probability that they will enter Bankruptcy or other financial reorganisation, default or delinquency in interest or principal payments and where observable data indicates that there is measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

(i) Financial assets carried at amortised cost

For financial assets carried at amortised cost (such as loans and receivables), the Bank first assesses individually whether objective evidence of impairment exists for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Bank determines that no objective evidence of impairment exists for an individually assessed financial asset, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in income statement. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

The interest income is recorded as part of 'Interest and similar income'. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Bank. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write–off is later recovered, the recovery is credited to the 'loan impairment charge'.

The calculation of the present value of the estimated future cash flows of a collateralised financial asset reflects the cash flows that may result from foreclosure less costs for obtaining and selling the collateral, whether or not foreclosure is probable.

For the purpose of a collective evaluation of impairment, financial assets are grouped on the basis of the Bank's internal credit grading system, that considers credit risk characteristics such as asset type, industry, geographical location, collateral type, past–due status and other relevant factors.

Future cash flows on a group of financial assets that are collectively evaluated for impairment are estimated on the basis of historical loss experience for assets with credit risk characteristics similar to those in the Bank.

Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions on which the historical loss experience is based and to remove the effects of conditions in the historical period that do not exist currently. Estimates of changes in future cash flows reflect, and are directionally consistent with, changes in related observable data from year to year (such as changes in unemployment rates, property prices, commodity prices, payment status, or other factors that are indicative of incurred losses in the Bank and their magnitude). The methodology and assumptions used for estimating future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

(ii) Available-for-sale (AFS) financial instruments

Available-for-sale financial assets are impaired if there is objective evidence of impairment, resulting from one or more loss events that occurred after initial recognition but before the reporting date, that have an impact on the future cash flows of the asset. In addition, an available-for-sale equity instrument is generally considered impaired if a significant or prolonged decline in the fair value of the instrument below its cost has occurred. Where an available-for-sale asset, which has been remeasured to fair value directly through equity, is impaired, the impairment loss is recognised in profit or loss. If any loss on the financial asset was previously recognised directly in equity as a reduction in fair value, the cumulative net loss that had been recognised in equity is transferred to profit or loss and is recognised as part of the impairment loss. The amount of the loss recognised in profit or loss is the difference between the acquisition cost and the current fair value, less any previously recognised impairment loss.

If, in a subsequent period, the amount relating to an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised, where the instrument is a debt instrument, the impairment loss is reversed through profit or loss. An impairment loss in respect of an equity instrument classified as available-for-sale is not reversed through profit or loss but accounted for directly in equity.

Renegotiated loans

Where possible, the Bank seeks to restructure loans rather than to take possession of collateral. This may involve extending the payment arrangements and the agreement of new loan conditions. Once the terms have been renegotiated any impairment is measured using the original EIR as calculated before the modification of terms and the loan is no longer considered past due. Management continually reviews renegotiated loans to ensure that all criteria are met and that future payments are likely to occur. The loans continue to be subject to an individual or collective impairment assessment, calculated using the loan's original EIR.

Collateral valuation

The Bank seeks to use collateral, where possible, to mitigate its risks on financial assets. The collateral comes in various forms such as cash via Bank guarantees and real estate. The fair value of collateral is generally assessed, at a minimum, at inception and based on the Bank's reporting schedule.

Collateral repossessed

Repossessed collateral represents financial and non-financial assets acquired by the Bank in settlement of overdue loans. The Bank's policy is to determine whether a repossessed asset is best used for its internal operations or should be sold. Assets determined to be used for internal operations are initially recognised at the lower of their repossessed value or the carrying value of the original secured asset and included in the relevant assets depending on the nature and the Bank's intention in respect of recovery of these assets, and are subsequently remeasured and accounted for in accordance with the accounting policies for these categories of assets. Assets that are determined better to be sold are immediately transferred to assets held for sale at the lower of their fair value and the carrying value of the secured asset at the repossession date in line with the Bank's policy. Where the fair value is lower than the carrying value of the secured asset (the loan), the difference is recognised as a loss in profit or loss immediately.

2.6.2 Financial liabilities

Initial recognition and measurement

Financial liabilities are classified at initial recognition, as financial liabilities at fair value through profit or loss and other financial liabilities.

All financial liabilities are recognised initially at fair value and, in the case of other financial liabilities, net of directly attributable transaction costs.

The Bank's financial liabilities include deposits for imports , payables to withdrawing shareholders, exchange commission payables among others .

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at amortised cost

Financial instruments issued by the Bank, that are not designated at fair value through profit or loss but are classified as financial liabilities at amortised cost, where the substance of the contractual arrangement results in the Bank having an obligation either to deliver cash or another financial asset to the holder, or to satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares.

After initial measurement, financial liabilities at amortised cost are subsequently measured at amortised cost using the effective interest rate (EIR). Amortised cost is calculated by taking into account any discount or premium on the issue and costs that are an integral part of the EIR.

The Bank's financial liabilities carried at amortised cost comprise of customer deposits, margin held on letter of credit, and long term deposits

Derecognition of financial liabilities

Financial assets are derecognised when the contractual rights to receive the cash flows from these assets have ceased to exist or the assets have been transferred and substantially all the risks and rewards of ownership of the assets are also transferred (that is, if substantially all the risks and rewards have not been transferred, the Bank tests control to ensure that continuing involvement on the basis of any retained powers of control does not prevent derecognition).

Financial liabilities are derecognised when they have been redeemed or otherwise extinguished.

2.6.3 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position where The Bank has a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Bank or the counterparty.

2.7 Cash and cash equivalents

Cash and cash equivalents comprise balances with less than three months' maturity from the date of acquisition, including cash in hand, deposits held at call with Banks and other short-term highly liquid investments with original maturities of three months or less.

For the purposes of the cash flow statement, cash and cash equivalents include cash and restricted balances with National Bank of Ethiopia.

2.8 Property, plant and Equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property, plant and equipment if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Bank recognises such parts as individual assets with specific useful lives and depreciates them accordingly. All other repair and maintenance costs are recognised in income statement as incurred.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised.

Depreciation is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Asset category	Years	Residual values
Buildings	50	5% of cost
furniture and fittings		
Short-lived	5	1% of Cost
Medium -lived	10	1% of Cost
Computer equipment	7	1% of Cost
Motor vehicles	10	5% of cost
Other office equiment		
Short-lived	5	1% of Cost
Medium -lived	10	1% of Cost
Long-lived	20	1% of Cost

The Bank commences depreciation when the asset is available for use.

Capital work-in-progress is not depreciated as these assets are not yet available for use. They are disclosed when reclassified during the year.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in income statement when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

2.9 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in income statement in the period in which the expenditure is incurred .

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life, or the expected pattern of consumption of future economic benefits embodied in the asset, are accounted for by changing the amortisation period or methodology, as appropriate, which are then treated as changes in accounting estimates. The amortisation expenses on intangible assets with finite lives is presented as a separate line item in the income statement.

Amortisation is calculated using the straight–line method as below

Description	Years	Residual value
Software	6	Nil

2.10 Non-current assets (or disposal groups) held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit or loss.

2.11 Impairment of non-financial assets

The Bank assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Bank estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples,

The Bank bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Bank's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Bank estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the income statement.

2.12 Other assets

Other assets are generally defined as claims held against other entities for the future receipt of money. The other assets in the Bank's financial statements include the following:

(a) Prepayment

Prepayments are payments made in advance for services to be enjoyed in future. The amount is initially capitalized in the reporting period in which the payment is made and subsequently amortised over the period in which the service is to be enjoyed.

(b) Other receivables

Other receivables are recognised upon the occurrence of event or transaction as they arise and cancelled when payment is received.

The Bank's other receivables are rent receivables and other receivables from debtors.

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2.13 Fair value measurement

The Bank measures financial instruments classified as available-for-sale at fair value at each statement of financial position date. Fair value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed are, summarised in the following notes:

- Disclosures for valuation methods, significant estimates and assumptions Notes 3 and Note 4.7.1
- Quantitative disclosures of fair value measurement hierarchy Note 4.7.2

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Bank.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Bank uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Bank determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Bank's management determines the policies and procedures for both recurring fair value measurement, such as available-for-sale financial assets.

2.14 Employee benefits

The Bank operates various post-employment schemes, including both defined benefit and defined contribution pension plans and post employment benefits.

(a) Defined contribution plan

The Bank operates two defined contribution plans;

i) pension scheme in line with the provisions of Ethiopian pension of private organisation employees proclamation 715/2011. Funding under the scheme is 7% and 11% by employees and the Bank respectively;
ii) provident fund contribution, funding under this scheme is 2% by only the Bank ;

Both schemes are based on the employees' salary. Employer's contributions to this scheme are charged to profit or loss and other comprehensive income in the period in which they relate.

(b) Defined benefit plan

The liability or asset recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets.

The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation.

The current service cost of the defined benefit plan, recognised in the income statement in employee benefit expense, except where included in the cost of an asset, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes curtailments and settlements.

Past-service costs are recognised immediately in income.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

(c) Termination benefits

Termination benefits are payable to executive directors when employment is terminated by the Bank before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Bank recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

(d) Profit-sharing and bonus plans

The Banks recognises a liability and an expense for bonuses and profit-sharing based on a formula that takes into consideration the profit attributable to the company’s shareholders after certain adjustments. The Bank recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

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2.15 Provisions

Provisions are recognised when the bank has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Bank expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in income statement net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as other operating expenses.

2.16 Share capital

Incremental costs directly attributable to the issue of new shares or options or to the acquisition of a business are shown in equity as a deduction, net of tax, from the proceeds.

2.17 Legal reserve

The legal reserve which is a statutory reserve to which no less than 25% of the net profits after taxation shall be transferred each year until such fund is equal to the capital. When the legal reserve equals the capital of the bank , the amount to be transferred to the legal reserve account shall be 10% of the annual net profit.

2.18 Leases

The determination of whether an arrangement is a lease, or contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or whether the arrangement conveys a right to use the asset.

Bank as a lessee

Leases that do not transfer to the Bank substantially all of the risks and benefits incidental to ownership of the leased items are operating leases. Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term. Contingent rental payable is recognised as an expense in the period in which they it is incurred.

Bank as a lessor

Leases where the Bank does not transfer substantially all of the risk and benefits of ownership of the asset are classified as operating leases. Rental income is recorded as earned based on the contractual terms of the lease in Other operating income. Initial direct costs incurred in negotiating operating leases are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

2.19 Income taxation

(a) Current income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in Ethiopia. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(b) Deferred tax

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Deferred tax assets and liabilities are only offset when they arise in the same tax reporting group and where there is both the legal right and the intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

3 Significant accounting judgements, estimates and assumptions

The preparation of the Bank's financial statements requires management to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures, as well as the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Other disclosures relating to the Bank's exposure to risks and uncertainties includes:
- Capital management Note 4.6
- Financial risk management and policies Note 4.1
- Sensitivity analyses disclosures Note 4.5.2

3.1 Judgements

In the process of applying the Bank's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Operating lease commitments - Bank as lessee

The Bank has entered into commercial property leases. The Bank has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a substantial portion of the economic life of the commercial property, that it does not retain all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

3.2 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Bank based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances beyond the control of the Bank. Such changes are reflected in the assumptions when they occur.

Impairment losses on loans and receivables

The Bank reviews its loan portfolios for impairment on an on-going basis. The Bank first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. Impairment provisions are also recognised for losses not specifically identified but which, experience and observable data indicate, are present in the portfolio at the date of assessment. For individually significant financial assets that has been deemed to be impaired, management has deemed that cashflow from collateral obtained would arise within 24 months where the financial asset is collaterised.

Management uses estimates based on historical loss experience for assets with credit risk characteristics and objective evidence of impairment similar to those in the portfolio, when scheduling its future cash flows. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

The use of historical loss experience is supplemented with significant management judgment to assess whether current economic and credit conditions are such that the actual level of inherent losses is likely to differ from that suggested by historical experience. In normal circumstances, historical experience provides objective and relevant information from which to assess inherent loss within each portfolio. In other circumstances, historical loss experience provides less relevant information about the inherent loss in a given portfolio at the balance sheet date, for example, where there have been changes in economic conditions such that the most recent trends in risk factors are not fully reflected in the historical information. In these circumstances, such risk factors are taken into account when calculating the appropriate levels of impairment allowances, by adjusting the impairment loss derived solely from historical loss experience.

The detailed methodologies, areas of estimation and judgement applied in the calculation of the Bank's impairment charge on financial assets are set out in the Financial risk management section.

The estimation of impairment losses is subject to uncertainty, which has increased in the current economic environment, and is highly sensitive to factors such as the level of economic activity, unemployment rates, property price trends, and interest rates. The assumptions underlying this judgement are highly subjective. The methodology and the assumptions used in calculating impairment losses are reviewed regularly in the light of differences between loss estimates and actual loss experience.

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Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 4.7 for further disclosures.

Depreciation and carrying value of property, plant and equipment

The estimation of the useful lives of assets is based on management's judgement. Any material adjustment to the estimated useful lives of items of property and equipment will have an impact on the carrying value of these items.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Bank is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

In assessing whether there is any indication that an asset may be impaired, the Bank considers the following indications:

(i) External information
- there are observable indications that the asset's value has declined during the period significantly more than would be expected as a result of the passage of time or normal use.
- significant changes with an adverse effect on the Bank have taken place during the period, or will take place in the near future, in the technological, market, economic or legal environment in which the Bank operates or in the market to which an asset is dedicated.
- market interest rates or other market rates of return on investments have increased during the period, and those increases are likely to affect the discount rate used in calculating an asset's value in use and decrease the asset's recoverable amount materially.

(ii) Internal information
- evidence is available of obsolescence or physical damage of an asset.
- significant changes with an adverse effect on the Bank have taken place during the period, or are expected to take place in the near future, in the extent to which, or manner in which, an asset is used or is expected to be used. These changes include the asset becoming idle, plans to discontinue or restructure the operation to which an asset belongs, plans to dispose of an asset before the previously expected date, and reassessing the useful life of an asset as finite rather than indefinite.
- evidence is available from internal reporting that indicates that the economic performance of an asset is, or will be, worse than expected.

Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

4 Financial risk management

4.1 Introduction

Risk is inherent in the Bank's activities, but is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Bank's continuing profitability and each individual within the Bank is accountable for the risk exposures relating to his or her responsibilities. The Bank is exposed to credit risk, liquidity risk and market risk. It is also subject to country risk and various operating risks.

The independent risk control process does not include business risks such as changes in the environment, technology and industry. The Bank's policy is to monitor those business risks through the Bank's strategic planning process.

4.1.1 Risk management structure

The Board of Directors has overall responsibility for the establishment and oversight of the Bank's risk management framework.

The Board has established the Loan Review and Risk sub-Committee, which are responsible for developing and monitoring Bank's risk management policies.

The Bank's risk management policies are established to identify and analyze the risks faced by the Bank, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

Risk management policies and systems are reviewed regularly to reflect changes in the regulation, market conditions, products and services offered. The Bank, through its training and procedures and policies for management, aims to develop a constructive control environment, in which all employees understand their roles and obligations.

The Bank's Board of Directors is responsible for monitoring compliance with the Bank's risk management policies and procedures, and for reviewing the adequacy of the risk management framework in relation to the risks faced by the Bank. The Bank's Board of Directors is assisted in these functions by the Risk and Compliance Department.

The Risk and Compliance Department undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the Risk sub Committee.

4.1.2 Risk measurement and reporting systems

The Bank's risks are measured using a method that reflects both the expected loss likely to arise in normal circumstances and unexpected losses, which are an estimate of the ultimate actual loss based on statistical models. The models make use of probabilities derived from historical experience, adjusted to reflect the economic environment. The Bank also runs worst-case scenarios that would arise in the event that extreme events which are unlikely to occur do, in fact, occur.

Monitoring and controlling risks is primarily performed based on limits established by the Bank. These limits reflect the business strategy and market environment of the Bank as well as the level of risk that the Bank is willing to accept, with additional emphasis on selected regions. In addition, the Bank's policy is to measure and monitor the overall risk bearing capacity in relation to the aggregate risk exposure across all risk types and activities.

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4.1.3 Risk mitigation

Risk controls and mitigants, identified and approved for the Bank, are documented for existing and new processes and systems.

The adequacy of these mitigants is tested on a periodic basis through administration of control self-assessment questionnaires, using an operational risk management tool which requires risk owners to confirm the effectiveness of established controls. These are subsequently audited as part of the review process.

4.2 Financial instruments by category

The Bank's financial assets are classified into the following measurement categories: available-for-sale and loans and receivables and the financial liabilities are classified into other liabilities at amortised cost.

Financial instruments are classified in the statement of financial position in accordance with their legal form and substance.

