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BERHAN BANK S.C.

2017/18 Annual Report


FLAMINGO BRANCH

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Vision

To be a radiant and trustworthy bank in excellence

Mission

Provide diverse financial products by deploying motivated and qualified human resource as well as up-to-date technology with highest ethical standard to create maximum value to stakeholders.

BOARD OF DIRECTORS


Ato Gumachew Kussie
Chairperson


Dr. Nardos Berehanu
Vice Chairperson


Ato Mulatu Belachew
Director


Arc. Daniel Assefa
Director


Dr. Fasil Nahum
Director


W/ro Amarech Bekalo
Director


W/ro Meron Gezahegn
Director


Dr. Aynalem Abayneh
Director


Ato Eligo Legesse
Director


Ato Alemayehu Melesse
Director


W/ro Melatwork Hailu
Director

EXECUTIVE MANAGEMENT TEAM


Ato Abraham Alaro
President


Ato Solomon Assefa
V/P - Customer Service and Quality Assurance


Ato Ermias Tefera
V/P - Corporate Strategy and Resource Mobilization


W/ro Bethlehem Getachew
V/P - Corporate Services


Ato Amanuel Taddesse
V/P - Operations


Ato Tadesse Hatiya
Executive Assistant to the President


W/ro Sehin Tsige
Director - Internal Audit Department


Ato Wossen Alemeye
Chief Information Officer


Ato Anteneh Mekonnen
Director - Risk & Compliance Management Department


W/ro Semenawit Abadi
Director - Strategy Development and PMS Department


Ato Shimelis Tesfaye
Director - Human Resource Operation and Development Department


Ato Beneyam Mesfin
Director - Marketing and Corporate Communication Department

EXECUTIVE MANAGEMENT TEAM

Ato Masresha H/Michael
Director - Corporate Customer & Relationship Department

Ato Desalegn Fissehatsion
Director - Finance and Accounts Department

Ato Bereket Teketel
Acting Director - Credit Analysis and Appraisal Department

Ato Thomas Desalegn
Director - Transformation and Change Management Department

Ato Wale Yirga
Director - Resource Mobilization Department

Ato Kolcha Mega
Director - Credit Follow up & Portfolio Management Department

W/ro Kidist Abreham
Director - International Banking Services Department

W/ro Elsa Ketema
Director - Facility Management Department

Ato Dagmawi kasahun
Director - Service Outlet and Standardization Department

Ato Bayissa Milkessa
Director - Legal Service and Loan Recovery Department

Ato Yared Aguade
Director - Engineering & Valuation Department

Ato Tesfaye Maru
Director - Treasury and Investment Department

THE CHAIRPERSON'S MESSAGE

Dear Esteemed Shareholders,

I am highly privileged to present to you Berhan Bank's 9th annual performance report of the fiscal year ended June 30, 2018. During the reporting period the Bank enjoyed credible success after the Bank's performance picked up for another consecutive year and proved resilience and strong momentum for growth.

Fiscal year 2017/18 marked the 3rd year of our strategic plan, wherein the Bank joined the market at a time when there had been an intense competition among the commercial banks in the Country, and yet it has continued to outshine in the financial market on the ground of its strategic shift toward diverse financial services that resulted in positive customer experience. More, particularly, the past couple of years' performances of the Bank proved that it markedly expanded its operation, enduring the impact of changing market dynamics, advancing on various business opportunities and enhancing its competitiveness for future growth.

The success of the Bank in 2017/18 was also consistent with the spirit of bringing a better future to the whole stakeholders and becoming the pride of the sector in ensuring seamless integrity and ethical values.

The fiscal year 2017/18, can at best be described as a year characterized by formidable challenges that put their own hurdle on the overall banking sector performance. Among others, sluggish growth in the export sector, acute shortages of foreign currency that severely affected import activities, social and political unrest that undermined smooth functioning of daily business operation and also the inflow of the foreign direct investment were the major ones. It was under such volatile environment that Berhan Bank has kept on penetrating into the market through its ever-expanding branch network, diligent frontline staffs and managed to score remarkable financial gains.

While expanding its market base, utmost focus was bestowed upon resource mobilization initiatives, which resulted in realizing a notable growth. Furthermore, against the backdrop of several compelling NBE directives aimed at stabilizing the financial industry, the Bank embarked upon alternative income generating strategies without compromising its unwavering values and business ethics. Accordingly, a profit yield before tax of Birr 410.9 million and ROE of 20.4 were registered in the period under review in a situation where the Bank's paid up capital has surged to over Birr 1.7 billion.

On the other hand, the Board of Directors and the top management has reviewed and approved several policies, rules and guidelines that helped the Bank to stay as a preferred bank for customers. The General Assembly has also elected and subsumed new Board of Directors in the year just ended and the newly appointed members were given induction programs and trainings, for them to easily interweave with the already serving board members.

On the technology front, a cutting-edge modernization leap has been achieved by acquiring a state-of-the art, IBM Tire III, datacenter which is built and brought to enter into service, during the fiscal year under consideration. Acquisition of this banking technology would help the Bank to catch-up and excel in technology-driven banking services and advancing in our digital and mobile capabilities that are becoming a game-changer in the financial market and improving operational excellence. Moreover, the Bank, as part of its social obligation, has shown empathy towards the most vulnerable ones through provision of financial aids, at various occasions.

Esteemed shareholders!

On behalf of the Board of Directors and myself, I would like to extend my earnest gratitude to our esteemed customers, the Management, the entire staff, Shareholders and other stakeholders for their valuable contributions, trust and confidence in our Bank's triumphant journey and I sincerely believe that the commitment demonstrated thus far will continue in the bright years to come.

Thank you

Gumachew Kussie

THE PRESIDENT'S MESSAGE

I am honored to present you the performance report of Berhan Bank for the fiscal year that ended on June 30, 2018. In overall, the year had been a success where strenuous effort has been exerted by the Staff, Management as well as the Board of Directors and commendable results were registered in a various sphere of activities.

These valuable results were achieved in the midst of the challenges of macroeconomic environment of the Country marked with severe shortage of foreign currency, which is mainly stemmed from nation-wide decline in the performance of the export sector and unsatisfactory inflows of foreign direct investment, among others.

The year under review was also characterized by a period wherein Ethiopian Birr was devalued against USD by 15 percent which has come to be a major factor behind an inflationary trend observed in imported items, including industrial raw materials.

On the other hand, challenges related to correspondent banking relationships, which is the result of de-risking practices by global financial institutions, have severely hampered USD clearing and foreign payment activities of the Bank.

In spite of the aforementioned challenges, the Management of the Bank has devised and implemented workable remedial strategies, which enormously helped the Bank to survive and sustain the market volatility observed during the reporting period.

As a result of the continuous effort directed in view of the macroeconomic challenges, the fiscal year 2017/18 has seen the deposit base of the Bank reach Birr 10.9 billion with the annual increment of Birr 3.2 billion. Concurrently, the number of depositors has reached 523,705. In spite of the notable setbacks hovering around foreign currency mobilization endeavors, the Bank has put up strategies to boost foreign exchange earnings largely through corporate customers and attracted USD 108.5 million.

The fiscal year has also seen a significant surge in the Bank's outstanding loan portfolio to Birr 7.2 Billion from 5.4 Billion in the preceding year. The NPL ratio stood at 2.5 percent which is lower than the NBE's standard of below 5%.

The total asset of the Bank has increased from Birr 10.5 Billion to Birr 14.1 Billion and the paid up and the total capital have increased from Birr 1.4 Billion to 1.7 Billion and from 1.9 Billion to 2.2 Billion, respectively. The Bank maintained its steady and stable liquidity position in the year under consideration. Furthermore, the Bank has attained a return on equity (ROE) of 20.4 percent and its earnings per share with par value of Birr 1000 being Birr 204.

With an intention of serving its most valued customers at their best convenience in terms of proximity, the Bank added 21 more new branches stretching its branch network to a total of 182 at the end of 30th June, 2018, with a total number of employees reaching 3,237. As an outcome of the aforementioned major achievements, the fiscal year has ended posting a profit before tax of Birr 410.9 million.

Besides, dynamics within the Bank have recently shifted towards the SME financing schemes by aligning the credit operation of the Bank with the finance initiatives of World Bank through Development Bank of Ethiopia. This fits into the Bank's long-term strategic plan which is anchored on an aggressive growth strategy especially in expanding credit operations.

