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# ENAT BANK

# Annual Report
## 2020/21

# Headquarter Building Design

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Vision

Mission

Values

## ራዕይ

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## ተልዕኮ

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## ዕሴቶች

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## Vision

To become a bank of choice in Ethiopia by 2030 mainly by maximising women's economic capabilities.

## Mission

To remain true to our name , set a trend in the provision of excellent and inclusive banking services mainly by focusing on women's economic needs and taking advantage of the state-of- art technology, innovation and professional workforce with the aim of maximising the value of shareholders.

## Core Values

Dedication

Approachable

Impartiality

Integrity

Teamwork

Professionalism

# Contents

# PROMOTERS


## Front: left to right

Sara Abera

Meaza Ashenafi

Hadia M.Gonji

Aster Solomon

## Back: left to right

Amelework Gidey

Nigest Haile

Askale Benti

Mekiya Mamiyu

Almaz Tseham

Hirut Alamerew

Rahel Zewdie

# MESSAGE FROM BOARD OF DIRECTORS CHAIRPERSON

**Dear Shareholders:**

I am honoured to present the annual report of the 2020/21 fiscal year to my fellow esteemed shareholders. Although we began the year with heightened hope and passion, the global and domestic economic situations were hardly encouraging to do business.

The covid-19 pandemic and resultant global economic recession have posed their full impact in the year of 2020/21. The hospitality industries and tourism **were** one of the sectors hit hard by the pandemic. As a result loans disbursed to the adversely impacted sectors were destined for failure. However, thanks to the discovery of the vaccination and rise of awareness among the people, businesses have begun to recover in the last fiscal year.

Incidentally, the demand for goods has increased globally during the lockdowns which gave a boost to export of commodities like coffee and sesame. This gave the opportunity to generate high foreign currency nationwide. As a result our Bank has been able to generate more foreign currency than ever before.

The sad event of the conflict in Northern part of Ethiopia has created another unwelcome challenge to our business. These conflict and resultant war has entailed loss of resources and has also affected our bank by de-operationalizing eight branches in Tigray Regional state.

Despite the unfavourable internal and external situations, the banking sector at large and Enat Bank in particular has registered commendable results both in terms of resource mobilisation, lending and branch expansion as well as profitability.

During the last quarter of the year, the Board took major steps to restructure the Bank and assign a new, CEO and three new vice presidents. In particular, the decision to reorganize the Information Technology Department at a Vice President level, and assignment of a new Vice President to Information System Development was a breakthrough. This assignment was made in consideration of the need to spearhead the technological business processes in the banking industry.

It is crystal clear that, external and internal challenges will continue to be tough. Competition of existing and incoming banks will also be a continual competitive challenge. I, as a Board Chairperson, would like to assure my confidence in the young and creative leadership the Board put in place, the commitment of the Board of directors, to withstand the competition and thrive through external shocks to make our Enat Bank successful.

**My dear fellow shareholders:** The biggest challenge of the future is the imperative to grow the paid-up capital of the Bank to 5 billion within the next five years. I humbly urge you all to settle your subscribed amount and buy more shares so that the capital basis of our bank will be positioned on a solid ground. This will obviously save us from subsequent merger or acquisition in case we fail to fulfil the required threshold of capital at the end of the deadline set by the National Bank of Ethiopia.

Finally, I would like to thank the management and employees of the Bank for the improved accomplishments. I also would like to extend my thanks to our valued customers without whom these achievements would not have been possible. I also thank the National Bank of Ethiopia for their cherished guidance throughout the year.

Frehiwot Worku

# BOARD OF DIRECTORS


Wro Frehiwot Worku
Chairperson


Ato Habtu Dimtsu
Deputy Chairperson


Wro Shitaye Hussien


Wro Yergedu Begashaw


Ato Ayenew Wudu


Wro Addis Zelekaw


Wro Roman Legesse


Ass.Prof. Tewodro Wuhib


Ato Eyobed Tibebu


Wro Nigist W/Selassie


Ato Itana Ayana

# MESSAGE FROM PRESIDENT OF THE BANK

**Dear Shareholders:**

The 2020/21 year was under the heavy burden of the hangover of the global pandemic and a global recession. With increased awareness to protect oneself against the pandemic and the advent of vaccination, however, the economies have begun to recuperate. Following the effect of covid-19 the consumption of goods increased and, thus, so did the export of primary commodities.

This helped our Bank to get a better slice of the total foreign currency earned nationwide; in fact the best ever since it went operational.

The number of our physical outlets reached 88 by opening an additional 31 branches in the fiscal year. The big challenge that often halted our progress in expanding physical outlets is the unbearable high rent of buildings and associated branch opening costs. We have, thus, strategized to locate our branches in small spaces and support them with electronic banking.

Despite political and economic odds, deposit mobilised from more than 180 thousand different savers through our 88 branches reached Birr 11.2 billion at the end of the year. All the while maintaining credit discipline and a fortress balance sheet, total loan and advances granted to different borrowers amounted to Birr 9 billion. Better result would have been achieved, had it not been to the instability in the northern part of the country which completely cut us off from our eight branches in the Tigray region.

We earned profit before tax of Birr 289 million, reflecting strong underlying performance growth of 21% over the same period last fiscal year by generating total revenue of 1.65 billion. The total expense, including interest expense, paid on deposits stood at 1.32 billion with a 26% profit margin before tax.

We generally worked towards growing our market share by making continued efforts to sell our services to new and existing customers by deepening and expanding our reache through investment in people and technology.

Finally, it is worthwhile to mention and thank our employees whose contribution is so immense, our esteemed customers whose loyalty and tenacity is so great to help us maintain our resilience in times of difficulties; I also would like to thank you, our shareholders as it is your trust in us that made Enat Bank a reality and growing entity.

Thank you

Ermias Andargie

# MANAGEMENT TEAM


Ato Ermias Andarge
President


Wro Tigist Abate
VP. Operations


Wro Genet Hagos
VP. Corporate Sevices


Ato Tefera Tolessa
VP. Information System


Wro Bealemlay Ayenew
Dir. Branch Operation & Resouce Mobilization Dep't


Wro Aklil Girma
Dir. Marketing, Communications & Customer Service Dep't


Ato Belay Gezahegn
Dir. Strategy and Innovation Dep't


Wro Lelise Temesgen
Dir. Credit Management Dep't


Wro Lealem Getachew
Dir. Women Banking Solution Dep't


Ato Tefera Gimbi
Chief Information Officer


Ato Haile Atfaye
Dir HRM & SS Dep't


Wro Elizabeth Bedane
A/Chief Audit Executive


Ato Melese Gizaw
Dir. Risk & Compliance Dep't

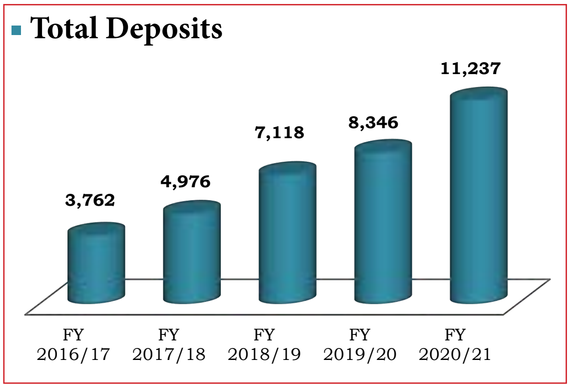

Ato Henok Yilma
Dir. Finance & Accounts Dep't

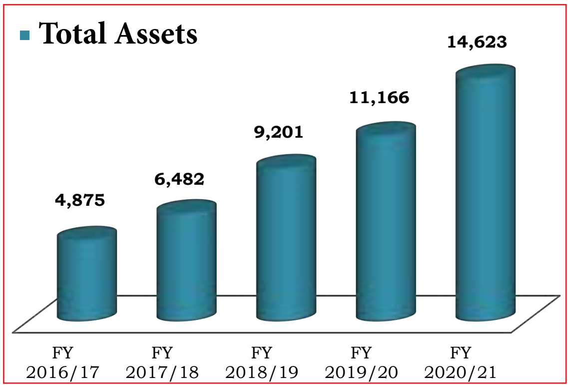

Wrt Tadelech Shiferaw
Dir. International Banking Dep't

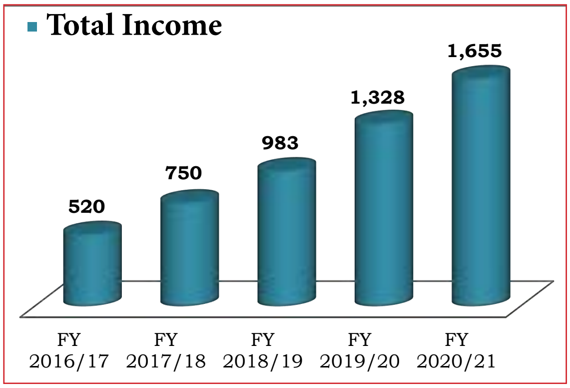

Ato Feyisa Tarekegn
A/Dir. Legal Services Dep't

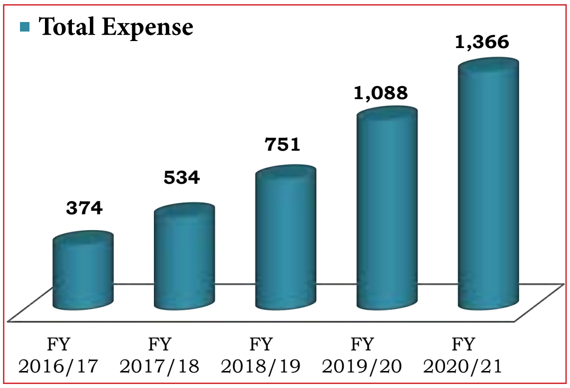

Ato Biruk Melaku
Executive Assistant to the EMT

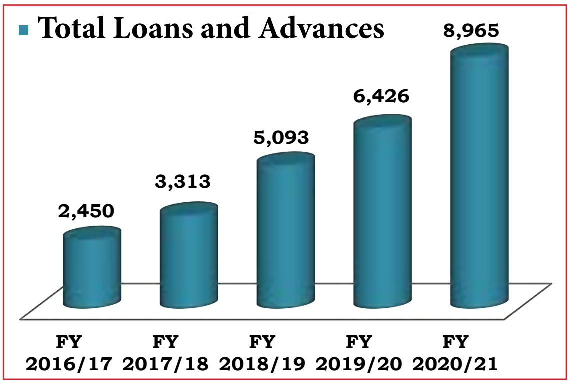
# Highlights of Financial Performance (in million ETB)

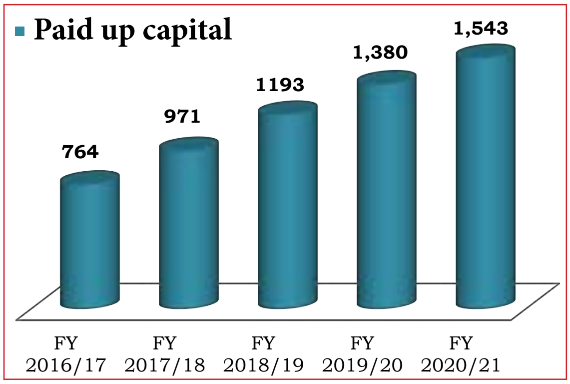


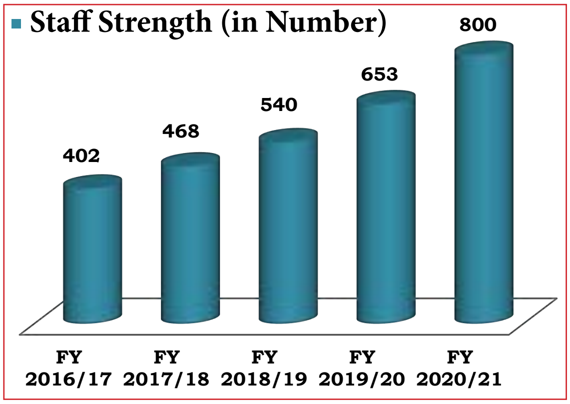



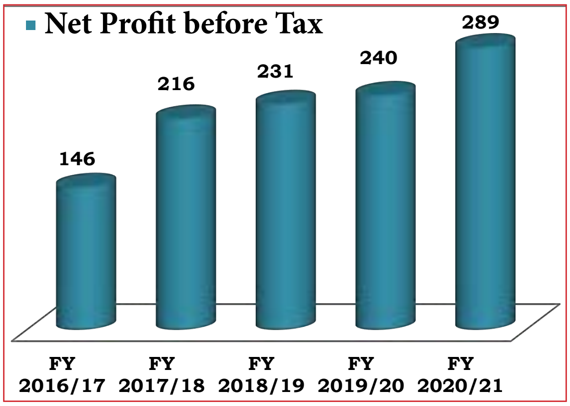



## I. Information Technology Development

Banking has become more dynamic than earlier times because of information technology. The occurrence of virtual banking has taken banking service delivery to unimaginable higher level. Because of the advent of such service delivery, customers don't need to go to physical branches. 'Anywhere anytime' online banking is the driving force of the current banking business and competition among commercial banks, Fintechs and others.

In an effort to cop up with customer demands and business requirements, our Bank has identified value added services that need technological support to enhance excellence in customer services. To this end, we have currently integrated our system with Telebirr that facilitate diverse payments and transactions. An accountholder at Enat Bank can buy airtime, send money and receive payment as well as withdraw cash from her/his Telebirr account.

Moreover, the link to Guzo Go has already been completed. This integration assists customers to buy air ticket online with just clicks on their mobile or computers. It is times saving and economical.

Tele-bill payment is another value added service that is integrated to our system to help our customers pay tele bills through our Bank.

## II. CORPORATE CITIZENSHIP

Most people think corporate responsibility to be merely enhanced philanthropy. This is understandable. But it is far harder to understand what being a responsible community citizen means in terms of macro corporate responsibility. While we are devoted to philanthropy – we spent a year on these efforts-corporate is far more than that we are fully engaged in trying to solve financial problems of women and other issues

Based on our strong commitment for social responsibilities, we made more than Birr 10 million financial and material supports for different community groups.

- ✓ Made Birr one million to Addis Ababa City students on the event organized under the motto of 'One Shoe for One Student' organized by the Addis Ababa City Administration.

- ✓ Donated Birr. 5 million for Gebeta Lehager Project for constructing and beautifying recreational centres at Gorgora,; Wonchi, and Koisha.

- ✓ Donated 150 sheep for 150 low income mothers and Br. 50,000 each for three humanitarian organizations on Easter Holiday and Mother's day.

- ✓ Donated Fana Hulegeb Akal gudategnoch Mahiber thatworks on the rights of people with disabilities and creates an inclusive environment for disabled persons. The Bank provided the financial support to the association on International Day of Persons with Disabilities.

## III. Major Sponsorship Events

The sponsorship participation described below increased the brand awareness of the Bank, and improved the Bank's image.

- We sponsored the 18th edition of the Women only 5km race which was organized by The Ethiopian Great Run and Addis Ababa women saving and Credit Cooperative. The Bank aims to work with the association, especially with the more than 400,000 members of the Addis Ababa Women Association. The Bank also sponsored an event prepared by Kirkos sub city Education Bureau to recognize students that scored high results in the 8th & 12th grades national exam, teachers and staff.



- The Bank sponsored Tikur Fert program, which is a fashion designers' competition TV show transmitted weekly on Sunday morning on Fana TV.

## IV. Major Promotional Activities & other events

### 1. Marketing campaign

To create brand visibility and promote Enat Bank products & services, the Bank conducted teaser advertising campaign in collaboration with Medon Marketing plc for 45 consecutive days. The campaign was executed using Billboard Ad post, TV ad, sales person and social media engagements. The sales person activities were conducted into two phase in twenty selected high human traffic sites in Addis Ababa. The campaign improved the brand awareness & visibility of the Bank effectively.

### 2. Enat Bank was awarded Arayasew Award

Enat Bank was given high recognition and an award on the 6th ARAYA SEW AWARD event. The main reason for nominating the Bank for the award was because of the initiative it took to name its branches after honorable women who have made a significant contribution to our country.

### 3. Farewell

A farewell dinner was held for the former members of the Board and Ex-president, Ato Wondwosen Teshome, on July 22, 2021 at Radisson Blu Hotel. Warm recognition was given at the farewell event for the contribution they made to the Bank during their stay.

### 4. Annual Management Meeting

The Bank made its annual performance meeting of 2020/21 FY and work plan for the next fiscal year in the presence of all Executive Management, Department Directors, Division Managers and Branch Managers. The event was held on July 23, 2021 at the Jupiter International Hotel in Addis Ababa.

### 5. Brand Ambassadors Event

Brand ambassadors event was conducted to enhance Enat Bank's image, brand and to promote its services. The event was held after selecting a number of well-respected women engaged in the arts, business, and various professions to be Brand Ambassadors of the Bank. It took place on April 13, 2021 at the Hayat Regency Hotel.

### 6. Headquarter Building Architectural Design Competition Award Ceremony

The winner of the Bank's future head office building architectural design was selected on March 13, 2021 at the Sheraton Addis Hotel. Out of the 13 competing architectural designs, the winning design has 35 floors and 140 meters height.

### 7. Enat Bank signed MOU

- Enat bank signed a tripartite memorandum of understanding with Mercy Corps and EIS Plc on May 10, 2021 at the Bank's Head Office. The three parties will collaborate to empower young people and women, and create private sector engagement through connecting service users with home service providers through a digital platform. In addition, the Bank also signed MOU with Aim View.

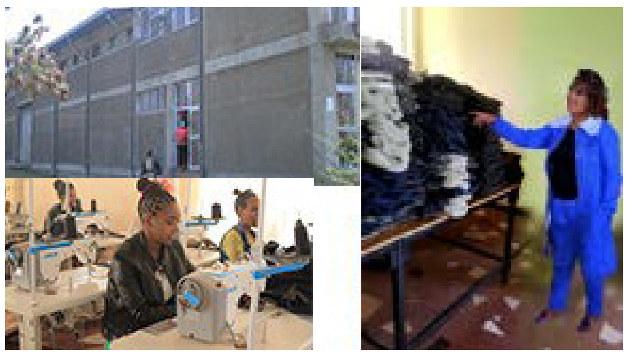
## V. Investment Financing

Enat Bank has been financing different types of investments that range from medium scale to large investments. These investments have created job opportunities, generate foreign currency and minimize the outflow of foreign currency by producing import substitute products for local consumption.

### 1. Double A Garment Factory

Double A Garment Factory is one of those firms financed by the Bank. Woy Almaz Ezezew, founder & Managing Director of Double A Garment, attested that had it not been for Enat Bank's financing her dream wouldn't have come to reality. She explained that the Bank provided finance for purchase of big textile machineries and equipment's, raw materials (textile and other products), working capital & all the necessary support starting from nurturing the business idea until the factory started production. The firm produces different types of jeans for international market especially to the USA and sport wears like T-shirt, Polo Shirt, Long sleeve Shirt & Short for both international & local markets.

Presently, the firm has created job opportunity for more than 80 persons out of which 95% are females. The jeans are new products for the Ethiopian market that substitutes the imported ones. When the firm operates at full scale in the coming three years it will bring multiple benefits for the country; like generating large amount of foreign currency from the exported wears and helping to minimize the outflow of foreign currency that could be spent to import jeans.



### 2. Rich Land Biochemical Production PLC

Rich Land Biochemical Production PLC is established for the purpose of engaging in the production of biochemical and agro-processing products. Rich Land's first processing plant, located in Bure Industry Park (411 km from Addis Ababa) is on 21 hectares of land and projected to produce 96,000 metric tons of soybean meal, 140,000 metric tons of starch, 22.5 million liters of edible oil, and 62,000 metric tons of animal feed annually.

## VI. WOMEN BANKING SOLUTIONS

### The collateral fund scheme

The basic objective of women banking solution in general and the collateral fund scheme in particular is to assist active and entrepreneur women who have the ability and passion to have business of their own. The collateral scheme fund mobilisation is started with the objective of helping women that have the capacity, seed capital, capability and credit worthiness and lack collateral to have access to finance. It was designed in such a way to protect the Bank from loss emanating from unexpected default and facilitate access to finance for women eligible for loan but do not have tangible collateral to offer to secure the loan.

There is a misrepresentation of facts about the collateral fund supported loan granted to women that are covered under this scheme. Some women take it as aid and do not want to repay in accordance with their payment schedule. Still some think that it is a clean loan without collateral coverage. However, women under this scheme and customers in general must understand that there are caring people who volunteered to give away their money to serve as collateral fund. Loans to women under this scheme have never been granted on clean basis. It should be known that wilful default would mean to take money from someone who takes part in this scheme to help women.

Moreover our shareholders that include women shareholders with different income profile have also been volunteering 3-5% of their dividend every year. In other words, we are implicitly taking away money from poor women shareholders and securing the loan granted to other poor women.

## EXEMPLARY WOMEN

### 1. Sewasew Hailu

Designer Sewasew Hailu is the founder and owner of Sewasew Design. She had a passion for fashion design since childhood and entered fashion design in 2004. To make her dream come true, she made a small part of her yard and joined the fashion industry using a sewing machine.