The Bank's classification of its financial assets is summarised in the table below:

30 June 2018	Notes	Available-For-Sale Birr'000	Loans and receivables Birr'000	Total Birr'000
Cash and balances with banks	14		1,307,716.84	1,307,716.84
Loans and receivables	15		3,313,950.83	3,313,950.83
Investment securities:				-
- Available for sale	17	15902		15,902.00
- Loans and receivables	17		1,395,841.59	1,395,841.59
Other assets	18		312,342.98	312,342.98
Total financial assets		15,902.00	6,329,852.23	6,345,754.23

30 June 2017	Notes	Available-For-Sale Birr'000	Loans and receivables Birr'000	Total Birr'000
Cash and balances with banks	14		1085418	1,085,418.00
Loans and receivables	15		2450484	2,450,484.00
Investment securities:				-
- Available for sale	17	15270		15,270.00
- Loans and receivables	17		986816	986,816.00
Other assets	18		233253	233,253.00
Total financial assets		15,270.00	4,755,971.00	4,771,241.00

1 July 2016	Notes	Available-For-Sale Birr'000	Loans and receivables Birr'000	Total Birr'000
Cash and balances with banks	14		767,434	767,434
Loans and receivables	15		1,620,487	1,620,487
Investment securities:				
- Available for sale	17	15,270		15,270
- Loans and receivables	17		562,659	562,659
Other assets	18		209,935	209,935
Total financial assets		15,270.00	3,160,515	3,175,785

4.3 Credit risk

Credit risk is the probability that a counterparty of the Bank will not meet its obligations in accordance with agreed terms and conditions which may lead to financial loss. The Bank is exposed to credit risk due to activities such as loans and advances, loan commitments arising from lending activities, credit enhancement provided such as financial guarantees and letter of credit.

The Bank adopts a conservative approach to credit risk. Where appropriate, the Bank intervenes in the economy and provides guarantees in the financial system to prevent systemic risk.

4.3.1 Management of credit risk

In measuring credit risk of loans and receivables to various counterparties, the Bank considers the character and capacity of the obligor to pay or meet contractual obligations, current exposures to the counter party/obligor and its likely future developments, credit history of the counterparty/obligor; and the likely recovery ratio in case of default obligations-value of collateral and other ways out. Our credit exposure comprises wholesale and retail loans and receivables which are developed to reflect the needs of our customers. The Bank's policy is to lend principally on the basis of our customer's repayment capacity through quantitative and qualitative evaluation. However we ensure that our loans are backed by collateral to reflect the risk of the obligors and the nature of the facility.

In the estimation of credit risk, the Bank estimate the following parameters:

(a) Probability of Default

This is the probability that an obligor or counterparty will default over a given period, usually one year. This can be calculated on portfolio by portfolio basis or collectively depending on availability of historical data.

(b) Loss Given Default

Loss Given Default is defined as the portion of the loan determined to be irrecoverable at the time of loan default (1 – recovery rate). Our methods for estimating LGD includes both quantitative and qualitative factors.

(c) Exposure at Default

This represents the amount that is outstanding at the point of default. Its estimation includes the drawn amount and expected utilisation of the undrawn commitment at default.

4.3.2 Impairment assessment

The Bank assesses its impairment for the purpose of IFRS reporting using a two-way approach which are Individual assessment and portfolio assessment.

(a) Individual assessment

The Bank reviewed and revised existing impairment triggers for each loan asset portfolio to ensure that a trigger identifies a loss event as early as possible, which would result in the earliest possible recognition of losses within the IFRS framework. The Bank then estimated the impairment based on the shortfall between the present value of estimated future cash flows and the asset carrying amount.

(b) Collective assessment

Loans and receivables that are not specifically impaired are assessed under collective impairment. For the purpose of collective impairment, financial assets are grouped on the basis of similar credit risk characteristics that are indicative of the debtors' ability to pay all amounts due according to contractual terms.

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(b) Collective assessment (Contd)

The Bank generally bases its analyses on historical experience. The collective assessment takes account of data from the loan portfolio (such as historical losses on the portfolio, levels of arrears, credit utilisation, loan to collateral ratios and expected receipts and recoveries once impaired) or economic data (such as current economic conditions, unemployment levels and local or industry–specific problems). The approximate delay between the time a loss is likely to have been incurred and the time it will be identified as requiring an individually assessed impairment allowance is also taken into consideration. The impairment allowance is reviewed by credit management to ensure alignment with the Bank's overall policy.

4.3.3 Credit related commitments risks

The Bank holds collateral against loans and receivables to customers in the form of bank guarantees and property. Estimates of fair value are based on the value of collateral assessed at the time of borrowing.

4.3.4 Maximum exposure to credit risk before collateral held or credit enhancements

(a) Types of credit exposure

The Bank's maximum exposure to credit risk at 30 June 2018, 30 June 2017 and 30 June 2016 respectively, is represented by the net carrying amounts in the statement of financial position.

	30 June 2018 Birr'000	30 June 2017 Birr'000	1 July 2016 Birr'000
Cash and balances with banks	1,307,717	1,085,418	767,434
Loans and receivables	3,313,951	2,450,484	1,620,487
Investment securities:			
- Available for sale	15,902	15,270	15,270
- Loans and receivables	1,395,842	986,816	562,659
Other assets	312,343	233,253	209,935
	6,345,754	4,771,241	3,175,785
Credit risk exposures relating to off balance sheets are as follows:			
Letters of guarantee	2,122,436	1,285,140	1,145,811
Letters of credit	223,077	232,039	184,222
Loans approved not disbursed		211,801	99,665
Unutilized facilities	156,252	118,340	94,752
	2,501,765	1,847,320	1,524,449
Total maximum exposure	8,847,519	6,618,561	4,700,234

(b) Assets obtained by taking possession of collateral

Details of financial and non-financial assets obtained by the Bank during the year by taking possession of collaterals held as security against loans and receivables at the year end are shown below.

	30 June 2018 Birr'000	30 June 2017 Birr'000	1 July 2016 Birr'000
Properties	8,725	-	-
Debt securities		-	-
Others		-	-
	8,725	-	-

The Bank's policy is to pursue timely realisation of the collateral in a timely manner.

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(c) Loans and receivables at amortised cost

(i) Gross loans and receivables to customers per sector is analysed as follows:

	30 June 2018 Birr'000	30 June 2017 Birr'000	1 July 2016 Birr'000
Agriculture	15,391	11,401	17,303
Construction	659,710	690,075	401,775
Domestic trade and services	598,920	481,163	307,808
Emergency staff loan	17,484	9,947	5,602
Export	623,975	377,793	303,251
Import	614,793	495,522	383,767
Industry	560,660	198,949	102,084
Personal	20,731	10,959	5,938
Staff residential loan	35,489	30,419	22,401
Staff vehicle loan	2,260	2,808	3,225
Hotel		39,639	
Transport	185,174	117,316	71,737
	3,334,587	2,465,991	1,624,891

(ii) Gross loans and receivables to customers per National Bank of Ethiopia's impairment guidelines is analysed as follows:

	30 June 2018 Birr'000	30 June 2017 Birr'000	1 July 2016 Birr'000
Pass	3,105,458	2,341,164	1,609,929
Special mention	172,073	92,324	5,726
Substandard	16,378	12,537	4,518
Doubtful	35,429	14,317	4,718
Loss	5,249	5,648	-
	3,334,587	2,465,991	1,624,891

The above table represents a worse case scenario of credit risk exposure of the Bank as at the reporting dates without taking account of any collateral held or other credit enhancements attached. The exposures are based on net carrying amounts as reported in the statement of financial position.

Management is confident in its ability to continue to control and effectively manage the credit risk exposure in the Bank's loan and advances portfolio.

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4.3.5 Credit quality analysis

(a) Credit quality of cash and cash equivalents

The credit quality of cash and cash equivalents and short-term investments that were neither past due nor impaired at as 30 June 2018, 30 June 2017 and 30 June 2016 and are held in Ethiopian banks have been classified as non-rated as there are no credit rating agencies in Ethiopia. However, cash and cash equivalents that held in foreign banks can be assessed by reference to credit rating agency designation as shown in the table below;

	30 June 2018 Birr'000	30 June 2017 Birr'000	1 July 2016 Birr'000
A			
BBB	78,704	278,939	112,292
Not rated			

A High credit quality :
This denote expectations of low default risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than is the case for higher ratings.

BBB Good credit quality :
This indicates that expectations of default risk are currently low. The capacity for payment of financial commitments is considered adequate, but adverse business or economic conditions are more likely to impair this capacity.

Not rated : This indicates financial institutions or other counterparties with no available ratings and cash in hand.

A "+ "(plus) or "-" (minus) may be appended to a rating to indicate the relative position of a credit within the rating category. This is based on Fitch national long-term issuer default ratings.

(b) Credit quality of loans and receivables

30 June 2018	Neither past due nor impaired Birr'000	Past due but not impaired Birr'000	Individually impaired Birr'000	Total Birr'000
Agriculture	5,056		10,335	15,391
Construction	634,933	17,357	5,726	658,016
Domestic trade and services	564,330	10,642	22,902	597,873
Emergency staff loan	17,304			17,304
Export	552,659	71,318		623,977
Import	582,373	24,334	6,193	612,901
Industry	535,041	15,127	10,480	560,648
Personal	20,934		41	20,975
Staff residential loan	40,042			40,042
Staff vehicle loan	2,283			2,283
Transport	182,416	1,380	1,380	185,177
	3,137,372	140,158	57,056	3,334,587
Gross				
Less: Impairment allowance (note 16)	(9,678)	(1,149)	(9,808)	(20,635)
Net	3,127,694	139,009	47,248	3,313,951

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30 June 2017	Neither past due nor impaired Birr'000	Past due but not impaired Birr'000	Individually impaired Birr'000	Total Birr'000
Agriculture	1,567	9,835		11,401
Construction	667,795	8,885	9,131	685,811
Domestic trade and services	475,909	26,345	8,514	510,769
Emergency staff loan	11,138			11,138
Export	313,650	65,049		378,700
Import	494,058	8,121	13,032	515,212
Industry	177,484	832	1,825	180,142
Personal	11,827			11,827
Staff residential loan	40,607			40,607
Staff vehicle loan	3,358			3,358
Transport	117,028			117,028
	2,314,420.96	119,067.71	32,502.43	2,465,991
Gross				
Less: Impairment allowance (note 16)	(4,453)	(572)	(10,482)	(15,507)
Net	2,309,968	118,496	22,020	2,450,484

1 July 2016	Neither past due nor impaired Birr'000	Past due but not impaired Birr'000	Individually impaired Birr'000	Total Birr'000
Agriculture	17,294	-	-	17,294
Construction	399,809	298	1,207	401,314
Domestic trade and services	304,259	1,340	610	306,208
Emergency staff loan	5,482	-	-	5,482
Export	311,847	-	-	311,847
Import	375,011	738	7,419	383,168
Industry	96,234	-	-	96,234
Personal	6,016	43	-	6,059
Staff residential loan	22,413	-	-	22,413
Staff vehicle loan	3,224	-	-	3,224
Transport	68,399	3,307	-	71,706
	1,609,988	5,726	9,236	1,624,951
Gross				
Less: Impairment allowance (note 16)	(1,604)	(12)	(2,788)	(4,404)
Net	1,608,385	5,714	6,448	1,620,547

Individually impaired loans are loans that has well passed their recovery period.

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(i) Loans and receivables - neither past due nor impaired

The credit quality of the portfolio of loans and receivables that were neither past due nor impaired can be assessed by reference to the customer's ability to pay based on loss experience. Loans and receivables in this category are short term loans past due for less than 30 (thirty) loans and medium and long term loans past due for less than 180 (one hundred eighty) days.

	30 June 2018 Birr'000	30 June 2017 Birr'000	1 July 2016 Birr'000
Neither past due nor impaired	3,137,372	2,314,421	1,609,988
Collective impairment	(9,678)	(4,453)	(1,604)
	3,127,694	2,309,968	1,608,385

(ii) Loans and receivables - past due but not impaired

	30 June 2018 Birr'000	30 June 2017 Birr'000	1 July 2016 Birr'000
A High credit quality : This denote expectations of low default risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than is the case for higher ratings.			
BBB Good credit quality : This indicates that expectations of default risk are currently low. The capacity for payment of financial commitments is considered adequate, but adverse business or economic conditions are more likely to impair this capacity.	A	A	A
Not rated : This indicates financial institutions or other counterparties with no available ratings and B284:G321 cash in hand.			

A "+ "(plus) or "-" (minus) may be appended to a rating to indicate the relative position of a credit within the rating category. This is based on Fitch national long-term issuer default ratings.

Loans and receivables that have been classified as neither past due nor impaired or past due but not impaired are assessed on a collective basis.

(iii) Loans and receivables - individually impaired loans

	30 June 2018 Birr'000	30 June 2017 Birr'000	1 July 2016 Birr'000
Substandard	16378.177	12536.682	4,518
Doubtful	35428.829	14317.381	4,718
Loss	5249.318	5648.366	-
	57,056	32,502	9,236

(iv) Allowance for impairment

	30 June 2018 Birr'000	30 June 2017 Birr'000	1 July 2016 Birr'000
Specific impairment	1,775	32,502	
Collective impairment	18,860	15,506	4,404
Total allowance for impairment	20,635	48,008	4,404

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4.3.6 Credit concentrations

The Bank monitors concentrations of credit risk by social sector. An analysis of concentrations of credit risk at 30 June 2018, 30 June 2017 and 30 June 2016. The Bank concentrates all its financial assets in Ethiopia.

30 June 2018	Public Enterprise Birr'000	Cooperative Birr'000	Private Birr'000
Cash and balances with			1,307,717
Loans and receivables			3,313,951
Investment securities:			
- Available for sale			15,902
- Loans and receivables			1,379,940
Other assets			312,343
Letters of guarantee			1,145,811
	-	-	7,475,663

30 June 2017	Public Enterprise Birr'000	Cooperative Birr'000	Private Birr'000
Cash and balances with			1,085,418
Loans and receivables			2,450,484
Investment securities:			
- Available for sale			15,270
- Loans and receivables			971,546
Other assets			233,253
Letters of guarantee			1,285,140
	-	-	6,041,111.50

1 July 2016	Public Enterprise Birr'000	Cooperative Birr'000	Private Birr'000
Cash and balances with			1,307,717
Loans and receivables			3,313,951
Investment securities:			
- Available for sale			15,902
- Loans and receivables			1,379,940
Other assets			312,343
Letters of guarantee			2,122,436
	-	-	8,452,287.99

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4.3.7 Nature of security in respect of loans and receivables

30 June 2018	Secured against real estate Birr'000	Bank guarantees Birr'000	Equitable Mortgage Birr'000	Shares Birr'000	Others Birr'000
Agriculture			10,335		5,056
Construction			416,882	1,162	187,635
Domestic trade and services			461,499	3,083	127,962
Emergency staff loan					19,872
Export			196,483		421,444
Import			473,406	62,005	75,490
Industry			389,151		122,848
Personal			291		22,613
Staff residential loan					49,022
Staff vehicle loan					2,676
Transport			11,874		8,864
			1,959,921.00	66,250.00	1,043,481.45

30 June 2017	Secured against real estate Birr'000	Bank guarantees Birr'000	Equitable Mortgage Birr'000	Shares Birr'000	Others Birr'000
Agriculture			11,322		525
Construction			566,053	1,261	114,235
Domestic trade and services			429,509	391	25,418
Emergency staff loan					11,138
Export			169,047		200,251
Import			447,975		47,540
Industry			101,935		28,595
Personal			551		18,276
Staff residential loan					40,607
Staff vehicle loan					3,358
Hotel			39,640		
Transport			23,881		
	-	-	1,789,913.00	1,652.00	489,942.78

1 July 2016	Secured against real estate Birr'000	Bank guarantees Birr'000	Equitable Mortgage Birr'000	Shares Birr'000	Others Birr'000
Agriculture	17,294	-	-	-	-
Construction	340,849	-	60,466	-	-
Domestic trade and services	275,668	-	7,074	1,187	22,285
Emergency staff loan	-	6,340	-	-	-
Export	119,638	2,332	12,592	-	177,286
Import	351,648	-	11,071	4,462	15,986
Industry	73,708	-	17,901	-	4,626
Personal	860	5,060	40	-	437
Staff residential loan	29,628	-	-	-	-
Staff vehicle loan	-	-	3,890	-	-
Transport	42,294	-	29,412	-	-
	1,251,585	13,732	142,447	5,649	220,620

4.3.8 Collateral held and their financial effect

The general creditworthiness of a customer tends to be the most relevant indicator of credit quality of a loan extended to it. However, collateral provides additional security and the Bank generally requests that corporate borrowers provide it. Staff loans are secured to the extent of the employee's continued employment in the Bank.