In its firm stance to reorient itself to the changing need of the business dynamics, the Bank undergone major organizational restructuring that can serve as a corporate strategic pillar and reassure sustainability of its growth momentum.

The new organizational structure is thus aimed at enhancing a customer centric services than ever before by methodologically clustering jobs according to the workflow and through proper placement within the roles across the businesses. To this end, five district offices and two vice presidential posts are among the core ones placed anew under the revised structure. Staff recruitment activities have been carried out with utmost care and focus on employee-job fit approach. Local and overseas training and development programs have also been undertaken in a bid to reinforcing business efficiency and adding value to the customer service.

For years, we have focused on redefining banking operation and improving the customer experience, both in our branch service outlets and through our digital platforms. In the period under review, with an aim to expanding the service horizon of the Bank across its most valued customers, state-of-the art IT Datacenter has been established and readily available for operation. The Center is set to increase efficient service delivery thereby enhancing the operational efficacy.

In addition, direct online operation with Ethiopian Commodity Exchange (ECX) was launched after bilateral agreement was concluded and electronic network interface was created between the Bank and ECX, which directly helps the Bank to play active financial intermediary role in the commodity export market.

In the fiscal year under review, as one of the major projects in the Bank, the conventional financial reporting standard, Generally Accepted Accounting Principles (GAAP) has been switched to the International Financial Reporting Standards (IFRS) per the nationwide direction of the Accounting and Auditing Board of Ethiopia (AABE). The adoption of IFRS has been successfully executed, and the annual financial report for the year ended June 30, 2018 has been prepared and reported with the IFRS.

On behalf of the management, our valued staff, honorable customers, stakeholders and myself, I would like to seize this opportune moment to congratulate you all upon the Bank's promising accomplishment and would like to appreciate you for standing-by the side of Berhan Bank, without which all the challenges we encountered would have been impossible to conquer.

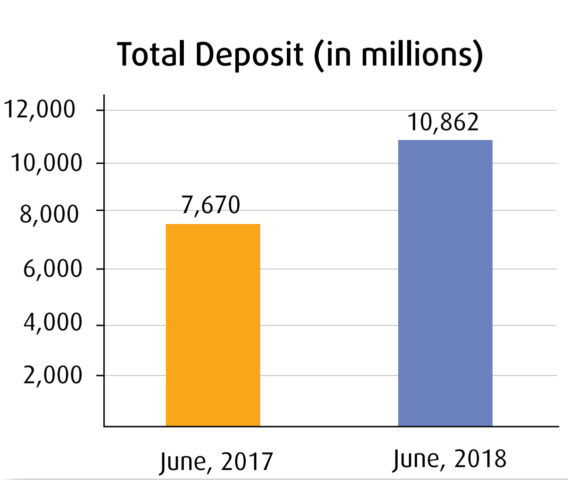
Finally, I would like also to extend my gratitude to the Board of Directors, Management team and employees for their dedication and hard work. I urge all to tackle the years ahead with the same enthusiasm and effort with a view to positioning the Bank at a better place.

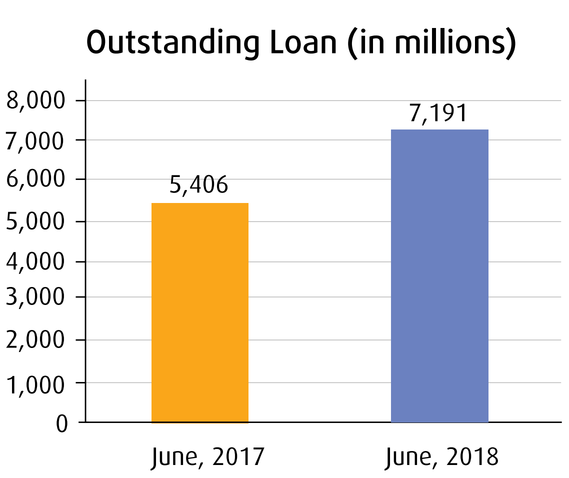
I am confident that the relentless support and the level of commitment and trust you have shown us, shall undoubtedly continue to leverage our path to success, until all our vision and aspirations are achieved.

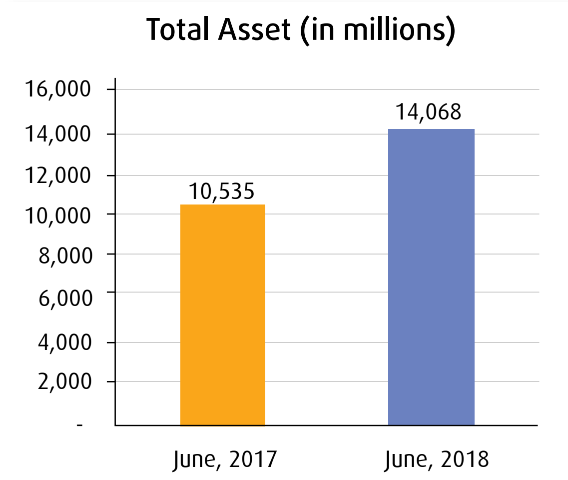
Thank you

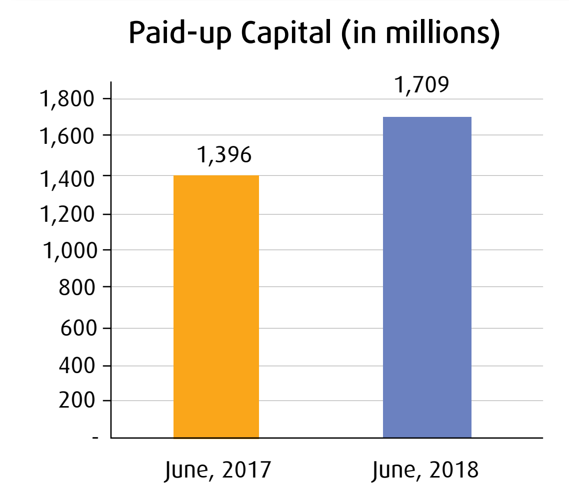
Abraham Alaro

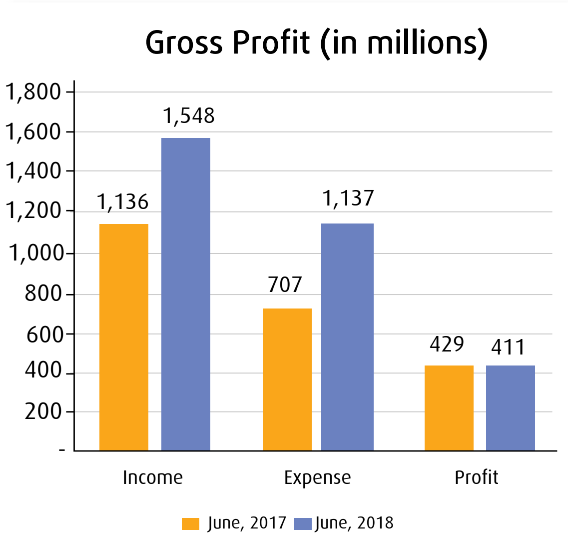
PERFORMANCE SUMMARY

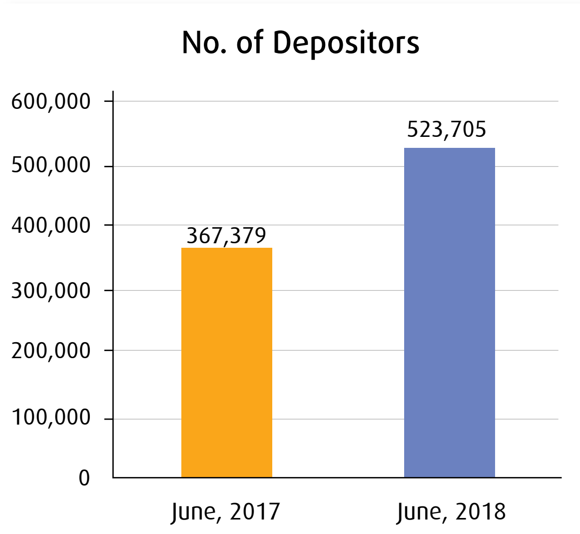












MAJOR PERFORMANCE HIGHLIGHTS

1. Major Undertakings of 2017/18 F.Y.

In the fiscal year 2017/18, the Ethiopia economy has, admittedly, registered growth which was largely driven by Government investment in infrastructure.