At the start, she and only a tailor were doing all the tasks as she explained. Later, she did expand her business by employing two more weavers and renting a shop. As she became popular, she began to design different clothes for various celebrities, artists, and models. Her design works mainly focus on promoting Ethiopian traditional clothing to the world in blend with modern design. Sewasew has taken part in various local, international fashion shows and used the platform to promote Ethiopian traditional clothing.

It was unfortunate that her workshop was demolished because of a new construction at the time when she got on the track. This resulted in the closure of her shop. Meanwhile, because of space constraints and lack of funds, she stopped working for a number of years and lost everything at once. Her situation put her in a very difficult position and affected her personal life. The Government gave her a work place with a precondition that the workshop has to be functional on on-going basis. However, she found it challenging to restart her previous business because of the precondition posed by the government as she was not confident about her business sustainability because of lack of working capital.

All the while she was thinking how to resolve her working capital problem when it briskly came to her mind that she had to approach Enat Bank as the last resort. Then she did it and managed to borrow some amount from Enat bank that assisted her to continue her business and be confident that the Government would not take her land again.

The loan has helped her to grow her business to a higher level. She now created employment opportunity to 15 workers and increased her capital to ETB 400 thousand. A her business scale is growing she is looking forward to joining the international market•

## 2. Helen Timmer

Helen Timmer started a retail store in 2003, and changed her business brand to Hela Sweet and Cookies in 2008. she had created an employment opportunity to two employees with a capital of Birr 150,000. Helen heard about Enat Bank's credit services from her brother and applied for a loan.

Then, Enat Bank granted her the loan that she applied for. It helped her to buy a baking equipment and variety of inputs. She started making bread in addition to cookies and now has seven employees. Her sell is about 150-200 kg of cookies per week to Supermarkets, Cafeterias, and retail stores. Currently her capital has showed growth of 100% from Birr 150,000 to 300,000. In addition to what she currently offers to the market, Helen has a plan to launch a cake supply and a variety of other desserts•

## 3. Emebet Solomon

Emebet Solomon entered the business world in 1997/98 by selling used furniture with a capital of Birr 200,000.

It was unfortunate that her first business was unprofitable. Then, she converted it to a restaurant. As there was no another competent restaurant that serves traditional food and a cultural night in the area she changed the business by fully decorating it with traditional Ethiopian objects and images and by including a traditional dance performance.

She has created jobs for 7 women and 3 men, and provides food and shelter for her staff. Woy Emebet has been able to increase her daily sales from Birr 2,000 to 10,000 Birr, and increased her capital from 200,000 to 1 million birr through the use of special women's loans. In addition, she bought Toyota Corolla Automobile. The advent of Covid 19 has taken a heavy toll on her business, but she was able to continue her business and is still profitable.

She said "Enat Bank is doing a great job of empowering women who are economically disadvantaged. I hope that just as the Bank has benefited me and my business, it will reach many more women who are looking forward to this opportunity, and this idea will always motivate me to pay my debts on time," she said. Although the income from my work goes up and down, I know that another woman is waiting for her turn to benefit from the scheme and I think if I pay my debts on time, someone will benefit soon.•

# VI. FINANCIAL PERFORMANCES

## 1. DEPOSIT

Outstanding deposit amounted to Birr 11.2 billion at the end of June 30, 2021 with a growth of Birr 2.9 billion or 35% compared with last year same period. The steady growth of deposit mobilization has given assurance for the maintenance of liquidity and enhancement of profitability.

## 2. LOANS AND ADVANCES

The outstanding loans and advances stood at Birr 8.97 billion, increasing by Birr 2.5 billion or 40% at the end of June 30, 2021. The Bank managed to maintain the quality of the loan portfolio below the National Bank standard.

## 3. REVENUE

The revenue structure of the Bank depicts that 78% came from interest income indicates the sustainability of the revenue source to enhance the profitability of the Bank.

## 4. PROFIT

Profit before tax reached Birr 289 million at the end of June 2021. It grew by 20% as compared with the same period of last fiscal year.

## 5. GROWTH OF EQUITY

Owners' equity stood at Birr 1.5 billion at the end of the reporting period. The balance exhibited yearly growth of 12%. Total number of shareholders approached 18,000. Women shareholders represented 64% of the total shareholders' in the reporting period.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Adwa Cultural and Historical Alliance
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# ENAT BANK

# AUDITOR'S REPORT

# Enat Bank Share Company

## *IFRS Financial Statements*
## *For the Period Ended 30 June 2021*
## *Corporate information*

**Company registration number**
KK/AA/3/0006590/2006 E.C (Ethiopian Calender)

**License number**
LBB/019/12 G.C (Gregorian Calender)

**Directors** *(As of 30 June 2021)*

| | | |
|---|---|---|
| Frehiwot Worku Beyene | Board of Director ( Chair Person) | *(Appointed May 2021)* |
| Habtu Dimsu Werese | Board of Director ( Vice Chair Person) | *(Appointed January 2018)* |
| Addis Zelekaw Belete | Board of Director (Member) | *(Appointed May 2021)* |
| Nigist W/selassie W/kiros | Board of Director (Member) | *(Appointed May 2021)* |
| Aynew Wudu Azagew | Board of Director (Member) | *(Appointed May 2021)* |
| Eyobed Tibebu Lisanework | Board of Director (Member) | *(Appointed January 2018)* |
| Yirgedu Begashaw Habteyes | Board of Director (Member) | *(Appointed May 2021)* |
| Itana Ayana Leta | Board of Director (Member) | *(Appointed January 2018)* |
| Roman Legesse W/Gebreal | Board of Director (Member) | *(Appointed January 2018)* |
| Shitaye Hussien Ahmed | Board of Director (Member) | *(Appointed January 2018)* |
| Tewodros Wuhib W/mariam | Board of Director (Member) | *(Appointed May 2021)* |

**Executive management** *(As of 30 June 2021 )*

| | | |
|---|---|---|
| Ermias Andarge Ayele | President | *(Appointed January 2021)* |
| Tigist Abate Damte | Vice President, Operation | *(Appointed February 2021)* |
| Genet Hagos Gebremedhin | Vice President, Corporate Service | *(Appointed February 2021)* |
| Tefera Tolessa Wakjira | Vice President, Information System | *(Appointed July 2021)* |
| Lealem Getachew Fikre | Director, Wommen Baking Solution Department | *(Appointed January 2013)* |
| Tefera Gimbi Debele | Chief Information Officer | *(Appointed November 2020)* |
| Lelise Temesgen Tucho | Director,Credit Department | *(Appointed September 2012)* |
| Melese Gizaw Desta | Director, Risk & Compliance Department | (Appointed September 2012) |
| Feyessa Tarekegne Gerbaba | A/Director, Legal Services Department | *(Appointed May 2019 )* |
| Haile Atfaye Ayele | Director, Human Resource & Support Services Department | *(Appointed May 2014)* |
| Elizabeth Bedane Guraro | A/Director, Internal Audit Department | *(Appointed February 2021)* |
| Belay Gezahegn Demeke | Director, Strategy & Innovation Department | *(Appointed May 2015)* |
| Henok Yilma Haileselassie | Director, Finance and Accounts Department | *(Appointed May 2015)* |
| Bealemlay Ayenew Feyissa | Director, Branch Operation & Resource Mobilization Department | *(Appointed November 2020)* |
| Aklil Girma T/Yohannes | Director, Marketing Communications & Customer Service Department | *(Appointed November 2020)* |
| Biruk Melaku Andualem | Executive Assistant to EMT | *(Appointed November 2020)* |

**Independent auditor**
**Tafesse, Shisema and Ayalew Certified Audit Partnership (TMS Plus)**
Chartered Certified Accountants (UK)
PO Box 110690

Addis Ababa
Ethiopia

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

# Enat Bank Share Company

## *IFRS Financial Statements*
## *For the Period Ended 30 June 2021*
## *Report of the directors*

The directors submit their report together with the financial statements for the period ended 30 June 2021, 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 2021 are set out on page 27. The profit for the year has been transferred to retained earnings. The summarised results are presented below.

| | 30 June 2021<br>Birr'000 | 30 June 2020<br>Birr'000 |
|---|---|---|
| Net interest income | 420,468 | 391,017 |
| Profit / (loss) before tax | 289,403 | 239,555 |
| Tax (charge) / credit | (59,702) | (30,987) |
| **Profit / (loss) for the year** | **229,700** | **208,569** |
| Other comprehensive profit / (loss) net of taxes | 492 | 6,779 |
| **Total comprehensive profit / (loss) for the year** | **230,192** | **215,348** |

**Directors**

The directors who held office during the year and to the date of this report are set out on page 22.

# Enat Bank Share Company

## *IFRS Financial Statements*
## *For the Period Ended 30 June 2021*
## *Statement of directors' responsibilities*

In accordance with the Banking Business Proclamation No. 1159/2019, 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 2021, 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 Proclamation.

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 2021 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:

**Frehiwot Worku**
**Board Chairperson**

**Ermias Andargie**
**President**

# Enat Bank Share Company

*IFRS financial statements*
*For the period ended 30 June 2021*
*Independent auditors' report*

**INEDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS**

**ENAT BANK S.C.**

**Opinion**

We have audited the financial statements of Enat Bank Share Company set out on pages 27-74 , which comprise the statement of financial position as at 30 June 2021, the statement of profit and loss and other comprehensive income, the statement of cash flows and statement of changes in equity for the year ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 30 June 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

***Basis for Opinion***

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 Ethiopian Code of Ethics for Professional Accountants, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence, we have obtained is sufficient and appropriate to provide a basis for our opinion.

***Key Audit matters***

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of 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, and we do not provide a separate opinion on these matters.

As described in notes 9 and 15 to the financial statements, the impairment losses have been determined in accordance with IFRS 9 Financial Instruments. This was considered a key audit matter as IFRS 9 is a complex accounting standard which requires significant judgment to determine the impairment loss.

Also as stated on Note 34 the performance and advance payment guarantees issued to construction companies which may also adversely affect the Bank financial situation unless the current situation in the country resolved.

# Enat Bank Share Company

*IFRS Financial Statements*
*For the period ended 30 June 2021*
*Independent auditors' report*

***Responsibilities of Directors for the Financial Statements***

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRSs), and for such internal control as Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are 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 of accounting unless Directors either intends to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities 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.

**Report on other Legal and Regulatory Requirement**

We have no comment to make on the report of your Board of Directors so far as it relates to these financial statements in accordance with the commercial Code of Ethiopia of 2021 (Proclamation No.-1243/2021), recommend approval of the financial statements.

Taf, Sh & Ay

Tafesse, Shisema and Ayalew Certified Audit Partnership (TMS Plus)

Tafesse, Shisema & Ayalew TMS Plus Certified Audit Partnership

Chartered Certified Accountants (UK)
Authorized Auditors (ETH)

Addis Ababa
October 28, 2021

# Enat Bank Share Company

## *IFRS Financial Statements*

## *For the Period Ended 30 June 2021*

## *Statement of profit or loss and other comprehensive income*

| | Notes | 30 June 2021 Birr'000 | 30 June 2020 Birr'000 |
|---|---|---|---|
| Interest income | 5 | 1,284,057 | 1,047,139 |
| Interest expense | 6 | (863,588) | (656,122) |
| **Net interest income** | | **420,468** | **391,017** |
| Fee and commission income | 7 | 222,701 | 222,804 |
| Fee and commission expense | 7 | - | - |
| **Net fees and commission income** | | **222,701** | **222,804** |
| Other operating income | 8 | 148,223 | 58,133 |
| **Total operating income** | | **791,393** | **671,954** |
| Loan impairment charge | 9 | (39,953) | (37,337) |
| Impairment losses on other assets | 10 | (10,148) | 73 |
| **Net operating income** | | **741,292** | **634,690** |
| Personnel expenses | 11 | (267,478) | (188,059) |
| Amortisation of intangible assets | 18 | (10,757) | (6,324) |
| Depreciation and impairment of property, plant and equipment | 19 | (25,170) | (21,733) |
| Other operating expenses | 12 | (148,485) | (179,018) |
| **Profit before tax** | | **289,403** | **239,555** |
| Income tax expense | 13a | (59,702) | (30,987) |
| **Profit after tax** | | **229,700** | **208,569** |
| **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 | 25b | (3,584) | 2,558 |
| Deferred tax (liability)/asset on remeasurement gain or loss | | 1,075 | (767) |
| Remeasurement gain / (loss) on fair value of investment | | 4,287 | 7,127 |
| Deferred tax (liability)/asset on remeasurement of Investments | | (1,286) | (2,138) |
| | | 492 | 6,779 |
| **Total comprehensive income for the period** | | **230,193** | **215,348** |
| Basic and Diluted earnings per share (Birr) | 26 | **158** | **161** |

The notes on pages 27 to 74 are an integral part of these financial statements.

# Enat Bank Share Company

*IFRS Financial Statements*

*As At 30 June 2021*

*Statement of financial position*

| | Notes | 30 June 2021 Birr'000 | 30 June 2020 Birr'000 |
|---|---|---|---|
| **ASSETS** | | | |
| Cash and balances with banks | 14 | 2,966,715 | 2,305,098 |
| Loans and receivables | 15 | 8,965,488 | 6,426,052 |
| Investment securities: | | | |
| -Fair value through other comprehensive income | 16 a | 40,288 | 35,501 |
| -Amortized cost | 16 b | 1,690,848 | 1,690,848 |
| Other assets | 17 | 403,666 | 257,411 |
| Intangible assets | 18 | 28,066 | 27,597 |
| Property, plant and equipment | 19 | 154,487 | 153,861 |
| Construction in progress | 20 | 2,497 | 571 |
| The right of use asset | 21 | 352,082 | 252,031 |
| Assets held for sale | 22 | 19,204 | 16,996 |
| **Total assets** | | **14,623,342** | **11,165,965** |
| **LIABILITIES** | | | |
| Deposits from customers | 23 | 11,237,087 | 8,383,812 |
| Current tax liabilities | 13c | 60,646 | 31,546 |
| Other liabilities | 24 | 1,237,806 | 929,247 |
| Retirement benefit obligations | 25 | 16,125 | 10,431 |
| Deferred tax liabilities | 13d | 11,574 | 12,456 |
| **Total liabilities** | | **12,563,238** | **9,367,492** |
| **EQUITY** | | | |
| Share capital | 26 | 1,542,532 | 1,380,251 |
| Retained earnings | 27 | 196,030 | 150,313 |
| Legal reserve | 28 | 264,891 | 207,431 |
| Regulatory risk reserve | 29 | 24,557 | 33,084 |
| Special reserve | 30 | 19,041 | 14,982 |
| Other reserves | | 13,054 | 12,412 |
| **Total equity** | | **2,060,104** | **1,798,473** |
| **Total equity and liabilities** | | **14,623,342** | **11,165,965** |

The notes on pages 27 to 74 are an integral part of these financial statements.

The financial statements on pages 27 to 30 were approved and authorised for issue by the board of directors on November 2021 and were signed on its behalf by:

**Frehiwot Worku**
**Board Chairperson**

**Ermias Andargie**
**President**

# Enat Bank Share Company

## *IFRS Financial Statements*

## *For the Period Ended 30 June 2021*

## *Statement of changes in equity*

| | Notes | Share capital Birr'000 | Retained earnings Birr'000 | Other reserves Birr'000 | Legal reserve Birr'000 | Regulatory risk Birr'000 | Special reserve Birr'000 | Total Birr'000 |
|---|---|---|---|---|---|---|---|---|
| **As at 1 July 2020** | | **1,380,251** | **150,313** | **12,412** | **207,431** | **33,084** | **14,982** | **1,798,473** |
| Profit for the period | | | 229,700 | | | | | **229,700** |
| *Other comprehensive income:* | | | | | | | | **-** |
| Fair Value Measurements of Equity investments | | | | 4,287 | | | | **4,287** |
| Remeasurement gain/(loss) on retirement benefits obligations | | | | (3,645) | | | | **(3,645)** |
| Contribution of equity net of transaction costs | 26 | 162,281 | | | | | | **162,281** |
| Dividend paid for share holders | | | (145,803) | | | | | **(145,803)** |
| Transfer to legal reserve | 28 | | (57,460) | | 57,460 | | | **-** |
| Transfer to regulatory risk reserve | 29 | | | | | 16,862 | | **16,862** |
| Transfer to special reserve | 30 | | (4,509) | | | | 4,509 | **-** |
| Dividend tax paid - special reserve | 30 | | | | | | (451) | **(451)** |
| Directors share from the profit | | | (1,600) | | | | | **(1,600)** |
| Transferred to Impairment allowance | | | | | | (25,390) | | **(25,390)** |
| Transfer from regulatory reserve loan loss provision difference | | | 25,390 | | | | | **25,390** |
| | | | | | | | | **-** |
| **Total comprehensive income for the period** | | **162,281** | **45,717** | **642** | **57,460** | **(8,527)** | **4,058** | **261,631** |
| **As at 30 June 2021** | | **1,542,532** | **196,030** | **13,054** | **264,891** | **24,557** | **19,041** | **2,060,104** |

The notes on pages 27 to 74 are an integral part of these financial statements.

# Enat Bank Share Company

*IFRS Financial Statements*

*For the Period Ended 30 June 2021*

*Statement of cash flows*

| | Notes | 30 June 2021 Birr'000 | 30 June 2020 Birr'000 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Cash generated from operations | 31 | 728,294 | 503,127 |
| Withholding tax paid | | | |
| Income tax paid | | (31,546) | (38,432) |
| **Net cash (outflow)/inflow from operating activities** | | **696,748** | **464,694** |
| **Cash flows from investing activities** | | | |
| Purchase of investment securities | 16 | (500) | 233,080 |
| Construction in progress | 20 | (1,926) | (571) |
| Purchase of intangible assets | 18 | (11,226) | (19,726) |
| Purchase of property, plant and equipment | 19 | (26,590) | (40,725) |
| Aquired asset | | (2,208) | (5,877) |
| **Net cash (outflow)/inflow from investing activities** | | **(42,451)** | **166,181** |
| **Cash flows from financing activities** | | | |
| Proceeds from issues of shares | 26 | 162,281 | 186,495 |
| Dividend paid | | (145,803) | (139,001) |
| Directors profit share paid | | (1,600) | (1,650) |
| Transferred to Special reserve | | 4,058 | 3,783 |
| Prior period ajdustment | | - | 163 |
| **Net cash (outflow)/inflow from financing activities** | | **18,936** | **49,790** |
| **Net increase/(decrease) in cash and cash equivalents** | | **673,233** | **680,665** |
| Cash and cash equivalents at the beginning of the year | 14 | 2,305,098 | 1,694,669 |
| Foreign exchange (losses)/ gains on cash and cash equivalents | | (11,616) | (70,236) |
| **Cash and cash equivalents at the end of the** | 14 | **2,966,715** | **2,305,098** |

# Enat Bank Share Company

*IFRS Financial Statements*
*For the Period Ended 30 June 2021*
*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 2021 and the Licensing and Supervision of Banking Business Proclamation No. 1159/2019. 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 policies have been consistently applied to all the years presented, unless otherwise stated.

### 2.2 Basis of preparation

The financial statements for the period ended 30 June 2020 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 have been prepared in accordance with the going concern principle under the historical cost concept, except for the following;

- available-for-sale financial assets, certain classes of property, plant and equipment and investment property – measured at fair value
- assets held for sale – measured at fair value less cost of disposal, and
- defined benefit pension plans – plan assets measured at fair value.

All values are rounded to the nearest thousand, except when otherwise indicated. The financial statements are presented in thousands of Ethiopian Birr (Birr' 000).

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.