The Bank may take collateral in the form of a first charge over real estate, liens and guarantees. The Bank does not sell or repledge the collateral in the absence of default by the owner of the collateral. In addition to the Bank's focus on creditworthiness, the Bank aligns with its credit policy guide to periodically update the validation of collaterals held against all loans to customers.

For impaired loans, the Bank obtains appraisals of collateral because the fair value of the collateral is an input to the impairment measurement.

The fair value of the collaterals are based on the last revaluations carried out by the Bank's in-house engineers. The valuation technique adopted for properties is in line with the Bank's valuation manual and the revalued amount is similar to fair values of properties with similar size and location.

The fair value of collaterals other than properties such as share certificates, cash, NBE bills etc. as disclosed at the carrying amount as management is of the opinion that the cost of the process of establishing the fair value of the collateral exceeds benefits accruable from the exercise.

4.4 Liquidity risk

Liquidity risk is the risk that the Bank cannot meet its maturing obligations when they become due, at reasonable cost and in a timely manner. Liquidity risk arises because of the possibility that the Bank might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances. Such scenarios could occur when funding needed for illiquid asset positions is not available to the Bank on acceptable terms.

Liquidity risk management in the Bank is solely determined by Asset and Liability Committee, which bears the overall responsibility for liquidity risk. The main objective of the Bank's liquidity risk framework is to maintain sufficient liquidity in order to ensure that we meet our maturing obligations.

4.4.1 Management of liquidity risk

Cash flow forecasting is performed by the finance department. The finance department monitors rolling forecasts of liquidity requirements to ensure it has sufficient cash to meet operational needs.

The Bank has incurred indebtedness in the form of borrowings. The Bank evaluates its ability to meet its obligations on an ongoing basis. Based on these evaluations, the Bank devises strategies to manage its liquidity risk.

Prudent liquidity risk management implies that sufficient cash is maintained and that sufficient funding is available o meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk damage to the Bank’s reputation.

4.4.2 Financing arrangements

The Bank has access to the following undrawn borrowing facilities at the end of the reporting period:

	30 June 2018 Birr'000	30 June 2017 Birr'000	1 July 2016 Birr'000
Expiring within one year (borrowings)	156,252	118,340	94,752
Expiring beyond one year (borrowings)	-	-	-
	156,252	118,340	94,752

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4.4.3 Maturity analysis of financial liabilities

The table below analyses the Bank's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. The cash flows presented are the undiscounted amounts to be settled in future.

30 June 2018	0 - 30 days Birr'000	31 - 90 days Birr'000	91 - 180 days Birr'000	181 - 365 days Birr'000	Over 1 year Birr'000
Deposits from customers	1465993.56	1210280.44	618221.32	705222.68	976661
Debt securities issued					
Borrowings				8539	8538
Other liabilities	42865	85729			
Total financial liabilities	1,508,858.56	1,296,009.44	618,221.32	713,761.68	985,199.00

30 June 2017	0 - 30 days Birr'000	31 - 90 days Birr'000	91 - 180 days Birr'000	181 - 365 days Birr'000	Over 1 year Birr'000
Deposits from customers	689,463	1,175,578	692,718	343,311	950,938
Debt securities issued	-	-	-	-	-
Borrowings	-	-	-	-	-
Other liabilities	28,533	57,066	18,264		
Total financial liabilities	717,996.24	1,232,644.00	710,982.00	343,311.00	950,938.00

1 July 2016	0 - 30 days Birr'000	31 - 90 days Birr'000	91 - 180 days Birr'000	181 - 365 days Birr'000	Over 1 year Birr'000
Deposits from customers	260,021	881,534	391,594	349,788	616,876
Debt securities issued					
Borrowings					
Other liabilities	37,722	75,444			
Total financial liabilities	297,743	956,978	391,594	349,788	616,876

4.5 Market risk

Market risk is defined as the risk of loss risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market risk factors such as interest rates, foreign exchange rates, equity prices, credit spreads and their volatilities. Market risk can arise in conjunction with trading and non-trading activities of a financial institutions.

The Bank does not ordinarily engage in trading activities as there are no active markets in Ethiopia.

4.5.1 Management of market risk

The main objective of Market Risk Management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

4.5.2 Management of market risk

Market risk is monitored by the risk management department on regularly, to identify any adverse movement in the underlying variables.

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(i) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will be affected by changes in market interest rates. Borrowings obtained at variable rates give rise to interest rate risk.

The Bank's exposure to the risk of changes in market interest rates relates primarily to the Bank's obligations and financial assets with floating interest rates. The Bank is also exposed on fixed rate financial assets and financial liabilities. The Bank's investment portfolio is comprised of treasury bills, Ethiopian government bonds and cash deposits.

30 June 2018	Fixed Birr'000	Floating Birr'000	Non-interest bearing Birr'000	Total Birr'000
Assets				
Cash and balances with banks	226,747	78,704	1,002,266	1,307,717
Loans and receivables	3,313,951			3,313,951
Total	3,540,698	78,704	1,002,266	4,621,668
Liabilities				
Deposits from customers	4,092,128		998,398	5,090,526
Debt securities issued				-
Other liabilities			128,947	128,947
Total	4,092,128	-	1,127,345	5,219,473

30 June 2017	Fixed Birr'000	Floating Birr'000	Non-interest bearing Birr'000	Total Birr'000
Assets				
Cash and balances with banks	182,812	278,939	623,667	1,085,418
Loans and receivables	2,450,484			2,450,484
Total	2,633,296	278,939	623,667	3,535,902
Liabilities				
Deposits from customers	3,061,936		790,072	3,852,008
Debt securities issued				-
Other liabilities			103,756	103,756
Total	3,061,936	-	893,828	3,955,764

1 July 2016	Fixed Birr'000	Floating Birr'000	Non-interest bearing Birr'000	Total Birr'000
Assets				
Cash and balances with banks	201,797	112,292	453,345	767,434
Loans and receivables	1,620,487			1,620,487
Total	1,822,284	112,292	453,345	2,387,921
Liabilities				
Deposits from customers	1,855,154		644,660	2,499,814
Other liabilities			113,107	113,107
Total	1,855,154	-	757,767	2,612,921

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The sensitivity of the income statement is the effect of the assumed changes in interest rates on the profit or loss for a year, based on the floating rate non–trading financial assets and financial liabilities held at 30 June 2018, 30 June 2017 and 1 July 2016. The total sensitivity of equity is based on the assumption that there are parallel shifts in the yield curve.

	Increase (decrease) in basis points Birr'000	30 June 2018 Birr'000	30 June 2017 Birr'000	1 July 2016 Birr'000
USD - Sensitivity on equity	10%	(59,780)	(41,986)	(22,500)
USD - Sensitivity on profit or loss	10%	21,652	14,651	5,957

(ii) Foreign exchange risk

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to the changes in foreign exchange rates.

The Bank is exposed to exchange rate risks to the extent of balances and transactions denominated in a currency other than the Ethiopian Birr. The Bank's foreign currency bank accounts act as a natural hedge for these transactions. Management has set up a policy to manage the Bank's foreign exchange risk against its functional currency.

The table below summarises the impact of increases/decreases of 10% on equity and profit or loss arising from the Bank's foreign denominated borrowings and cash and bank balances.

The total foreign currency denominated assets and liabilities exposed to risk as at year end is a shown below :

Foreign currency denominated balances

	30 June 2018 Birr'000	30 June 2017 Birr'000	1 July 2016 Birr'000
Cash and bank balances	79,613	280,193	113,037
Deposit from customers	217,446	200,163	62,482
	79,613	280,193	113,037

Sensitivity analysis for foreign exchange risk

The sensitivity analysis for currency rate risk shows how changes in the fair value or future cash flows of a financial instrument will fluctuate because of changes in market rates at the reporting date.

The sensitivity of the Bank's earnings to fluctuations in exchange rates is reflected by varying the exchange rates at 10% as shown below:

	30 June 2018 Birr'000	30 June 2017 Birr'000	1 July 2016 Birr'000
Impact on profit or loss 10% change in exchange rates	(13,783)	8,003	5,056

4.6 Capital management

The Bank's objectives when managing capital are to comply with the capital requirements set by the National Bank of Ethiopia, safeguard its ability to continue as a going concern, and to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

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4.6.1 Capital adequacy ratio

According to the Licensing & Supervision of Banking Business Directive No SBB/50/2011 of the National Bank of Ethiopia, the Bank has to maintain capital to risk weighted assets ratio of 8% at all times, the risk weighted assets being calculated as per the provisions of Directive No SBB/9/95 issued on August 18, 1995.

The capital adequacy ratio is the quotient of the capital base of the Bank and the Bank's risk weighted asset base. Capital includes capital contribution, retained earnings, legal reserve and other reserves to be approved by the National Bank of Ethiopia.

	30 June 2018 Birr'000	30 June 2017 Birr'000	1 July 2016 Birr'000
Capital			
Capital contribution	971,011	763,917	565,130
Retained earnings	72,404	38,887	18,136
Legal reserve	104,884	65,165	40,217
	1,148,299.02	867,968.62	623,483
Risk weighted assets			
Risk weighted balance for on-balance sheet items	4,117,180	2,904,181	1,745,769
Credit equivalents for off-balance sheet items	1,183,960	826,738	609,750
	5,301,140.00	3,730,919.00	2,355,519
Risk-weighted Capital Adequacy Ratio (CAR)	22%	23%	26%
Minimum required capital	8%	8%	8%
Excess	14%	15%	18%

4.7 Fair value of financial assets and liabilities

IFRS 13 requires an entity to classify measured or disclosed fair values according to a hierarchy that reflects the significance of observable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, which comprises of three levels as described below, based on the lowest level input that is significant to the fair value measurement as a whole.

4.7.1 Valuation models

IFRS 13 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable input reflect market data obtained from independent sources; unobservable inputs reflect the Bank's market assumptions.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.

- Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical assets or liabilities.

- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) .This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active, or other valuation technique in which all significant inputs are directly or indirectly observable from market data.

In conclusion, this category is for valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs). This category includes all assets and liabilities for which the valuation technique includes inputs not based on observable date and the unobservable inputs have a significant effect on the asset or liability's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

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4.7.2 Financial instruments not measured at fair value - Fair value hierarchy

The following table summarises the carrying amounts of financial assets and liabilities at the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorised. The amounts are based on the values recognised in the statement of financial position.

30 June 2018	Carrying amount Birr'000	Fair value Birr'000
Financial assets		
Cash and balances with banks	1,307,717	1,307,716.84
Loans and receivables	3,313,951	3,313,950.83
Investment securities	1,395,842	1,395,841.59
Total	6,017,510.00	6,017,509.26
Financial liabilities		
Deposits from customers	5,090,526	
Debt securities issued		
Borrowings	17,177	
Other liabilities	129,946	
Total	5,237,649.06	-

30 June 2017	Carrying amount Birr'000	Fair value Birr'000
Financial assets		
Cash and balances with banks	1,085,418	1085418
Loans and receivables	2,450,592	2450484
Investment securities	986,816	986816
Total	4,522,826.00	4,522,718.00
Financial liabilities		
Deposits from customers	3,852,008	
Debt securities issued		
Borrowings		
Other liabilities	103,756	
Total	3,955,763.68	-

1 July 2016	Carrying amount Birr'000	Fair value Birr'000
Financial assets		
Cash and balances with banks	767,434	767,434
Loans and receivables	1,620,487	1,620,487
Investment securities	562,659	562,659
Total	2,950,580	2,950,580
Financial liabilities		
Deposits from customers	2,499,814	2,499,814
Other liabilities	113,107	113,107
Total	2,612,921	2,612,921

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4.7.3 Fair value menthods and assumptions

(a) Loans and advances

Loans and advances to customers are carried at amortised cost net of provision for impairment. The estimated fair value represents

4.7.4 Valuation techniques using significant unobservable inputs - Level 3

The Bank has no financial asset measured at fair value on subsequent recognition.

4.7.5 Estimation uncertainty in measuring impairment losses on loans and advances to customers

The table below sets out the information on the sensitivity of carrying amounts to the methods, assumptions and estimates used in calculating impairment losses on loans and advances for customers as at 30 June 2018, 30 June 2017 and 1 July 2016 that have a significant risk of causing a material adjustment to the carrying amounts of these assets within the next financial year, including the reasons for the sensitivity.

Types of financial intruments		Significant Fair values	Ranges of input observable input	Fair value (Probability weighted average)	measurement to unobservable inputs
Loans and advances to customers			Probability of default		Significant increases in any of these inputs would result in lower fair values and vice versa
	01 July 2016	1,620,487		0.21%	
	30 June 2017	2,450,484		0.48%	
	30 June 2018	3,313,951		0.57%	
			Loss given default		
	01 July 2016	1,620,487		30%	
	30 June 2017	2,450,484		32%	
	30 June 2018	3,313,951		30%	

4.7.6 Transfers between the fair value hierarchy categories

During the three reporting periods covered by these annual financial statements, there were no movements between levels as a result of significant inputs to the fair valuation process becoming observable or unobservable.

4.8 Offsetting financial assets and financial liabilities

There are no offsetting arrangements. Financial assets and liabilities are settled and disclosed on a gross basis.

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5 Interest income

	30 June 2018 Birr'000	30 June 2017 Birr'000
Interest on term loans	332,958	204,683
Interest on import and export facilities	972	621
Interest on overdraft	105,433	64,538
Interest on deposits with domestic banks	14,362	10,832
Interest on NBE bills	35,246	22,770
Interest earned on correspondents	638	
	489,608	303,444

6 Interest expense

	30 June 2018 Birr'000	30 June 2017 Birr'000
Interest on customer deposits	(106,725)	(149,998)
Interest on customer savings	(205,418)	(50,677)
Interest on other deposits	-	(1)
	(312,143)	(200,676)

7 Net fees and commission income

Fee and commission income

	30 June 2018 Birr'000	30 June 2017 Birr'000
Financial guarantee contracts issued	149,966	152,855
Commission on letters of credit	35,052	15,085
Cashier payment order	327	289
Commission on managed funds	118	51
	185,463	168,280
Fee and commission expense		-
Net fees and commission income	185,463	168,280

8 Other operating income

	30 June 2018 Birr'000	30 June 2017 Birr'000
Net gain on foreign exchange	10,142	17,014
Service charge	61,079	30,502
Other income	3,058	1,174
Correspondent charges	449	260
Dividend income	616	55
Postage and processing fees	8	8
Swift charges	242	80
Penalty Charge Income	597	30
	76,190	49,123

9 Loan impairment charge

		30 June 2018 Birr'000	30 June 2017 Birr'000
Loans and receivables - charge for the year	Note 15(a)	(5,128)	(11,102)
Loans and receivables - reversal of provision	Note 15(a)		-
		(5,128)	(11,102)

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10 Impairment losses on other assets

		30 June 2018 Birr'000	30 June 2017 Birr'000
Other assets - charge for the year	Note 17		-
Other assets - reversal of impairment losses	Note 17		
		-	-

11 Personnel expenses

	30 June 2018 Birr'000	30 June 2017 Birr'000
Short term employee benefits :		
Salaries and wages	(72,522)	(47,181)
Staff allowances	(9,595)	(5,624)
Overtime	(404)	(219)
Bonus	(15,094)	(14,135)
Pension costs – Defined contribution plan	(8,569)	(5,510)
Other staff expenses	(11,001)	(8,921)
	(117,185)	(81,590)
Long term employee benefits :		
Pension costs - Defined benefit plans	(1,011)	(859)
	(1,011)	(859)
	(118,196)	(82,449)

12 Other operating expenses

	30 June 2018 Birr'000	30 June 2017 Birr'000
Rental expenses	(35,652)	(28,655)
Office supplies and sundry	(7,102)	(5,180)
Advertisement and Publicity	(4,541)	(4,609)
Commissions	(5,278)	(4,544)
Electricity, telephone and internet	(5,439)	(4,145)
Travelling expenses	(635)	(2,628)
Repairs and maintenance	(4,584)	(2,208)
Event organization expense	(1,399)	(1,830)
Fuel and lubricants	(2,133)	(1,649)
Per diem administration	(348)	(1,147)
Represenation allowance	(1,206)	(1,095)
Insurance	(1,195)	(1,094)
Legal and professional fees	(3,642)	(834)
Entertainment	(925)	(726)
Director fees	(836)	(550)
Correspondent costs	(514)	(306)
Bank charges	(484)	(257)
Subscription and Publication	(222)	(253)
Wages for non employees	(221)	(180)
Women loan expense	(402)	(147)
Audit fees	(184)	(98)
Donations	(206)	(23)
Postage and stamps	(40)	(58)
Security expenses	(4)	(5)
	(77,193)	(62,221)