However, the overall economic outlook for the Country seems to be adversely affected by inability to secure sustainable finances for big infrastructure projects, and rising external debt to finance these projects. This is on top of persistent foreign exchange shortages resulted from weak export performance and failure to tapping into the growth potential of structural reforms, coupled with the socio-political disruptions which were prevalent in the various regions of the country.

In the period under review, the Government has signaled major economic reform, including privatization of state enterprises and rationalization of government regulations, which partly involve reforms in the regulatory directives pertinent to the financial sector.

The devaluation of Ethiopian Birr by 15 percent and subsequent NBE directives were intended and implemented to improve export sector performance and thus enhancing foreign exchange earning while deterring potential inflationary pressure in the economy. The content of these directives, among others, include: cupping of credit facilities with exception of loans for Export and Manufacturing sectors, a monthly surrender of 30 percent foreign currency earned to the NBE at a buying rate and raising the minimum saving interest rate limit from 5 to 7 percent. In addition, income from the devaluation, constituting 100 percent of the total exchange fluctuation, had to be given up to the NBE as a windfall gain.

In response to these evolving realities, Berhan Bank devised a wide-ranging strategy that helped to maintain the business viability and profitability of the Bank by adopting various measures including: improving the asset quality to increase the yield from loan portfolio, reducing interest expenses by limiting fixed (term) deposit exposures, focusing and revisiting fee-based incomes (commission and service charges) as a major recourse.

On top of this, the Board of Directors, through conscious planning and execution process, implemented a major organizational restructuring in the Bank with an aim to creating a better arrangement of relationships among hierarchies by systematically creating best-fit combination of staffs, managers, directors, vice presidents with corresponding jobs and responsibilities.

The Bank has also seen a sizable investment on revitalizing the entire IT datacenter of the Bank with Tire III data center with a redundant and dual-powered server, storage, network links and cooling systems.

The capacity and technology limitations of the old data center had been a major impeding factor behind aggressive expansion of digital financial services for several years in the past, which is now fully resolved, paving the way for major advancement by the Bank in the years to come.

Besides, in line with the directive passed through Financial Reporting Proclamation No. 847/2014 regulation No. 332/2014 as issued by Accounting and Auditing Board of Ethiopia (AABE), the financial sector, more importantly the banking sector in Ethiopia is required for the full-scale implementation of the International Financial Reporting Standard (IFRS) and present the 2017/18 annual financial performance report through the standard.

In line with the spirit of the directive, and in a bid to secure a smooth transition to the new reporting standards, the Bank had recruited local consultancy firm along with an international consulting firm which took charge of facilitating the implementation of IFRS in all private banks. The Bank also set-up an internal project team to responsibly lead and coordinate the task and the team has successfully accomplished the mission as per the expectation.

The amendments made in the financial statements, due to the conversion of the reporting system range from minor modifications to significant change of fundamental principles and detail disclosure of financial statements with the intent of financial and operational transparency to its stakeholders and enhancing comparability.

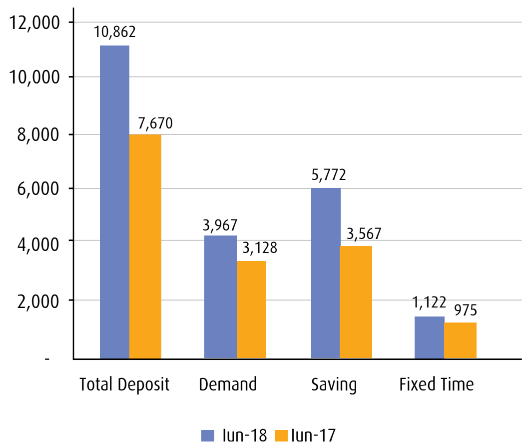
2. Operational Performance

2.1. Deposit Mobilization

In the fiscal year 2017/18, the Bank has mobilized Birr 10.9 billion exceeding the preceding year's similar period achievement by 41.6 percent. The lion share which is 53.1 percent of the total deposit is constituted by savings followed by demand deposits 36.5 percent. The number of deposit customers has also increased by 42.6 percent from the previous year's similar period reaching 523,705.

As part of a move to strategize resource mobilization activities, the Bank expanded its branch network to be more accessible to customers, and diversified its product and services and is scaling-up service excellence and customer due diligence activities like none before.

Figure 1: Breakdown of Deposit by Type in '000 of Birr

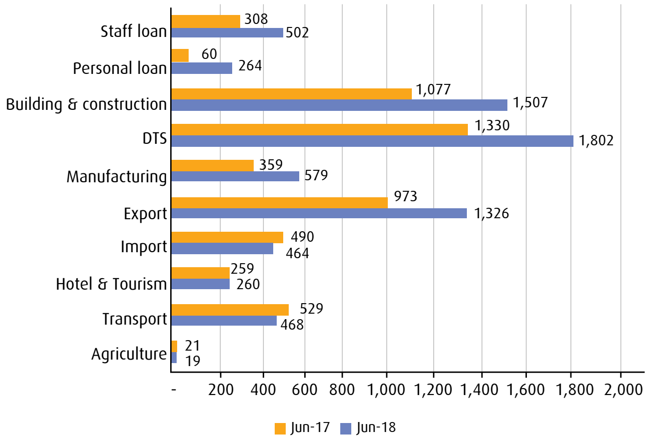


2.2. Loan and Advances

At the end of June 30, 2018, the Bank's outstanding loan reached Birr 7.2 billion with 33 percent increment from the prior year's position. Likewise, the Bank's non-performing loans (NPLs) ratio has stood at 2.5 percent.

In terms of outstanding loan distribution by economic sectors, domestic trade service, building & construction followed by the export sector have taken the largest share. Furthermore, loans to the import, transportation and agricultural sectors have also shown a decline in performance.

Figure 2: Breakdown of Loans and Advances in '000 of Birr



2.3. International Banking

In the fiscal year 2017/18, in the face of serious limitations encountered in area of foreign exchange generation activities nationwide, the Bank has mobilized USD 108.5 million. The Bank had stride to overcome the challenges through considering various mechanisms, including enhancing business ties with frequent foreign currency recipient organizations by designing tailored-schemes, enhancing the Money Transfer Organization (MTO) services by setting up a service quality follow-up system at all service centers.

This being the case, however, the foreign currency realized in 2017/18 has shown a 13.1 percent

Shareholders' Meeting

Financed Projects

Annual Management Meeting

decrease from the preceding year, as the nationwide performance of the export sector has lagged far behind expectations and de-risking policy of big global banks has adversely impacted the correspondent banking relationship. This particular problem with correspondent banks requires a strategic overhaul to ensure proper and adequate flow of foreign currency towards the Bank.

3. Financial Performance

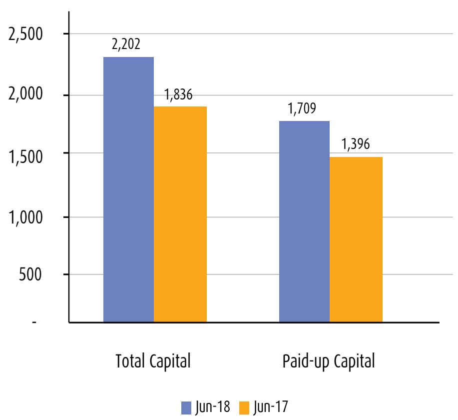
3.1 Assets

The total asset of the Bank reached Birr 14.1 billion at the end of June 2018, representing an annual growth of 33.5 percent over Birr 10.5 billion recorded at the end of June 2017. The growth in asset, compared to the prior year's position, is primarily attributed to the expansion of the Bank's loan book as evidenced by growth in loans and advances as well as investment in NBE bills.

3.2 Capital

In 2017/18 the capital base of the Bank has further been strengthened. Accordingly, the total capital of the Bank reached 2.2 billion and the total paid-up capital has risen to Birr 1.7 billion as at the end of June 2018, showing a growth of Birr 365.4 million (a raise in 19.9 percent) and 312.9 million (a raise in 22.4 percent) respectively compared to the same period of last year.