# Enat Bank Share Company

## *IFRS Financial Statements*
## *For the Period Ended 30 June 2021*
## *Notes to the financial statements*

**2.2.2 New standards and amendments to existing standards**

The Bank has consistently applied the accounting policies to all periods presented in these financial statements. The below are amendments to standards that are effective for annual periods beginning after 30 June 2021, and have not been applied in preparing these financial statements.

| Standard | Description | Effective date | Impact |
|---|---|---|---|
| IAS 1, Presentation of Financial Statements | IAS 1 "Presentation of Financial Statements" sets out the overall requirements for financial statements, including how they should be structured, the minimum requirements for their content and overriding concepts such as going concern, the accrual basis of accounting and the current/non-current distinction. The standard requires a complete set of financial statements to comprise a statement of financial position, a statement of profit or loss and other comprehensive income, a statement of changes in equity and a statement of cash flows | The amendments are effective for annual reporting periods beginning on or after January 1, 2022 and are to be applied retrospectively. Earlier application is permitted. | The Bank has opted not adopt early. No significant impact is expected. |
| IAS 16, Property plant and equipment | IAS 16 "Property, Plant and Equipment" outlines the accounting treatment for most types of property, plant and equipment. Property, plant and equipment is initially measured at its cost, subsequently measured either using a cost or revaluation model, and depreciated so that its depreciable amount is allocated on a systematic basis over its useful life. | Effective for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011, earlier application is permitted. The amendments are effective for annual periods beginning on or after January 1, 2022. Early application is permitted. | The Bank opted to adopt the amendments when due. But no significant change is expected. |
| IAS 17, Provision, contingent liabilities and contingent assets | IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" outlines the accounting for provisions (liabilities of uncertain timing or amount), together with contingent assets (possible assets) and contingent liabilities (possible obligations and present obligations that are not probable or not reliably measurable). | Effective for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011, earlier application is permitted. The amendments are effective for annual periods beginning on or after January 1, 2022. Early application is permitted. | The Bank opted to apply the amendments when due. |
| IAS 41, Agriculture | IAS 41 "Agriculture" sets out the accounting for agricultural activity – the transformation of biological assets (living plants and animals) into agricultural produce (harvested product of the entity's biological assets). The standard generally requires biological assets to be measured at fair value less costs to sell. | Effective for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011, earlier application is permitted. The amendments are effective for annual periods beginning on or after January 1, 2022. Early application is permitted. | The standard is not relevant for the Bank's reporting purpose. |
| IFRS 3, Business combination | IFRS 3 "Business Combinations" outlines the accounting when an acquirer obtains control of a business (e.g. an acquisition or merger). Such business combinations are accounted for using the 'acquisition method', which generally requires assets acquired and liabilities assumed to be measured at their fair values at the acquisition date. | Effective for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011, earlier application is permitted. The amendments are effective for annual periods beginning on or after January 1, 2022. Early application is permitted if an entity also applies all other updated references (published together with the updated Conceptual Framework) at the same time or earlier. | The standard is not relevant for the Bank's reporting purpose as of now. The amendments shall be considered when the Bank gets involved in a transaction that involve business combination |
| IFRS 9, Financial Instruments | The final version of IFRS 9 "Financial Instruments" issued in July 2014 is the IASB's replacement of IAS 39 "Financial Instruments: Recognition and Measurement". The Standard includes requirements for recognition and measurement, impairment, derecognition and general hedge accounting. | Effective for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011, earlier application is permitted. The amendments are effective for annual periods beginning on or after January 1, 2022. Early application is permitted. | The Bank shall apply the amendments when due. The amendments are expected to have an impact on the Bank's financial statements. |

# Enat Bank Share Company

*IFRS Financial Statements*

*For the Period Ended 30 June 2021*

*Notes to the financial statements*

## 2.3 SIGNIFICANT ACCOUNTING POLICIES

### 2.3.1 Financial assets and financial liabilities

**a. Recognition and initial measurement**

The Bank shall initially recognize loans and advances, deposits, debt securities issued and subordinated liabilities on the date on which they are originated. All other financial instruments (including regular-way purchases and sales of financial assets) shall be recognised on the trade date, which is the date on which the Bank becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability shall be measured initially at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

**b. Classification and subsequent measurement**

**i) *Financial assets***

On initial recognition, a financial asset shall be classified either as measured at either amortized cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL).

The Bank shall measure a financial asset at amortized cost if it meets both of the following conditions and is not designated at FVTPL:

— The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

— The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI). `

A debt instrument shall be measured at FVOCI only if it meets both of the following conditions and is not designated at FVTPL:

— The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

— The contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI.

On initial recognition, an equity investment that is held for trading shall be classified at FVTPL. However, for equity investment that is not held for trading, the Bank may irrevocably elect to present subsequent changes in fair value in other comprehensive income (OCI). This election is made on an investment-by-investment basis.

All other financial assets that do not meet the classification criteria at amortized cost or FVOCI, above, shall be classified as measured at FVTPL.

In addition, on initial recognition, the Bank may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise (see 2.3).

- ***Business model assessment***

The Bank shall make an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

— the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realizing cash flows through the sale of the assets;

— how the performance of the portfolio is evaluated and reported to the Bank's management;

— the risks that affect the performance of the business model (and the financial assets held within that business model) and its strategy for how those risks are managed;

— how managers of the business are compensated (e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected); and

— the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Bank's stated objective for managing the financial assets is achieved and how cash flows are realized.

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis shall be measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

Financial assets shall not be reclassified subsequent to their initial recognition, except in the period after the Bank changes its business model for managing financial assets.

# Enat Bank Share Company
## *IFRS Financial Statements*
## *For the Period Ended 30 June 2021*
## *Notes to the financial statements*

- ***Assessment of whether contractual cash flows are solely payments of principal and interest***

For the purposes of this assessment, 'principal' shall be defined as the fair value of the financial asset on initial recognition. 'Interest' shall be defined as the consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are SPPI, the Bank considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Bank considers:

— contingent events that would change the amount and timing of cash flows;
— leverage features;
— prepayment and extension terms;
— terms that limit the Bank's claim to cash flows from specified assets (e.g. non-recourse loans); and
— Features that modify consideration of the time value of money (e.g. periodical reset of interest rates).

**ii) *Financial liabilities***

The Bank shall classify its financial liabilities, other than financial guarantees and loan commitments, as measured at amortized cost or FVTPL. A financial guarantee is an undertaking/commitment that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified party fails to meet its obligation when due in accordance with the contractual terms.

Financial guarantees issued by the Bank are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of: the amount of the obligation under the guarantee, as determined in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets; and the amount initially recognised less, where appropriate, cumulative amortization recognized in accordance with the revenue recognition policies.

**c. Impairment**

At each reporting date, the Bank shall assess whether there is objective evidence that financial assets (except equity investments), other than those carried at FVTPL, are impaired.
The Bank shall recognize loss allowances for expected credit losses (ECL) on the following financial instruments that are not measured at FVTPL:

— financial assets that are debt instruments;
— lease receivables;
— financial guarantee contracts issued; and
— Loan commitments issued.

No impairment loss shall be recognised on equity investments.
The Bank shall measure loss allowances at an amount equal to lifetime ECL, except for the following, which are measured as 12-month ECL:

— debt investment securities that are determined to have low credit risk at the reporting date; and
— Other financial instruments (other than lease receivables) on which credit risk has not increased significantly since their initial recognition.

Loss allowances for lease receivables shall always be measured at an amount equal to lifetime ECL.
12-month ECL is the portion of ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Financial instruments for which a 12-month ECL is recognised are referred to as 'Stage 1 financial instruments'.
Life-time ECL is the ECL that result from all possible default events over the expected life of the financial instrument. Financial instruments for which a lifetime ECL is recognised but which are not credit-impaired are referred to as 'Stage 2 financial instruments'.

**i) *Measurement of ECL***

ECL is a probability-weighted estimate of credit losses. It shall be measured as follows:
— for financial assets that are not credit-impaired at the reporting date (stage 1 and 2): as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Bank in accordance with the contract and the cash flows that the Bank expects to receive);
— for financial assets that are credit-impaired at the reporting date (stage 3): as the difference between the gross carrying amount and the present value of estimated future cash flows;
— for undrawn loan commitments: as the present value of the difference between the contractual cash flows that are due to the Bank if the commitment is drawn down and the cash flows that the Bank expects to receive; and
— For financial guarantee contracts: as the expected payments to reimburse the holder less any amounts that the Bank expects to recover.

# Enat Bank Share Company
*IFRS Financial Statements*
*For the Period Ended 30 June 2021*
*Notes to the financial statements*

**ii) *Restructured financial assets***

Where the terms of a financial asset are renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the borrower, then the Bank shall assess whether the financial asset should be derecognized and ECL are measured as follows:

— If the expected restructuring will not result in derecognition of the existing asset, then the expected cash flows arising from the modified financial asset are included in calculating the cash shortfalls from the existing asset

— If the expected restructuring will result in derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flow from the existing financial asset at the time of its derecognition. This amount is included in calculating the cash shortfalls from the existing financial asset that are discounted from the expected date of derecognition to the reporting date using the original effective interest rate of the existing financial asset.

**iii) *Credit-impaired financial assets***

At each reporting date, the Bank shall assess whether financial assets carried at amortized cost, debt financial assets carried at FVOCI, and finance lease receivables are credit-impaired (referred to as 'Stage 3 financial assets').

A financial asset shall be considered 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.
Evidence that a financial asset is credit-impaired includes the following observable data:

— significant financial difficulty of the borrower or issuer;
— a breach of contract such as a default or past due event;
— the restructuring of a loan or advance by the Bank on terms that the Bank would not consider otherwise;
— it is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or
— The disappearance of an active market for a security because of financial difficulties.

A loan that has been renegotiated due to a deterioration in the borrower's condition shall be considered to be credit-impair unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment. In addition, a retail loan that is overdue for 90 days or more shall be considered credit-impaired even when the regulatory definition of default is different.

**iv) *Presentation of allowance for ECL in the statement of financial position***

Loss allowances for ECL shall be presented in the statement of financial position as follows:
— for financial assets measured at amortized cost: as a deduction from the gross carrying amount of the assets;
— for loan commitments and financial guarantee contracts: generally, as a provision;
— Where a financial instrument includes both a drawn and an undrawn component, and the Bank cannot identify the ECL on the loan commitment component separately from those on the drawn component: the Bank presents a combined loss allowance for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component. Any excess of the loss allowance over the gross amount of the drawn component is presented as a provision; and
— For debt instruments measured at FVOCI: no loss allowance is recognised in the statement of financial position because the carrying amount of these assets is their fair value. However, the loss allowance shall be disclosed and is recognised in the fair value reserve.

**v) *Write-off***

Loans and debt securities shall be written off (either partially or in full) when there is no reasonable expectation of recovering the amount in its entirety or a portion thereof. This is generally the case when the Bank determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. This assessment shall be carried out at the individual asset level.

Recoveries of amounts previously written off shall be included in 'impairment losses on financial instruments' in the statement of profit or loss and OCI.

Financial assets that are written off could still be subject to enforcement activities in order to comply with the Bank's procedures for recovery of amounts due.

**vi) *Non-integral financial guarantee contracts***

The Bank shall assess whether a financial guarantee contract held is an integral element of a financial asset that is accounted for as a component of that instrument or is a contract that is accounted for separately.

Where the Bank determines that the guarantee is an integral element of the financial asset, then any premium payable in connection with the initial recognition of the financial asset shall be treated as a transaction cost of acquiring it. The Bank shall consider the effect of the protection when measuring the fair value of the debt instrument and when measuring ECL.

Where the Bank determines that the guarantee is not an integral element of the debt instrument, then it shall recognize an asset representing any prepayment of guarantee premium and a right to compensation for credit losses.

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**d. Derecognition**

**i) *Financial assets***

The Bank shall derecognize a financial asset when:
— The contractual right to the cash flows from the financial asset expires (see also (1.4)), or
— It transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred; or
— Bank neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognized) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI shall be recognised in profit or loss.

Any cumulative gain/loss recognised in OCI in respect of equity investment securities designated as at FVOCI shall not be recognised in profit or loss on derecognition of such securities. Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Bank shall be recognised as a separate asset or liability.

**ii) *Financial liabilities***

The Bank shall derecognize a financial liability when its contractual obligations are discharged or cancelled, or expire.

**e. Modifications of financial assets and financial liabilities**

**i) *Financial assets***

If the terms of a financial asset are modified, then the Bank shall evaluate whether the cash flows of the modified asset are substantially different.

If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset shall be deemed to have expired. In this case, the original financial asset shall be derecognized (see 2.3) and a new financial asset shall be recognised at fair value plus any eligible transaction costs. Any fees received as part of the modification shall be accounted for as follows:
— fees that are considered in determining the fair value of the new asset and fees that represent reimbursement of eligible transaction costs shall be included in the initial measurement of the asset; and
— Other fees are included in profit or loss as part of the gain or loss on derecognition.

If cash flows are modified when the borrower is in financial difficulties, then the objective of the modification is usually to maximize recovery of the original contractual terms rather than to originate a new asset with substantially different terms.If the Bank plans to modify a financial asset in a way that would result in forgiveness of cash flows, then it shall first consider whether a portion of the asset should be written off before the modification takes place.

Where the modification of a financial asset measured at amortized cost or FVOCI does not result in derecognition of the financial asset, then the Bank shall first recalculate the gross carrying amount of the financial asset using the original effective interest rate of the asset and recognizes the resulting adjustment as a modification gain or loss in profit or loss. Any costs or fees incurred and fees received as part of the modification adjust the gross carrying amount of the modified financial asset and shall be amortized over the remaining term of the modified financial asset.

Where such a modification is carried out because of financial difficulties of the borrower, then the gain or loss shall be presented together with impairment losses. In other cases, it shall be presented as interest income calculated using the effective interest rate method.

**ii) *Financial liabilities***

The Bank shall derecognize a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms shall be recognised at fair value. The difference between the carrying amount of the financial liability derecognized and consideration paid is recognised in profit or loss. Consideration paid shall include non-financial assets transferred, if any, and the assumption of liabilities, including the new modified financial liability.

Where the modification of a financial liability is not accounted for as derecognition, then the amortized cost of the liability shall be recalculated by discounting the modified cash flows at the original effective interest rate and the resulting gain or loss is recognised in profit or loss. Any costs and fees incurred are recognised as an adjustment to the carrying amount of the liability and amortized over the remaining term of the modified financial liability by re-computing the effective interest rate on the instrument.

**f. Offsetting**

Financial assets and financial liabilities shall be offset and the net amount presented in the statement of financial position when, and only when, the Bank currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

Income and expenses shall be presented on a net basis only when permitted under IFRS, or for gains and losses arising from a group of similar transactions such as in the Bank's trading activity.

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**g. Designation at fair value through profit or loss**

**i) *Financial assets***

At initial recognition, the Bank may designate certain financial assets as at FVTPL because this designation eliminates or significantly reduces an accounting mismatch, which would otherwise arise.

**ii) *Financial liabilities***

The Bank shall designate certain financial liabilities as at FVTPL in either of the following circumstances:
— the liabilities are managed, evaluated and reported internally on a fair value basis; or
— the designation eliminates or significantly reduces an accounting mismatch that would otherwise arise.

**2.3.2 Net interest income**

**a. *Effective interest rate and amortized cost***

Interest income and expense are recognised in profit or loss using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:
- the gross carrying amount of the financial asset; or
- the amortized cost of the financial liability.

When calculating the effective interest rate for financial instruments other than credit-impaired assets, the Bank estimates future cash flows considering all contractual terms of the financial instrument, but not expected credit losses. For credit-impaired financial assets, a credit-adjusted effective interest rate is calculated using estimated future cash flows including expected credit losses.

The calculation of the effective interest rate includes transaction costs and fees and points paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability

**b. *Amortized cost and gross carrying amount***

The 'amortized cost' of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any expected credit loss allowance.

The 'gross carrying amount of a financial asset' is the amortized cost of a financial asset before adjusting for any expected credit loss allowance.

**c. *Calculation of interest income and expense***

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortized cost of the liability.

However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

For financial assets that were credit-impaired on initial recognition, interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of the asset. The calculation of interest income does not revert to a gross basis, even if the credit risk of the asset improves.

**d. *Presentation***

Interest income and expense presented in the statement of profit or loss and OCI include:
- interest on financial assets and financial liabilities measured at amortized cost calculated on an effective interest basis;
- interest on debt instruments measured at FVOCI calculated on an effective interest basis;
- the effective portion of fair value changes in qualifying hedging derivatives designated in cash flow hedges of variability in interest cash flows, in the same period as the hedged cash flows affect interest income/expense; and
- The effective portion of fair value changes in qualifying hedging derivatives designated in fair value hedges of interest rate risk.

Interest income and expense on all trading assets and liabilities are considered to be incidental to the Bank's trading operations and are presented together with all other changes in the fair value of trading assets and liabilities in net trading income.

Interest income and expense on other financial assets and financial liabilities at FVTPL are presented in net income from other financial instruments at FVTPL.

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**2.3.3 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.

**2.3.4 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.

**2.3.5 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.

**2.3.6 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.

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**2.3.7 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.

**2.3.8 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 .

**2.3.9 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.

**2.3.10 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 |
| Computer and Hardwares | 7 | 1% of Cost |
| Motor vehicles | 10 | 5% of cost |
| **Furniture and fittings** | | |
| Short-lived | 5 | 1% of Cost |
| Medium -lived | 10 | 1% of Cost |
| **Other and 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.

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**2.3.11 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

| Descriptio | Years | Residual value |
|---|---|---|
| Software | 6 | Nil |

**2.3.12 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.

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### 2.3.13 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, quoted share prices for publicly traded companies or other available fair value indicators.

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.

### 2.3.14 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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### 2.3.15 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 4.6.1
- Quantitative disclosures of fair value measurement hierarchy Note 4.6.2

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.

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**2.3.16 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***

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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**2.3.17 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.

**2.3.18 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.

**2.3.19 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.

**2.3.20 IFRS 16 - Leases**

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 elected to apply the practical expedient that allows entities to rely on its assessment of whether leases were onerous by applying IAS 37 Provisions, Contingent Liabilities and Contingent Assets immediately before the date of initial application as an alternative to performing an impairment review.

The effect of initially applying IFRS 16 is mainly attributed to:
_ an increase in non-current assets as obligations to make future payments under leases previously classified as an operating lease were recognized on the balance sheet, along with the corresponding asset: right-of-use asset.
_ Expenditure on operation has decreased and finance cost have increased, as operating lease costs have been replaced by depreciation and interest expense on lease liabilities.

The adoption of IFRS 16 requires the Bank to make a number of assumptions, estimations and judgments that includes:
_ lease liabilities were determined based on the value of the remaining lease payments, discounted by an appropriate incremental borrowing rate.
_ term of each arrengment was based on the original lease term.
_ The discount rate used to determine lease liabilities was the Bank's incremental borrowing rate. It was calculated based on observable inputs.

**At the commencement date, the Bank recognized:**

_ a lease liability at the present value of the lease payments that are not paid at that date. Present value of lease payments will be determined by discounting future lease payments at the interest rate implicit in the lease arrangement, if it is readily determined or at Bank's incremental borrowing rate.

After the commencement date, the Bank masures:
_ right-of-use assets using cost model, i.e. cost at initial recognition less accumulated depreciation (in line with IAS 16: Property, plant and Equipment) and accumulated impairment losses (in line with IAS 36: Impairment of Assets).
_ lease liability by increasing its carrying amount to reflect interest on the lease liability and by reducing its carrying amount to reflect lease payments made.

Interest incurred on lease liability will be recognized in the statement of profit and loss as a finance cost.

Determination of whether an arrangement is a lease, or contains a lease
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 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.

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**2.3.21 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 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 4.5
• Financial risk management and policies Note 4
• Sensitivity analyses disclosures Note 4.2.7

**a) 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.

***b) Impairment losses on loans and receivables***

Regarding impairment of financial instruments the bank needs to do the detail presented in Note 2.3.1 of this financial statement.

**3.1 *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 4.6 for further disclosures.

**3.2 *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.

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### 3.3 *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.

### 3.4 *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.

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## 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.

#### 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 Credit risk

Credit risk is the risk of financial loss to the Bank if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Bank's loans and advances to customers and other banks and other financial assets.

Exposure to credit risk is managed through periodic analysis of the ability of borrowers and potential borrowers to determine their capacity to meet principal and interest thereon, and restructuring such limits as appropriate. Exposure to credit risk is also mitigated, in part, by obtaining collateral, commercial and personal guarantees.

The Bank structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower, or groups of borrowers, and to term of the financial instrument and economic sectors.

The National Bank of Ethiopia (NBE) sets credit risk limit for a single borrower, one related party and all related parties to not exceed 25% and 35% of Bank's total capital amount as of the reporting quarterly period respectively.

Credit management is conducted as per the risk management policy and guideline approved by the board of directors and the Risk Management Committees. Such policies are reviewed and modified periodically based on changes and expectations of the markets where the Bank operates, regulations, and other factors.

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**4.2.1 Credit quality analysis**

The following table sets out information about the credit quality of financial assets measured at amortised cost, FVOCI debt investments (2021) and available-for-sale debt assets (2020). Unless specifically indicated, for financial assets, the amounts in the table represent gross carrying amounts.