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13 Company income and deferred tax

13a Current income tax

	30 June 2018 Birr'000	30 June 2017 Birr'000
Company income tax	48,121	32,580
Prior year (over)/ under provision	-	
Deferred income tax/(credit) to profit or loss	9,529	1,727
Total charge to profit or loss	57,649	34,307
Tax (credit) on other comprehensive income	(878)	39
Total tax in statement of comprehensive income	56,772	34,346

13b Reconciliation of effective tax to statutory tax

The tax on the Bank's profit before income tax differs from the theoretical amount that would arise using the statutory income tax rate as follows:

	30 June 2018 Birr'000	30 June 2017 Birr'000
Profit before tax	215,648	146,510
Add : Disallowed expenses		
Donation	206	23
Deferred Expense	76	76
Entertainment	925	726
Annual staff day Expense		469
Severance Pay temporary difference	1,011	859
Provision for loans and advances as per IFRs	5,129	11,102
Depreciation for accounting purpose	16,385	12,199
Amortization for accounting purpose	5,690	5,690
Total disallowable expenses	29,422	31,144
Less : Allowable expense		
Depreciation for tax purpose	24,216	22,778
Interest income on NBE Bills	35,246	22,819
Interest income on Deposits with other Banks	14,362	10,832
Provision for loans and advances for tax NBE 80%	10,228	12,569
Dividend Taxed at source	616	55
Total allowable expenses	84,668	69,053
Taxable profit	160,402	108,601
Current tax at 30%	48,121	32,580

13c Current income tax assets / (liability)

	30 June 2018 Birr'000	30 June Birr'000	1 July 2016 Birr'000
Balance at the beginning of the year	(15,106)	(3,092)	(10,648)
Current year provision	(48,121)	(32,581)	(3,095)
WHT Notes utilised	1	2	3
Payment during the year	27,228	20,565	10,648
Balance at the end of the year	(35,998)	(15,106)	(3,092)

13d Deferred income tax

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

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	30 June 2018 Birr'000	30 June Birr'000	1 July 2016 Birr'000
The analysis of deferred tax assets/(liabilities) is as follows:			
To be recovered after more than 12 months	(15,455)	(6,804)	(5,038)
To be recovered within 12 months			
	(15,455)	(6,804)	(5,038)

Deferred income tax assets and liabilities, deferred income tax charge/(credit) in profit or loss ("P/L), in equity and other comprehensive income are attributable to the following items:

Deferred income tax assets/(liabilities):	At 1 July 2017 Birr'000	Credit/ (charge) to P/L Birr'000	Credit/ (charge) to equity Birr'000	30 June 2018 Birr'000
Property, plant and equipment	(7,569)	-9,800		(17,369)
Provisions	-			
Unrealised exchange gain	-			
Tax losses charged to profit or loss	-			
Post employment benefit obligation	765	272	878	1,914
Total deferred tax assets/(liabilities)	(6,804)	(9,529)	878	(15,455)

Deferred income tax assets/(liabilities):	At 1 July 2016 Birr'000	Credit/ (charge) to P/L Birr'000	Credit/ (charge) to equity Birr'000	30 June 2017 Birr'000
Property, plant and equipment	(5,584)	(1,985)		(7,569)
Provisions	-	-		-
Unrealised exchange gain	-	-		-
Tax losses charged to profit or loss	-	-		-
Post employment benefit obligation	546	258	(39)	765
Total deferred tax assets/(liabilities)	(5,038)	(1,727)	(39)	(6,804)

14 Cash and balances with banks

	30 June 2018 Birr'000	30 June Birr'000	1 July 2016 Birr'000
Cash in hand	226,866	246,015	147,119
Balance held with National Bank of Ethiopia	775,399	377,652	306,226
Deposits with local banks	226,747	182,812	201,797
Deposits with foreign banks	78,704	278,939	112,292
	1,307,717	1,085,418	767,434

Maturity analysis

	30 June 2018 Birr'000	30 June Birr'000	1 July 2016 Birr'000
Current	1,072,717	915,418	663,434
Non-Current	235,000	170,000	104,000
	1,307,717	1,085,418	767,434

Cash and cash equivalents in the statement of cash flows are the same as on the statement of financial position as the Bank had no bank overdrafts at the end of each reporting period.

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15 Loans and receivables

	30 June 2018 Birr'000	30 June Birr'000	1 July 2016 Birr'000
Agriculture	15,391	11,401	17,303
Industry	560,660	198,949	102,084
Construction	659,710	690,075	401,775
Domestic Trade and Services	598,920	481,163	307,808
Personal loans	20,731	10,959	5,938
Export	623,975	377,793	303,251
Import	614,793	495,522	383,767
Transportation	185,174	117,316	71,737
Emergency Staff Loan	17,484	9,947	5,602
Staff Residential Loan	35,489	30,419	22,401
Staff Vehicle Loan	2,260	2,808	3,225
Hotel	-1	39,639	
Gross amount	3,334,586	2,465,991	1,624,891
Less: Impairment allowance (note 16a)			
Specific impairment	1,775	-	-
Collective impairment	18,860	15,507	4,404
	3,313,951	2,450,484	1,620,487

16a Impairment allowance on loans and receivables

A reconciliation of the allowance for impairment losses for loans and receivables by class, is as follows:

Collective allowance for impairment	As at 1 July 2016 Birr'000	Charge for the year Birr'000	As at 30 June 2017 Birr'000	Charge for the year Birr'000	As at 30 June 2018 Birr'000
Collective Agriculture	11	7	18	650	668
Collective Industry	61	806	867	1,954	2,821
Collective Construction	615	3,401	4,016	(459)	3,557
Collective Domestic Trade and Services	376	3,118	3,494	2,789	6,283
Collective Personal loans	11	42	53	19	72
Collective Export	195	395	590	1,052	1,642
Collective Import	3,057	3,045	6,102	(3,402)	2,700
Collective Transportation	45	138	183	744	927
Collective Emergency Staff Loan	13	41	54	(2)	52
Collective Staff Residential Loan	19	44	63	66	129
Collective Staff Vehicle Loan	2	3	5	2	7
Collective Hotel	-	62	62	(62)	-
	4,404	11,102	15,507	3,353	18,860

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Specific allowance for impairment	As at 1 July 2016 Birr'000	Charge for the year Birr'000	As at 30 June 2017 Birr'000	Charge for the year Birr'000	As at 30 June 2018 Birr'000
Specific Agriculture	-	-	-	289	289
Specific Industry	-	-	-	-	
Specific Construction	-	-	-	-	
Specific Domestic Trade and Services	-	-	-	-	
Specific Personal loans	-	-	-	-	
Specific Export	-	-	-	-	
Specific Import	-	-	-	1,487	1,487
Specific Transportation	-	-	-	-	
Specific Emergency Staff Loan	-	-	-	-	
Specific Staff Residential Loan	-	-	-	-	
Specific Staff Vehicle Loan	-	-	-	-	
Specific Hotel	-	-	-	-	
	-	-	-	1,775	1,775
Total - Impairment	4,404	11,102	15,507	5,128	20,635

17 Investment securities

	30 June 2018 Birr'000	30 June Birr'000	1 July 2016 Birr'000
Available for sale:			
Equity Investments	15,902	15,270	15,270
	15,902	15,270	15,270
Loans and receivables:			
Treasury bills	1,379,940	971,546	547,389
Gross amount	1,379,940	971,546	547,389
Less individual allowance for impairment			-
	1,395,842	986,816	562,659

Maturity analysis	30 June 2018 Birr'000	30 June Birr'000	1 July 2016 Birr'000
Current	126,743	14,771	8,083
Non-Current	1,269,099	972,045	554,576
	1,395,842	986,816	562,659

The Bank hold equity investments in Eth-switch of 6% (30 June 2017: 6%, 1 July 2016: 6%) and United Insurance Share Company of 2% (30 June 2017: 2%, 1 July 2016: 2%). These investments are unquoted equity securities measured at cost.

The fair value of the unquoted equity securities carried at cost cannot be reliably estimated as there are no active market for these financial instruments; they have therefore been disclosed at cost less impairment.

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18 Other assets

	30 June 2018 Birr'000	30 June 2017 Birr'000	1 July 2016 Birr'000
Financial assets			
Prepaid staff expense	18,736	13,119	9,246
Prepaid Assets Women loans	889	302	9
Uncleared effects	4,909	9,398	3,527
	24,534	22,819	12,782
Non-financial assets			
Items in course of collection	12,285	12,571	38,863
Deposit and Prepayments	135,150	95,029	73,615
Sundry receivables	137,547	98,599	81,998
Inventory and office supplies	2,828	4,463	2,905
			-
	287,809	210,662	197,381
Less :			
Impairment allowance on other assets	-	228	228
Gross amount	312,343	233,253	209,935

Maturity analysis	30 June 2018 Birr'000	30 June 2017 Birr'000	1 July 2016 Birr'000
Current	312,343	233,253	209,935
Non-Current		-	-
	312,343	233,253	209,935

18a Impairment allowance on other assets

A reconciliation of the allowance for impairment losses for other assets is as follows:

	30 June 2018 Birr'000	30 June Birr'000	1 July 2016 Birr'000
Balance at the beginning of the year		228	228
(Reversal)/charge for the year (note 10)		-	-
Balance at the end of the year	-	228	228

18b Inventory

A breakdown of the items included within inventory is as follows:

	30 June 2018 Birr'000	30 June 2017 Birr'000	1 July 2016 Birr'000
Stationary stock account	957	1,474	1,259
Other stock	834	1,628	356
Stock accounts	497	842	982
Uniform stock	259	267	105
Cheque book stock	280	252	140
Coupon stock	-	-	64
	2,828	4,463	2,905

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19 Intangible Assets

	Purchased software Birr'000
Cost:	
As at 1 July 2016	28,592
Acquisitions	5,157
Reclassifications	-
As at 30 June 2017	33,749
As at 1 July 2017	33,749
Acquisitions	-
Reclassifications	-
As at 30 June 2018	33,749
Accumulated amortisation and impairment losses	
As at 1 July 2016	2,781
Amortisation for the year	5,690
Impairment losses	
As at 30 June 2017	8,471
As at 1 July 2017	8,471
Amortisation for the year	5,691
Impairment losses	
As at 30 June 2018	14,162
Net book value	
As at 1 July 2016	25,811
As at 30 June 2017	25,278
As at 30 June 2018	19,587

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20 Property, plant and equipment

	Motor vehicles Birr'000	Premises Birr'000	Office and other equipment Birr'000	Furniture and fittings Birr'000	Computer and Birr'000	Total Birr'000
Cost:						
As at 1 July 2016	28,835	-	13,539	22,057	28,579	93,010
Additions	7,626	-	9,469	8,228	2,415	27,738
Reclassifications	-	-	1,219	(309)	829	1,739
Disposals	-	-	(2)	-	(15)	(18)
As at 30 June 2017	36,461	-	24,225	29,976	31,807	122,469
As at 1 July 2017	36,461	-	24,225	29,976	31,807	122,469
Additions	4,026	31,673	4,281	5,275	918	46,173
Disposals	-	-	(3)	-		(3)
Reclassification	-	-				-
As at 30 June 2018	40,487	31,673	28,503	35,251	32,725	168,639
Accumulated depreciation						
As at 1 July 2016	5,011	-	3,550	3,828	3,463	15,852
Charge for the year	2,973	-	2,655	2,445	4,125	12,199
Disposals	-	-	(1)	-	(5)	(5)
As at 30 June 2017	7,984	-	6,204	6,273	7,584	28,045
As at 1 July 2017	7,984	-	6,204	6,273	7,584	28,045
Charge for the year	3,708	238	4,514	3,340	4,586	16,385
Disposals	-		(1)	-	-	(1)
As at 30 June 2018	11,692	238	10,717	9,613	12,169	44,429
Net book value						
As at 1 July 2016	23,824		9,989	18,229	25,116	77,158
As at 30 June 2017	28,477		18,020	23,703	24,223	94,424
As at 30 June 2018	28,795		17,786	25,637	20,556	124,210

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21 Assets held for sale

	30 June 2018 Birr'000	30 June 2017 Birr'000	1 July 2016 Birr'000
Balance as at the beginning of the year			-
Transfer from property, plant and equipment	8,725		-
Disposals			-
Fair value gain/(loss) on assets held for sale			
Balance at the end of the year	8,725	-	-

Enat bank took over collateral of some customers and these were recorded in the books as Assets classified as held for sale as the Bank had no intention to make use of the property for administrative use. Management initiated a plan to dispose of these assets to willing buyers and expects to have completed the transaction before the end of the next financial period.

These assets have been valued by in-house engineers responsible for collateral valuation using the market approach determined using Level 3 inputs.

There is no cumulative income or expenses in OCI relating to assets held for sale.

22 Deposits from customers

	30 June 2018 Birr'000	30 June 2017 Birr'000	1 July 2016 Birr'000
Demand deposits	884,277	700,951	564,590
Savings deposits	2,138,144	1,353,290	951,457
Time deposits	1,953,984	1,708,646	903,697
Retentions payable on letters of credit	114,121	89,121	80,070
	5,090,526	3,852,008	2,499,814

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23 Other liabilities

	30 June 2018 Birr'000	30 June 2017 Birr'000	1 July 2016 Birr'000
Financial liabilities			
Unearned Income	14,796	31,382	47,831
Audit fee	184	98	75
	-		
	14,980	31,480	47,906
Non-financial liabilities			
Other payable	95,565	58,453	55,431
Blocked current account	2,122	1,952	1,982
Tax payable	1,984	1,191	965
Sales tax on interest paid	928	752	339
VAT Payable	383	-	-
Dividend payable	503	505	638
Defined contribution liabilities	857	600	414
Payable to withdrawing shareholders	-	903	943
Witholding tax payable	185	98	63
Graduate Tax	41		
Incoming 205 Payable	57		
Capital gain tax	4		
Director fees payable	-	1,100	-
Leave days accrual	9,727	6,398	3,591
Stamp duty payables	1,610	324	835
Borrowing	17,077		
	-		
	131,043	72,276	65,201
Gross amount	146,023	103,756	113,107

Maturity analysis

	30 June 2018 Birr'000	30 June 2017 Birr'000	1 July 2016 Birr'000
Current	128,946	103,756	113,107
Non-Current	17,077		
	146,023	103,756	113,107

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24 Defined benefit liability

		30 June 2018 Birr'000	30 June 2017 Birr'000	1 July 2016 Birr'000
Defined benefits liabilities:				
Severance pay	Note 26(a)	6,380	2,549	1,820
Liability in the statement of financial position		6,380	2,549	1,820
Income statement charge included in personnel expenses:				
Severance costs	Note 26(a)	1,011	859	1,820
Total defined benefit expenses		1,011	859	1,820
Remeasurements for:				
Remeasurement (gains)/losses	Note 26(a)	(2,926)	130	-
Deferred tax (liability)/asset on remeasurement gain or loss		878	(39)	
		(2,048)	91	-

The income statement charge included within personnel expenses includes current service cost, interest cost, past service costs on the defined benefit schemes.

Maturity analysis

	30 June 2018 Birr'000	30 June 2017 Birr'000	1 July 2016 Birr'000
Current			
Non-Current	6,380	2,549	1,820
	6,380	2,549	1,820

24a Severance pay

The Bank operates an unfunded severance pay plan for its employees who have served the Bank for 5 years and above and are below the retirement age (i.e. has not met the requirement to access the pension fund). The final pay-out is determined by reference to current benefit's level (monthly salary) and number of years in service and is calculated as 1 month salary for the first year in employment plus 1/3 of monthly salary for each subsequent in employment to a maximum of 12 months final monthly salary.