Figure 3: Composition of Capital in '000 of Birr

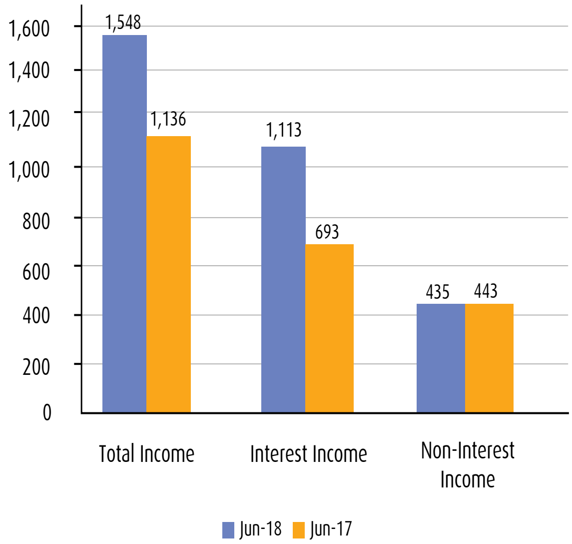


3.3 Income

The Bank earned a total income of Birr 1.5 billion, showing 36.3 percent growth or Birr 412 million increase compared to the previous year's performance. The total share of interest income accounts the lions share, Birr 1.1 billion or 71.9 percent and 60.5 percent increase compared to the performance exhibited on similar period last year.

On the other hand, though the non-interest income shown in the 2017/18 has accounted for 28.1 percent of the total income, it still has fallen short of Birr 7.7 million or 1.7 percent from the previous year similar period.

Figure 4: Composition of Income in '000 of Birr

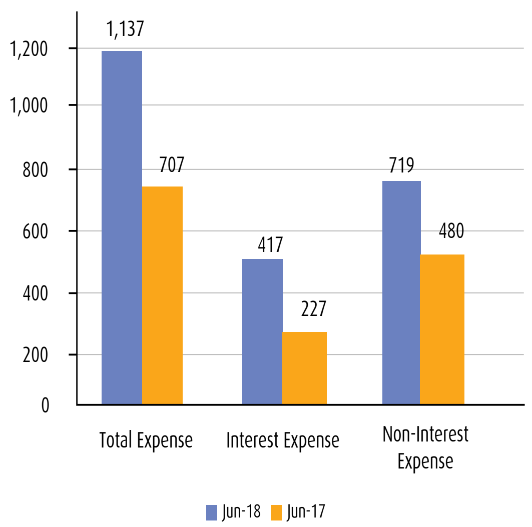


3.4 Expenses

In the fiscal year 2017/18 the Bank had incurred an expense of Birr 1.1 billion showing an increase in 60.8 percent compared to the previous year. Interest expense on deposits has shown a significant increase of Birr 189.9 million or 83.5 percent following the interest rate adjustment made by NBE and the increase in interest bearing deposit of the Bank while the non-interest expense accounted for 50 percent or Birr 239.8 million increment compared to the previous year.

The increase in major expense items have mainly been attributed to the rise in staff size following the branch expansion, the cost of fund which is related to the Bank's deposit base as well as cost associated to depreciation on capital items.

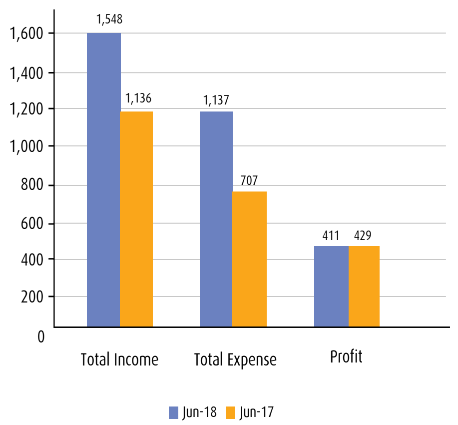
Figure 5: Composition of Expenses in '000 of Birr



3.5 Profit

In the financial year 2017/18, the profit of the Bank reached at Birr 410.9 million, reflecting a slight drop from prior year's profit i.e. Birr 428.7 million by 4.1 percent. The Bank's profit registered for the period under review should be noted on the context of the country's socio-economic situation which was characterized by multiple challenges and the resultant pressure on the banking industry as a whole.

Figure 6: Composition of Profit '000 of Birr



3.6 Performance Ratio

The loan to deposit ratio (LDR) of the Bank at the end of the financial year 2017/18 was positioned at 66.2 percent while the return on asset (ROA) stood at 2.67 percent. Further, the Bank generated a return on equity (ROE) of 20.4 percent and earnings per share with par value of Birr 1000 being Birr 204. In addition, the Bank is able to maintain its steady liquidity position in the year under consideration.

4. Human Resources

The Bank considers its human resource as its prime assets in which its business philosophy is engrained. Accordingly, the attraction, development and promotion of its human resource, among others, is given due attention. The Bank's philosophy of winning through its invaluable resources, its human assets, remains the basic reason it has shown a superior growth over successive years. The completed 2017/18 fiscal year is not different in various human resource recruitment and development arenas. As of June 30 2018, the total staff size stood at 3,237 showing an increase of 372 from the previous year end. As it stands, of the entire staff, 32.7 percent is female while the rest 67.3 percent is male.

In the year under review significant achievement was registered related to staff development initiatives. In this regard, 4,206 staff have attended different trainings. The major focus of the training and development activities was in elevating the staff operational capacity, uplifting the level of customer services at branches, and creating value alignment with the Bank's vision and mission.

Moreover, with the intention of capacitating the staff, under educational assistance program, tuition fee for 136 employees has fully been covered and are attending undergraduate and below program in non-business hours.

5. Information Technology

Consistent strides in technology and innovation are among the core strategic directions envisioned by the Bank to bring about operational efficiency and improving productivity.

With an aim to coping up with the networking requirement of the branch expansion taking place in the Bank and a well-felt pressure coming from the business rivalries within the industry for broadening customer base, the Bank has put through the establishment of a fully-fledged, tire III datacenter, and successfully commenced operation.

This was done in accordance with the direction and approval of the Board of Directors and the senior management of the Bank back in 2016/17 fiscal year.

The initiative was aimed at enhancing service excellence, through diversifying product-mix, expanding digital financial services, improving connectivity, and assuring business continuity and soundness.

In this regard, the datacenter is believed to have a redundant capabilites in power supply, storage, networking with an ultimate objective of improving customer service efficiency, and is expected to scale-up the competitive edge of the Bank through provision of technology dependent and digitally-driven banking products and services.

6. Branch Expansion

In an effort to reach out customers at their nearby vicinity and deepening operations with greater market base, the Bank has continued to expand its branch outlet. During the 2017/18 fiscal year, 21 branches have been added to the Bank's existing branch network. Hence, the size of branch network at the end of the fiscal year 2017/18 has reached 182 where 87 are in metropolis and the remaining 95 are outlying branches.

7. Organizational Structure

The 2017/18 fiscal year also marks the Bank's new milestone after having undergone a major change in its organizational structure in terms of operational hierarchy definition and task alignment.

In response to both internal and external quest for provision of diverse financial resource and creating operational and functional excellence, the Bank had to align itself to the ongoing change.

Accordingly, some of the existing posts have been reoriented while other posts have been introduced anew. This has brought about the introduction of two vice presidential posts, five district offices that have clustered the entire branches of the Bank in to five non-overlapping districts. Moreover, three additional departments have also been introduced in light of the swelled up business volume of the Bank and in an effort to strengthening the resource mobilization, fund management and ensuring asset quality of the Bank.

8. Corporate Social Responsibility

As part of discharging its social responsibilities, the Bank has long been engaged in measured philanthropic and corporate social responsibility activities. Over the fiscal year just ended, political and social disruptions have been evidenced in many parts of the Country.

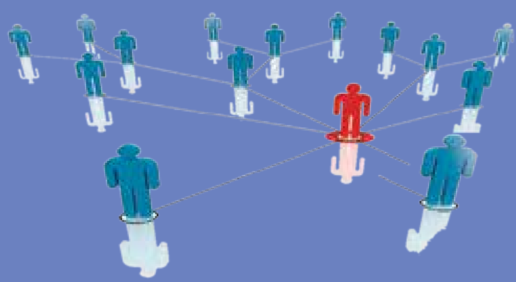
Among others, the most notable ones in the year under review were the displacements occurred in Ethiopian Somali Region and Oromia Regional State. It follows that based on the request made by the two Regional States and consensus reached by the Board of Directors and the Executive Management, the Bank has donated Birr 1 million for Ethiopian Somali Regional State and Birr 1 million to Oromia Regional State at the presence of the senior officials of the respective regional states.