For loan commitments and financial guarantee contracts, the amounts in the table represent the amounts committed or guaranteed, respectively

| In Birr'000 | 2021 | | | | 2020 | | | |
|---|---|---|---|---|---|---|---|---|
| **Loans and advances to customers at amortised cost** | **Stage 1** | **Stage 2** | **Stage 3** | **Total** | **Stage 1** | **Stage 2** | **Stage 3** | **Total** |
| Stage 1 – Pass | 8,370,543 | - | - | 8,370,543 | 5,710,376 | - | - | 5,710,376 |
| Stage 2 – Special mention | - | 528,999 | - | 528,999 | - | 612,250 | - | 612,250 |
| Stage 3 - Non performing | - | - | 244,519 | 244,519 | - | - | 180,131 | 180,131 |
| **Total gross exposure** | **8,370,543** | **528,999** | **244,519** | 9,144,061 | **5,710,376** | **612,250** | **180,131** | **6,502,757** |
| Loss allowance | (58,597) | (6,824) | (51,237) | (116,658) | (39,114) | (9,286) | (28,305) | (76,705) |
| **Net carrying amount** | **8,311,945** | **522,175** | **193,282** | **9,027,403** | **5,671,262** | **602,964** | **151,826** | **6,426,052** |

| In Birr'000 | 2021 | | | 2020 | | |
|---|---|---|---|---|---|---|
| **Other financial assets** | **Gross exposure** | **Loss allowance** | **Net carrying amount** | **Gross exposure** | **Loss allowance** | **Net carrying amount** |
| Cash and balances with banks | 2,709,230 | (135) | 2,709,094 | 2,014,006 | (101) | 2,013,905 |
| Investment securities (debt instrum | 1,690,848 | (85) | 1,690,763 | 1,690,848 | (85) | 1,690,763 |
| Other receivables and financial asse | 106,650 | (5) | 106,644 | 105,454 | (5) | 105,449 |
| **Totals** | **4,506,727** | **(225)** | **4,506,502** | **3,810,307** | **(191)** | **3,810,117** |

**Credit Quality Analysis Disclosures for On Balance Sheet facilities.**

| Title | 2021 | | | |
|---|---|---|---|---|
| | **12 month ECL** | **Lifetime ECL not credit** | **Lifetime ECL credit impaired** | **Total** |
| Normal | 8,370,543 | - | - | 8,370,543 |
| Watch | - | 528,999 | - | 528,999 |
| Non-Performing | - | - | 244,519 | 244,519 |
| **Total Exposure** | **8,370,543** | **528,999** | **244,519** | 9,144,061 |
| Loss Allowance | - | - | - | - |
| **Carrying Amount** | **8,370,543** | **528,999** | **244,519** | **9,144,061** |

**Credit Quality Analysis Disclosures for On Balance Sheet facilities.**

| Title | 2020 | | | |
|---|---|---|---|---|
| | 12 month ECL | Lifetime ECL not credit impaired | Lifetime ECL credit impaired | Total |
| Normal | 5,710,376 | - | - | 5,710,376 |
| Watch | - | 612,250 | - | 612,250 |
| Non-Performing | - | - | 180,131 | 180,131 |
| **Total Exposure** | **5,710,376** | **612,250** | **180,131** | **6,502,757** |
| Loss Allowance | (39,114) | (9,286) | (28,305) | (76,705) |
| **Carrying Amount** | **5,671,262** | **602,964** | **151,826** | **6,426,052** |

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### 4.2.2 Collateral held

The Bank holds collateral against certain of its credit exposures. The following table sets out the principal types of

**Nature of security in respect of loans and receivables**

| 30 June 2021 | Secured against real estate Birr'000 | Bank guarantees Birr'000 | Equitable Mortgage Birr'000 | Shares Birr'000 | Others Birr'000 |
|---|---|---|---|---|---|
| Agriculture | | | 56,745 | | |
| Construction | | 3,150 | 1,128,153 | 3,208 | 343,249 |
| Domestic trade and services | | 1,623 | 1,352,556 | 3,964 | 276,974 |
| Emergency staff loan | | | | | 37,241 |
| Export | | | 2,744,174 | | |
| Import | | | 1,031,308 | 17,724.58 | 89,440 |
| Industry | | | 1,395,014 | | 97,628 |
| Personal | | | | | 55,570 |
| Staff residential loan | | | 300,295 | | |
| Staff vehicle loan | | | | | 17,868 |
| Transport | | | 34,496 | | 293,762 |
| | **-** | **4,772** | **8,042,742** | **24,896** | **1,211,731** |

| **Other financial assets** | **2021** | | | | | **2020** | | |
|---|---|---|---|---|---|---|---|---|
| ***In Birr'000*** | **Cash and balances with banks** | **Investment securities (debt instruments )** | **Emergency staff loans** | **Other receivables and financial assets** | **Total** | **Cash and balances with banks** | **Investment securities (debt instruments)** | **Emergency staff loans** |
| Balance as at 1 July | 101 | 85 | 1 | 5 | **191** | 68 | 96 | 0 |
| Net remeasurement of loss allowanc | 35 | - | 1 | - | **36** | 32 | (12) | 1 |
| New financial assets originated or p | - | - | - | - | **-** | - | - | - |
| **Balance as at 30 June** | **135** | **85** | **2** | **5** | **227** | **101** | **85** | **1** |

**Other assets**

| | | | **in Birr** | | **in Birr** | |
|---|---|---|---|---|---|---|
| **Financial Asset** | **2021_ECL** | **2020_ECL** | **2021_ECL** | **2020_ECL** | **2021_Gross Exposure** | **2020_Gross Exposure** |
| Receivables | 5 | 5 | 5,332 | 5,273 | 106,644,349 | 105,454,093 |
| NBE bills and bonds | 85 | 85 | 84,542 | 84,542 | 1,690,763,058 | 1,690,847,600 |
| Bank balances | 135 | 90 | 135,461 | 89,815 | 2,709,094,170 | 1,796,301,693 |

### 4.2.3 *Investment securities designated as at FVTPL*

At 30 June 2021, the Bank had no exposure to credit risk of the investment securities designated as at FVTPL

### 4.2.4 Amounts arising from ECL

**i)** ***Inputs, assumptions and techniques used for estimating impairment***
See accounting policy in **Note 2.3.1**

**ii)** ***Significant increase in credit risk***

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Bank considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Bank's historical experience and expert credit assessment and including forward-looking information.

The objective of the assessment is to identify whether a significant increase in credit risk has occurred for an exposure by comparing:
— the remaining lifetime probability of default (PD) as at the reporting date; with
— the remaining lifetime PD for this point in time that was estimated at the time of initial recognition of the exposure (adjusted where relevant for changes in prepayment expectations).

— the Bank uses three criteria for determining whether there has been a significant increase in credit risk:
— quantitative test based on movement in PD;
— qualitative indicators; and
— a backstop of 30 days past due,

**iii)** ***Credit risk grades***

The Bank allocates each exposure to a credit risk grade based on a variety of data that is determined to be predictive of the risk of default and applying experienced credit judgement. Credit risk grades are defined using qualitative and quantitative factors that are indicative of risk of default. These factors vary depending on the nature of the exposure and the type of borrower.

Credit risk grades are defined and calibrated such that the risk of default occurring increases exponentially as the credit risk deteriorates so, for example, the difference in risk of default between credit risk grades 1 and 2 is smaller than the difference between credit risk grades 2 and 3. Each exposure is allocated to a credit risk grade on initial recognition based on available information about the borrower. Exposures are subject to ongoing monitoring, which may result in an exposure being moved to a different credit risk grade. The monitoring typically involves use of the following data;

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**a. Term loan exposures**

— Information obtained during periodic review of customer files – e.g. audited financial statements, management accounts, budgets and projections. Examples of areas of particular focus are: gross profit margins, financial leverage ratios, debt service coverage, compliance

— Data from credit reference agencies, press articles, changes in external credit ratings
— Actual and expected significant changes in the political, regulatory and technological environment of the borrower or in its business activities

— Internally collected data on customer behaviour – e.g. utilisation of credit card facilities
— Affordability metrics

**b. Overdraft exposures**
— Payment record – this includes overdue status as well as a range of variables about payment ratios
— Utilisation of the granted limit
— Requests for and granting of forbearance
— Existing and forecast changes in business, financial and economic conditions

***i) Generating the term structure of PD***

Credit risk grades are a primary input into the determination of the term structure of PD for exposures. The Bank collects performance and default information about its credit risk exposures analysed by type of product and borrower as well as by credit risk grading. The Bank employs statistical models to analyse the data collected and generate estimates of the remaining lifetime PD of exposures and how these are expected to change as a result of the passage of time.

***ii) Determining whether credit risk has increased significantly***

The Bank assesses whether credit risk has increased significantly since initial recognition at each reporting date. Determining whether an increase in credit risk is significant depends on the characteristics of the financial instrument and the borrower. What is considered significant differs for different types of lending.

As a general indicator, credit risk of a particular exposure is deemed to have increased significantly since initial recognition if, based on the Bank's quantitative

The credit risk may also be deemed to have increased significantly since initial recognition based on qualitative factors linked to the Bank's credit risk management processes that may not otherwise be fully reflected in its quantitative analysis on a timely basis. This will be the case for exposures that meet certain heightened risk criteria, such as placement on a watch list. Such qualitative factors are based on its expert judgment and relevant historical experiences.

As a backstop, the Bank considers that a significant increase in credit risk occurs no later than when an asset is more than 30 days past due. Days past due are determined by counting the number of days since the earliest elapsed due date in respect of which full payment has not been received. Due dates are determined without considering any grace period that might be available to the borrower.

If there is evidence that there is no longer a significant increase in credit risk relative to initial recognition, then the loss allowance on an instrument returns to being measured as 12-month ECL. Some qualitative indicators of an increase in credit risk, such as delinquency or forbearance, may be indicative of an increased risk of default that persists after the indicator itself has ceased to exist. In these cases, the Bank determines a probation period during which the financial asset is required to demonstrate good behaviour to provide evidence that its credit risk has declined sufficiently. When contractual terms of a loan have been modified, evidence that the criteria for recognising lifetime ECL are no longer met includes a history of up-to-date payment performance against the modified contractual terms.

The Bank monitors the effectiveness of the criteria used to identify significant increases in credit risk by regular reviews to confirm that:
- the criteria are capable of identifying significant increases in credit risk before an exposure is in default;
- the criteria do not align with the point in time when an asset becomes 30 days past due;
- the average time between the identification of a significant increase in credit risk and default appears reasonable;
- exposures are not generally transferred directly from 12-month ECL measurement to credit- impaired; and
- there is no unwarranted volatility in loss allowance from transfers between 12-month PD (Stage 1) and lifetime PD (Stage 2).

***iii) Definition of default***

The Bank considers a financial asset to be in default when:
- the borrower is unlikely to pay its credit obligations to the Bank in full, without recourse by the Bank to actions such as realising security (if any is held);
- the borrower is more than 90 days past due on any material credit obligation to the Bank.
- Overdrafts are considered as being past due once the customer has breached an advised limit or been advised of a limit smaller than the current amount
- it is becoming probable that the borrower will restructure the asset as a result of bankruptcy due to the borrower's inability to pay its credit obligations.

In assessing whether a borrower is in default, the Bank considers indicators that are:
- qualitative: e.g. breaches of covenant;
- quantitative: e.g. overdue status and non-payment on another obligation of the same issuer to the Bank; and
- based on data developed internally and obtained from external sources.
- Inputs into the assessment of whether a financial instrument is in default and their significance may vary over time to reflect changes in circumstances.

The definition of default largely aligns with that applied by the Bank for regulatory capital purposes incorporation of forward-looking information

The Bank incorporates forward-looking information into both the assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and the measurement of ECL.

For each segment, the Bank formulates three economic scenarios: a base case, which is the median scenario, and two less likely scenarios, one upside and one downside. For each sector, the base case is aligned with the macroeconomic model's information value output, a measure of the predictive power of the model, as well as base macroeconomic projections for identified macroeconomic variables for each sector. The upside and downside scenarios are based on a combination of a percentage error factor of each sector model as well as simulated optimistic and pessimistic macroeconomic projections based on a measure of historical macroeconomic volatilities.

In line with the expected, as well as experienced, Expected Credit Loss forward - looking volatility arising from the economic impact of the Covid 19 global crisis, the Bank has conducted, and overlaid, additional scenario analysis on the macroeconomic overlay model. This includes application of higher probability weights on the downside scenario, lower probability weights on the upside scenario, as well as stress tests on macroeconomic projections. The Bank continues to monitor the economic impact of Covid 19 on it's credit risk profile as well as forward - looking Expected Credit Loss estimates and shall update the same on it's IFRS 9 forward - looking estimates as and when significant changes in the overall macroeconomic environment are experienced.

External information considered includes economic data and forecasts published by Business Monitor International, an external and independent macroeconomic data body. This is in addition to industry – level, semi – annual NPL trends across statistically comparable sectors.
Periodically, the Bank carries out stress testing of more extreme shocks to calibrate its determination of the upside and downside representative scenarios. A comprehensive review is performed at least annually on the design of the scenarios by a panel of experts that advises the Bank's senior management.

The Bank has identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses.

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The key drivers for credit risk for each of the Bank's economic sectors is summarized below:

Sector/Product
Agriculture, Personal loans and Staff loans
Domestic Trade & Services
Building & Construction and Manufacturing & Production
Export and Import

| | | | | | |
|---|---|---|---|---|---|
| Agriculture, Personal) loans and Staff loans | INFLATION: Consumer price index, 2010 = 100, ave | EXCHANGE RATE: ETB/USD, ave | GDP EXPENDITURE: Exports of goods and services, USD per capita | DEBT: Government domestic debt, ETBbn | STRATIFICATION: Household Spending, ETBbn |
| Domestic Trade & Services and Transport | GDP: GDP per capita, USD | GDP EXPENDITURE: Imports of goods and services, USDbn | INFLATION: Consumer price index, 2010 = 100, eop | EXCHANGE RATE: ETB/USD, ave | FISCAL: Total revenue, USDbn |
| Construction, Industry and Hotel & Tourism, | GDP EXPENDITURE: Exports of goods and services, USD | FISCAL: Current expenditure, USDbn | DEBT: Government domestic debt, ETBbn | - | - |
| Export and Import | GDP EXPENDITURE: Exports of goods and services, ETBbn | GDP EXPENDITURE: Imports of goods and services, ETBbn | EXCHANGE RATE: Real effective exchange rate, index | GDP EXPENDITURE: Private final consumption, USDbn | DEBT: Total government debt, USDbn |

The economic scenarios used as at 30 June 2020 included the following key indicators for Ethiopia for the years 2021 to 2023:

| Macro-economic factor | 2021 | 2022 | 2023 |
|---|---|---|---|
| INFLATION: Consumer price index, 2010 = 100 | 470.4 | 517.4 | 517.4 |
| GDP: GDP per capita, USD | 889 | 1004 | 1004 |
| GDP EXPENDITURE: Exports of goods and services, USD per capita | 72.1 | 80.3 | 80.3 |
| GDP EXPENDITURE: Exports of goods and services, ETBbn | 291.7 | 342.9 | 342.9 |
| EXCHANGE RATE: ETB/USD | 34.31 | 35.34 | 35.34 |
| GDP EXPENDITURE: Imports of goods and services, USDbn | 31.4 | 35.9 | 35.9 |
| FISCAL: Current expenditure, USDbn | 9.6 | 10.9 | 10.9 |
| GDP EXPENDITURE: Imports of goods and services, ETBbn | 1077.9 | 1270.6 | 1270.6 |
| INFLATION: Consumer price index, 2010 = 100 | 470.4 | 517.4 | 517.4 |
| DEBT: Government domestic debt, ETBbn | 872.3 | 1003.1 | 1003.1 |
| EXCHANGE RATE: Real effective exchange rate, index | 124.12 | 122.16 | 122.16 |
| GDP EXPENDITURE: Private final consumption, USDbn | 81.9 | 95 | 95 |
| STRATIFICATION: Household Spending, ETBbn | 2503.8 | 2991.5 | 2991.5 |
| FISCAL: Total revenue, USDbn | 10.3 | 11.6 | 11.6 |
| DEBT: Total government debt, USDbn | 67.1 | 77 | 77 |

Predicted relationships between the key indicators and default rates on various portfolios of financial assets have been developed based on analysing semi – annual historical data over the past 5 years.

Scenario probability weightings

| **As at June** | **2021** | | | **2020** | | |
|---|---|---|---|---|---|---|
| | **Upside** | **Median/Cent** | **Downside** | **Upside** | **Median/Cent** | **Downside** |
| Cluster 1 | 0% | 50% | 50% | 0% | 50% | 50% |
| Cluster 2 | 0% | 50% | 50% | 0% | 50% | 50% |
| Cluster 3 | 0% | 50% | 50% | 0% | 50% | 50% |
| Cluster 4 | 0% | 50% | 50% | 0% | 50% | 50% |

Predicted relationships between the key indicators and default rates on various portfolios of financial assets have been developed based on analysing semi – annual historical data over the **past 5 years.**

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**4.2.5 *Modified financial assets***

The contractual terms of a loan may be modified for a number of reasons, including changing market conditions, customer retention and other factors not related to a current or potential credit deterioration of the customer. An existing loan whose terms have been modified may be derecognised and the renegotiated loan recognised as a new loan at fair value in accordance with the accounting policy set out.

When the terms of a financial asset are modified and the modification does not result in derecognition, the determination of whether the asset's credit risk has increased significantly reflects comparison of: its remaining lifetime PD at the reporting date based on the modified terms; with the remaining lifetime PD estimated based on data on initial recognition and the original contractual terms.

When modification results in derecognition, a new loan is recognised and allocated to Stage 1 (assuming it is not credit-impaired at that time).

The Bank renegotiates loans to customers in financial difficulties (referred to as 'forbearance activities') to maximise collection opportunities and minimise the risk of default. Under the Bank's forbearance policy, loan forbearance is granted on a selective basis if the debtor is currently in default on its debt or if there is a high risk of default, there is evidence that the debtor made all reasonable efforts to pay under the original contractual terms and the debtor is expected to be able to meet the revised terms.

The revised terms usually include extending the maturity, changing the timing of interest payments and amending the terms of loan covenants. Both retail and corporate loans are subject to the forbearance policy. The Bank Credit Committee regularly reviews reports on forbearance activities.

For financial assets modified as part of the Bank's forbearance policy, the estimate of PD reflects whether the modification has improved or restored the Bank's ability to collect interest and principal and the Bank's previous experience of similar forbearance action. As part of this process, the Bank evaluates the borrower's payment performance against the modified contractual terms and considers various behavioural indicators.

Generally, forbearance is a qualitative indicator of a significant increase in credit risk and an expectation of forbearance may constitute evidence that an exposure is credit-impaired. A customer needs to demonstrate consistently good payment behaviour over a period of time before the exposure is no longer considered to be credit-impaired/in default or the PD is considered to have decreased such that the loss allowance reverts to being measured at an amount equal to Stage 1.

**4.2.6 *Measurement of ECL***

The key inputs into the measurement of ECL are the term structure of the following variables:
- probability of default (PD);
- loss given default (LGD); and
- exposure at default (EAD).

ECL for exposures in Stage 1 is calculated by multiplying the 12-month PD by LGD and EAD. Lifetime ECL is calculated by multiplying the lifetime PD by LGD and EAD.

The methodology of estimating PDs is discussed above under the heading 'Generating the term structure of PD'.

LGD is the magnitude of the likely loss if there is a default. The Bank estimates LGD parameters based on the history of recovery rates of claims against defaulted counterparties. The LGD models consider the structure, collateral, seniority of the claim, counterparty industry and recovery costs of any collateral that is integral to the financial asset.

For loans secured by retail property, LTV ratios are a key parameter in determining LGD. LGD estimates are recalibrated for different economic scenarios and, for real estate lending, to reflect possible changes in property prices. They are calculated on a discounted cash flow basis using the effective interest rate as the discounting factor.

EAD represents the expected exposure in the event of a default. The Bank derives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract and arising from amortisation. The EAD of a financial asset is its gross carrying amount at the time of default. For lending commitments, the EADs are potential future amounts that may be drawn under the contract, which are estimated based on historical observations and forward-looking forecasts. For financial guarantees, the EAD represents the amount of the guaranteed exposure when the financial guarantee becomes payable. For some financial assets, EAD is determined by modelling the range of possible exposure outcomes at various points in time using scenario and statistical techniques.

As described above, and subject to using a maximum of a 12-month PD for Stage 1 financial assets, the Bank measures ECL considering the risk of default over the maximum contractual period (including any borrower's extension options) over which it is exposed to credit risk, even if, for credit risk management purposes, the Bank considers a longer period.

The maximum contractual period extends to the date at which the Bank has the right to require repayment of an advance or terminate a loan commitment or guarantee.

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'However, for overdrafts that include both a loan and an undrawn commitment component, the Bank measures ECL over a period longer than the maximum contractual period if the Bank's contractual ability to demand repayment and cancel the undrawn commitment does not limit the Bank's exposure to credit losses to the contractual notice period. These facilities do not have a fixed term or repayment structure and are managed on a collective basis. The Bank can cancel them with immediate effect but this contractual right is not enforced in the normal day-to-day management, but only when the Bank becomes aware of an increase in credit risk at the facility level. This longer period is estimated taking into account the credit risk management actions that the Bank expects to take, and that serve to mitigate ECL. These include a reduction in limits, cancellation of the facility and/or turning the outstanding balance into a loan with fixed repayment terms.

Where modelling of a parameter is carried out on a collective basis, the financial instruments are grouped on the basis of shared risk characteristics that include:

- instrument type;
- credit risk grading;
- collateral type;
- LTV ratio for retail mortgages;
- date of initial recognition;
- remaining term to maturity;
- industry; and
- Geographic location of the borrower.

The groupings are subject to regular review to ensure that exposures within a particular group remain appropriately 'homogeneous.

**4.2.7 Concentrations of credit risk**

The Bank monitors concentrations of credit risk by economic sector. An analysis of concentrations of credit risk from loans and advances, loan commitments, financial guarantees and investment securities is shown below;

| | *Note* | Amount Millions of |
|---|---|---|
| Carrying amount | 15 | 8,965,488 |
| Amount committed/guaranteed | | 9,082,146 |
| **Concentration by sector** | | |
| Agriculture | | 98,441 |
| Industry | | 1,443,020 |
| Construction | | 1,749,696 |
| Domestic Trade and Services | | 1,266,482 |
| Personal loans | | 65,439 |
| Export | | 2,873,081 |
| Import | | 774,530 |
| Transportation | | 521,480 |
| Emergency Staff Loan | | 28,489 |
| Staff Residential Loan | | 248,053 |
| Staff Vehicle Loan | | 13,435 |

**4.2.8 Offsetting financial assets and financial liabilities**

The Bank does not offset financial assets against financial liabilities.