Below are the details of movements and amounts recognised in the financial statements:

	30 June 2018 Birr'000	30 June 2017 Birr'000	1 July 2016 Birr'000
A Liability recognised in the financial position	6,380	2,549	1,820

B Amount recognised in the profit or loss	30 June 2018 Birr'000	30 June 2017 Birr'000	1 July 2016 Birr'000
Current service cost	574	524	-
Interest cost	437	335	-
	1,011	859	-

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24 Retirement benefit obligations (Contd)

C Amount recognised in other comprehensive income:

Remeasurement (gains)/losses arising from changes in demographic assumptions		-	-
Remeasurement (gains)/losses arising from changes in the financial assumptions	1,956	(505)	-
Remeasurement (gains)/losses arising from loss experience	970	375	-
	2,926	(130)	-

The movement in the defined benefit obligation over the years is as follows:

	30 June 2018 Birr'000	30 June 2017 Birr'000	1 July 2016 Birr'000
At the beginning of the year	2,549	1,820	-
Current service cost	574	524	1,820
Interest cost	437	335	
Remeasurement (gains)/ losses	2,926	(130)	
Benefits paid	-106	-	
At the end of the year	6,380	2,549	1,820

The significant actuarial assumptions were as follows:

i) Financial Assumption Long term Average

	30 June 2018 Birr'000	30 June 2017 Birr'000	1 July 2016 Birr'000
Discount rate (p.a)	12.68%	14.25%	14.30%
Long term salary Increase rate (p.a)	12.00%	9.70%	11.60%

ii) Mortality in Service

The rate of mortality assumed for employees are those according to the British A49/52 ultimate table published by the Institute of Actuaries of England. These rates combined are approximately summarized as follows:

Age	Mortality rate	
	Male	Female
20-24	0.31%	0.22%
25-29	0.30%	0.23%
30-34	0.36%	0.31%
35-39	0.41%	0.28%
40-44	0.52%	0.32%
45-49	0.45%	0.43%
50-54	0.63%	0.63%
55-59	0.98%	0.98%
60-64	1.54%	1.54%

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24 Retirement benefit obligations (Contd)

iii) Withdrawal from Service

The withdrawal rates are as summarised below :

Age	Resignation rates per annum
Less than 20	0.00%
21-25	5.40%
26-30	2.91%
31-35	3.43%
36-40	4.51%
41-45	5.17%
Above 41	

The sensitivity of the overall defined benefit liability to changes in the weighted principal assumption is:

		Impact on defined benefit obligation			
		30 June 2018		30 June 2017	
	Change in assumption	Impact of an increase Birr'000	Impact of a decrease Birr'000	Impact of an increase Birr'000	Impact of a decrease Birr'000
Discount rate	1%				
Pension Increase rate	1%				

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years. The average duration of the severance pay plan at the end of the reporting period is 2.78 years

25 Ordinary share capital

	30 June 2018 Birr'000	30 June 2017 Birr'000	1 July 2016 Birr'000
Authorised:			
Ordinary shares of Birr 1000 each	971,011	763,917	565,130
Issued and fully paid:			
Ordinary shares of Birr 1,000 each	971,011	763,917	565,130

Earnings per share

Basic earnings per share (EPS) is calculated by dividing the profit after taxation by the weighted average number of ordinary shares in issue during the year.

	30 June 2018 Birr'000	30 June 2017 Birr'000
Profit attributable to shareholders	158,875	112,203
Weighted average number of ordinary shares in issue	865	670
Basic & diluted earnings per share (Birr)	184	168

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26 Retained earnings

	30 June 2018 Birr'000	30 June 2017 Birr'000
At the beginning of the year	38,887	32,250
Transfer to regulatory reserve		(14,114)
Profit/ (Loss) for the year	158,875	112,203
Transfer to legal reserve	(39,719)	(24,948)
Transfer to special reserve	(3,322)	(2,907)
Transfer to regulatory reserve	(9,837)	(7,354)
Dividend provided for	(71,380)	(56,243)
Directors share on profit	(1,100)	
At the end of the year	72,404	38,887

27 Legal reserve

	30 June 2018 Birr'000	30 June 2017 Birr'000
At the beginning of the year	65,165	40,217
Transfer from profit or loss	39,719	24,948
At the end of the year	104,884	65,165

The NBE Directive No. SBB/4/95 states requires the Bank to transfer annually 25% of its annual net profit to its legal reserve account until such account equals its capital. When the legal reserve account equals the capital of the Bank, the amount to be transferred to the legal reserve account will be 10% (ten percent) of the annual net profit.

28 Regulatory risk reserve

	30 June 2018 Birr'000	30 June 2017 Birr'000
At the beginning of the year	21,468	14,114
Transfer (from) / to retained earnings	9,837	7,354
At the end of the year	31,305	21,468

The Regulatory risk reserve is a non-distributable reserves required by the regulations of the National Bank of Ethiopia(NBE) to be kept for impairment losses on loans and receivables in excess of IFRS charge as derived using the incurred loss model.

Where the loan loss impairment determined using the National Bank of Ethiopia (NBE) guidelines is higher than the loan loss impairment determined using the incurred loss model under IFRS, the difference is transferred to regulatory risk reserve and it is non-distributable to the owners of the Bank.

Where the loan loss impairment determined using the National Bank of Ethiopia (NBE) guidelines is less than the loan loss impairment determined using the incurred loss model under IFRS, the difference is transferred from regulatory risk reserve to the retained earning to the extent of the non-distributable reserve previously recognised.

29 Special reserve

	30 June 2018 Birr'000	30 June 2017 Birr'000
At the beginning of the year	5,923	3,016
Transfer (from) / to retained earnings	3,322	2,907
At the end of the year	9,245	5,923

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		Notes	30 June 2018 Birr'000	30 June 2017 Birr'000
30	Cash generated from operating activities			
	Profit before tax		216,524	146,510
	Adjustments for non-cash items:			
	Depreciation of property, plant and equipment	20	16,385	12,199
	Amortisation of intangible assets	19	5,691	5,690
	Gain/(Loss) on disposal of property, plant and equipment	20	-	-
	Impairment on loans and receivables	15	5,128	11,102
	Retirement benefit liability	24	1,011	859
	Severance paid	24	(106)	-
	Net gain on foreign exchange	8	(10,142)	(17,014)
	Changes in working capital:			
	-Decrease/ (Increase) in loans and advances to customers	15	(868,595)	(841,100)
	-Decrease/ (Increase) in other assets	18	(79,090)	(23,318)
	-Increase/ (Decrease) in other liabilities	23	43,369	(9,218)
	-Increase/ (Decrease) in deposits from customers	22	1,238,518	1,352,194
			568,695	637,904

In the statement of cash flows, profit on sale of property, plant and equipment (PPE) comprise:

	30 June 2018 Birr'000	30 June 2017 Birr'000
Proceeds on disposal	-	12
Net book value of property, plant and equipment disposed (Note	-	(12)
Gain/(loss) on sale of property, plant and equipment	-	-

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31 Related party transactions

A number of transactions were entered into with related parties in the normal course of business. These are disclosed below:

31a Transactions with related parties

	30 June 2018 Birr'000	30 June 2017 Birr'000	1 July 2016 Birr'000
Loans disbursed to :			
Vice president - Operations	4,252	1,118	1,299
Vice President - Corporate services		2,350	226
	4,252	3,468	1,525

31b Key management compensation

Key management has been determined to be the members of the Board of Directors and the Executive Management of the Bank. The compensation paid or payable to key management for is shown. There were no sales or purchase of goods and services between the Bank and key management personnel as at 30 June 2018.

	30 June 2018 Birr'000	30 June 2017 Birr'000	1 July 2016 Birr'000
Salaries and other short-term employee benefits	2,509	2,496	2,136
Post-employment benefits	176	216	177
Termination benefits		-	-
Sitting allowance (Representation Allowance)	156	156	156
Other expenses (Provident fund contribution)	48	39	32
	2,685	2,712	2,312

Compensation of the Bank's key management personnel includes salaries, non-cash benefits and contributions to the post-employment defined benefits plans.

32 Directors and employees

i) The average number of persons (excluding directors) employed by the Bank during the year was as follows:

	30 June 2018 Number	30 June 2017 Number	1 July 2016 Number
Professionals and High Level Supervisors	63	62	50
Semi-professional, Administrative and Clerical	411	305	204
Technician and Skilled	21	30	20
	495	397	274

ii) The table below shows the number of employees (excluding directors), who earned over Birr 10,000 as emoluments in the year and were within the bands stated.

	30 June 2018 Birr'000	30 June 2017 Birr'000	1 July 2016 Birr'000
10,000 - 30,000	208	120	84
30,001 - 50,000	5	8	7
50,001 - 100,000	3	2	-
Above 100,000	-	-	-
	216	130	91

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33 Contingent liabilities

33a Claims and litigation

The Bank has no contingent liabilities as at the date of this report. (30 June 2017: nil , 1 July 2016: nil).

33b Guarantees and letters of credit

The Bank conducts business involving performance bonds and guarantees. These instruments are given as a security to support the performance of a customer to third parties. As the Bank will only be required to meet these obligations in the event of the customer's default, the cash requirements of these instruments are expected to be considerably below their nominal amounts.

The table below summarises the fair value amount of contingent liabilities for the account of customers:

	30 June 2018 Birr'000	30 June 2017 Birr'000	1 July 2016 Birr'000
Performance guarantees	2,122,436.00	1,285,140	1,145,811
Letters of credit	223,077.00	232,039	184,222
	2,345,513.00	1,517,179	1,330,033

34 Commitments

The Bank has commitments, not provided for in these financial statements being unutilised facilities and approved loans not disbursed.

	30 June 2018 Birr'000	30 June 2017 Birr'000	1 July 2016 Birr'000
Loans approved but not disbursed		211,801	99,665
Unutilized facilities	156252	118,340	94,752
	156252	330,140	194,416

35 Operating lease commitments - Bank as lessee

The Bank leases various properties under non-cancellable operating lease agreements. The lease terms are between one and five years, and majority of these lease agreements are renewable at the end of the each lease period at market rate.
The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	30 June 2018 Birr'000	30 June 2017 Birr'000	1 July 2016 Birr'000
Not later than 1 year	49,229.00	7,322	13,215.67
Later than 1 years but not later than 5 years	74,875.00	61,326	44,819
Later than 5 years		-	2,298
		-	
Total	124,104.00	68,648	60,333

36 Events after reporting period

In the opinion of the Directors, there were no significant post balance sheet events which could have a material effect on the state of affairs of the Bank as at 30 June 2018 and on the profit for the period ended on that date, which have not been adequately provided for or disclosed.

37 First-time adoption of IFRS for the Bank

These financial statements, for the year ended 30 June 2018, are the first the Bank has prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

For periods up to and including the year ended 30 June 2017, the Bank prepared its financial statements in accordance with its accounting framework. Accordingly, the Bank has prepared financial statements which comply with IFRS applicable for periods ending on or after 30 June 2018, together with the comparative period data as at and for the year ended 30 June 2017, as described in the summary of significant accounting policies.

In preparing these financial statements, the Bank's opening statement of financial position was prepared as at 1 July 2016, the Bank's date of transition to IFRS. This note explains the principal adjustments made by the Bank in restating its financial statements prepared under the previous framework, including the statement of financial position as at 1 July 2016 and the financial statements as at and for the year ended 30 June 2017.

In preparing its opening IFRS statement of financial position, the Bank has adjusted amounts reported previously in financial statements prepared in accordance with Generally Accepted Accounting Principles (GAAP) of Ethiopia and the Commercial code of 1960. An explanation of how the transition from GAAP to IFRS has affected the Bank's financial position, financial performance and cash flows is set out in the following tables and the notes that accompany the tables.

The most significant IFRS impact for the Bank resulted from the implementation of IAS 39 Financial Instruments: Recognition and Measurement which requires the bank to classify its financial instruments into available for sale, fair value through profit and loss, loans and receivables and held to maturity. Also the impairment of financial assets only in cases where there is objective evidence of impairment as a result of one or more loss events that occurred after the initial recognition of the asset (referred to as an "incurred loss" model).

In preparing these financial statements in accordance with IFRS 1, the Bank has applied the mandatory exceptions from full retrospective application of IFRS. The optional exemptions from full retrospective application selected by the Bank are summarised below.

Exemptions applied

IFRS 1 allows first-time adopters certain exemptions from the retrospective application of certain requirements under IFRS. Following from the principles underpinning IFRS 1, the Bank has applied the following exemptions:

(a) Deemed cost for property, plant and equipment and intangible assets

Property, plant and equipment and intangible assets were carried in the statement of financial position prepared in accordance with previous framework using historical cost. The Bank has elected to regard those values as deemed cost at the transition date as carrying value of assets under GAAP and IFRS is not expected to be materially different.

(b) Leases

Banks are required to determine whether an arrangement contains a lease based on the facts and circumstances existing on 1 July 2016. Any contracts that exist would result in a classification based on the facts and circumstances that exist at transition date.

Exemptions applied (Contd)

(c) Designation of Previously Recognised Financial Instruments

Applying this exemption means that Banks is permitted to designate a financial asset as available-for-sale at the date of transition to IFRS. The Bank has designated unquoted equity instruments held at 1 July 2016 as available-for-sale investments.

(d) Fair value measurement of financial instruments at initial recognition

Banks may apply the requirements to recognise day 1 gain or loss prospectively to transactions entered into on or after the date of transition to IFRS. This will result in no gain or loss being recognised on the initial recognition of a financial asset or financial liability held prior to 1 July 2016.

Exceptions applied

(a) Estimates

Estimates made in accordance with IFRSs at the date of transition to IFRSs should be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error or where application of previous framework did not require estimation such as post-employment benefits.

(b) De-recognition of financial assets and financial liabilities

This exception exempts a first time adopter from full retrospective application of the de-recognition rules in IAS 39, 'Financial instruments: Recognition and measurement', for all financial assets and liabilities derecognised before 1 January 2004 or transition date. Therefore, financial assets and liabilities derecognised before 1 July 2016 are not re-recognised under IFRS.

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37a Reconciliation of Statement of total comprehensive income for the year ended 30 June 2017

	Notes	GAAP Birr'000	Reclassification Birr'000	Remeasurement Birr'000	IFRS as at 30 June 2017 Birr'000
Interest income	A	298,582	-	4,862	303,444
Interest expense		(200,676)	-	-	(200,676)
Net interest income		97,906	-	4,862	102,768
Fee and commission income	B	151,511	-	16,769	168,280
Fee and commission expense		-	-	-	-
Net fees and commission income		151,511	-	16,769	168,280
Other operating income	C	49,491	-	(368)	49,123
Total operating income		298,908	-	21,263	320,171
Loan impairment charge	D	(15,710)	-	4,608	(11,102)
Impairment losses on other assets		-	-	-	-
Net operating income		283,198	-	25,871	309,069
Personnel expenses	E	(70,849)		(11,600)	(82,449)
Amortisation of intangible assets	F	(8,126)	-	2,436	(5,690)
Depreciation and impairment of property, plant and equipment	G	(13,200)		1,001	(12,199)
Other operating expenses	H	(62,355)	-	134	(62,221)
Profit before tax		128,668	-	17,842	146,510
Income tax expense	I	(28,877)	-	(5,430)	(34,307)
Profit after tax		99,791	-	12,412	112,203
Other comprehensive income (OCI) net on income tax					
Items that will not be subsequently reclassified into profit or loss:					
Remeasurement gain/(loss) on retirement benefits obligations	J	-		130	130
Deferred tax (liability)/asset on remeasurement gain or loss	J	-		(39)	(39)
		-	-	91	91
Total comprehensive income for the period		99,791	-	12,503	112,294

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37b Reconciliation of equity as at 30 June 2017

	Notes	GAAP Birr'000	Reclassification Birr'000	Remeasurement Birr'000	IFRS as at 30 June 2017 Birr'000
ASSETS					
Cash and balances with banks		1,085,418	-	-	1,085,418
Loans and receivables	K	2,440,970	-	9,514	2,450,484
Investment securities:	L	972,067	14,771	(22)	986,816
Other assets	M	238,573	(18,741)	(4,422)	233,253
Intangible assets	N	24,276	-	1,002	25,278
Property, plant and equipment	O	86,978	3,970	3,476	94,424
Deferred tax assets		-			-
Total assets		4,848,282	-	9,548	4,875,673
LIABILITIES					
Deposits from customers	P	3,770,173	81,835	-	3,852,008
Current tax liabilities	Q	27,229	-	(12,122)	15,107
Other liabilities	R	135,800	(81,835)	49,790	103,755
Retirement benefit obligations	S	-	-	2,549	2,549
Deferred tax liabilities	T	6,250	-	554	6,804
Total liabilities		3,939,452	-	40,771	3,980,223
EQUITY					
Share capital		763,917	-	-	763,917
Retained earnings	U	73,826	-	(32,194)	41,632
Legal reserve		65,165	-	-	65,165
Regulatory risk reserve	V	-	-	18,722	18,722
Special reserve		5,923	-	-	5,923
Other reserves	W	-	-	91	91
		908,831	-	(13,381)	895,450
Total equity and liabilities		4,848,283	-	27,390	4,875,673

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37c Reconciliation of equity as at 1 July 2016

	Notes	GAAP Birr'000	Reclassification Birr'000	Remeasurement Birr'000	IFRS as at 1 July 2016 Birr'000
ASSETS					
Cash and balances with banks		767,434	-	-	767,434
Loans and receivables	K	1,615,515	-	4,972	1,620,487
Investment securities:	L	554,550	8,083	26	562,659
Other assets	M	210,995	(10,315)	9,256	209,935
Intangible assets	N	27,244	-	(1,433)	25,811
Property, plant and equipment	O	72,453	2,231	2,474	77,158
Currents tax assets	Q	-	-		-
Deferred tax assets		-	-	-	-
Total assets		3,248,191	-	15,295	3,263,484
LIABILITIES					
Deposits from customers	P	2,469,342	30,472	-	2,499,814
Current tax liabilities	Q	20,565	-	(17,473)	3,092
Other liabilities	R	87,185	(30,472)	56,394	113,107
Retirement benefit liability	S	-	-	1,820	1,820
Deferred tax liabilities	T	4,603	-	435	5,038
Total liabilities		2,581,695	-	41,176	2,622,871
EQUITY					
Share capital		565,130	-	-	565,130
Retained earnings	U	58,133	-	(39,997)	18,136
Legal reserve		40,217	-	-	40,217
Regulatory risk reserve	V	-	-	14,114	14,114
Special reserve		3,016			3,016
Other reserves	W	-	-	-	-
		666,496	-	(25,883)	640,613
Total equity and liabilities		3,248,191	-	15,293	3,263,484

Enat Bank Share Company
IFRS financial statements
For the period ended 30 June 2018
Notes to the financial statements

38 Notes to the reconciliation of equity as at 1 July 2016 and 30 June 2017 and total comprehensive income for the year ended 30 June 2017.