9. Future Plan

The Bank to sustain its growth momentum pin pointed the following focus areas, among others, to fulfill in the fiscal year ahead.

- Enhancing resource mobilization;
- Fostering of technology driven services and products;
- Human resource management and development focusing on institutionalization of organizational culture;
- Expanding correspondent banking relationship;
- Asset quality management; and
- Boost service efficiency and productivity.

COMING
SOON...



Agency
Banking

International
Payment Cards

Internet
Banking

Berhan Bank S.C.

IFRS Financial Statements

30 June 2018

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Company registration number
BL/AA/2/0002442/2005

Directors *(As of July 1, 2018)*

Ato Gumachew Kussie	Chairperson	Appointed on 09 Feb 2018
Dr. Nardos Berehanu	V/Chairperson	Appointed on 09 Feb 2018
Arc. Daniel Assefa	Member	Appointed on 09 Feb 2018
Ato Mulatu Belachew	Member	Appointed on 09 Feb 2018
Dr Fasil Nahum	Member	Appointed on 09 Feb 2018
W/o Meron Gezahegne	Member	Appointed on 09 Feb 2018
W/o Melatwork Hailu	Member	Appointed on 09 Feb 2018
W/o Amarech Bekalo	Member	Appointed on 09 Feb 2018
Dr. Aynalem Abaynehe	Member	Appointed on 09 Feb 2018
Ato Alemayehu Melesse	Member	Appointed on 09 Feb 2018
Ato Eligo Legesse	Member	Appointed on 09 Feb 2018

Executive management *(As of July 1, 2018)*

Abraham Alaro Alambo	President	Appointed on 19-Dec-2014
Ermias Tefera Showel	VP- Corporate Strategy and Resource Mobilization	Appointed on 01-Mar-2018
Solomon Assefa Hailu	VP- Customer Service and Quality Assurance	Appointed on 01-Mar-2018
Bethlehem Getachew Metaferia	VP-Corporate Service	Appointed on 01-Jan-2018
Amanuel Tadese W/Gebriel	VP-Operation	Appointed on 01-Mar-2018
Tadesse Hatiya Oge	Executive Assistant to the President	Appointed on 31-Mar-2018
Fikadu Assefa Kebede	Area Manager	Appointed on 01-Mar-2018
Daniel G/Medihin Kahsay	Area Manager	Appointed on 01-Mar-2018
Dereje Getaneh Tesema	Area Manager	Appointed on 01-Mar-2018
Sirak Amare Shiferaw	Area Manager	Appointed on 01-Mar-2018
Solomon Ayalew Legesse	Area Manager	Appointed on 01-Mar-2018
Yared Aguade Wubneh	Director- Engineering & Valuation Department	Appointed on 28-Sep-2015
Wale Yirga Yigzaw	Director- Resorce Mobilization Department	Appointed on 01-Mar-2018
Kidist Abreham kidane	Director-International Banking Department	Appointed on 01-Mar-2018
Shimelis Tesfaye Reta	Director- Human Resource Operation and Development Department	Appointed on 01-Mar-2018
Elsa Ketema Gebre	Director-Facility Management Department	Appointed on 01-Mar-2018
Bereket Teketel Wachamo	Acting Director-Credit Management Department	Appointed on 01-Mar-2018
Kolcha Mega Hantalo	Director- Credit Follow up & Portfolio Department	Appointed on 01-Mar-2018
Binyam Mesfin Demeke	Director- Marketing and Corporate Communication Department	Appointed on 01-Mar-2018
Masresha H/Michael Gonfa	Director-Corporate Customer & Relationship Department	Appointed on 01-Mar-2017
Semenawit Abadi Kenaw	Director-Strategic Planning and Performance Appraisal Dep.	Appointed on 01-Mar-2017
Thomas Desalegn Beyene	Director- Transformation and Change Management	Appointed on 01-Mar-2018
Desalegn Fissehatsion Altaseb	Director - Finance and Accounts Department	Appointed on 29-Jan-2014
Bayissa Milkessa Filla	Director- Legal Service and Loan Recovery Department	Appointed on 04-Aug-2015
Tesfaye Maru Abate	Director-Treasury and Investment Department	Appointed on 01-Mar-2018
Anteneh Mekonnen Maru	Director- Risk & Compliance Management Department	Appointed on 23-Nov-2016
Wossen Alemeye Liyew	Chief Information Officer	Appointed on 18-Apr-2016
Sehin Tsige Abebe	Director - Internal Audit Department	Appointed on 01-Aug-2017
Dagmawi kasahun Mengesha	Director- Service Outlate and Standardization Department	Appointed on 01-Mar-2018

Tay & Co. Chartered Certified Accountants & Authorized Auditors
Wengelawit Tadesse Building 1st Floor
Ethio-China Friendship Street
P.O. Box 1335
Addis Ababa
Ethiopia

Corporate office

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

Company secretary

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

Principal bankers

Bank 1:	COMMERZ BANK AG.60261 FRANKFURT AM MAIN,GERMANY Swift code: COBADEFF
Bank 2:	ECO BANK, PARIS EBI SA GROUPE Swift code: ECOCFRPP
Bank 3:	ECOBANK KENEYA LIMITED, NAIROBI KENEYA, Swift code: ECOCKENAXXX
Bank 4:	ODDO BHF AKTIENGESELLSCHAFT, FRANKFURT AM MAIN DE, Swift code: BHFBDEFF500
Bank 5:	CAC INTERNATIONAL BANK, DJIBOUTI DJ, Swift code: CACDDJJDXXX
Bank 6:	EXIM BANK(DJIBOUTI) S.A, DJIBOUTI DJ, Swift code: EXTNDJJDXXX

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

Incorporation and address

Berhan Bank S.C was incorporated in Ethiopia in October 2009 as a privately owned financial institution, and is domiciled in Ethiopia.

Principal activities

The Bank is principally engaged in the provision of diverse range of financial products and services to a wholesale, retail and SME clients base in Ethiopian Market.

Results and dividends

The Bank's results for the year ended 30 June 2018 are set out on the Statement of profit or loss and other comprehensive income. The profit for the year has been transferred to retained earnings. The summarised results

	30 June 2018 Birr'000	30 June 2017 Birr'000
Net operating income	1,099,127	883,235
Profit / (loss) before tax	410,934	428,686
Tax (charge) / credit	(83,088)	(111,494)
Profit / (loss) for the year	327,846	317,192
Other comprehensive profit / (loss) net of taxes	(16,726)	(1,194)
Total comprehensive profit / (loss) for the year	311,120	315,998

Directors

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

Ato Gumachew Kussie
Chairman of the Board of Directors
Addis Ababa, Ethiopia

Ato Abraham Alaro
President

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

The Bank's president is responsible for the preparation and fair presentation of these financial statements in conformity with accounting principles generally accepted in Ethiopia and in the manner required by the Commercial Code of Ethiopia of 1960, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Bank is required keep such records as are necessary to:

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

b) explain its transactions and financial position; and

c) enable the National Bank to determine whether the Bank had complied with the provisions of the Banking Business Proclamation and regulations and directives issued for the implementation the aforementioned 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 1960 and the relevant Directives issued by the National Bank of Ethiopia.

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

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

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

Signed on behalf of the Directors by:

Ato Gumachew Kussie Chairman of the Board of Directors 05 Oct., 2018	Ato Abraham Alaro President 05 Oct., 2018

Independent auditor's report to the shareholders of Berhan Bank S.C

Opinion

We have audited the financial statements of Berhan Bank S.C, which comprise the statement of the financial position as at 30 June 2018, and the statement of comprehensive income, statement of changes in equity, and statement of cash flows for the year then ended, and notes to the financial statement, including a summary if significant accounting policies.

In our opinion, the financial statement present fairly, the financial position of the Berhan Bank S.C as at 30 June 2018 and its financial performance, and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

We have no comments to make on the reports of the Board of Directors of the Bank in so far as it relates to these financial statements and pursuant to Article 375 of the Commercial Code of Ethiopia 1960 recommended approval of these financial statement.