**Net interest income**

| *In millions of ETB* | 2021 | 2020 |
|---|---|---|
| **Interest income** | 1,302,827 | 1,043,176 |
| | | |
| **Interest expense** | (863,588) | (656,122) |
| | | |
| | | |
| Net interest income | **439,239** | **387,054** |

**4.3 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.

**4.3.2 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.

**4.3.2** Financing arrangements

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

| | 30 June 2021 Birr'000 | 30 June 2020 Birr'000 |
|---|---|---|
| Expiring within one year (borrowings) | - | - |
| Expiring beyond one year (borrowings) | 967,557 | 343,393 |
| | 967,557 | 343,393 |

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**4.3.3 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 2021 | 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 | 2,199,538 | 432,435 | 1,475,596 | 467,832 | 6,609,578 |
| Debt securities issued | - | - | - | - | - |
| Borrowings | - | - | - | - | - |
| Other liabilities | 1,148,907 | 191,041 | 120,297 | 92,606 | 2,217,794 |
| **Total financial liabilities** | **3,348,446** | **623,477** | **1,595,893** | **560,438** | **8,827,372** |

| 30 June 2020 | 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 | 2,492,116 | 205,983 | 1,039,133 | 2,265,829 | 2,380,751 |
| Debt securities issued | - | - | - | - | |
| Borrowings | - | - | - | - | 967,557 |
| Other liabilities | 25,900 | 52,582 | - | 1,074,342 | 84,982 |
| **Total financial liabilities** | **2,518,016** | **258,565** | **1,039,133** | **3,340,170** | **3,433,290** |

**4.4 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.

**4.4.1 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.

**4.4.2 Management of market risk**

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

### (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.

The table below sets out information on the exposures to fixed and variable interest instruments.

| **30 June 2021** | **Fixed Birr'000** | **Floating Birr'000** | **interest bearing Birr'000** | **Total Birr'000** |
|---|---|---|---|---|
| **Assets** | | | | |
| Cash and balances with banks | 1,826,098 | 257,485 | 883,131 | 2,966,715 |
| Loans and receivables | - | - | - | - |
| **Total** | **1,826,098** | **257,485** | **883,131** | **2,966,715** |
| | | | | |
| **Liabilities** | | | | |
| Deposits from customers | 5,062,704 | - | - | 5,062,704 |
| Debt securities issued | | | | |
| Other liabilities | 1,052,539 | | | |
| **Total** | **6,115,243** | **-** | **-** | **5,062,704** |

| **30 June 2020** | **Fixed Birr'000** | **Floating Birr'000** | **Non-interest Birr'000** | **Total Birr'000** |
|---|---|---|---|---|
| **Assets** | | | | |
| Cash and balances with banks | 1,182,704 | 292,446 | 829,948 | 2,305,098 |
| Loans and receivables | - | - | - | - |
| **Total** | **1,182,704** | **292,446** | **829,948** | **2,305,098** |
| | | | | |
| **Liabilities** | | | | |
| Deposits from customers | 6,299,665 | 1,141,476 | - | 7,441,141 |
| Debt securities issued | - | - | - | - |
| Other liabilities | - | - | 166,763 | 166,763 |
| **Total** | **6,299,665** | **1,141,476** | **166,763** | **7,607,904** |

### (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.

***Foreign currency denominated balances***

| | **30 June 2021 Birr'000** | **1 July 2020 Birr'000** |
|---|---|---|
| Cash and bank balances | 470,577 | 110,658 |
| Deposit from customers | 55,745 | 377,104 |
| | **526,322** | **487,762** |

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**4.5 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.

**4.5.1 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 .

| | 30 June 2021 Birr'000 | 1 July 2020 Birr'000 |
|---|---|---|
| **Capital** | | |
| Capital contribution | 1,542,532 | 1,380,251 |
| Retained earnings | 196,030 | 150,313 |
| Legal reserve | 264,891 | 207,431 |
| Other reserve | 56,651 | 60,478 |
| | 2,060,104 | 1,798,473 |
| **Risk weighted assets** | | |
| Risk weighted balance for on-balance sheet items | 7,323,700 | 6,134,290 |
| Credit equivalents for off-balance sheet items | 1,780,920 | 1,445,130 |
| | 11,164,724 | 9,377,893 |
| Risk-weighted Capital Adequacy Ratio (CAR) | **18%** | **19%** |
| Minimum required capital | **8%** | **8%** |
| Excess | **10%** | **11%** |

**4.6 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.

**4.6.1. 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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**4.6.2 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 2021 | Carrying amount Birr'000 | Fair value Birr'000 |
|---|---|---|
| **Financial assets** | | |
| Cash and balances with banks | 2,966,715 | 2,966,715 |
| Loans and receivables | 8,965,488 | 8,965,488 |
| Investment securities | 1,731,136 | 1,731,136 |
| **Total** | **13,663,339** | **13,663,339** |
| **Financial liabilities** | | |
| Deposits from customers | 11,237,087 | 11,237,087 |
| Debt securities issued | - | - |
| Borrowings | 967,557 | 967,557 |
| Other liabilities | 270,248 | 270,248 |
| **Total** | **12,474,893** | **12,474,893** |

| 30 June 2020 | Carrying amount Birr'000 | Fair value Birr'000 |
|---|---|---|
| **Financial assets** | | |
| Cash and balances with banks | 2,305,098 | 2,305,098 |
| Loans and receivables | 6,426,052 | 6,426,052 |
| Investment securities | 1,726,349 | 1,726,349 |
| **Total** | **10,457,499** | **10,457,499** |
| **Financial liabilities** | | |
| Deposits from customers | 8,383,812 | 8,383,813 |
| Debt securities issued | - | - |
| Borrowings | 343,393 | 343,393 |
| Other liabilities | 585,854 | 585,854 |
| **Total** | **9,313,059** | **9,313,059** |

The bank Equity investment in Eth-Switch s.c with a cost of 12.503 million and in United Insurance s.c with a cost of 3.9 million have been measured for Fair value. Due to non availablity of stock market we can't measure it with first hand information. However,the consultant measured it some other methods and the measurement resultedin the following.
As the financial report for United Inurance s.c for the fiscal year ended 2021 was not ready during the evaluation time fair value of 2021 has ben taken for 2020 also.

| Cost: | Carrying amount Birr'000 | Fair value Birr'000 |
|---|---|---|
| United Insurance s.c | 3,900 | 5,291 |
| Eth-Switch s.c | 12,002 | 30,210 |
| **Fair value As at 30 June 2020** | **15,902.00** | **35,501** |

| Gain or loss on Fair value measurement as at 30 june 2021 | Fair value Birr'000 |
|---|---|
| United Insurance s.c | (248) |
| Eth-Switch s.c | 4,535 |

| Cost: | Carrying amount Birr'000 | Fair value Birr'000 |
|---|---|---|
| United Insurance s.c | 3,900 | 5,043 |
| Eth-Switch s.c | 12,502 | 34,745 |
| **Fair value As at 30 June 2021** | **16,402.45** | **39,788** |

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| | 30 June 2021 Birr'000 | 30 June 2020 Birr'000 |
|---|---|---|
| **5 Interest income** | | |
| Interest on term loans | 943,799 | 727,249 |
| Interest on import and export facilities | 530 | 3,824 |
| Interest on overdraft | 192,960 | 173,885 |
| Interest on deposits with domestic banks | 83,132 | 72,184 |
| Interest on NBE bills | 63,636 | 69,661 |
| Interest earned on correspondents | - | 336 |
| | **1,284,057** | **1,047,139** |

| | 30 June 2021 Birr'000 | 30 June 2020 Birr'000 |
|---|---|---|
| **6 Interest expense** | | |
| Interest on certificate of deposits | (517,378) | (386,141) |
| Interest on customer savings | (294,348) | (246,781) |
| Interest on Borrowing | (51,863) | (23,200) |
| | **(863,588)** | **(656,122)** |

| | 30 June 2021 Birr'000 | 30 June 2020 Birr'000 |
|---|---|---|
| **7 Net fees and commission income** | | |
| **Fee and commission income** | | |
| Financial guarantee contracts issued | 168,944 | 199,079 |
| Commission on letters of credit | 53,347 | 23,212 |
| Cashier payment order | 206 | 426 |
| Commission on managed funds | 204 | 87 |
| | **222,701** | **222,804** |
| **Fee and commission expense** | - | - |
| **Net fees and commission income** | **222,701** | **222,804** |

| | 30 June 2021 Birr'000 | 30 June 2020 Birr'000 |
|---|---|---|
| **8 Other operating income** | | |
| Net gain on foreign exchange | - | - |
| Service charge | 124,045 | 41,898 |
| Other income | 21,226 | 14,412 |
| Correspondent charges | 553 | 417 |
| Dividend income | 1,220 | 813 |
| Postage and processing fees | 2 | 2 |
| Swift charges | 292 | 231 |
| Penalty Charge Income | 765 | 360 |
| Gain on on disposal of property, plant and equipment | 120 | - |
| | **148,223** | **58,133** |

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| | | 30 June 2021 Birr'000 | 30 June 2020 Birr'000 |
|---|---|---|---|
| 9 | **Loan impairment charge** | | |
| | Loans and receivables - charge for the year | (39,953) | (37,337) |
| | Loans and receivables - reversal of provision | - | - |
| | | **(39,953)** | **(37,337)** |

| | | 30 June 2021 Birr'000 | 30 June 2020 Birr'000 |
|---|---|---|---|
| 10 | **Impairment losses on other assets** | | |
| | Other assets - charge for the year | (10,148) | - |
| | Other assets - reversal of impairment losses | - | 73 |
| | | **(10,148)** | **73** |

| | | 30 June 2021 Birr'000 | 30 June 2020 Birr'000 |
|---|---|---|---|
| 11 | **Personnel expenses** | | |
| | **Short term employee benefits :** | | |
| | Salaries and wages | (162,420) | (116,747) |
| | Staff allowances | (34,306) | (17,739) |
| | Overtime | (1,140) | (545) |
| | Bonus | (28,971) | (18,407) |
| | Pension costs – Defined contribution plan | (20,069) | (13,956) |
| | Other staff expenses | (18,462) | (17,652) |
| | | **(265,368)** | **(185,045)** |
| | **Long term employee benefits :** | | |
| | Pension costs - Defined benefit plans | (2,110) | (3,014) |
| | | **(2,110)** | **(3,014)** |
| | | **(267,478)** | **(188,059)** |

| | | 30 June 2021 Birr'000 | 30 June 2020 Birr'000 |
|---|---|---|---|
| 12 | **Other operating expenses** | | |
| | Deprciation expenses - office rent | (55,960) | (49,605) |
| | Office supplies and sundry | (9,399) | (8,178) |
| | Advertisement and Publicity | (7,155) | (7,288) |
| | Commissions | (109) | - |
| | Electricity, telephone and internet | (6,739) | (5,947) |
| | Travelling expenses | (16) | (12) |
| | Repairs and maintenance | (6,702) | (7,785) |
| | Event organization expense | (910) | (1,172) |
| | Fuel and lubricants | (1,883) | (1,700) |
| | Per diem administration | (2,195) | (3,021) |
| | Represenation allowance | (2,196) | (1,479) |
| | Insurance | (1,203) | (1,435) |
| | Legal and professional fees | (12,619) | (6,105) |
| | Entertainment | (1,166) | (1,107) |
| | Director fees | (1,335) | (1,338) |
| | Correspondent costs | (275) | (196) |
| | Bank charges | (1,025) | (860) |
| | Subscription and Publication | (157) | (92) |
| | Wages for non employees | (741) | (438) |
| | Women loan expense | (1,208) | (182) |
| | Audit fees | (113) | (345) |
| | Donations | (12,806) | (2,411) |
| | Postage and stamps | (120) | (85) |
| | Security expenses | (9,160) | (6,909) |
| | Net loss on foreign exchange | (11,616) | (70,236) |
| | Deprciation expense for Land lease | (1,678) | (942) |
| | Loss on on disposal of property, plant and equipment | - | (149) |
| | | **(148,485)** | **(179,018)** |

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| | | 30 June 2021 Birr'000 | 30 June 2020 Birr'000 |
|---|---|---|---|
| **13** | **Company income and deferred tax** | | |
| **13a** | **Current income tax** | | |
| | Company income tax | 60,646 | 31,546 |
| | Prior year (over)/under provision | - | - |
| | Deferred income tax/(credit) to profit or loss | (944) | (558) |
| | Total charge to profit or loss | **59,702** | **30,987** |
| | Tax (credit) on other comprehensive income | **61** | **2,905** |

**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 2021 Birr'000 | 30 June 2020 Birr'000 |
|---|---|---|
| Profit before tax | 289,403 | 239,555 |
| **Add:Disallowed expenses** | | |
| Donation | 4,306 | 2,411 |
| Leave pay Accrual | 9,878 | - |
| Entertaiment | 1,166 | 1,107 |
| Severance pay temporary difference | 2,110 | 3,014 |
| Provision for loans and advances as per IFRS | 39,953 | 37,337 |
| Depreciation for accounting purpose | 25,170 | 21,733 |
| Amortization for accounting purpose | 10,757 | 6,324 |
| Other Provision IFRS | 10,148 | - |
| Share Selling Agent Payment | 109 | - |
| Penality | 100 | - |
| Employe benefit loan | 2,027 | - |
| Women benefit loan | 1,208 | - |
| **Total disallowable expenses** | **106,931** | **71,926** |
| **Less: Allowable** | | |
| Depreciation for tax purpose | 35,040 | 31,187 |
| Interest income on deposit with other bank | 83,132 | 72,184 |
| Interset income on NBE Bills | 63,636 | 69,661 |
| Provision for loans and advances for tax NBE 80% | 11,650 | 32,411 |
| Dividend taxed at source | 719 | 813 |
| Backed provision | - | 73 |
| **Total allowable expenses** | **194,179** | **206,329** |
| **Taxable profit** | **202,155** | **105,153** |
| **Current tax at 30%** | **60,646** | **31,546** |

| | | | 30 June 2021 Birr'000 | 30 June 2020 Birr'000 |
|---|---|---|---|---|
| **13c** | **Current income tax liability** | | | |
| | Balance at the beginning of the year | | (31,546) | (38,432) |
| | Current year provision | | (60,646) | (31,546) |
| | WHT Notes utilised | | - | - |
| | Payment during the year | | 31,546 | 38,432 |
| | Balance at the end of the year | - | **(60,646)** | **(31,546)** |

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## 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.

| | 30 June 2021 Birr'000 | 30 June 2020 Birr'000 |
|---|---|---|
| **The analysis of deferred tax assets/(liabilities) is as follows:** | | |
| To be recovered after more than 12 months | (11,574) | (12,456) |
| To be recovered within 12 months | - | - |
| | **(11,574)** | **(12,456)** |

**13e** 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 2020 | Credit/ (charge) to P/L | Effect of opening balance restatment | Credit/ (charge) to equity | 30 June 2021 |
|---|---|---|---|---|---|
| | Birr'000 | Birr'000 | Birr'000 | Birr'000 | Birr'000 |
| Property, plant and equipment | (9,706) | 311 | - | - | (9,395) |
| Post employment benefit obligation | 3,129 | 633 | - | 1,075 | 4,837 |
| Equity Securities | (5,880) | - | - | (1,136) | (7,016) |
| **Total deferred tax assets/(liabilities)** | **(12,455)** | **944** | **-** | **(61)** | **(11,574)** |

## 14 Cash and balances with banks

| | 30 June 2021 Birr'000 | 30 June 2020 Birr'000 |
|---|---|---|
| Cash in hand | 257,485 | 292,446 |
| Balance held with National Bank of Ethiopia | 883,131 | 829,948 |
| Deposits with local banks | 1,305,178 | 1,072,046 |
| Deposits with foreign banks | 520,920 | 110,658 |
| | **2,966,715** | **2,305,098** |

| ***Maturity analysis*** | 30 June 2021 Birr'000 | 30 June 2020 Birr'000 |
|---|---|---|
| Current | 2,429,285 | 1,887,668 |
| Non-Current | 537,430 | 417,430 |
| | **2,966,715** | **2,305,098** |

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| | | 30 June 2021 Birr'000 | 30 June 2020 Birr'000 |
|---|---|---|---|
| **15** | **Loans and receivables** | | |
| | Agriculture | 98,441 | 42,027 |
| | Industry | 1,443,020 | 1,101,376 |
| | Construction | 1,749,696 | 1,455,010 |
| | Domestic Trade and Services | 1,266,482 | 965,452 |
| | Personal loans | 65,439 | 37,517 |
| | Export | 2,873,081 | 1,485,351 |
| | Import | 774,530 | 896,824 |
| | Transportation | 521,480 | 323,852 |
| | Emergency Staff Loan | 28,489 | 19,026 |
| | Staff Residential Loan | 248,053 | 174,141 |
| | Staff Vehicle Loan | 13,435 | 2,181 |
| | **Gross amount** | **9,082,146** | **6,502,757** |
| **Less** | **Less: Impairment allowance (note 4.2.1)** | **116,658** | **76,705** |
| | | **8,965,488** | **6,426,052** |

| | | 30 June 2021 Birr'000 | 30 June 2020 Birr'000 |
|---|---|---|---|
| **16** | **Investment securities** | | |
| **16a** | **Fair value through other comprhensive income** | | |
| | Equity Investments | 40,288 | 35,501 |
| | | **40,288** | **35,501** |
| **16b** | **Amortised cost** | | |
| | NBE bills | 1,690,848 | 1,690,848 |
| | **Gross amount** | **1,690,848** | **1,690,848** |
| | Less individual allowance for impairment | - | - |
| | | **1,731,136** | **1,726,349** |

| ***Maturity analysis*** | 30 June 2021 Birr'000 | 30 June 2020 Birr'000 |
|---|---|---|
| Current | - | - |
| Non-Current | 1,731,136 | 1,726,349 |
| | **1,731,136** | **1,726,349** |

The Bank hold equity investments in Eth-switch of 2.71% (of the subscribed capital of the investee as of June 30, 2021) and United Insurance Share Company of 0.8% (30 June 2020 of the total subscribed capital of the investee). These investments are unquoted equity securities measured at cost.

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| | | 30 June 2021 Birr'000 | 30 June 2020 Birr'000 |
|---|---|---|---|
| 17 | **Other assets** | | |
| | **Financial assets** | | |
| | Items in course of collection | 46,271 | 6,177 |
| | Uncleared effects | 117,500 | 14,937 |
| | | **163,771** | **21,115** |
| | **Non-financial assets** | | |
| | Prepaid staff benefit | 64,701 | 44,075 |
| | Prepaid Assets Women loans benefit | 40 | 284 |
| | Deposit and Prepayments | 30,120 | 7,113 |
| | Sundry receivables | 151,162 | 180,905 |
| | Inventory and office supplies | 4,228 | 4,129 |
| | | **250,252** | **236,506** |
| | **Less :** | | |
| | Impairment allowance on other assets | (10,357) | (209) |
| | ***Gross amount*** | **403,666** | **257,411** |

| ***Maturity analysis*** | 30 June 2021 Birr'000 | 30 June 2020 Birr'000 |
|---|---|---|
| Current | 153,414 | 20,906 |
| Non-Current | 250,252 | 236,506 |
| Impairment allowance on other assets | | |
| | **403,666** | **257,411** |

**17a** Impairment allowance on other assets

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

| | 30 June 2021 Birr'000 | 30 June 2020 Birr'000 |
|---|---|---|
| **Balance at the beginning of the year** | 209 | 282 |
| (Reversal)/charge for the year (note 10) | 10,148 | (73) |
| **Balance at the end of the year** | **10,357** | **209** |

**17b Inventory**

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

| | 30 June 2021 Birr'000 | 30 June 2020 Birr'000 |
|---|---|---|
| Stationary stock account | 1,535 | 1,421 |
| Other stock | 597 | 1,186 |
| Stock accounts | 311 | 726 |
| Uniform stock | 152 | 183 |
| Cheque book stock | 1,161 | 426 |
| Revenue stamp loans | 11 | 10 |
| Revenue stamp accounts | 12 | 0.1 |
| ATM Debit Card (ENAT Card) | 448 | 178 |
| | **4,228** | **4,129** |

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## 18 Intangible Assets

| | Purchased software Birr'000 |
|---|---|
| **Cost:** | |
| **As at 1 July 2020** | 53,757 |
| Acquisitions | 11,226 |
| Reclassifications | - |
| **As at 30 June 2021** | **64,983** |
| **Accumulated amortisation and impairment losses** | |
| **As at 1 July 2020** | (26,160) |
| Amortisation for the year | (10,757) |
| Impairment losses | - |
| **As at 30 June 2021** | **(36,917)** |
| **Net book value** | |
| As at 30 June 2020 | **27,597** |
| As at 30 June 2021 | **28,066** |

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| | Motor vehicles Birr'000 | Premises Birr'000 | Office and other equipment Birr'000 | Furniture and fittings Birr'000 | Computer and accessories Birr'000 | Total Birr'000 |
|---|---|---|---|---|---|---|
| **19 Property, plant and equipment** | | | | | | |
| **Cost:** | | | | | | |
| **As at 1 July 2020** | **45,108** | **31,673** | **54,907** | **44,840** | **60,549** | **237,078** |
| Additions | 96 | - | 6,523 | 8,803 | 11,169 | **26,590** |
| Disposals | (907) | - | (12) | - | (15) | **(934)** |
| Reclassification | - | - | - | - | - | - |
| **As at 30 June 2021** | **44,297** | **31,673** | **61,418** | **53,642** | **71,703** | **262,734** |
| **Accumulated depreciation** | | | | | | |
| **As at 1 July 2020** | **19,998** | **1,443** | **20,183** | **17,474** | **24,119** | **83,217** |
| Charge for the year | 4,189 | 600 | 6,258 | 4,914 | 9,208 | **25,170** |
| Disposals | (117) | - | (9) | - | (14) | **(140)** |
| Reclassification | - | - | - | - | - | - |
| **As at 30 June 2021** | **24,070** | **2,043** | **26,432** | **22,388** | **33,313** | **108,247** |
| **Net book value As at 30 June 2020** | **25,111** | **30,230** | **34,725** | **27,366** | **36,430** | **153,861** |
| **Net book value As at 30 June 2021** | **20,228** | **29,630** | **34,986** | **31,254** | **38,389** | **154,487** |

**20 Construction in progress**

| | Birr'000 |
|---|---|
| **Cost:** | |
| **As at 1 July 2020** | 571 |
| Acquisitions | 1,926 |
| Reclassifications | - |
| **As at 30 June 2021** | **2,497** |

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**21 The right of use asset**

| | Land Lease Birr'000 |
|---|---|
| **Cost:** | |
| **As at 1 July 2020** | 100,653 |
| Acquisitions | |
| Accumulated deprciation | (2,620) |
| **As at 30 June 2021** | **98,033** |

| | Office Rent Birr'000 |
|---|---|
| **Cost:** | |
| **As at 1 July 2020** | 152,321 |
| Acquisitions | 101,728 |
| Reclassifications | |
| **As at 30 June 2021** | **254,049** |
| | |
| **Net book value as at 30 June 2021** | **352,082** |

**22 Assets held for sale**

| | 30 June 2021 Birr'000 | 30 June 2020 Birr'000 |
|---|---|---|
| Balance as at the beginning of the year | 16,996 | 11,119 |
| Transfer from property, plant and equipment | - | - |
| Addition | 2,208 | 5,877 |
| Disposals | - | - |
| Fair value gain/(loss) on assets held for sale | - | - |
| **Balance at the end of the year** | **19,204** | **16,996** |

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.