A Interest income

	30 June 2017 Birr'000
Interest and similar income under GAAP	298,582
Remeasurement adjustment :	
To recognise suspended Interest on non performing loans and advances	3,924
To recognise amortised costs on staff loans	778
To recognise amortised costs on women loans	208
To recognise amortised costs on NBE bills	(48)
	4,862
	303,444

B Fee and commission income

	30 June 2017 Birr'000
Fees and commission income under GAAP	151,511
Remeasurement adjustment :	
To recognised unearned LC Commission	(320)
To recognised unearned guarantee fees	17,089
	16,769
	168,280

C Other operating income

	30 June 2017 Birr'000
Other operating income under GAAP	49,491
Remeasurement adjustment :	
To recognise amortisation of loans estimation fees	(48)
To recognised unearned LC Service Charge	(320)
	(368)
	49,123

D Loan impairment charge

	30 June 2017 Birr'000
Loan impairment charge under GAAP	(15,710)
Remeasurement adjustment :	
To adjust loan impairment in line with IFRS requirements	4,608
	(11,102)

E Personnel expenses

	30 June 2017 Birr'000
Personnel expense under GAAP	(70,849)
Remeasurement adjustment :	
To recognise severance benefit costs	(859)
To recognise amortisation of cumulative prepaid employee benefit	(615)
To recognise staff bonus expense in the period incurred	(7,319)
To recognise leave pay expense in the period incurred	(2,807)
	(11,600)
	(82,449)

Enat Bank Share Company
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For the period ended 30 June 2018
Notes to the financial statements

F Amortisation of intangible assets

	30 June 2017 Birr'000
Amortisation charge under GAAP	(8,126)
Remeasurement adjustment :	
To correct amortization charge on intangible assets overstated in line with IFRS	2,436
	(5,690)

G Depreciation and impairment of property, plant and equipment

	30 June 2017 Birr'000
Depreciation charge on PPE under GAAP	(13,200)
Remeasurement adjustment :	
To correct depreciation charge overstated - Furniture and fittings	14
To correct depreciation charge understated - Office equipment	(1,048)
To correct depreciation charge understated - Computer equipment	(1,219)
To correct depreciation charge overstated - Motor vehicle	3,254
	1,001
	(12,199)

H Other operating expenses

	30 June 2017 Birr'000
Other operating expense under GAAP	(62,355)
Remeasurement adjustment :	
To recognise amortisation of prepaid women loans expense	(147)
To accrue for miscallenous expenses in the period	281
	(62,221)

I Income tax expense

	30 June 2017 Birr'000
Income tax expense under GAAP	(28,877)
Remeasurement adjustment :	
To current tax adjustment	(3,703)
To book deferred tax adjustment	(1,727)
	(5,430)
	(34,307)

J Remeasurement gain/(loss) on retirement benefits obligations

	30 June 2017 Birr'000
Remeasurement gain/(loss) on retirement benefits obligations under GAAP	-
Remeasurement adjustment :	
To book Remeasurement gain/(loss) on retirement benefits obligations through OCI	130
Deferred tax (liability)/asset on remeasurement gain or loss	(39)
	91

K Loans and receivables

	30 June 2017 Birr'000	1 July 2016 Birr'000
Loans and receivables under previous GAAP	2,440,970	1,615,515
Remeasurement adjustment :		
	4,608	14,114
To recognise interest on women loans computed using market interest rate (Note A)	208	5
To recognise women loan at amortised cost	(439)	(13)
To recognise interest on staff loans computed using market interest rate (Note A)	778	569
To recognise staff loan at amortised cost	(4,488)	(9,643)
To recognise suspended Interest on non performing loans and advances	3,924	-
To amortise unearned fee and commissions	(49)	(60)
Roll over adjustment from prior period	4,972	-
	9,514	4,972
Loans and advances to customers per IFRS	2,450,484	1,620,487

Enat Bank Share Company
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Notes to the financial statements

Under previous GAAP, Interest on non-performing loans is placed on non-accrual basis and maintained in either a memorandum account (off-balance sheet) or in a contra interest receivable account, in the form of suspended interest until cash or its equivalent is received. All suspended interest was reclassified to be included in the carrying amount of the financial assets giving rise to it.

Under previous GAAP, accrued interest on loans and advances to customers was recognised separately in other assets. These amount have been reclassified the related loans and advances.

The principal and interest impairment provision on loans and advances to customers was classified separately under previous GAAP. The impairment provision relating to the principal amount was recognised as part of loans and advances. On the other hand, the impairment on the interest portion was recognised as part of provision for other assets. Under IFRS, the impairment provision for the interest element of loans and receivables has been reclassified to loans and receivables. These reclassification has been considered in determining IAS 39 provisions as is therefore included in the total remeasurement adjustment for Impairment provision on loans and advances to customers.

L Investment securities

	30 June 2017 Birr'000	1 July 2016 Birr'000
Investment securities under previous GAAP	972,067	554,550
Reclassification		
To reclassifiy accrued interest from other assets to form part of the carrying amount of the NBE bi	14,771	8,083
Remeasurement adjustment :		
To recognise amortised cost on NBE bills	(48)	26
Roll over adjustment from prior period	26	
	(22)	26
Investment securities per IFRS	986,816	562,659

Under the previous framework, interest on NBE bill was included in other assets. Under IFRS, the interest has been reclassified to the carrying value of the NBE bills.

The adjustment on treasury bills relates to the recognition of these securities at amortised costs using the effective interest method.

M Other assets

	30 June 2017 Birr'000	1 July 2016 Birr'000
Other assets as per previous GAAP	238,573	210,995
Reclassification :		
Reclassification of accrued interest on NBE bill from other assets	(14,771)	(8,084)
Reclassification of fixed assets in store to property plant and equipment	(3,970)	(2,231)
Reclassification beween furniture stock account and other stock Accounts	-	
Remeasurement adjustment :		
To recognise staff loans at fair value	4,488	9,643
To recognise women loans at fair value	439	13
To amortise women loan prepaid asset benefit	(147)	(3)
To amortise staff loan prepaid asset benefit	(615)	(397)
Roll over adjustment from prior period	9,256	
	13,421	9,256
Other assets per IFRS	233,253	209,936

Under previous GAAP, interest receivable on placement with banks was recognised separately as part of other assets. Under IFRS, the interest receivable has been reclassified to the related asset.

Impairment provision on loans and advances to customers under previous GAAP was calculated separately on the outstanding principal amount and outstanding interest amount. The impairment provision on outstanding interest receivable on these loans and receivables to customers was recognised as part of provisions for other assets. The provision has been reclassified as part of loans and receivables.

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N Intangible assets

	30 June 2017 Birr'000	1 July 2016 Birr'000
Intangible assets as per previous GAAP	24,276	27,244
Remeasurement adjustment :		
To correct amortization charge on intangible assets overstated in line with IFRS	1,234	555
To correct amortization charge on intangible assets/Soft ware/ overstated in line with IFRS		
To reverse amortisation charged on deferred establishment cost	8	3,977
To expense deferred establishment costs not qualified for capitalization	-	(5,965)
Reversal of overstated amortization expense on deferred asset	1,193	
Roll over adjustment from prior period	(1,433)	
	1,002	(1,433)
Intangible assets per IFRS	25,278	25,811

O Property , plant and equipment

	30 June 2017 Birr'000	1 July 2016 Birr'000
Property, plant and equipment as per previous GAAP	86,978	72,453
Reclassification :		
Reclassification of fixed assets in store to property plant and equipment	3,970	2,231
Remeasurement adjustment :		
To correct depreciation charge understated - Furniture and fittings	-	(73)
To correct depreciation charge overstated - Furniture and fittings	15	-
To correct depreciation charge understated - Office equipment	(1,048)	(1,733)
To correct depreciation charge understated - Computer equipment	(1,219)	(1,076)
To correct depreciation charge overstated - Motor vehicle	3,254	5,356
Roll over adjustment from prior period	2,474	
	3,476	2,474
Property plant, and equipment per IFRS	94,424	77,158

P Deposits from customers

	30 June 2017 Birr'000	1 July 2016 Birr'000
Deposits from customers under previous GAAP	3,770,173	2,469,342
Reclassification :		
Reclassification adjustment - Accrued interest on deposits from Other liabilities	81,835	30,472
Deposits from customers per IFRS	3,852,008	2,499,814

Under the previous GAAP, interest accrued on interest bearing customer deposits were recognises separately as part of other liabilities. Under IFRS, interest payable is included in the carrying amount of the financial liability giving rise to it. All interest payable was reclassified to be included in the carrying amount of the financial liabilities giving rise to it.

Q Current tax (asset) / liability

	30 June 2017 Birr'000	1 July 2016 Birr'000
Current tax as per GAAP	27,229	20,565
Remeasurement adjustment :		
To adjust for current tax payable due to IFRS adjustments	5,351	(17,473)
Roll over adjustment from prior period	(17,473)	
	(12,122)	(17,473)
Current tax per IFRS	15,107	3,092

Enat Bank Share Company
IFRS financial statements
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Notes to the financial statements

R Other liabilities

	30 June 2017 Birr'000	1 July 2016 Birr'000
Other liabilities as per previous GAAP	135,800	87,185
Reclassification :		
Reclassification adjustment - Accrued interest on deposits from Other liabilities (Note P)	(81,835)	(30,472)
Remeasurement adjustment :		
To amortise guarantee commission and recognise unearned commission income	(17,089)	43,023
To amortise LC service charge and recognise unearned income	320	2,404
To amortise LC commission and recognise unearned commission income	320	2,404
To accrue for staff bonus	7,319	3,275
To accrue for staff leave days balance	2,807	3,591
To accrue for miscallenous expenses in the period	(281)	1,697
Roll over adjustment from prior period	56,394	
	49,790	56,394
Other liabilities per IFRS	103,755	113,107

S Retirement benefit liability

	Birr'000	Birr'000
Retirement benefit obligation under previous GAAP	-	-
Remeasurement adjustment :		
To recognise defined benefit obligation arising from severance pay plan	859	1820
To book Remeasurement gain/(loss) on retirement benefits obligations	(130)	-
Roll over adjustment from prior period	1,820	
	2,549	1,820
Retirement benefit liability per IFRS	2,549	1,820

T Deferred tax

	30 June 2017 Birr'000	1 July 2016 Birr'000
Deferred tax as per GAAP	6,250	4,603
Remeasurement adjustment :		
To adjust for deferred tax due to IFRS adjustments	80	435
To adjust deffered tax attributed to remeasurement gain / loss on defined benefit liability	39	
Roll over adjustment from prior period	435	
	554	435
Deferred tax per IFRS	6,804	5,038

U Retained earnings

	30 June 2017 Birr'000	1 July 2016 Birr'000
Retained earnings as per previous GAAP	73,826	58,133
Remeasurement adjustment :		
To correct amortization charge on intangible assets overstated in line with IFRS	2,436	555
To reverse amortisation charged on deferred establishment cost	-	3,977
To expense deferred establishment costs not qualified for capitalization	-	(5,965)
To correct depreciation charge understated - Furniture and fittings	-	(74)
To correct depreciation charge overstated - Furniture and fittings	14	-
To correct depreciation charge understated - Office equipment	(1,048)	(1,733)
To correct depreciation charge understated - Computer equipment	(1,219)	(1,076)
To correct depreciation charge overstated - Motor vehicle	3,254	5,356
To recognise amortised cost on NBE bills	(48)	26
To amortise Loan estimation fees and book unearned income	(48)	(60)
To amortise guarantee commission and recognise unearned commission income	17,089	(43,023)
To amortise LC service charge and recognise unearned income	(320)	(2,404)
To amortise LC commission and recognise unearned commission income	(320)	(2,404)
To recognise staff bonus expense in the period incurred	(7,319)	(3,275)
To recognise leave pay expense in the period incurred	(2,807)	(3,591)
To reversal of accrual for miscallenous expenses	281	
To amortise women loan prepaid asset benefit	208	(3)
To amortise staff loan prepaid asset benefit	778	(397)
To recognise interest on women loans computed using market interest rate	(147)	5

To recognise interest on staff loans computed using market interest rate (	(615)	569
To recognise suspended Interest on non performing loans and advances	3,924	-
To recognise defined benefit obligation expense arising from severance pay plan	(859)	(1,820)
To adjust impairment of loans and advances as per provisions of IFRS	4,608	14,114
To adjust expense which needs to be accrued		(1,698)
To adjust for current tax payable due to IFRS adjustments	(5,351)	17,473
To adjust for defferred tax due to IFRS adjustments	(80)	(435)
To transfer to regulatory reserve	(4,608)	(14,114)
Roll over adjustment from prior period	(39,997)	-
	(32,194)	(39,997)
Retained earnings per IFRS	41,632	18,136

V Regulatory risk reserve

	30 June 2017 Birr'000	1 July 2016 Birr'000
Regulatory risk reserve as per previous GAAP	-	-
Remeasurement adjustment :		
Impairment allowance on loans and advances to customers (Note J)	4,608	14,114
Roll over adjustment from prior period	14,114	
	18,722	14,114
Regulatory risk reserve per IFRS	18,722	14,114

As per industry best practice , the (surplus) /deficit of the NBE guidelines on impairment provision and IFRS requirement is recognised in other reserve. In the case of the bank management has created a regulatory risk reserve.