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 Auditors Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the international Ethics Standards Board for Accountants' code of Ethics for professional Accounts (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statement in Ethiopia, and we have fulfill our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate 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 the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The bank has been in IFRS conversation process as a first time adopter, as a result, various new accounting policies have been selected and implemented. The comparative figures as well as opening balances of the previous year were reinstated based on the accounting policy selected. Proper selection and application of the new accounting policies starting from the date of transition i.e 1 July 2016 have been considered as key audit matters for our audit during the year. As a result our audit covered verification of the conversation process with effect from 1 July 2016 and consistency of the accounting policy.

Responsibilities of the management and those charged with Governance for the financial statements.

The management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), and for such internal control as management determines is necessary to enable the preparation of a project report that is fee from material misstatement, weather due to fraud or error.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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

Auditor's Responsibilities for the audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the project report as a whole is free from material misstatement, weather 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 form 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.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, international omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exits related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding in, and to communicate with them all relationships and other matters that may reasonable be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statement of the current period and are therefore the key audit matters. We describe these, matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Ato Tesfa Tadesse.

Tay & Company
Chartered Certified Accountants &
Authorized Auditors

Tay And Company Chartered Certified Accountants & Authorized Auditors
011 4707094
011 4421336

Addis Ababa
12 October 23, 2018

BERHAN BANK S.C
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2018

	Notes	30 June 2018 Birr'000	30 June 2017 Birr'000
Interest income	5	1,112,786	693,133
Interest expense	6	(417,346)	(227,462)
Net interest income		695,440	465,671
Fee and commission income	7	349,413	363,629
Fee and commission expense	7	(6,105)	(4,521)
Net fees and commission income		343,308	359,108
Other operating income	8	85,558	79,055
Total operating income		1,124,306	903,834
Loan impairment charges	9	(25,179)	(20,599)
Net operating income		1,099,127	883,235
Personnel expenses	10	(438,751)	(295,717)
Depreciation of property and equipment	19	(28,907)	(18,498)
Amortisation of intangible assets	18	(484)	(830)
Other operating expenses	11	(220,051)	(139,504)
Total operating expenses		(688,193)	(454,549)
Profit before tax		410,934	428,686
Income tax expense	12	(83,088)	(111,494)
Profit after tax		327,846	317,192
Other comprehensive income (OCI) net of income tax			
Items that may be reclassified to profit or loss:			
Items that can not be reclassified to profit or loss:			
Re-measurement gains on defined benefit plans (net of t	20e	(16,726)	(1,194)
Total comprehensive income for the year, net of tax		**311,120**	**315,998**
Attributable to Equity holders		**311,120**	**315,998**
Earnings per share of Birr 1,000			
Basic earnings per share		**20.36**	**30.44**

The notes on pages 31 to 95 are an integral part of these financial statements.

BERHAN BANK S.C
STATEMENT OF FINANCIAL POSITION
FOR THE PERIOD ENDED 30 JUNE 2018

	Notes	30 June 2018 Birr'000	30 June Birr'000	1 July 2016 Birr'000
ASSETS				
Cash and balances with banks	**13a**	2,676,716	2,028,280	1,302,960
Due from Banks & Other Financial Institutions	**13b**	44,104	103,650	77,542
Loans and advances to customers	**14**	7,067,045	5,281,211	3,713,126
Financial investments - Available for sale	**15**	18,948	18,932	18,868
Financial investments - Loans and receivables	**15**	3,029,999	2,205,665	1,588,120
Other assets	**16**	443,426	315,096	158,773
Inventory	**16b**	12,568	8,562	2,988
Non current assets held for sale	**16c**	7,166	11,597	5,525
Investment Property - Building	**17**	2,758	2,562	1,842
Intangible assets	**18**	1,111	1,595	2,425
Property and equipment	**19**	215,914	181,540	80,000
Restricted Fund Balance	**15a**	542,000	376,000	255,000
Deferred tax assets	**12**	6,224		
Total assets		**14,067,979**	**10,534,690**	**7,207,169**
LIABILITIES				
Due to Banks & Other Institutions	**13b**	27,323	29,467	33,293
Deposits from customers	**20b**	10,861,680	7,670,108	5,317,085
Current tax liabilities	**12b**	68,219	107,923	83,512
Margins held on letters of credit	**20b**	314,518	368,411	296,357
Borrowings	**20b**	-	75,000	-
Other liabilities	**20c**	492,089	382,215	390,777
Provisions	**20d**	58,624	47,854	30,141
Retirement benefit obligations	**20e**	43,848	15,378	9,357
Deferred tax liabilities	**12c**	-	2,071	2,624
Total liabilities		**11,866,301**	**8,698,427**	**6,163,146**
EQUITY				
Share capital	**21**	1,709,050	1,396,123	730,617
Retained earnings	**22**	208,132	214,376	173,092
Legal reserve	**23**	308,390	227,469	140,314
Other Reserve	**24**	(23,894)	(1,706)	-
Total equity		**2,201,678**	**1,836,262**	**1,044,023**
Total equity and liabilities		**14,067,979**	**10,534,690**	**7,207,169**

The notes on pages 31 to 95 are an integral part of these financial statements.

The financial statements were approved and authorised for issue by the board of directors on 05 October 2018 and were signed on its behalf by:

Ato Gumachew Kussie
Chairman of the Board of Directors

Berhan International Bank S.C.

Ato Abraham Alaro
President

BERHAN BANK S.C
STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2018
STATEMENT OF CASH FLOWS

	Notes	Share capital Birr'000	Retained earnings Birr'000	Other reserves Birr'000	Legal reserve Birr'000	Total Birr'000
As at 1 July 2016		730,617	173,092	-	140,314	1,044,023
						-
Profit for the period	**22**	-	317,192	-	-	317,192
Other comprehensive income:						
Re-measurement gains on defined benefit plans	**24**	-	-	(1,706)	-	(1,706)
Revaluation Surplus - Asset Held for Sale (net of tax)						-
Total comprehensive income for the period		**-**	**317,192**			
Transaction with owners in their capacity as owners :						-
Contribution of equity net of transaction costs	**21**	665,506	-	-	-	665,506
Dividend provided for / paid	**22**		(189,305)	-	-	(189,305)
Transfer to legal reserve	**23**	-	(87,155)	-	87,155	-
Transfer to other reserves			-			-
Deferred Tax Adjustment	**22**		552			
Total		**665,506**	**41,284**	**(1,706)**	**87,155**	**791,687**
As at 30 June 2017		**1,396,123**	**214,376**	**(1,706)**	**227,469**	**1,836,262**
						-
As at 1 July 2017		1,396,123	214,376	(1,706)	227,469	1,836,262
Profit for the period	**22**		327,846	-	-	327,846
Other comprehensive income:						-
Re-measurement gains on defined benefit plans	**24**			(22,188)		(22,188)
						-
Total comprehensive income for the period			**327,846**		**-**	**327,846**
Transaction with owners in their capacity as owners :						-
Contribution of equity net of transaction costs	**21**	312,927	-	-	-	312,927
Dividend provided for / paid	**22**		(261,464)	-	-	(261,464)
Deferred Tax adjustment	**22**		8,295	-		
Transfer to legal reserve	**23**		(80,921)	-	80,921	-
						-
Total		312,927	(6,244)	(22,188)	80,921	365,416
As at 30 June 2018		**1,709,050**	**208,133**	**(23,894)**	**308,390**	2,201,678

The notes on pages 31 to 95 are an integral part of these financial statements.