**23 Deposits from customers**

| | 30 June 2021 Birr'000 | 30 June 2020 Birr'000 |
|---|---|---|
| Demand deposits | 1,620,751 | 907,165 |
| Savings deposits | 5,062,704 | 3,837,182 |
| Time deposits | 4,553,633 | 3,601,964 |
| Retentions payable on letters of credit | - | 37,500 |
| | **11,237,087** | **8,383,811** |

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| | 30 June 2021 Birr'000 | 30 June 2020 Birr'000 |
|---|---|---|
| **24 Other liabilities** | | |
| **Financial liabilities** | | |
| Unearned Income | 12,331 | 6,867 |
| Audit fee | 113 | 345 |
| Borrowing | 967,557 | 343,393 |
| | **980,001** | **350,605** |
| **Non-financial liabilities** | | |
| Other payable | 107,765 | 457,215 |
| Blocked current account | 26,420 | 2,398 |
| Tax payable | 6,869 | 6,078 |
| Sales tax on interest paid | 3,613 | 3,170 |
| VAT Payable | 218 | 1,823 |
| Dividend payable | 623 | - |
| Defined contribution liabilities | 2,326 | 2,678 |
| Payable to withdrawing shareholders | - | - |
| Witholding tax payable | 657 | - |
| Graduate Tax | 9 | 319 |
| Incoming 205 Payable | - | 28 |
| Capital gain tax | - | - |
| Director fees payable | 1,650 | 1,650 |
| Leave days accrual | 21,084 | 12,744 |
| Stamp duty payables | 1,588 | 682 |
| Lease Liabilities | 84,982 | 89,859 |
| | **257,804** | **578,642** |
| ***Gross amount*** | **1,237,806** | **929,247** |

**24 a Lease Liablity**

| | 30 June 2021 Birr'000 | 30 June 2020 Birr'000 |
|---|---|---|
| **Cost:** | | |
| Land lease | 80,522 | 80,522 |
| Office rent | 4,460 | 9,337 |
| **As at 30 June 2020** | **84,982** | **89,859** |

| ***Maturity analysis*** | 30 June 2021 Birr'000 | 30 June 2020 Birr'000 |
|---|---|---|
| Current | 185,266 | 585,854 |
| Non-Current | 1,052,539 | 343,393 |
| | **1,237,806** | **929,247** |

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| | | 30 June 2021 Birr'000 | 30 June 2020 Birr'000 |
|---|---|---|---|
| **25** | **Retirement benefit obligations** | | |
| | **Defined benefits liabilities:** | | |
| | Severance pay Note 24(a) | 16,125 | 10,431 |
| | **Liability in the statement of financial position** | **16,125** | **10,431** |
| | **Income statement charge included in personnel expenses:** | | |
| | Severance costs Note 24(a) | (2,110) | 3,014 |
| | **Total defined benefit expenses** | **(2,110)** | **3,014** |
| | **Remeasurements for:** | | |
| | Remeasurement (gains)/losses Note 24(a) | (3,584) | 2,558 |
| | Deffered tax liablity (asset)/ on remeasurement (gains)/losses | 1,075 | 767 |
| ` | | **(2,509)** | **3,325** |

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 2021 Birr'000 | 30 June 2020 Birr'000 |
|---|---|---|
| Current | - | - |
| Non-Current | 16,125 | 10,431 |
| | **16,125** | **10,431** |

**25a 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 2021 Birr'000 | 30 June 2020 Birr'000 |
|---|---|---|
| **A Liability recognised in the financial position** | 16,125 | 10,431 |

| **B Amount recognised in the profit or loss** | 30 June 2021 Birr'000 | 30 June 2020 Birr'000 |
|---|---|---|
| Current service cost | 1,549 | 1,648 |
| Interest cost | 561 | 1,366 |
| | **2,110** | **3,014** |

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| 25b | Retirement benefit obligations (Contd) | 30 June 2021 Birr'000 | 30 June 2020 Birr'000 |
|---|---|---|---|
| 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 | (393) | (3,422) |
| | Remeasurement (gains)/losses arising from loss experience | 3,977 | 864 |
| | | **3,584** | **(2,558)** |

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

| | 30 June 2021 Birr'000 | 30 June 2020 Birr'000 |
|---|---|---|
| At the beginning of the year | 10,431 | 9,975 |
| Current service cost | 1,549 | 1,648 |
| Interest cost | 561 | 1,366 |
| losses | (393) | (3,422) |
| Benefits paid | | |
| Actuarial(Gains/Losses on experience Liablities | 3,977 | 864 |
| **At the end of the year** | **16,125** | **10,431** |

The significant actuarial assumptions were as follows:

i) Financial Assumption Long term Average

| | 30 June 2021 Birr'000 | 30 June 2020 Birr'000 |
|---|---|---|
| Discount rate | 15.20% | 14.90% |
| Inflation rate | 10.00% | 10.00% |
| Salary Increase rate | 12.00% | 12.00% |
| **Net pre-retirement rate** | **2.86** | **2.59** |

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 | Mortality rate Females |
|---|---|---|
| 20 | 0.00306 | 0.00223 |
| 25 | 0.00303 | 0.00228 |
| 30 | 0.00355 | 0.00314 |
| 35 | 0.00405 | 0.00279 |
| 40 | 0.00515 | 0.00319 |
| 45 | 0.00450 | 0.00428 |
| 50 | 0.00628 | 0.00628 |
| 55 | 0.00979 | 0.00979 |
| 60 | 0.01536 | 0.00536 |

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**25c Retirement benefit obligations (Contd)**

iii) Withdrawal from Service

The withdrawal rates are as summarised below :

| Age | Annual rate of resignation |
|---|---|
| Less than 20 | 0.00% |
| 21-25 | 5.40% |
| 26-30 | 2.91% |
| 31-35 | 3.43% |
| 36-40 | 4.51% |
| Above 41 | 5.17% |

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

**Impact on defined benefit obligation**

| 30-Jun-21<br>Sensitivity | Base DBO<br>Birr'000 | DBO on changed<br>Birr'000 | % change |
|---|---|---|---|
| Discount rate + 1% | 16,125 | 14,880 | -7.7% |
| Discount rate - 1% | 16,125 | 17,487 | 8.4% |
| Salary increase + 1% | 16,125 | 17,514 | 8.6% |
| Salary increase - 1% | 16,125 | 14,835 | -8.0% |

| 30-Jun-20<br>Sensitivity | Base DBO<br>Birr'000 | DBO on changed<br>Birr'000 | % change |
|---|---|---|---|
| Discount rate + 1% | 10,431 | 9,585 | -8.1% |
| Discount rate - 1% | 10,431 | 11,361 | 8.9% |
| Salary increase + 1% | 10,431 | 11,377 | 9.1% |
| Salary increase - 1% | 10,431 | 9,557 | -8.4% |

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.

| 26 | | 30 June 2021<br>Birr'000 | 30 June 2020<br>Birr'000 |
|---|---|---|---|
| | **Ordinary share capital** | | |
| | **Authorised:** | | |
| | Ordinary shares of Birr 1000 each | 5,000,000 | 2,000,000 |
| | **Issued and fully paid:** | | |
| | Ordinary shares of Birr 1,000 each | 1,542,532 | 1,380,251 |

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

| | 30 June 2021<br>Birr'000 | 30 June 2020<br>Birr'000 |
|---|---|---|
| Profit attriutable to shareholders | 229,700 | 208,569 |
| Weighted average number of ordinary shares in issue | 1,457 | 1,299 |
| Basic and diluted earnings per share (Birr) | **158** | **161** |

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| | | 30 June 2021 Birr'000 | 30 June 2020 Birr'000 |
|---|---|---|---|
| **27** | **Retained earnings** | | |
| | At the beginning of the year | 150,313 | 140,651 |
| | Profit/ (Loss) for the year | 229,700 | 208,569 |
| | Transfer to legal reserve | (57,460) | (52,142) |
| | Transfer to special reserve | (4,509) | (4,203) |
| | Transfer to regulatory reserve suspended interest difference | - | (2,081) |
| | Transfer to regulatory reserve loan loss provision difference | - | (2,383) |
| | Dividend provided for share holders | (145,803) | (136,448) |
| | Directors share on profit | (1,600) | (1,650) |
| | Transfer from regulatory reserve loan loss provision difference | 25,390 | - |
| | Prior period djustment | - | - |
| | **At the end of the year** | **196,030** | **150,313** |

| | | 30 June 2021 Birr'000 | 30 June 2020 Birr'000 |
|---|---|---|---|
| **28** | **Legal reserve** | | |
| | At the beginning of the year | 207,431 | 155,289 |
| | Transfer from profit or loss | 57,460 | 52,142 |
| | **At the end of the year** | **264,891** | **207,431** |

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.

| | | 30 June 2021 Birr'000 | 30 June 2020 Birr'000 |
|---|---|---|---|
| **29** | **Regulatory risk reserve** | | |
| | At the beginning of the year | 33,084 | 28,621 |
| | Transfer (from) retained earnings | 16,862 | 4,463 |
| | Trnansfered to loan provision | (25,390) | - |
| | **At the end of the year** | **24,557** | **33,084** |

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.

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| | | 30 June 2021 Birr'000 | 30 June 2020 Birr'000 |
|---|---|---|---|
| **30** | **Special reserve** | | |
| | At the beginning of the year | 14,982 | 11,200 |
| | Transfer (from) / to retained earnings | 4,509 | 4,203 |
| | Dividend tax paid on last year resereve | (451) | (420) |
| | **At the end of the year** | **19,041** | **14,982** |

| | | Notes | 30 June 2021 Birr'000 | 30 June 2020 Birr'000 |
|---|---|---|---|---|
| **31** | **Cash generated from operating activities** | | | |
| | Profit before tax | | 289,403 | 239,555 |
| | **Adjustments for non-cash items:** | | | |
| | Depreciation of property, plant and equipment | 19 | 25,170 | 21,733 |
| | Amortisation of intangible assets | 18 | 10,757 | 6,324 |
| | Gain/(Loss) on disposal of property, plant and equipmer | 19 | 794 | 149 |
| | Impairment on loans and receivables | 15 | 39,953 | 37,337 |
| | Retireent Benefit liability | 17 | 2,110 | 2,558 |
| | Suspended interest | | 16,862 | (7,516) |
| | Impairment on other asset | | 148 | - |
| | Provision on other asset | | 10,000 | - |
| | Net gain or loss on foreign exchange | 8 | 11,616 | 70,236 |
| | Change in working capital | | | |
| | -Decrease/ (Increase) in loans and advances to customer | 15 | (2,579,389) | (1,369,840) |
| | -Decrease/ (Increase) in other asset | 17 | (256,453) | (208,746) |
| | -Decrease/ (Increase) in other liablities | 24 | 308,559 | 762,506 |
| | -Decrease/ (Increase) in deposits from customer | 23 | 2,853,276 | 942,671 |
| | -Decrease/ (Increase) in remeasurement | | (4,511) | 6,158 |
| | | | **728,294** | **503,127** |

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

| | 30 June 2021 Birr'000 | 30 June 2020 Birr'000 |
|---|---|---|
| Proceeds on disposal | 934 | 595 |
| Net book value of property, plant and equipment disposed (Note 19) | 140 | 446 |
| **Gain/(loss) on sale of property, plant and equipment** | **794** | **149** |

# Enat Bank Share Company

*IFRS Financial Statements*

*For the Period Ended 30 June 2021*

*Notes to the financial statements*

**32 Related party transactions**

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

| | 30 June 2021 Birr'000 | 30 June 2020 Birr'000 |
|---|---|---|
| ***32a Transactions with related parties*** | | |
| Loans disbursed to : | | |
| Key management | 5,946 | 3,582 |
| | **5,946** | **3,582** |

**32b *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 2020.

| | 30 June 2021 Birr'000 | 30 June 2020 Birr'000 |
|---|---|---|
| Salaries and other short-term employee benefits | 4,043 | 5,235 |
| Post-employment benefits | 445 | 431 |
| Termination benefits | - | - |
| Sitting allowance (Representation Allowance) | 240 | 156 |
| Other expenses (Provident fund contribution) | 81 | 78 |
| | **4,488** | **5,665** |

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

**33 Directors and employees**

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

| | 30 June 2021 Number | 30 June 2020 Number |
|---|---|---|
| Professionals and High Level Supervisors | 83 | 83 |
| Semi-professional, Administrative and Clerical | 542 | 513 |
| Technician and Skilled | 57 | 57 |
| | **682** | **653** |

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 2021 Birr'000 | 1 July 2020 Birr'000 |
|---|---|---|
| 10,000 - 30,000 | 353 | 337 |
| 30,001 - 50,000 | 107 | 39 |
| 50,001 - 100,000 | 10 | 4 |
| Above 100,000 | 3 | 3 |
| | **473** | **383** |

# Enat Bank Share Company
*IFRS Financial Statements*
*For the Period Ended 30 June 2021*
*Notes to the financial statements*

## 34 Contingent liabilities

### *34a Claims and litigation*

The Bank has no contingent liabilities as at the date of this report. (30 June 2021)

### *34b 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 2021 Birr'000 | 30 June 2020 Birr'000 |
|---|---|---|
| Guarantees Issued | 3,618,281 | 3,336,054 |
| Letters of credit | 760,268 | 72,156 |
| | **4,378,550** | **3,408,210** |

**Performance and advance Guarantees issued to construction companies**

| | |
|---|---|
| **Performance** | **582,289** |
| **Advance** | **2,293,194** |
| | **2,875,483** |
| **Others** | |
| Suppliers | **241,628** |
| Retention | **36,761** |
| Customs | **87,108** |
| Bid bond | **377,301** |
| | **742,798** |
| | **3,618,281** |

Some of the guarantees and advances cast significant uncertainity which may adversely affect the Bank Financial situation unless current situation in the country is resolved.

## 35 Commitments

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

| | 30 June 2021 Birr'000 | 30 June 2020 Birr'000 |
|---|---|---|
| Loans approved but not | - | - |
| Unutilized facilities | 208,704 | 225,790 |
| | **208,704** | **225,790** |

## 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 2021 and on the profit for the period ended on that date, which have not been adequately provided for or disclosed.

እናት
ENAT BANK

# ክፍያ ለመክፈል፣ ገንዘብ ለማስተላለፍ ለምን ይሰለፋሉ?

## በእናት ባንክ የዲጂታል አገልግሎቶች በኩል ክፋያ ይፈጽሙ ገንዘብ ያስተላልፉ!


A&S
እናት
ENAT BANK
እናት ዲጂታል ባንኪንግ
Enat Digital Banking
ባንክዎን በእጅዎ
Banking at Your Fingertips


ኢትዮጵያን እናልብሳት!
የእናት ባንክ የቦርድ፣ የሥራ አመራር አባላትና ሠራተኞች የአረንጓዴ አሻራ መርሀግብር ተሳታፊዎች!

# የዳይሬክተሮች ቦርድ ሰብሳቢ መልዕክት


## ውድ ባለ አክሲዮኖች

የባንካችንን የ2013 ዓ.ም. ዓመታዊ ሪፖርት ሣቀርብ ከፍተኛ ክብርና ደስታ ይሠማኛል፡፡ እንደ ቀድሞው ዓመታት ሁሉ ውጫዊ ሁኔታዎች በባንካችን ላይ ያሳደሩት ተፅዕኖ ቀላል አልነበረም:: ከኮረና ወረርሽኝ መከሰት ጋር ተያይዞ የዓለም ኤኮኖሚ ክፉኛ መቀዛቀዙ ይታወሣል፡፡ የክትባት መገኘት ተስፋ ሰጭ ቢሆንም ክትባቱ ለሁሉም እኩል ባለመዳረሱና የሰዎችም በተፈለገው ደረጃ ያለ መከተብ በሽታው እየተስፋፋ እንዲሄድ አድርጎታል፡፡ ምንም እንኳን አሁን ባለው ሁኔታ የሥራ እንቅስቃሴው መልካም ነው ቢባልም ቀደም ብሎ የተጎዱት እንደ ሆቴልና ቱሪዝም ያሉ ክፍለ ኤኮኖሚዎች አሁንም ከችግር አልወጡም:: ባንካችን ለነዚህ ክፍለ ኤኮኖሚ የሠጣቸው ብድሮች ታማሚ ወይንም የመከፈል ዕድላቸው ቀንሷል ማለት ነው፡፡

ይሁን እንጂ የኮሮና ቫይረስ መከሰት ጋር ተያይዞ የሸቀጥ ፍጆታ በመጨመሩ የአገራችን የወጭ ንግድ እምብዛም ጉዳት አልደረሰበትም፡፡ የቡና፤ የሠሊጥና ሌሎችም ጥራጥሬዎች ፍላጎት በዓለም አቀፍ ደረጃ በመጨመሩ በአገር ደረጃ ከነዚህ የተገኘው የውጭ ምንዛሬ ከምንጊዜውም የተሻለ ነው፡፡ ባንካችን ይህን ዕድል ለመጠቀም ያስችለው ዘንድ በወጭ ንግድ ላይ ለተሠማሩት ግለሰቦች የተሻለ የፋይናንስ አገልግሎት በመስጠት ከምንጊዜውም በላይ የውጭ ምንዛሬ ለማሰባሰብ ችሏል፡፡

በአገራችን ያለው የፖለቲካ ሁኔታ እና በሰሜኑ የአገራችን ክፍል የተከሠተው ግጭት በኮሮና ወረርሽኝ ጋር ተደርቦ በባሰ ደረጃ ኢኮኖሚያችንን እየጎዳ ይገኛል፡፡ በተለይ በትግራይ ክልል ውስጥ የሚገኙ ስምንት ቅርጫፎቻችን ሥራ ማቆም ትልቅ ጉዳት ነው፡፡ ይህ ባይከስት ኖሮ ባንካችን አሁን ከተመዘገበው በላይ ውጤት ማስመዘገብ በቻለ ነበር፡፡

ይሁን እንጂ ባንካችን በተገባደደው የበጀት ዓመት ከምንጊዜውም በበለጠ በሁሉም ረገድ ማለትም በሀብት ማሰባሰብ፣ በብድር መስጠትና በትርፋማነት የተሻለ ውጤት አስመዝግቧል፡፡

ብሔራዊ ባንክ በሰጠው መመሪያ መሠረት ሁሉም ባንኮች በአምስት ዓመት ጊዜ ውስጥ 5 ቢሊዮን የተከፈለ ካፒታል ማስመዝገብ አለባቸው ይህን ያልፈፀመ ባንክ ዕድል ፈንታው ከሌላ ባንክ ጋር መጣመር ወይም መሸጥ ይሆናል፡፡ ስለዚህ ይህ ሁኔታ እናትን ባንክን እንዳያጋጥማት ከወዲሁ ተነሳስተን የተከፈለ ካፒታላችን ማሳደግ ይኖርብናል፡፡ ስለዚህ ቃል ገብታችሁ እስከ አሁን ያልከፈላችሁ እንድትከፍሉ፣ ተጨማሪ አክሲዮን እንድትገዙ እንዲሁም አዲስ አክሲዮን ገዥ እንድታመጡ በአክብሮት እጠይቃለሁ፡፡