W Other reserves

	Birr'000	Birr'000
Other reserves under previous GAAP	-	-
Remeasurement adjustment :		
To book remeasurement gain/(loss) on retirement benefits liability	130	-
Deferred tax (liability)/asset on remeasurement gain or loss	(39)	
Other reserves as per IFRS	91	-


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የቦርድ ሰብሳቢ

ለተከበራችሁ ባለአክሲዮኖች

የባንካችንን የ2010 ዓ.ም. ዓመታዊ የሥራ አፈፃፀም ሪፖርት በእኔና በዳይሬክተሮች ቦርድ ስም ሳቀርብ ከፍተኛ ክብርና ደስታ ይሰማኛል፡፡ የቀድሞው ቦርድ የሥራ ጊዜውን አገባድዶ አዲሱ ቦርድ ሥራውን ከጀመረ እነሆ አምስት ወራትን አስቆጥሯል፡፡ በዚህ አጭር ጊዜ ውስጥ ቦርዱ በቁጥር ብዙ ሊባሉ የሚችሉ ስብሰባዎችን በማካሄድ ከነባሩ ቦርድ የተረከባቸውን ሥራዎች ለማስቀጠልና እንዲሁም ሁሉም ሥራውን አውቆ ኃላፊነቱን የሚወጣበት ጥብቅ የሆነ ተዋረዳዊ አሠራር (Corporate Governance) እንዲሰፍን ጥረት አድርጓል፡፡

ምንም እንኳን ውጭአዊ ሁኔታዎች ያሳደሩት ተፅዕኖ ቀላል ነው ባይባልም፣ ጥረታችን ተሳክቶ ባንካችን ከምንጊዜውም በላይ አትራፊ ባንክ መሆኑን አረጋግጧል፡፡ በተለይ የብድር ጥራትን ለማስጠበቅ በተደረገ ሁለንተናዊ ጥረት ከጠቅላላ ብድር ውስጥ የክፍያ ችግር ያለባቸው ብድሮች ተነፃፃሪ ምጣኔ እጅግ አነስተኛ ከመሆኑም በላይ ብሔራዊ ባንክ ካስቀመጠውም ሆነ ባንኩ መሸከም እችላለሁ ብሎ ካቀደው በታች መሆኑን ሳበስር በደስታ ነው፡፡

የሴቶችን የኤኮኖሚ አቅም ከመደገፍ አንፃር ባንካችን ፈር ቀዳጅ እንደ መሆኑ መጠን አሁንም ይህንኑ አላማውን እውን ለማድረግ በጥልቀትና በስፋት በመንቀሳቀስ ላይ ይገኛል፡፡ ለአብነትም ሴቶች በተሻለ መልኩ የባንኩ አገልግሎት ተጠቃሚ እንዲሆኑ ለማድረግ ዓለምአቀፍ ፋይናንስ ኮርፖሬሽን ከተሰኘ ድርጅት ጋር በመተባበር አዲስ ስልትና ስትራቴጂ ለመንደፍ ስምምነት ላይ ደርሰናል፡፡ ይህ ጥናት ሲገባደድ በየትኛውም ደረጃ ያሉ የባንካችንን አገልግሎት የሚፈልጉ ሴቶች ተጠቃሚ እንደሚሆኑ በልበ-ሙሉነት መናገር እችላለሁ፡፡

በሌላም በኩል የባንካችን የተከፈለ ካፒታል ለተከታታይ ዓመታት 60 በመቶው በሴቶች መያዙ እንዲሁም ከአጠቃላይ ባለ አክሲዮኖች ውስጥ 65 በመቶው ዓመታዊ ትርፍ ተከፋይ ሴቶች መሆናቸው ባንካችን ያስቀመጠውን ግብ ከማሳካት አንፃር ሳያሰልስ እየተጋ መሆኑን ግልፅ ያደርገዋል፡፡ ይሁን እንጂ ባለፈው የበጀት ዓመት ለሴቶች የተለቀቀው የብድር መጠን በአጠቃላይ ከተለቀቀው ብድር አንፃር ሲታይ ገና ብዙ ሥራ እንደሚቀረን አመላካች ነው፡፡

ነባሩ የባንካችን ስትራተጂያዊ ዕቅድ ከወቅቱ ውጭአዊና ከባንኩ ውስጣዊ ሁኔታ ጋር የተጣጣመ ለማድረግ የፕሮጀክት ቢሮ ተዋቅሮ ክፍቶቶችን በመለየት፣ ከፍ ሲልም አዲስ ስትራቴጂያዊ ዕቅድ በመንደፍ፣ በአዲሱ የበጀት ዓመት የተሻለ ውጤት ለማስመዝገብና አዳዲስ የባንክ አገልግሎቶችን ለማስተዋወቅ ሥራዎች በመሠራት ላይ ይገኛሉ፡፡ ከዚህ አንፃር በሚቀጥለው የበጀት ዓመት የሞባይል ፋይናንስ አገልግሎቶችን ማለትም በሞባይል ስልክ ገንዘብ የመቀበልና የመክፈል አገልግሎት ለመጀመር የሚያስችሉ ቅድመ ሁኔታዎችን የምናገባድድ መሆኑን ስገልፅ በደስታ ነው፡፡

በመጨረሻም መላው የባንካችን ሠራተኞች ላስመዘገቡት ስኬት እንኳን ደስ አላችሁ ለማለት እወዳለሁ፡፡ እንዲሁም ባለ አክሲዮኖቻችን በኛ ላይ ዕምነት በመጣል ገንዘባቸውን በባንካችን ላይ በማፍሰሳቸውና ለስኬታችን ትልቅ አስተዋፅዖ በማድረጋቸው ምስጋናዬ የላቀ ነው፡፡ በተጨማሪም ባንካችን የመልካም አስተዳደር መስፈርቶችን፣ ሌሎች ተጓዳኝ ህጎችንና ደንቦችን ጠብቆ እንዲሠራ ላገዘን ለብሔራዊ ባንክ ምስጋናዬን ማቅረብ እፈልጋለሁ፡፡

አመሰግናለሁ
የቦርድ ሰብሳቢ

የባንኩ ፕሬዚደንት መልዕክት

ወንድወሰን ተሾመ
ፕሬዚደንት

የ2010 ዓ.ም የእናት ባንክ የሥራ አፈፃፀም ሪፖርት በባንካችን አስተዳደርና በራሴ ስም ሳቀርብ በታላቅ ክብር ነው። ባንካችን ሥራ ከጀመረ አምስተኛ የልደት በዓሉን አክብሯል። ዛሬም በራዕዩ የሰነቀውን ማህበራዊ ግዴታውንና የሥራ ተልዕኮውን በጉልህ እያሳካ ይገኛል ።

በበጀት ዓመቱ፣ ምንም እንኳን የተለያዩ ውጣ ውረዶች ቢያጋጥሙንም፣ ጠቅላላ ገቢና ትርፍ ከዓምናው ተመሳሳይ ወቅት ጋር ሲመዘን በተከታታይ የ45 በመቶና የ47 በመቶ ብልጫ አላቸው። በሌላም በኩል ጠቅላላ ሀብት ብር 6.5 ቢሊዮን የደረሰ ሲሆን ከአምናው ተመሣሣይ ወቅት ጋር ሲመዘን የ33 በመቶ ጭማሪ አሣይቶአል። በተመሣሣይ መልኩ የተከፈለ ካፒታል 971 ሚሊዮን የደረሰ ሲሆን ይህም ካምናው ተመሣሣይ ወቅት አንፃር የ27 በመቶ ዕድገት አስመዝግቦአል። የባንካችንን የሀብት ጥራት ከማስጠበቅ አንፃር የተሠራው የተቀናጀ ሥራ ውጤት በማምጣቱ የክፍያ እንከን ያለባቸው ብድሮች ተነፃፃሪ ምጣኔ ከሁለት በመቶ በታች ሲሆን ይህ ብሔራዊ ባንክ ካስቀመጠውም ሆነ ባንካችን ካስቀመጠው ዕቅድ አንፃር እጅግ አነስተኛ ነው።

በአዲሱ የበጀት ዓመት ባንካችንን እንደ ድርጅት ለማሳደግና ትርፋማነቱን ከፍ ለማድረግ ትልቅ ዕቅድ አቅደናል። አዳዲስና ዘመናዊ የአሠራር ዘዴዎችን በመተግበር ያልደረስንባቸው ገበያዎች ውስጥ ዘልቀን የምንገባበት የሥራ ዘመን ነው። በተለይ ክፍያን ለማቀላጠፍ የሚያግዙ በሞባይል ስልክ ገንዘብ የማስተላለፍና የመቀበል እንዲሁም የውክልና ባንክ ሥራ በመተግበር ለደንበኞቻችን ላቅ ያለ አገልግሎት የምንሰጥበትና ለባለአክሲዮኖቻችን የተሻለ ትርፍ የምንከፍልበት የሥራ ዘመን ለማድረግ ከምን ጊዜውም በላይ ዝግጁ ሆነናል። ከዚህም በላይ ከወለድ ነፃ አገልግሎት ሥራ ላይ በማዋል አገልግሎታችን ለሁሉም ተደራሽ እንዲሆን የምናደርግበት የበጀት ዓመት ነው።

ይህን በሰፊው ያቀድነውን ሥራ ከዳር የሚያደርስልን የሠለጠነ የሰው ኃይል በመሆኑ ለሰው ሀብት ልማት ከፍተኛ በጀት መድበናል። ዘመናዊና ወቅታዊ የሆነ ሥልጠናና የሰው ኃይል ልማት ሥራ ላይ በማዋል ዕቅዳችን ሙሉ በሙሉ የምናሳካበት የበጀት ዓመት ለማድረግ ሁለንተናዊ ጥረት በማድረግ ላይ እንገኛለን።

በመጨረሻም ባንካችን ላስመዘገበው ስኬት ከፍተኛ አስተዋፅኦ ላበረከቱ ለባንካችን ቦርድና ሠራተኞች፣ ጉድለታችን ሣይሆን ጠንካራ ግንኙታችን በመመልከትና አንዳንድ ውጭአዊ ሁኔታዎች በባንካችን አገልግሎት ላይ የሚያደርሱትን አሉታዊ ተፅኖዎች በመገንዘብና ተስፋ ባለመቁረጥ ከኛ ጋር በመሥራት ለባንካችን ስኬት ዋና አጋር ለነበሩ ውድ ደንበኞቻችን እንዲሁም ከባንካችን ትልቅ የትርፍ ክፍያ ሣይጠብቁ ራዕያችንን ብቻ በመጋራት ገንዘባቸውን በባንካችን ላይ ላፈሰሱ ውድ ባለአክሲኖቻችን ታላቅ ምስጋናዬን ለማቅረብ እወዳለሁ። በተጨማሪም ለሥራችን መቃናት፣ ህግንና ደንብን አክብረን በደንበኞቻችን ዘንድ ተዓማኒ ባንክ እንድንሆን በትልቁ ሲያግዘን ለነበረ ለብሔራዊ ባንክ ከፍ ያለ ምስጋናዬን አቀርባለሁ።

አመስግናለሁ፣ መጪው ጊዜ የስኬት እንዲሆን መልካም ምኞቴን ለመግለፅ እወዳለሁ።

1. ሴቶችን የሚያግዝ የዋስትና ፋይናንስ መላ

ይህ መርሀግብር በስራ ፈጠራና በታታሪነታቸው ትርፋማ የሆነ ሥራ ላይ ተሰማርተው ነገር ግን ማስያዥያ የሚሆን ንብረት በማጣታቸው ብቻ የብድር ተጠቃሚ መሆን ያልቻሉ ሴት ነጋዴዎችን ለማገዝ ተግባራዊ የተደረገ መላ ነው:: ዋነኛ ትኩረቱም ሴቶች ያሉባቸውን የዘመናዊ አሠራርና የፋይናንስ ችግሮችን በመለየት የፋይናንስ አገልግሎት ለሴቶች በቀላሉ ተደራሽ ማድረግና ኢኮኖሚያዊ ችግራቸውም ደረጃ በደረጃ እንዲቀረፍ ማገዝ ነው::

እናት ባንክ ሴቶችን ማዕከል ያደረገ ባንክ እንደ መሆኑ መጠን ከተለመደው አሠራር ወጣ ባለ መልኩ አገልግሎቱን ለሴቶች ተደራሽ በማድረግ ለፍትሀዊ የኢኮኖሚ ተጠቃሚነት እና የፆታ እኩልነት አስተዋፅዖ የሚያደርግ ባንክ ነው ማለት ይቻላል:: ከምሠረታው ማግስት ጀምሮ ባንኩ ለተለያዩ ሴት ነጋዴዎች ብድር የሰጠ ሲሆን ከዚህ ውስጥ ጥቂቶቹ ጀማሪዎች ሲሆኑ የተቀሩት በስራ ላይ የነበሩ ነገር ግን ተጨማሪ ስራ ማስኬጃ ገንዘብ የሚፈልጉ ነበሩ:: ከዚህም በላይ የሥራ ፈጠራ ክህሎትን እና የስራ ዕቅድ አወጣጥ ችሎታን ለማሳደግ የሚያስችል የአቅም ግንባታ ስልጠና እንዲወስዱ አድርጓል:: ይህን ሥልጠና ከወሰዱ በኋላ የሴቶች የመቆጠብ አቅም ከፍ ማለቱን በተግባር መመስከር ችለናል:: በ2010 ዓ.ም. በዚህ መርሐግብር ተጠቃሚ የሆኑ አምስት ተበዳሪዎች የወሰዱትን ብድር በተቀመጠላቸው ጊዜ ውስጥ ሙሉ በሙሉ ከመክፈል አልፈው 81 አዳዲስ የስራ እድል በመፍጠርና ንብረት በማፍራትም ረገድ ውጤታማ ነበሩ:: በአሁኑ ጊዜ ለዚህ መርሀግብር የተመደበ ገንዘብ ብር 4.3 ሚሊዮን የደረሰ ሲሆን 15 የሚሆኑ የብድር ጥያቄዎች ለመጽደቅ በሂደት ላይ ይገኛሉ::

እናት ባንክ ባለፈው በጀት ዓመት በድምሩ ብር 10 ሚሊዮን ያክል ብድር እሸትና ፒስ ለተሰኙ ሁለት አነስተኛና ጥቃቅን ተቋማት (ለእያንዳንዳቸው ተጨማሪ ብር 5 ሚሊዮን) አበድሯል:: ተቋማቱም ቀደም ብሎ ከባንኩ ጋር በተደረሰ ስምምነት መሠረት 958 ሴት ነጋዴዎችን የብድር ተጠቃሚ ማድረግ ችለዋል::

ከጥቃቅንና አነስተኛ ተቋማት ጋር ትስስር በመፍጠር የተወሰኑ ሴቶችን የብድር ተጠቃሚ እያደረግን ነው:: ምንም እንኳን ተደራሽነታችን ውስን ቢሆንም በዚህ መልኩ አነስተኛ ሥራ ላይ ለተሰማሩ ሴቶችን የብድር ተጠቃሚ ማድረግ የአንድን ቤተሰብ ኤኮኖሚያዊ ችግር እንደ መፍታት ይቆጠራል ብለን እንገምታለን::

በሴቶች የንግድ ተቋማት ላይ መዋዕለ ንዋይ ማፍሰሳችን ለወደፊቱ የተሻለ ነገን እንድንገነባ ረድቶናል::

ሊድያ ስታልመው የነበረውን እንደ ቀበቶና ቦርሳ የመሣሰሉትን የቆዳ ውጤቶችን ለገበያ ማቅረብ ስትወስን በመጠኑ ስጋት ነበራት::

“የመጀመሪያው የማምረቻ ድርጅቴ በጣም ትንሽ ነበር::” በማለት ሊዲያ ትናገራለች::“በሰው ሀይል የሚንቀሳቀሱ አራት ማሽኖችና ሦስት ሰራተኛ ነበር የነበረን፧በቂ ሰራተኛ አልነበረኝም፧ ነገር ግን የንግድ ስራዬ እያደገ መጣ፧በጣም ስፈራ ነበር እና እንደማንኛውም አነስተኛ ንግድ ስራ የሚያጋጥሙኝን ችግሮች እንደምቋቋማቸውና እንደምወጣቸው እርግጠኛ አልነበርኩም::“

ሊዲያ ለሴቶች ለዋስትና የሚውል ፋይናንስ መርሀግብር ከጓደኞቿ ሰምታ ነበር፧ ነገር ግን ባንክ ያለመያዣ ንብረት ብድር ይሰጣል ብላ አላመነችም ነበር::የሴቶች ብድር አገልግሎት ባለሙያን ለማግኘትና እገዛ ለመጠየቅ ወደ እናት ባንክ መጥታ ነበር::

እናት ባንክ በሊዲያ ህይወት ውስጥ ጠልቆ የገባው ድርጅቷ አስገራሚ እድገት በውጭ ገበያ ላይ ማምጣት በጀመረበት ወቅት ላይ ነው:: የእናት ባንክ የሴቶች ፋይናንስ አገልግሎት ክፍል ዳይሬክተር የሆኑት ወ/ሮ አበባ ተስፋየ እንደሚሉት “ሊዲያ በወቅቱ ዘጠኝ ማሽኖች፣ ጥሬ ዕቃ ለመግዛት እና ለስራ ማስኬጃ የሚሆን ብድር ትፈልግ ነበር”:: ሊዳያ ድርጅቷን ከመሠረተች ሦስት ዓመት የሆናት ሲሆን በወቅቱም በቼክ የሚንቀሳቀስ ሂሳብ ነበራት:: ባለፉት ሶስት አመታት ከእናት ባንክ የፋይናንስ አገልግሎት፣ የማማከርና ብድር ማግኘት ችላለች::

የሴቶች የዋስትና የፋይናንስ መላ ለድርጅቷ እንደሚጠቅማት ገለፃ ከተደረገላት በኋላ ብድር ለማግኘት መሟላት የሚገባቸውን ቅድመ ሁኔታዎች በማሟላት የብር 300,000.00 የብድር ጥያቄ አቀረበች:: ስልጠናው በጣም ጠንክሮ መስራት፣ ቆራጥነት እና ጊዜ ይጠይቅ እነደነበር እና በስተመጨረሻም ውጤታማ እንደሆነች ሊዲያ ትናገራለች፧ብድሯም ፀደቀላት:: የአውሮፓ ህብረት እና ኢንተር አፍሪካ ንግድ ገበያ የመሳሰሉ የዓለም ዓቀፍ የገበያ እድል ያገኘችባቸው ሲሆኑ የተፋጠነ የሴቶችን የኢኮኖሚ