STATEMENT OF CASH FLOWS

	Notes	30 June 2018 Birr'000	30 June 2017 Birr'000
Cash flows from operating activities			
Profit before tax		**410,934**	**428,686**
Adjustment for:			
Loan impairment charges	9	25,179	20,599
Impairment losses on other assets	11	15,799	1,322
Amortisation of intangible assets	18	484	830
Depreciation and impairment of property, plant and equipment	19	28,907	18,498
Movement in other comprehensive income	24	(22,188)	-
Interest in suspense		(9,051)	640
Revaluation Gain - Investment Property	17	(196)	
Allowance for Inventory Write-Down		(261)	-
Bonus Adjustment		(861)	
Dividend Income		(94)	-
Gain on Disposal of Property Plant And Equipment		(374)	-
Cash Flow From Operation before Changes in Working Capital		**448,277**	**470,575**
Decrease (Increase) in Loans & Advances excluding provision	14a	(1,785,507)	(1,623,683)
Increase (Decrease) in Allowance for loan Impairment	14b	(5,845)	(683)
Increase (Decrease) in Allowance for PPE Impairment	19	64	236
Decrease (Increase) in Non current asset held for sale	16c	4,111	(6,072)
Decrease (Increase) in Other Assets	16	(167,317)	(120,262)
Decrease (Increase) in Restricted Fund Balances	15a	(166,000)	(121,000)
Increase (Decrease) in Deposits	20b	3,191,572	2,353,023
Increase (Decrease) in Margin Held Account	20b	(53,893)	72,054
Increase (Decrease) in Other Liabilities	20c	109,874	(8,562)
Decrease (Increase) Inventory	16b	(4,005)	(5,574)
Decrease (Increase) in Fair value of investment Property - Building	17	(196)	(720)
Decrease (Increase) Due from Banks & Other Financial Institutions	13b	59,545	(26,108)
Decrease (Increase) Due to Banks & Other Institutions	20a	(2,144)	(3,826)
Unrealized foreign exchange loss	11	16,770	5,355
Increase (Decrease) Retirement benefit obligations	20e	28,470	6,021
Cash Generated From Operation			
Withholding Tax Paid	12b	-	-
Profit tax Paid		(122,793)	(87,083)
Net Cash flow from Operating Activities		**1,550,984**	**903,691**
Cash Flow From Investing Activities			
Purchase of Fixed Assets		(55,714)	(111,963)
Investment in NBE Bills	15	(824,334)	(617,545)
Investment in Shares	15	(16)	(64)
Proceeds from sale of property and equipment		1,053	-
Net Cash flow from Investing Activities		***(879,011)***	***(729,572)***
Cash Flow From Financing Activities			
Ordinary Shares Issued	21	312,928	665,506
Dividends paid		(261,464)	(189,305)
Increase (Decrease) Borrowings	20b	(75,000)	75,000
Net Cash flow from Financing Activities		***(23,536)***	***551,201***
Changes in Cash and Cash Equivalents		648,436	725,320
Cash and Cash Equivalent at the Beginning of the Year		2,028,280	1,302,960
Cash Balance at end of the year		2,676,716	2,028,280

The notes on pages 31 to 95 are an integral part of these financial statements.

1 General information

Berhan Bank SC ("Berhan" or the "Bank") is a private commercial Bank domicile in Ethiopia. The Bank was registered and licensed by the National Bank of Ethiopia on 27 June 2009 in accordance with Article 304 of the Commercial Code of Ethiopia with the objective of operating in the banking industry. The Bank registered office is at:

Bole Dildiye TK International Building
P.O.Box 387 Code 1110
Addis Ababa
Ethiopia

The Bank is principally engaged in the provision of diverse range of financial products and services to a wholesale, retail and SME clients base in Ethiopian Market.

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

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

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

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

2.2.2 Changes in accounting policies and disclosures

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

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

IFRS 9 - Financial Instruments

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments that replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through OCI and fair value through P&L.

The basis of classification depends on the Bank's business model and the contractual cash flow characteristics of financial assets. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under IAS 39.

The standard is effective for accounting periods beginning on or after 1 January 2018 and early adoption is permitted. The Bank is yet to assess IFRS 9's full impact.

IFRS 15 - Revenue from contracts with customers

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

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

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

IFRS 16 - Leases

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

2.3 Foreign currency translation

a) *Functional and presentation currency*

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

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.The closing rates used for assets and liabilities are selling rate and buying rate respectively.

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

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

2.4 Recognition of income and expenses

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

The Bank, earns income from interest on loans and advances, fees and commissions , and other services.

2.4.1 Interest and similar income and expense

For all government bills and bonds 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 government bills and bonds 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.

2.4.2 Fees and commission

Fees and commission income and expenses that are integral to the effective interest rate on government bills and bonds are included in the measurement of the effective interest rate. Other fees and commission income (for example commission on purchase orders, Cash Payment Orders (CPOs),loan commitment fees etc) are recognised as the related services performed.

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

2.4.3 Dividend income

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

2.4.4 Foreign exchange revaluation gains or losses

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

The monetary assets and liabilities include financial assets within the correspondent banks, foreign currency deposits received and other liabilities held on behalf of third parties.

2.5 Financial instruments - initial recognition and subsequent measurement

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

2.5.1 Financial assets

Initial recognition and measurement

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

Subsequent measurement

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

a) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest and similar income in income statement. The losses arising from impairment are recognised in income statement in loan impairment charge.
The Bank did not directly calculate the effective interest rate as it requires system modifications to handle the enormous data of individual borrowers. However, as a temporary work-around, the contractual rate was used while the loan related fees were deferred to be amortized for the loan life time.
The Bank's loans and receivables comprise of loans and advances to customers and investment on National Bank Bills.

b) Available-for-sale (AFS) financial assets

AFS investments include equity and debt securities. Equity investments classified as AFS are those which are neither classified as held–for–trading nor designated at fair value through profit or loss. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in the market conditions.

The Bank has not designated any loans or receivables as AFS. Available-for-sale financial investments of the Bank include investments in equity (unquoted shares).

After initial measurement, AFS financial investments are subsequently measured at fair value with unrealised gains or losses recognised in OCI and credited in the AFS reserve until the investment is derecognised, at which time the cumulative gain or loss is recognised in other operating income, or the investment is determined to be impaired, when the cumulative loss is reclassified from the AFS reserve to income statement in impairment loss on financial investment. Interest earned whilst holding AFS financial investments is reported as interest and similar income using the EIR method. Unquoted equity securities whose fair value cannot be reliably measured are carried at cost. All other available-for-sale investments are carried at fair value.

The Bank evaluates whether the ability and intention to sell its AFS financial assets in the near term is still appropriate. When, in rare circumstances, the Bank is unable to trade these financial assets due to inactive markets, the Bank may elect to reclassify these financial assets if the management has the ability and intention to hold the assets for foreseeable future or until maturity.

For a financial asset reclassified from the AFS category, the fair value carrying amount at the date of reclassification becomes its new amortised cost and any previous gain or loss on the asset that has been recognised in equity is amortised to profit or loss over the remaining life of the investment using the EIR. Any difference between the new amortised cost and the maturity amount is also amortised over the remaining life of the asset using the EIR. If the asset is subsequently determined to be impaired, then the amount recorded in equity is reclassified to profit or loss. Refer to the information below under reclassification.

'Day 1' profit or loss

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

Reclassification of financial assets

Reclassification is at the election of management, and is determined on an instrument by instrument basis. The Bank does not reclassify any financial instrument into the fair value through profit or loss category after initial recognition.

For a financial asset reclassified out of the 'Available–for–sale' category, any previous gain or loss on that asset that has been recognised in equity is amortised to income statement over the remaining life of the investment using the EIR. Any difference between the new amortised cost and the expected cash flows is also amortised over the remaining life of the asset using the EIR. If the asset is subsequently determined to be impaired then the amount recorded in equity is reclassified to income statement.

The Bank may reclassify a non–derivative trading asset out of the 'held–for–trading' category and into the 'loans and receivables' category if it meets the definition of loans and receivables and the Bank has the intention and ability to hold the financial asset for the foreseeable future or until maturity. If a financial asset is reclassified, and if the Bank subsequently increases its estimates of future cash receipts as a result of increased recoverability of those cash receipts, the effect of that increase is recognised as an adjustment to the EIR from the date of the change in estimate.

Derecognition of financial assets

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

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

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

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

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

Impairment of financial assets

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

(i) Financial assets carried at amortised cost

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

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

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

The present value of the estimated future cash flows is discounted at the financial asset’s original EIR. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current EIR.

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

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

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

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

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

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

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

Renegotiated loans

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

Collateral valuation

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

To the extent possible, the Bank uses active market data for valuing financial assets, held as collateral. Other financial assets which do not have a readily determinable market value are valued using models.

Collateral repossessed

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

2.5.2 Financial liabilities

Initial recognition and measurement

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

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

The Bank's financial liabilities include Customer deposits, Margins held on letters of credit and Other liabilities. Interest expenditure is recognised in interest and similar expense.

Subsequent measurement

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

Financial liabilities at amortised cost

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

After initial measurement, financial liabilities at amortised cost are subsequently measured at amortised cost.

The Bank's financial liabilities carried at amortised cost comprise of Customer deposits and borrowings.

Derecognition of financial assets and liabilities

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

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

2.5.3 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position where the Bank has a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Or if the Bank may enter into arrangements that do not meet the criteria for offsetting but still allow for the related amounts to be set off in certain circumstances, such as Bankruptcy or the termination of a contract.