በመጨረሻም መልዕክቴን ከማጠቃለሌ በፊት ለተገኘው ውጤት ለእናንተ ለውድ ባለአክሲዮኖች፣ ለባንካችን ደንበኞች እንዲሁም ለባንካችን ሠራተኞች ጥልቅ ምስጋናዬን ማቅረብ እወዳለሁ:: ዘወትር ህጋዊነት ጠብቀን እንድንሠራ ክትትል ለሚያደርግልንና ብዙ ዕለታዊ ዕገዛዎችን ለሚለግሰን ለብሔራዊ ባንክም ተመሣሣይ ምስጋና ማቅረብ እወዳለሁ፡፡

ፍሬሕይወት ወርቁ

# የባንኩ ፕሬዚደንት መልዕክት

## ውድ ባለ አክሲዮኖች

የ2013 ዓ.ም የእናት ባንክ የሥራ አፈፃፀም ሪፖርት ሣቀርብ በታላቅ ደስታ ነው፡፡ በተገባደደው የበጀት ዓመት የተለያዩ ውጫዊ ችግሮች እንደ ነበሩ ይታወሣል፡፡ የኮሮና ወረርሽኝና የፖለቲካና ኤኮኖሚ ሁኔታዎች በአገራችን ላይ እያሣረፉት ያለው አሉታዊ ተፅዕኖ ቀላል አይደለም፡፡

ባንካችን በነዚህ ሁኔታዎች ውስጥ እየተንቀሣቀሰ መልካም የሚባሉ ውጤቶችን አስመዝግቧል:: ተቀማጭን ሂሳብን ከማሰባሰብ አንፃር የበጀት ዓመቱ መዝጊያ ላይ ተቀማጭ ሒሳብ 11.2 ቢሊየን ደርሷል፡፡ ይህ አኃዝ ከአምናው ጋር ሲመዘን የ34 በመቶ ዕድገት አሣይቷል፡፡ ውጭ ምንዛሪ ለማሰባሰብ በተደረገ ጥረት 73 ሚሊየን ማሰባሰብ የተቻለ ሲሆን ይህም ካምናው ተመሣሠይ ወቅት ጋር ስናወዳድር ከ40 በመቶ በላይ ጭማሪ አሣይቷል፡፡ ጠቅላላ ገቢያችን 1.7 ቢሊየን ግድም የደረሰ ሲሆን ከዓምና ተመሣሣይ ወቅት የ 25 በመቶ ብልጫ አለው::
የተከፈለ ካፒታል 1.54 ቢሊየን የደረሰ ሲሆን ከዓምና ተመሣሣይ ወቅት አንፃር 12 በመቶ ዕድገት አሣይቷል፡፡ የባንካችን ጠቅላላ ሀብት 14.6 ቢሊየን ከዓምናው 11.2 ቢሊየን አንፃር የ31 በመቶ ዕድገት አስመዝግቧል፡፡

ከብድር ስርጭት አንፃር በመዝገብ ላይ የሚታየሁ የብድር መጠን 9 ቢሊየን ግድም ሲሆን ይህም ከዓምና ተመሣሣይ ወቅት አንፃር 40 በመቶ ዕድገት አሣይቷል፡፡ የተመዘገበው ዕድገት ትልቅ ነው፡፡ የዚህ ዕድገት ዋነኛ መንስዔ ባንካችን በተቀማጭ መልክ የሰበሰበውን ገንዘብ ገቢ ወደሚያስገኝ ሀብት እየቀየረው መሆኑን የሚያስረዳ ነው፡፡

የባንካችን ትርፍ ብር 289 ሚሊየን ከዓምናው ተመሣሣይ ወቅት አንፃር 20 በመቶ እድገት አሣይቷል፡፡ በበጀት ዓመቱ ወለድን ጨምሮ ባንካችን ብር 1.4 ቢሊየን ወጪ ያደረገ ሲሆን 26 በመቶ ዓመታዊ ጭማሪ አለው፡፡

ባንካችን የሥራ ዕድል ከመፍጠር አንፃር እያደረገ ያለው አስተዋፅዖ ቀላል አይደለም፡፡ የባንካችን የሠራተኛ ቁጥር 800 የደረሰ ሲሆን ከዓምናው 653 አንፃር የ23 በመቶ ዕድገት ተመዝግቧል፡፡ ባንካችን በበጀት ዓመቱ ውስጥ 31 ቅርንጫፎችን በመክፈት የቅርንጫፋችንን ብዛት 88 አድርሠናል፡፡

የባንካችን ዕድገት ከዓመት ዓመት እየተሻሻለ ነው፡፡ ውጫዊ ሁኔታዎች ቢፈቅዱ ኖሮ ባንካችን ከዚህ የተሻሉ ውጤቶችን ማስመዘገብ በቻለ ነበር፡፡ አሁንም ውጫዊ ሁኔታዎች ተስፋ ሰጭ ከሆኑና የእናንተ ውድ ባለአክሲዮኖቻችን እገዛ ከታከልበት በሚቀጥለው ዓመት የተሻለ ውጤት እንደምናስመዘግብ ተስፋ አለን፡፡

በመጨረሻም ባንካችንን ዕውን ላደረጋችሁ ባለአክሲዮኖቻችንና እንዲሁም በዘላቂነት ከኛ ጋር በመስራት የስኬታችን መንስዔ ለሆናችሁ ደንበኞቻችን ታላቅ ምስጋናዬን ማቅረብ እወዳለሁ፤፤ በአስቸጋሪ ሁኔታ ውስጥ ለባንካችን ስኬት ደፋ ቀና በማለት ለዚህ ውጤት ለባቃችውን የባንኩ ሠራተኞች በመላ ታላቅ የሆነ ምስጋናዬን አቀርባለሁ፡፡

ኤርምያስ አንዳርጌ

# የሴቶች የባንክ አገልግሎት

## ዋስትና የማይጠየቅበት የሴቶች ብድር አገልግሎት (Collateral Fund scheme)

ይህ የብድር መላ ትርፋማ ንግድ ላይ ለተሠማሩት እና ሥራ ፈጣሪ ሆነው ራሳቸውን ችለው የመሥራት ዓቅም ላላቸው ነገር ግን ቤት ወይንም መኪና አስይዘው መበደር ለማይችሉ ሴቶች የተዘጋጀ የብድር ዓይነት ነው። ይሁን እንጂ ይህ ብድር በአንዳንዶች ዘንድ እንደ ዕርዳታ በመታየቱ ምክንያት ሴት ተበዳሪዎቻችን ብድራቸውን በአግባቡ ለመክፈል ወደ ኋላ የማለት ሁኔት ያሣያሉ።

ነገር ግን ይህ ብድር ዋስትና የለውም የሚለው ግንዛቤ ከመጀመሪያው ስህተት ነው። ምክንያቱም መልካም ሀሳብ ያላቸው ግለሰቦች ራዕይ ያላቸውን ሴቶች ከማገዝ አንፃር ገንዘባቸውን በባንካችን በማስቀመጥ ለጠንካራ ሴቶች ለሚሰጥ ብድር ዋስትና ሆኖ እንዲያገለግል በመፍቀዳቸው ነው። እንግዲህ ባንኩ በዚህ መርሐግብር ሥር የሚሠጠው ብድር መያዣ እንደሌለው መቁጠር ከግንዛቤ ማነስ ነው የምንለው በዚህ ምክንያት ነው። ስለዚህ አንዲት ሴት ተበዳሪ ብድርዋን ካልከፈለች ባንካችን የእነዚህን ደግ ሀሳቢ ግለሰቦች ገንዘብ በመውሰድ ያልተከፈለውን ብድር ይከፍልበታል እንጂ አይከስርም ማለት ነው። በዚህ ምክንያት ኪሣራ ላይ የሚወድቁት ዋስትና የሰጡ ደጋግ ግለሰቦች እንጂ ብድሩን የሠጠው ባንካችን አይደለም።

ስለሆነም እያንዳንዷ የዚህ ዕድል ተጠቃሚ ሴት ተበዳሪ ለዚህ ለብድር ያበቃት ሌላ ሰው ከጀርባው መኖሩን በማወቅ ብድሯን በትክክል ለመክፈል መትጋት አለባት ማለት ነው።

በሌላ በኩል የባንካችን ባለአክሲዮኖች ዓመታዊ ጉባዔ ላይ ከሚደርሳቸው የትርፍ ድርሻ ላይ ከ3-5 በመቶ እንዲቀነስ በመፍቀድ በመርሐግብሩ ለታቀፉ ሴቶች ብድር ዋስትና እንዲሆን ይፈቅዳሉ።

እንግዲህ መታወቅ ያለበት ሁሉም የባንካችን ባለአክሲዮኖች ሀብታሞችና ገንዘብ የተረፋቸው አይደሉም። አንዳንድ ባለአክሲዮኖች ገቢያቸው እምብዛም ሆኖ ሣለ ከዕለት ገቢያቸው ላይ ቀንሰው አክሲዮን የገዙበት ዋናው ምክንያት የተሻለ ጥቅም ለማግኘት ነው። ሆኖም ለዚህች ባለአክሲዮን ከሚደርሣት ዓመታዊ የትርፍ ድርሻ ላይ በመቀነስ ዋስትና በመያዝ የተሠጠን ብድር አለመክፈል ማለት የምስኪኗን ሴት ገንዘብ ያለ አግባብ እንደ መውሰድ ይቆጠራል።

በሌላም በኩል ይህ ዕድል እንዲደርሣቸው ተመዝግበው ተራ በመጠባበቅ ላይ ያሉ ሴቶች ብድር እንዳያገኙ ዕድል መንሣትና ዕንቅፋት መሆንም ጭምር ነው።

ስለዚህ በዚህ የብድር መርሐግብር ሥር ታቅፋችሁ የብድር ተጠቃሚ የሆናችው ሴቶች ከአቅማችው በላይ የሆነ ነገር ካላጋጠማችው በስተቀር ብድራችውን በትክክል መክፈል አለባችው።

ብድር የማያስከፍል ችግር ቢያጋጥማችው እንኳን ሳይረፍድ በጊዜ ባንካችንን በማሳወቅ ተገቢው ዕገዛ እንዲያገኙ እና ብድሩ እንዲከፈል ማድረግ ያስፈልጋል።

# አብነቶች

## 1. ሰዋሰው ኃይሉ

ዲዛይነር ሰዋሰው ኃይሉ የሰዋሰው ዲዛይን መስራች እና ባለቤት ናት። ሰዋሰው ከልጅነቷ ጀምሮ የፋሽን ዲዛይን ፍቅር ስለነበራት ወደ ፋሽን ዲዛይን የገባቸው በ2004 ዓ.ም ነበር። ህልሟን ለማሳካት ግቢዋ ውስጥ ትንሽዬ ክፍል ቆርቆሮ በቆርቆሮ ሰርታ አንድ የስፌት ማሽን በመጠቀም የፋሽን ኢንደስትሪውን ተቀላቀለች ።

ሰዋሰው ስራዋን ስትጀምር እሷ እና አንድ የስፌት ባለሞያ እንደነበሩ ትናገራለች። ከጊዜ በኃላ

ስራዋን እያስፋፋች ተጨማሪ ሁለት ሸማኔዎችንና በተጨማሪም ሱቅ ለመከራየት በቅታለች፡፡

የሰዋሰው ዲዛይኖች ተወዳጅነት ሲያገኙ ለተለያዩ ታዋቂ ግለሰቦች አርቲስቶች ሞዴሎችም ዲዛይን ማድረግ ጀመረች፤ አብዛኛው ሥራዎቿ የኢትዮጵያን ባህላዊ አልባሳትን ከዘመናዊ ዲዛይን ጋር በመቀላቀል ለአለም ማስተዋወቅ ላይ ያተኮሩ ናቸው፡፡

ሰዋሰው በተለያዩ የአገር በቀል እና አለም አቀፍ የፋሽን ትዕይንቶች ላይ በመሳተፍ የኢትዮጵያን ባህላዊ አልባሳት ማስተዋወቅ ጀመረች፡፡ እስከ 15 የሚደርሱ ሠራተኞችን በመቅጠር ከባህል እና ቱሪዝም ጋር ኢትዮጵያን ወክላ ወደ የተለያዩ ሀገራት በመጓዝ የኢትዮጵያን ባህል እንዲሁም ሥራዎቿን አስተዋውቃለች፡፡

የሠዋሰው ስራ ጥሩ ለውጥ እያሳየ በነበረበት ወቅት የምትሰራበት ቦታ በግንባር ምክንያት በመፍረሱ እና ሱቅ የከፈተችበት ህንፃ በመሸጡ ሱቁንም ለመዝጋት ተገደደች፡፡ በዚህ መሀል በቦታ ችግር እና በገንዘብ እጥረት ለተወሰኑ ዓመታት ያክል ስራ አቆመች፡፡ ሰዋሰው በወቅቱ ሁሉን ነገር በአንድ ጊዜ እንዳጣች ትናገራለች፡፡ ይህ ሁኔታ ሥራዋንና የግል ህይወቷን እጅግ ፈታኝ ሁኔታ ውስጥ ጣላቸው፤ መንግስት የምትሰራበት የስራ ቦታ ቢሰጣትም ሁሉም ነገር ወደነበረበት መመለስ በጣም አስቸጋሪ እና ፈታኝ ሆነባት፡፡ ለብዙ ጊዜ ባለመስራቷ ምክንያት የስራ ማስኬጃ ያስፈልጋትም ነበር፡፡ የመስሪያ ቦታዋ ሲሰጣት መንግስት ካልሰራችበት እንደሚወስድባት ቅድመ ሁኔታ በማስቀመጡ አስጨናቂ ሁኔታ ውስጥ ገብታ ነበር፡፡ በዚህ መሀል ነበር እንግዲህ ሰዋሰው ወደ እናት ባንክ የመጣችው፤ ለልዩ የሴቶች ብድር ተመዝግባና ስልጠና ወስዳ የብድሩ ተጠቃሚ በመሆኗ መንግስት የሰጣትን የስራ ቦታ እንዳይወስድባት ማድረግ ችላለች፡፡

ኮረና ከገባ ቦኋላ ስራ ሲቀዘቅዝ በተጨማሪ ማስክ በመስራት በትንሹ መንቀሳቀስ ጀመረች፡፡ ንግዷም ለውጥ እያሳየ መጣ፡፡ በአሁኑ ጊዜ መስራት የምትወደውን የጋቢ ጨርቅ በመጠቀም የተለያዩ ጃኬቶች፣ ሁዲዎች፤ ጋዋን የመሳሰሉ አልባሳትን በተለያየ ዘመናዊ ዲዛይን እየሰራች በመሸጥ ላይ ትገኛለች፡፡

ሰዋሰው ለሴቶች የሚሰጠውን ብድር በመጠቀም ንግዷን ካጋጠመው ውድቀት በማንሳት በትልቁ በመንቀሳቀስ ላይ ትገኛለች፡፡ አሁን ላይ መልሳ 15 ያህል ሰራተኞችን መቅጠር ችላለች፡፡ ካፒታሏን 400 ሺ አድርሳለች፡፡ በተጨማሪም እንደ ጋቢ ጨርቅ ያለ ጥሬ እቃ ለሚያቀርቡላት ሰዎችም ጠቃሚ ገቢ ማስገኘት ችላለች፡፡

ሰዋሰው ሥራዋን ከልጆቿ ጋርም እየሰራች ሲሆን ኦንላይን ሽያጭ ላይ እና ማርኬቲንግ ላይ ልጆቿ እጅግ ጉልህ ሚና እየተጫወቱ ይገኛሉ፡፡

ሠዋሰው የጀመረችው አዲስ ምርት በደንበኛ ዘንድ በጣም ተወዳጅነት አግኝቶላታል፡፡ በቅርቡም የኤክስፖርት ገበያውን ለመቀላቀል እየሰራች ነው፡፡

## 2. ሔለን ቲመር

ሔለን ቲመር  እ.ኤ.አ. በ 2003 የችርቻሮ ሱቅ ሥራ የጀመረች ሲሆን በ2008 የንግድ ስሟን ወደ ሔላ ጣፋጭ እና ኩኪስ በመቀየር በ150,000ብር ካፒታል ሁለት ሠራተኞችን በመቅጠር ስራዋን ጀመረች ፡፡

ሔለን በሳምንት ከ150-200 ኪ.ግ ኩኪሶችን ትሸጣለች፡፡ ሥራዋን ለማስፋፋት እና ለማስቀጠል በተለይ ጥሬ እቃ በብዛት ገዝቶ ለማስቀመጥ እና ከኩኪስ በተጨማሪ ሌላ የምርት ዓይነት ለመጨመር ሃሳብ የነበራት ቢሆንም በነበረባት የስራ ማስኪሄጃ  እጥረት እንደ ልቧ ለመንቀሳቀስ እና ያሰበችውን ተጨማሪ ከፍ ያለ የማምረት ዓቅም ያለውን መጋገሪያ ማሽን ለመግዛት ተቸግራ ነበር፡፡

ሔለን ስለ እናት ባንክ የብድር አገልግሎት እና ለሴቶች የሚሰጠውን ዕገዛ  በመጀመሪያ ከወንድሟ ሰማች፤ ከዚያ ወዲያውኑ ከእናት ባንክ  ዋናው መሥሪያ ቤት በመምጣት  ለሴቶች በተመቻቸው ልዩ የብድር ፕሮግራም ተመዝግባ  ሥልጠና ወስዳ ያዋጭነት -እቅድ  ለእናት ባንክ በማስገባት የብድሩ ተጠቃሚ መሆን ችላለች፡፡

ሔለን በብድር ባገኘችው ብር  ሊጥ ማቡኪያ እና አራት ፓትራ ያለው መጋገሪያ  በመግዛት እንዲሁም ጥሬ እቃዎችን  ማስገባት  ችላለች፡፡ ብድሩን ከወሰደች በኃላ ከኩኪስ ምርት በተጨማሪ ዳቦ ምርት ጀመረች፡፡

ሥራዋ በመስፋፋቱ ምክንያት በአሁኑ ወቅት ሠባት ሠራተኞች ቀጥራ እየሠራች ነው፡፡ ካፒታሏንም ከ 150፣000 ሺብር ወደ 300,000 ብር ማሳደግ ችላለች በየሳምንቱ ከ 300-400 ኪ.ግ ኩኪስ እና 3000 ዳቦ  አዲስ አበባ ውስጥ ላሉ ሲቆች እና ሱፐር ማርኬቶች በየቀኑ መኪና በመከራየት ምርቶቿን ለደንበኞች  ማከፋፈል ችላለች፡፡

የሔለን ደንበኞች ከአብዛኞቹ የችርቻሮ ሱቆች፣ ሱፐርማርኬቶች እና አንዳንድ ካፌዎች ናቸው፡፡ ከዚህ በተጨማሪ ገቢዋን ለማሳደግ በአሁኑ ወቅት ሔለን ምርቶቿን በቀጥታ ለደንበኞች የምታደርስበት የችርቻሮ መሸጫ ሱቅ ከፍታለች፡፡ ሔለን  አሁን ከምታቀርበው ምርቶች በተጨማሪ የኬክ  አቅርቦትና ሌሎች የተለያዩ ጣፋጮችንም ለመጀመር እቅድ አላት፡፡


አሮጌው የመሥሪያ ቦታ

## 3. እመቤት ሠለሞን

እመቤት ሠለሞን ወደ ንግዱ አለም የገባችው በ1997/98 ያገለገለ የቤት ዕቃዎችን በመሸጥ ነበር። በወቅቱ ሥራው አትራፊ ሆኖ ስላላገኘችው ወደ ምግብ ቤት ቀየረችው። ጥሩወርቅ ባር እና ሬስቶራንት በሚል ስያሜ በ አራት ሠራተኞች እና በ 200ሺ ብር ካፒታል ጀመረች።

በአካባቢው ያለ መንገድ እንደገና ሲሠራ አካባቢውን ለሁለት ስለከፈለው የሆቴሉ ገበያ እያሽቆለቆለ ሄደ። በዚህን ጊዜ እናት ባንክ በመምጣት ለሴቶች በተመቻቸው ልዩ የብድር ፕሮግራም ተመዝግባ ሥልጠና ወስዳ ያዋጭነት እቅድ ለእናት ባንክ በማስገባት የብድሩን ተጠቃሚ መሆን ችላለች። ብድሩን ከወሰደች በኋላም ምግብ ቤቱን ወደ ባህላዊ ምግብ ቤት አዞረች። አካባቢዋ ላይ ባሕላዊ ምግብ እና የባህል ምሽት ያለው ሌላ ምግብ ቤት ያለመኖሩን መልካም አጋጣሚ በመጠቀም ነበር የባህል ቤቱን የከፈተችው።