አቅም የማሳደግ ማዕከል እና የአፍሪካ ሴት ስራ ፈጣሪዎች የተባሉ ፕሮግራሞችም አባል ሆነች። ከዚህ በመቀጠልም JICA (ጃይካ) ከተባለ ድርጅት ተጨማሪ 18 የተለያዩ ማሽኖች በእርዳታ መልክ ለማግኘት ችላለች። ለተቸገሩ ሕፃናትና ሴቶች ስልጠና ከሚሰጡ ድርጅቶች 19 ወጣት ሴቶችን በመቀበል አሰልጥና ቀጥራለች። በተጨማሪም ስራን ለማሳደግ በሚረዳ የስልጠና ፕሮግራም ውስጥ አባል በመሆን በአዳዲስ ምርቶች(ውጤቶች) ጥናትና ምርምር ላይ ትኩረቷን የበለጠ ማድረግ ጀመረች፤ እናም የስራ ስልቷንና እቅዷን በማሻሻል ከለሰች። ሊዲያ የቆዳ ውጤቶች ማምረቻ ድርጅት በአሁኑ ሰዓት 19 ሰራተኞችና 30 ማሽኖች ሲኖሩት የብር 3 ሚሊዮን ካፒታል ለማፍራት ችሏል። ስራውም ከነበረበት አነስተኛ የስራ ደረጃ በማደግ አሁን ከእናት ባንክ የሴቶች ፋይናንስ ፕሮግራም ወጥቷል ፤ለሊዲያ መጪው ጊዜ አስደናቂና ስኬታማ ይሆናል ማለት ይቻላል።

ፋይናንስ ነክ ያልሆኑ ሥልጠናዎችን በመስጠት የሴቶችን አቅም ማጎልበት

- ### ፋይናንስ ነክ ያልሆኑ ሥልጠናዎች

ይህ ሥልጠና በአነስተኛና መካከለኛ ደረጃ ላይ ያሉ ሴት ስራ ፈጣሪዎች የሚያጋጥሟቸዉን ኢኮኖሚያዊ ችግሮች ለማቃለል የምንሰጠዉ ፋይናንስ ነክ ያልሆነ የሥልጠና ዓይነት ነዉ። ከእነዚህ መካከል የስራ ፈጠራ ክህሎት ለማጎልበት፣የገበያ ትስስር ለመፍጠርና ገበያን ተደራሽ ለማድረግ የሚያስችሉ መላዎችን ለመንደፍ የሚያስችሉ ሥልጠናዎች ይገኙበታል። በጎ ሃሳቢ ሁሉ የሚሳተፍበት የሆነ ዜጋ ሁሉ የሚሳተፍበት ዋስትና ማቅረብ ለማይችሉ ሴቶች እንደ ዋስትና የሚያገለግል ገንዘብ የሚሰባሰብበት ቋት ማስተዋወቃችን ከተለያየ ማህበረሰብ ጋር አብረን በጋራ እንድንሠራ አግዞናል። እንደዚህ ዓይነት አቃፊ ሽርክናዎች መገንባት መቻል የነጋዴ ሴቶችን አቅም ከማጎልበትም አልፎ ለደንበኞቻችንና ለባለአክሲዮኖቻችን ተጨማሪ ዕሴት ለመፍጠር ያስችለናል።

የገንዘብ አጠቃቀም ሥልጠና

- ### የሴቶችን ህይወት ለማሻሻል ይረዳ ዘንድ የገንዘብ አጠቃቀም ሥልጠና ያለ ምንም ክፍያ እንሰጣለን

የገንዘብ አጠቃቀም ፅንሰ ሃሳብን ለማስረፅ ቀላል የሆኑ የትምህርት መርጃ መሳሪያዎችንና ቪዲዮዎችን በመጠቀም በግልና በቤተሰብ ደረጃ የገንዘብ አጠቃቀም ሥልጠና ይሰጣል። ይህ ሥልጠና ሴቶች የገንዘብ አጠቃቀም አማራጮችን በደንብ እንዲረዱና በልበ ሙሉነት ዉሳኔ እንዲወስኑ አቅማቸውን ያጎለብታል። በ2009/10 ለአስራ ሶስት ተቋማት በተሰጠዉ የፋይናንስ ትምህርት ዕድል 914 ሠራተኞች የተሳተፉበት ሲሆን ከነዚህ ውስጥ ስላሳ በመቶዎቹ (30%) የእናት ባንክ የሴቶች ቁጠባ ሒሳብ ከፍተዋል። ይህ የፋይናንስ ትምህርት የባንካችን ደንበኛ ላልሆኑትም ጭምር የሚሰጥ ሲሆን ሥልጠናውን የወሰዱ ሴቶች እንደየ አቅራቢያቸው ከሌሎች ባንኮች ጋር ደንበኝነት ሣይመስረቱ አልቀሩም። ሆኖም ከሥልጠናው ቦኋላ ደንበኝነታቸውን ከእናት ባንክ ጋር ያደረጉ ሴቶች በየጊዜው ወቅቱን የጠበቁ የፋይናንስ መረጃዎች ስለሚቀርቡላቸው በቁጠባም ሆነ በንግድ ሥራቸው መሻሻሎችን እያሳዩ ነው ። ይህ መርሀግብር የፋይናንስ አቅሙን ለማሳደግ ለሚፈልግ ለማንኛውም ዜጋ በተለይም ለአዲስ ስራ ጀማሪ ወጣቶች ወይም የቁጠባ ክህሎታቸውን ከፍ ለማድረግ ለሚፈልጉ ሁሉ በጣም መቃሚ ነዉ።

እንደ ዜጋ ድርጅታዊ ኃፊነትን መወጣት አንፃር የተፈፀሙ ተግባራት

- ### የምንሰጠዉ አገልግሎት አካታችነትን የመደገፍና በጎ ስራዎችን መስጠትን ይጨምራል።

በ2009/10 ባንካችን ዕገዛ ለሚያስፈልጋቸዉን ማህበረሰቦችና ድርጅቶች ወደ አንድ ሚሊዮን ብር የሚጠጋ ገንዘብ ወጭ በማድረግ እርዳታና ድጋፍ በመስጠት የበኩሉን አስተዋጽኦ አድርጓል። ከነዚህም መካከል መቄዶንያ የአዛዉንቶችና የአዕምሮ ህሙማን መርጃ ማዕከል፣ የኩላሊት እጥበት ድርጅት እና ቼሻየር ሰርቪስስ ኢትዮጵያ ድርጅቶች ተጠቃሽ ናቸዉ። በተጨማሪም ባንካችን በድጋፍ ዙሪያ ለተሰናዱ ለሶስት ዝግጅቶች ድጋፍ አድርጓል። እነዚም ግሪን ላይፍ ‹‹እማ›› በሚል ለተዘጋጀዉ የእናቶች ጤና ዝግጅት፣የኢትዮጵያ ዲፕሎማቲክ ሚስቶች ያዘጋጁት ዲፕሎማቲክ ባዛር እና ለአለምአቀፍ ሴቶች ዝግጅቶች ናቸዉ። የመጀመሪያዉ ዝግጅት ዓላማ የነበረዉ በማህበረሰቡ ዉስጥ ለእናቶች እና ለወደፊቶቹ እናቶች የጤና ግንዛቤ ለመፍጠርና ለማስጨበጥ ነበር። በተጨማሪም በእናቶች ቀን ላይ ባንኩ ለእናቶችና በጎዳና ላይ በችርቻሮ ንግድ ላይ ለተሰማሩ ሴቶች የባንኩ አርማ ያለበትን ዣንጥላ በስጦታ መልክ አከፋፍሏል።

እናት ባንክ አክሲዮን ማህበር
የትርፍ እና ኪሳራ መግለጫ
ሰኔ 23 ቀን 2010 ዓ.ም ላለቀው ዓመት

	Notes	30 June 2018 Birr'000	30 June 2017 Birr'000
ከወለድ የተገኘ ገቢ	5	489,608	303,444
የወለድ ወጪ	6	(312,143)	(200,676)
የተጣራ የወለድ ገቢ		177,465	102,768
ከአገልግሎት እና ከኮሚሽን የተገኘ ገቢ	7	185,463	168,280
የአገልግሎት እና የኮሚሽን ወጪ	7	-	-
የተጠጣራ ከአገልግሎት እና ከኮሚሽን የተገኘ ገቢ		185,463	168,280
ልዩ ልዩ ገቢዎች	8	76,190	49,123
ጠቅላላ የአገልግሎት ገቢ		439,118	320,171
ለአጠራጣሪ ብድሮች መጠባበቂያ	9	(5,128)	(11,102)
ለሌሎች አጠራጣሪ ተሰብሳቢዎች መጠባበቂያ	10	-	-
የተጣራ የአገለልገግለሎተት ገቢ		433,990	309,069
የሰራተኛ ወጪዎች	11	(118,196)	(82,449)
ህልወታዊ ግዝፈት የሌላቸው ቅናሽ	19	(5,690)	(5,690)
ከቋሚ ንብረት የተደረገ የዕርጅና ቅናሽ	20	(16,385)	(12,199)
ለሌሎች ወጪዎች	12	(77,193)	(62,221)
ትርፍ ከግብር በፊት		216,524	146,510
የግብር ወጪ	13	(57,649)	(34,307)
ትርፍ ከግብር በኂላ		**158,875**	**112,203**
ተጨማሪ ገቢዎች ተገቢው የግብር ዕዳ ከተቀነሰ በኂላ			
በቀጣይነት ወደ ትርፍ እና ኪሳራ መግለጫ የማይዞሩ			
በሰራተኞች ጥቅማ ጥቅም ላይ በተሰላ የድጋሚ ልኬት የተገኘ ገቢ ወይም ወጪ	24	(2,926)	130
በድጋሚ ልኬቱ ላይ የተገኘ የዘገየ የታክስ ሃብት ወይም ዕዳ	13	878	(39)
		(2,048)	91
የባንኩ የተጣራ ትርፍ		**156,826**	**112,294**
ባለአክሲዮኖች በአንድ አክሲዮን የሚያገኙት ትርፍ		184	168

እናት ባንክ አክሲዮን ማህበር
የሃብትና ዕዳ መግለጫ
ሰኔ 23 ቀን 2010 ዓ.ም ካለቀው ዓመት

	ማብራሪያ	2,010 ብር	2,009 ብር	2,008 ብር
ሃብት				
በእጅ ያለ ገንዘብ እና በባንክ ያለ ተቀማጭ	14	1,307,717	1,085,418	767,434
ብድር እና ሌሎች ተሰብሳቢዎች	15	3,313,951	2,450,484	1,620,487
ኢንቨስትመንት				
-ባንኩ በሌሎች ድርጅቶች ያለው የአክሲዮን ድርሻ	17	15,902	15,270	15,270
- ብድር እና ተሰብሳቢ/የኢትዮጵያ ብሄራዊ ባንክ ሰነድ ግዢ	17	1,379,940	971,546	547,389
ለሌሎች ሃብቶች	18	312,343	233,253	209,935
ህልወታዊ ግዝፈት የሌላቸው ንብረቶች	19	19,587	25,278	25,811
ቋሚ ንብረቶች	20	124,210	94,424	77,158
በዓመቱ ተሰብሳቢ ግብር	13	-	-	-
ወደፊት የሚሰበሰብ ግብር	13		-	-
የተወረሱ ንብረቶች	21	8,725	-	-
ጠቅላላ ሃብት		**6,482,374**	**4,875,673**	**3,263,484**
ዕዳ				
የደንበኞች ተቀማጭ ገንዘብ	22	5,090,526	3,852,008	2,499,814
የግብር ዕዳ	13	35,998	15,106	3,092
ሌሎች ዕዳዎች	23	147,123	103,756	113,107
የሠራተኞች አገልግሎት ክፍያ ዕዳ	24	6,380	2,549	1,820
ወደፊት የሚከፈል የግብር ዕዳ	13	15,455	6,804	5,038
ጠቅላላ ዕዳ		**5,295,482**	**3,980,223**	**2,622,871**
ካፒታል እና መጠባበቂያ				
የተከፈለ ካፒታል	25	971,011	763,917	565,130
ያልተከፈለ ትርፍ	26	72,404	38,887	18,136
ህጋዊ የመጠባቂያ ሂሳብ	27	104,884	65,165	40,217
ለኢትዮጵያ ቤሄራዊ ባንክ መጠባበቂያ	28	31,305	21,468	14,114
ለልዩ የመጠባበቂያ ሂሳብ	29	9,245	5,923	3,016
ለሌሎች የመጠባበቂያ ሂሳብ	24	(1,957)	91	-
ጠቅላላ ካፒታል እና መጠባበቂያ		1,186,892	895,450	640,613
ጠቅላላ ዕዳ እና ካፒታል		**6,482,374**	**4,875,673**	**3,263,484**

S/No	Branch Name	Address	Phone Number
1	Etige Taitu	Head Office (Kazanchis Enat Tower)	+251 115 15 16 39
2	Nigist-Saba	Bole Medhanealem (Beza Building)	+251 116 18 04 61
3	Abebech Gobena	Megenagna (Tamegas Building)	+251 116 67 39 99
4	Derartu Tullu	Mexico (K.Kare Building)	+251 115 57 25 36
5	Sindu Gebru	Merkato (to the west of Tana Commercial Center)	+251 112 73 23 01
6	Catherin Hamlin	Meskel Flower (In front of Dandii boru School)	+251 114 70 09 33
7	Sylvia Pankhurst	Sengatera (Yobek Commercial. Center)	+251 115 57 68 03
8	Shewareged Gedle	Kality (Beside Shewa Bakery)	+251 114 71 74 55
9	Yekake Wordwot	Gojam Berenda (Beside Oil Libya)	+251 112 73 27 35
10	Mulu Emebet Emiru	Hayahulet (Beside Yohanes Kitfo)	+251 116 67 23 78/ +251 116 67 22 97
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13	Merry Armede	Adisu Gebeya (Beside Tsion Hotel)	+251 111 26 87 53/ +251 111 26 85 67
14	Nigist Eleni	Saris (Saris Addisu Sefer Solomon Building)	+251 114 70 88 76
15	Dr. Jember Tefera	Bole (Morning Star Mall)	+251 118 33 34 76
16	Tsion Michael Andom	Lideta (Lideta Condominium Delina tower)	+251 115 57 90 12/13
17	Arbegna Kebedech Seyoum	Gerji (Sunshine Compound)	+251 116 39 54 87/ +251 116 39 53 61
18	Sr. Zebider Zewde	Lafto (In front of Southwest School)	+251 114 71 18 06/ +251 114 71 15 72
19	Prof. Yalemtsehay Mekonen	Arat Kilo (Around Berhana Selam Printing)	+251 111 26 38 84
20	Bizunesh Bekele	Bethel (Beside Bethel Hospital)	+251 113 69 73 38
21	Dr. Widad Kidanemariam	Ayat (End of Railway Line)	+251 116 39 04 19
22	Dr. Bogalech Gebre	Imperial (Beside Zola International Hotel)	+251 116 68 43 92
23	Emahoy Zemzem Gerbi	Merkato Cinema Ras (Around Anwar Mosque)	+251 112 73 54 82
24	Tirhas Mezgebe	Gofa Sefer (Beside Down Town Hotel)	+251 114 70 22 41
25	Shambel Sister Aster Ayana	Akaki (Yeshi Total)	+251 114 71 69 07
26	Emahoy Weletemariam Gelaw	Yeka Abado (Around Meskelegna Road)	+251 118 72 33 13
27	Hawassa	Hawassa (Haik Building)	+251 462 12 30 86
28	Mekele	Mekele (Kedamay Weyane Sub City)	+251 342 41 51 95/72
29	Bahir Dar	Bahir Dar (Kebele 4 Beside Zemamnesh Building)	+251 582 26 65 59
30	Dire Dawa	Dire Dawa (Around Ruz Tera)	+251 252 11 02 96
31	Adama	Adama (Around Franko in front of BM cafe)	+251 222 12 01 76
32	Shashemene	Shashemene (Abosto Area Infront of Bekera Building)	+251 462 11 98 94
33	Adi-Haki	AdiHaki (Mekele)	+251 342 41 12 40
34	Legetafo	Legetafo (Beside CCD Homes)	+251 116 68 30 33
35	Adama Arada	Adama (Around Arada Area)	+251 222 11 48 55
36	Gonder	Gonder (Awraris Building)	+251 582 11 77 95/96
37	Shashemene (sub branch)	Shashemene (Asnakech & Belete Commercial Center)	+251 462 11 14 39
38	Debre Berhan	Debre Berhan (Nega Commercial Center)	+251 116 37 63 88
39	Mekhoni	Tigray (Haddish Abebe Building)	+251 346 64 28 35/ +251 346 64 76 55
40	Kuriftu	Bishoftu (Kuriftu Resort)	+251 114 30 86 24

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