ባህላዊ ቤቱ ሙሉ በሙሉ በኢትዮጵያ ባህላዊ እቃዎች እና ምስሎች ያሸበረቀ ሲሆን ባህላዊ የዳንስ ትርኢትን ያጠቃልላል ። እመቤት ለሰባት ሴቶች እና ሦስት ወንዶች የስራ እድል የፈጠረች ሲሆን ለሠራተኞቿም ምግብ እና መጠለያ ታቀርባለች። እመቤት የእናት ባንክ ልዩ የሴቶች ብድርን በመጠቀም የቀን ሽያጯን ከሁለት ሺህ ብር ወደ 10 ሺህ ብር ማሳደግ ችላለች። ከዚህ በተጨማሪም ካፒታሏ ከ200 ሺህ ወደ አንድ ሚሊየን ብር በላይ አድጓል። ባሁኑ ሠዓት ወይዘሮ እመቤት ከየትኛውም የፋይናንስ ተቋም የብድር አገልገሎት ማግኘት ዓቅሟ ከፍ በማለቱ በሌሎች ባንኮች ጭምር ተፈላጊ ባለሀብት ሆናለች።

እመቤት ኮሮና በኢትዮጵያ የተከሰተ ሰሞን ከባድ እንደ ነበር ትናገራለች። ባሁኑ ሠዓትም እንቅስቃሴው ወደ ቀድሞው ቦታው ባይመለስም ብድሯን እየከፈለች ሥራዋን ማስቀጠል ችላለች።

እመቤት "እናት ባንክ በኢኮኖሚ የተጎዱ ሴቶችን በማጎልበት ትልቅ ነገር እያደረገ ነው፣ ልክ ባንኩ እኔን እንደጠቀመኝ እና ሥራዬን እንደቀየረ ሁሉ ለሌሎችም ይህን ዕድል ለሚጠባበቁ ሴቶች እንደሚደርስ ተስፋ አደርጋለሁ እናም ይህ ሃሳቤ ሁልጊዜ ዕዳዬን በወቅቱ እንድከፍል ይገፋፋኛል። ዕዳዬን በወቅቱ ከከፈልኩ አንዲት ሴት በቅርቡ ጥቅሙን ታገኛለች ብዬ አስባለሁ። የባንኩ ባለአክሲዮኖች እና ሰራተኞችን ማመስገን እፈልጋለሁ።" በማለት ምስክርነቷን ሰጥታለች።

# እናት ባንክ አክሲዮን ማህበር
# የሃብትና ዕዳ መግለጫ
# ሰኔ 23 ቀን 2013 ዓ.ም ላለቀው ዓመት

| | Notes | ሰኔ 23 ቀን 2013 ብር'000 | ሰኔ 23 ቀን 2012 ብር'000 |
|---|---|---|---|
| ከወለድ የተገኘ ገቢ | 5 | 1,284,057 | 1,047,139 |
| የወለድ ወጪ | 6 | (863,588) | (656,122) |
| **የተጣራ የወለድ ገቢ** | | **420,468** | **391,017** |
| ከአገልግሎትእና ከኮሚሽን | 7 | 222,701 | 222,804 |
| የአገልግሎት እና የኮሚሽን ወጪ | 7 | - | - |
| **የተጣራ ከአገልግሎት እና ከኮሚሽን የተገኘ ገቢ** | | **222,701** | **222,804** |
| ልዩ ልዩ ገቢዎች | 8 | 148,223 | 58,133 |
| **ጠቅላላ የአገልግሎት ገቢ** | | **791,393** | **671,954** |
| ለአጠራጣሪ ብድሮች መጠባበቂያ | 9 | (39,953) | (37,337) |
| ለሌሎች አጠራጣሪ ተሰብሳቢዎች መጠባበቂያ | 10 | (10,148) | 73 |
| **የተጣራ የአገልግሎት ገቢ** | | **741,292** | **634,690** |
| የሰራተኛ ወጪዎች | 11 | (267,478) | (188,059) |
| ህልዎታዊ ግዝፈት የሌላቸው ቅናሽ | 18 | (10,757) | (6,324) |
| ከቋሚ ንብረት የተደረገ የዕርጅና ቅናሽ | 19 | (25,170) | (21,733) |
| ለሌሎች ወጪዎች | 12 | (148,485) | (179,018) |
| **ትርፍ ከግብር በፊት** | | **289,403** | **239,555** |
| የግብር ወጪ | 13a | (59,702) | (30,987) |
| **ትርፍ ከግብር በኂላ** | | **229,700** | **208,569** |
| **ተጨማሪ ገቢዎች ተገቢው የግብር ዕዳ ከተቀነሰ በኂላ** | | | |
| ***በቀጣይ ወደ ትርፍ እና ኪሳራ መግለጫ የማይዞሩ*** | | | |
| በሰራተኞች ጥቅማ ጥቅም ላይ በተሰላ የድጋሚ ልኬት የተገኘ ገቢ ወይም ወጪ | 25b | (3,584) | 2,558 |
| በድጋሚ ልኬቱ ላይ የተገኘ የዘገየ የታክስ ሃብት ወይም ዕዳ | | 1,075 | (767) |
| በባንኩ ኢንቨስትመንቶች ላይ በተሰላ የገበያ ዋጋ የተገኘ ገቢ ወይም ወጪ | | 4,287 | 7,127 |
| በገበያ ዋጋ ላይ የተገኘ የዘገየ የታክስ ሃብት ወይም ዕዳ | | (1,286) | (2,138) |
| | | 492 | 6,779 |
| **የባንኩ የተጣራ ትርፍ** | | **230,193** | **215,348** |
| ባለአክሲዮኖች በአንድ አክሲዮን የሚያገኙት ትርፍ | 26 | 158 | 161 |

# እናት ባንክ አክሲዮን ማህበር
# የትርፍ እና ኪሳራ መግለጫ
# ሰኔ 23 ቀን 2013 ዓ.ም ካለቀው ዓመት

| | Notes | | ሰኔ 23 ቀን 2013 ብር'000 | ሰኔ 23 ቀን 2012 ብር'000 |
|---|---|---|---|---|
| **ሃብት** | | | | |
| በእጅ ያለ ገንዘብ እና በባንክ ያለ ተቀማጭ | 14 | | 2,966,715 | 2,305,098 |
| በብድር እና ለሌሎች ተሰብሳቢዎች | 15 | | 8,965,488 | 6,426,052 |
| ኢንቨስትመንት | | | | |
| - የገበያ ዋጋ ልኬቱ በተጨማሪ ገቢዎች የሆነ | 16 a | | 40,288 | 35,501 |
| - የብሄራዊ ባንክ ቢል | 16 b | | 1,690,848 | 1,690,848 |
| ለሌሎች ሃብቶች | 17 | | 403,666 | 257,411 |
| ህልወታዊ ግዝፈት የሌላቸው ንብረቶች | 18 | | 28,066 | 27,597 |
| ቋሚ ንብረት | 19 | | 154,487 | 153,861 |
| በግንባታ ላይ ያለ ህንፃ | 20 | | 2,497 | 571 |
| ሀብት የመጠቀም መብት | 21 | | 352,082 | 252,031 |
| የተወረሱ ንብረቶች | 22 | - | 19,204 | 16,996 |
| **ጠቅላላ ሃብት** | | - | **14,623,342** | **11,165,965** |
| **ዕዳ** | | | | |
| የደንበኞች ተቀማጭ ገንዘብ | 23 | | 11,237,087 | 8,383,812 |
| የግብር ዕዳ | 13 | | 60,646 | 31,546 |
| ሌሎች ዕዳዎች | 24 | | 1,237,806 | 926,247 |
| የሰራተኞች አገልግሎት ክፍያ ዕዳ | 25 | | 16,125 | 10,431 |
| ወደፊት የሚከፈል የግብር ዕዳ | 13d | | 11,574 | 12,456 |
| **ጠቅላላ ዕዳ** | | - | **12,563,238** | **9,367,492** |
| **ካፒታል እና መጠባበቂያ** | | | | |
| የተከፈለ ካፒታል | 26 | | 1,542,532 | 1,380,251 |
| ያልተከፈለ ትርፍ | 27 | | 196,030 | 150,313 |
| ህጋዊ የመጠባበቂያ ሂሳብ | 28 | | 264,891 | 207,431 |
| ለኢትዮየያ ብሄራዊ ባንክ መጠባበቂያ | 29 | | 24,557 | 33,084 |
| ለልዩ የመጠባበቂያ ሂሳብ | 30 | | 19,041 | 14,982 |
| ለሌሎች መጠባበቂያ ሂሳብ | | | 13,054 | 12,412 |
| **ጠቅላላ ካፒታል እና መጠባበቂያ** | | - | **2,060,104** | **1,798,473** |
| **ጠቅላላ ዕዳ እና ካፒታል** | | - | **14,623,342** | **11,165,965** |

**በገፅ 27-74 ያለው ማብራሪያ የሒሳብ መግለጫዎቹ አንድ አካል ነው።**

**ከገፅ 27-30 የሰፈሩት የሒሳብ መግለጫዎች ለህዝብ እንዲገለፁ ጠቅላላ ጉባዔውን በመወከል ህዳር 2014 በእናት ባንክ ቦርድ ተፈርሟል።**

**ፍሬህይወት ወርቁ**
**የቦርድ ሊቀመንበር**

**ኤርሚያስ አንዳርጌ**
**ፕሬዝዳንት**

| S.N | BRANCH NAME | የቅርንጫፍ ስም | EMAIL ADDRESS (የኢሜል አድራሻ) | TELEPHONE ADDRESS (የስልክ አድራሻ) |
|---|---|---|---|---|
| 1 | ETEGE-TAITU- MAIN | እተጌ ጣይቱ- ዓብይ | etegetaitu@enatbanksc.com | 0115 500683 |
| 2 | NIGIST-SABA BOLE-MEDEHANEALEM | ንግስተ ሣባ ቦሌ-መድኃንዓለም | nigistesaba@enatbanksc.com | 0116 180461 |
| 3 | ABEBECH-GOBENA MEGENAGNA | አበበች ጎበና- መገናኛ | abebechgobena@enatbanksc.com | 0116 674002 |
| 4 | DERARTUTULU -MEXICO | ደራርቱ ቱሉ- ሜክሲኮ | derartutulu@enatbanksc.com | 0115 572536 |
| 5 | SINDU GEBRU- MERKATO | ስንዱ ገብሩ- መርካቶ | sinidugebru@enatbanksc.com | 0112 732301 |
| 6 | HAWASSA | ሐዋሳ | hawassa@enatbanksc.com | 0462 123083 |
| 7 | CATHRIN HAMLIN MESKEL FLOWER | ካትሪን ሐምሊን-መስቀል ፍላወር | cathrinehamlin@enatbanksc.com | 0114 700933 |
| 8 | MEKELLE | መቀሌ- ዋና | mekele@enatbanksc.com | 034 2415195 |
| 9 | SYLVIA PANKHURST SENGA TERA | ስልቪያ ፓንክረስት-ሠንጋተራ | sylviapankhrust@enatbanksc.com | 0115 576893 |
| 10 | BAHAR DAR | ባህርዳር | bahirdar@enatbanksc.com | 058 2266585 |
| 11 | DIRE DAWA | ድሬደዋ | diredawa@enatbanksc.com | 025 2110236 |
| 12 | ADAMA | አዳማ | adama@enatbanksc.com | 022 2120188 |
| 13 | SHEWAREGED GEDLE KALITY | ሸዋረገድ ገድሌ-ቃሊቲ | shewaregedgele@enatbanksc.com | 0114 717466 |
| 14 | YEKAKE WORDOT GOJAM BERENDA | የቃቄ ወርደውት-ጎጃም በረንዳ | yekakewerdot@enatbanksc.com | 0112 732735 |
| 15 | MULUEMEBET EMRU HAYA HULET | ሙሉእመቤት እምሩ-ሐያ ሁለት | mulumebetemiru@enatbanksc.com | 0116 672378 |
| 16 | DINKINESH LUCY WONBER TERA | ድንቅነሽ ሉሲ-ወንበር ተራ | dinkneshlucy@enatbanksc.com | 0112 735705 |
| 17 | FATUMA ROBA- FURI | ፋጡማ ሮባ-ፉሪ | fatumaroba@enatbanksc.com | 0113 802123 |
| 18 | DR. JEMBER TEFERA -BOLE | ዶ/ር ጀምበር ተፈራ-ቦሌ | jembertefera@enatbanksc.com | 0116 695942 |
| 19 | NIGIST ELENI- SARIS | ንግስት እሌኒ- ሣሪስ | nigisteleni@enatbanksc.com | 0114 708876 |
| 20 | MERY ARMEDE  ADISU GEBEYA | ሜሪ አርምዴ-አዲሱ ገበያ | meryarmide@enatbanksc.com | 0111 268753 |
| 21 | SHASHEMENE | ሻሸመኔ | shashemene@enatbanksc.com | 046 2119894 |
| 22 | ARTIST BIZUNESH BEKELE BETHEL | አርቲስት ብዙነሽ በቀለ-ቤተል | bizuneshbekele@enatbanksc.com | 0113 697338 |
| 23 | SR. ZEBIDER ZEWDE- LAFTO | ሲር. ዘብይደር ዘውዴ-ላፍቶ | sisterzebider@enatbanksc.com | 0114 711806 |
| 24 | TSION MICHAEL ANDOM LIDETA | ፅዮንሚካዔል አንዶም-ልደታ | tsionmichael@enatbanksc.com | 0115 579013 |
| 25 | ADI- HAKI- MEKELLE | ዓዲ-ሐቂ-መቀሌ | adihaki@enatbanksc.com | 034 2411240 |
| 26 | PROF. YALEMTSEHAY MEKONNEN 4 KILO | ፐር የዓለምፀሐይ መኮንን | profyalemtsehaymekonnen@enatbanksc.com | 0111 263884 |
| 27 | DR. WIDAD KIDANEMARIAM AYAT | ዶር ውዳድ ኪዳነማርያም-አያት | drwidadkidanemariam@enatbanksc.com | 0116 390419 |
| 28 | ARBEGNA KEBEDECH SEYOUM GERJI | አርበኛ ከበደች ሥዩም-ገርጂ | arbeghakebedech@enatbanksc.com | 0116 395487 |
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| 30 | EMAHOY ZEMZEM GERBI CINEMA RAS | እማሆይ ዘምዘም ገርቢ-ሲኒማ ራስ | emahoyzemzem@enatbanksc.com | 0112 735482 |
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| 32 | ADAMA ARADA | አዳማ አራዳ | adamaarada@enatbanksc.com | 022 2114855 |
| 33 | SHAMBEL SISTER ASTER AYANA -AKAKI | ሻምበል ሲስተር አስተር አያና-አቃቂ | shambelsisterayana@enatbanksc.com | 0114 716907 |
| 34 | TIRHAS MEZGEBE GOFA | ትርሐስ መዝገበ-ጎፋ | tirhasmezgebe@enatbanksc.com | 0114 702241 |
| 35 | GONDAR | ጎንደር | gondor@enatbanksc.com | 058 2117795/96 |
| 36 | SHASHEMENE SUB BRANCH | ሻሸመኔ- ንዑስ ቅርንጫፍ | shashemenesub@enatbanksc.com | 046 2112143 |
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| 38 | DEBREBRHAN | ደብረ-ብርሀን | debrebirhan@enatbanksc.com | 0116 37 55 53 |
| 39 | KURIFTU | ኩርፍቱ | kuriftu@enatbanksc.com | 0114 308624 |
| 40 | MEKHONI | መኾኒ | mekhoni@enatbanksc.com | 0346 647655 |

| S.N | BRANCH NAME | የቅርንጫፍ ስም | EMAIL ADDRESS (የኢሜል አድራሻ) | TELEPHONE ADDRESS (የስልክ አድራሻ) |
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| 44 | DIRE DAWA SABIAN | ድሬደዋ - ሣቢያን | enatsabianbranch@enatbanksc.com | 0254 115385/86 |
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| 47 | HUMERA | ሑመራ | humera@enatbanksc.com | 0342 484083 |
| 48 | TOGOWUCHALE | ቶጎ-ውጫሌ | togochale@enatbanksc.com | 0258 820521 |
| 49 | TSEHAY YITBAREK LEBU | ፀሐይ ይትባረክ-ለቡ | tsehayyitbarek@enatbanksc.com | 0114 625125 |
| 50 | BISHOFTU | ቢሾፍቱ | bishoftu@enatbanksc.com | 0114 302026 |
| 51 | AXUM | አክሱም | axum@enatbanksc.com | 0342 756621 |
| 52 | SHIRE | ሽሬ | shire@enatbanksc.com | 0342 443622 |
| 53 | HARAR | ሐረር | harar@enatbanksc.com | 0254 667908 |
| 54 | ADWA | አድዋ | adwa@enatbanksc.com | 0342 719522/23 |
| 55 | JIGJIGA | ጅግጂጋ | jigjiga@enatbanksc.com | 025 278 26 32 |
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| 59 | SR.ZENAWIT AYELE (WOSSEN) | ሲስተር ዜናዊት አየለ-ወሰን | sisterzenawitayele@enatbanksc.com | 011-6680467<br>011-6680933 |
| 60 | TANA BRANCH | ጣና | bahirdartana@enatbanksc.com | 058-3208747<br>058-3208748 |
| 61 | JEMO | ጀሞ | jemo@enatbanksc.com | 011-4625815 |
| 62 | LAUREATE SR.TIBEBE MACO (SUMMIT) | ሎሬት ሲስተር ጥበበ ማኮ-ሰሚት | laureatesrtibebemaco@enatbanksc.com | 011-6688038<br>011-6688581 |
| 63 | ARERTI | አረርቲ | arerti@enatbanksc.com | 022-2230370<br>022-2230684 |
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| 65 | MARIA MUNIR (BOLE MICHAEL) | ማሪያ ሙኒር-ቦሌ ሚካኤል | mariamunirbolemichael@enatbanksc.com | |
| 66 | CHAGNI | ቻግኒ | chagni@enatbanksc.com | 058-2252455<br>058-2252454 |
| 67 | ABAY MADO | አባይ ማዶ | abaymado@enatbanksc.com | 058-3201479<br>058-3204979 |
| 68 | LAUREATE DR. ASTER SHEWAAMARE (SARBET) | ሎሬት ዶ/ር አስቴር ሸዋአማረ-ሳርቤት | laureatedrastershewaamare@enatbanksc.com | 011-3809077<br>011-3809046 |
| 69 | WOLKITE | ወልቂጤ | wolkite@enatbanksc.com | 011-3302998<br>011-3300971 |
| 70 | CAPITAIN AMSALE GUALU (AFRICA AVENUE) | ካፒቴን አምሳለ ጓሉ-አፍሪካ ጎዳና | captainamsalegualu@enatbanksc.com | 011-5583054<br>011-5584820 |
| 71 | ASSELA | አሰላ | assela@enatbanksc.com | 022-2389907<br>022-2385147 |
| 72 | ETEGE MINTEWAB (EHIL BERENDA) | እቴጌ ምንትዋብ-እህል በረንዳ | etegemintwab@enatbanksc.com | 011-2735263<br>011-2734958 |
| 73 | ASTER GANNO (GULLELE) | አስቴር ጋኖ-ጉለሌ | asterganno@enatbanksc.com | 011-2737520<br>011-2737855 |
| 74 | NIGIST ZEWDITU (KOLFE ATENA TERA) | ንግስት ዘውዲቱ-ኮልፌ አጠና ተራ | nigistzewditu@enatbanksc.com | 011-2739701<br>011-2739661 |
| 75 | DR.MULUALEM GESSESE (22 LEM) | ዶ/ር ሙሉአለም ገሰሰ-22 ለም | drmulualemgessesse@enatbanksc.com | 011-6663503<br>011-6663965 |

| S.N | BRANCH NAME | የቅርንጫፍ ስም | EMAIL ADDRESS (የኢሜል አድራሻ) | TELEPHONE ADDRESS (የስልክ አድራሻ) |
|---|---|---|---|---|
| 76 | HOSSANA | ሆሳዕና | hossana@enatbanksc.com | |
| 77 | DESSIE | ደሴ | dessie@enatbanksc.com | 033-3216441 |
| 78 | HON.DR.ASEGEDECH ASFAW (AYAT TAFO) | የክብር ዶ/ር አሰገደች አስፋው-አያት ጣፎ | honorarydrasegedechasfaw@enatbanksc.com | 011-6390976<br>011-6391731 |
| 79 | INJIBARA | እንጅባራ | injibara@enatbanksc.com | 058-2271432 |
| 80 | DEBRE BIRHAN TEBASSIE | ደብረ-ብርሃን ጠባሴ | debrebirhantebassie@enatbanksc.com | |
| 81 | MEKI | መቂ | meki@enatbanksc.com | 0221180690<br>022-1181830 |
| 82 | MODJO | ሞጆ | modjo@enatbanksc.com | 0222364132<br>022-2367963 |
| 83 | TULU DIMTU | ቱሉ ዲምቱ | tuludimtu@enatbanksc.com | |
| 84 | ENGIDAZER NEGA (TEKLEHAIMANOT) | እንግዳዘር ነጋ-ተክለሃይማኖት | artistengidazernega@enatbanksc.com | 011-5578808<br>011-5578602 |
| 85 | WORETA | ወረታ | woreta@enatbanksc.com | 058-4461318 |
| 86 | JIMMA | ጅማ | jimma@enatbanksc.com | 047-1122419 |
| 87 | HOLETA | ሆለታ | holeta@enatbanksc.com | 011-2610873 |
| 88 | HANAMARIAM | ሐና ማርያም | hanamariam@enatbanksc.com | |

እናት
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