2.6 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.

2.7 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	Remark
Building	50	5% of cost	
Motor Vehicle	10	5% of cost	
Computer and Related items	7	1% of cost	Computer and accessories are included Computer, UPS, Switch, Patch panel---
Intangible - Software	6	0	
Furniture and Fitting			
Medium lived Furniture and Fittings	10	1% of cost	Included chair, table, partition, cage , counter -----
Long Lived Furniture and Fittings	20	1% of cost	Vault /strong room
Equipment:			
Short lived Equipment	5	1% of cost	Counting Machine, photocopy, FCY, Display and detector, Printer, Scanner and electronic related items ...
Medium lived Equipment	10	1% of cost	Generator ,ATM and Others
Long lived equipment	20	1% of cost	Cash safe

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 or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in income statement when the asset is derecognised.

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

2.8 Intangible assets

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

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

Amortisation is calculated using the straight–line method as below

Description	Years	Residual value
Software	6	Nil

2.9 Investment property

Property that is held for long-term rental yields or for capital appreciation or both, are classified as investment properties.

Recognition of investment properties takes place only when it is probable that the future economic benefits that are associated with the investment property will flow to the Bank and the cost can be reliably measured. This is usually when all risks are transferred.

Investment properties are measured initially at cost, including transaction costs. The Bank has opted to subsequently carry investment property at fair value. Fair value is based on active market prices, adjusted if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Bank uses alternative valuation methods, such as recent prices on less active markets or discounted cash flow projections. Valuations are performed as of the reporting date by professional valuers who hold recognised and relevant professional qualifications and have recent experience in the location and category of the investment property being valued. These valuations form the basis for the carrying amounts in the financial statements.

The fair value of investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in the light of current market conditions.

The fair value of investment property does not reflect future capital expenditure that will improve or enhance the property and does not reflect the related future benefits from this future expenditure other than those a rational market participant would take into account when determining the value of the property.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Bank and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment properties are derecognised when they have been disposed. Where the Bank disposes of a property at fair value in an arm's length transaction, the carrying value immediately prior to the sale is adjusted to the transaction price, and the adjustment is recorded in the statement of changes in net assets available for benefit.

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

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

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

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

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

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

2.11 Impairment of non-financial assets

The Bank assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Bank estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset . When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

The value in use of the impaired assets is considered to be close its fair value less cost of disposal because the assets are either fully depreciated or they will be used for shorter period than their respective normal useful lives. In determining fair value less costs of disposal, recent market transactions are taken into account.

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 recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the income statement.

2.12 Other assets

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

(a) Prepayment

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

(b) Other receivables

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

(c) Prepaid Staff Benefits

The Bank gives loans to its staff members at below market rates of interest.Under IAS 39, such loans must be recognised at their fair value on the inception date. The fair value is determined on inception date as the present value of all the future cash receipts (instalments) from the staff members using the prevailing market rate of interest as the discounting factor.The market rate was determined by reference to what the staff members would have been charged to access a similar loan facility from the financial market (similar in terms of currency, term, type of interest rate and other factors). During the first time adoption, the market rate was set by the Ethiopian Bankers Association. Accordingly, 9.5% used for mortgage loans; and for other loans the average rates of 10.32% and 10.58% were used for the years 2016/17 and 2018 respectively.

The difference between the fair valued amount of the loan and the original loan amount is recognised as employee benefit. However, IAS 19 does not give specific guidelines on the treatment of prepaid employee benefit so the general guidelines of conceptual framework would apply.The market rate used to value employee loans was obtained from Ethiopian Bankers Association and the prescribed rate for 2016 and 2017 was 10.32% and 2018 10.58%.

Therefore, to recognise the prepaid employee benefit on inception date of the loan, the bank should consider the nature of the loan i.e. does the interest rate revert back to market interest rate or below the market interest rate when the employee leaves the bank?

If the interest rate reverts back to market interest rate, this means that the employee benefit has not been earned and the bank expects future economic benefits. Therefore, the prepaid employee benefit would be capitalised as an asset and amortized throughout the life of the loan based on the conceptual framework definition of an asset.

If the interest rate still remains below the market interest rate, this means that the employee benefit has been fully earned and the bank does not expect future economic benefits. Therefore, the prepaid employee benefit would be expensed immediately.

Adjustments have been passed to recognise the following;
i) the difference between interest income that would have been recognised under the local GAAP and interest income that should be recognised under IFRS
ii) the difference between balance as per Ethiopian GAAP and fair valued loan amount (this is the prepaid employee benefit)
iii) prepaid employee benefit that should have been amortised to date

2.13 Fair value measurement

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

- Disclosures for valuation methods, significant estimates and assumptions Notes 3 and Note 4.7.1
- Quantitative disclosures of fair value measurement hierarchy Note 4.7.2
- Financial instruments (including those carried at amortised cost) Note 4.7.2

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

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

The principal or the most advantageous market must be accessible to by the Bank.
The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:
• Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
• Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
• Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

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

For the purpose of fair value disclosures, the Bank has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.14 Employee benefits

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

(a) Defined contribution plan

The Bank operates two defined contribution plans;

i) pension scheme in line with the provisions of Ethiopian pension of private organisation employees proclamation 715/2011. Funding under the scheme is 7% and 11% by employees and the Bank respectively;
ii) provident fund contribution, funding under this scheme is 6% and 12% by employees and the Bank respectively;

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) Termination benefits

Termination benefits are payable to employees when employment is terminated by the Bank before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits.

(c) Bonus plans

The Bank recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

2.15 Provisions

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

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

2.16 Structure of Share capital

Authorised Share Capital = the maximum value of securities that the bank can legally issue.

Issued Shares = the total of the bank´s shares that are held by shareholders.

Outstanding shares = are those issued shares .

Ordinary shares = Any shares that are not preferred shares and do not have any predetermined dividend amounts. An ordinary share represents equity ownership in a company and entitles the owner to a vote in matters put before shareholders in proportion to their percentage ownership in the bank.

2.17 Leases

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

Bank as a lessee

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

Bank as a lessor

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

2.18 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 tax 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.

(c) Inventories

Inventories are assets:
a)Held for sale in the ordinary course of business;
b)In the process of production for such sale; or
c)In the form of materials or supplies to be consumed in the production process or in the rendering of services.

In the case of Berhan bank inventories, definition (c) applies. IAS 2 Inventories contains the requirements on how to account for most types of inventory. The standard requires inventories to be measured at the lower of cost and net realizable value (NRV) and outlines acceptable methods of determining cost, including specific identification (in some cases), first-in first-out (FIFO) and weighted average cost. The bank use FIFO method for measuring its inventories.

(d) Defined benefits liabilities

According to IAS 19, employee benefit liability and expense shall be recognized in the period in which the employee gives service and should be valued.
Accounting for defined benefit plans involves the following steps:
• Using an actuarial technique, the projected unit credit method, to make a reliable estimate of the ultimate cost to the entity of the benefit that employees have earned in return for their service in the current and prior periods. This requires an entity to determine how much benefit is attributable to the current and prior periods and to make estimates (actuarial assumptions) about demographic variables (such as employee turnover and mortality) and financial variables (such as future increases in salaries and medical costs) that will affect the cost of the benefit.
• Discounting that benefit in order to determine the present value of the defined benefit obligation and the current service cost because they may be settled many years after the employees render the related service.
• Determining amounts to be recognized in profit or loss: current service cost any past service cost and gain or loss on settlement.
• Recognize the net defined benefit liability (asset) in the statement of financial position.
This means that Berhan bank's severance pay to its employees shall be recognized earlier than the actual payment. The benefits valued are the statutory severance benefits in Ethiopia, which provides a promised lump sum as a multiple of final weeks' average daily wages for each year of service to employees on leaving the bank after a minimum of five years service and a retirement gratuity which pays a fixed multiple of salary on retirement (three months salary for managerial staff and two months' salary for non managerial staff).

(e) Impairment of Equity Investment

An asset may not be carried in the balance sheet at more than its recoverable amount. IAS 36 states that "If, and only if, the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset shall be reduced to its recoverable amount. That reduction is an impairment loss". [IAS 36 para 59]. An asset's carrying amount is the amount at which the asset is recognized after deducting any accumulated depreciation or amortization and accumulated impairment losses thereon. [IAS 36 para 6].
Since Ethiopia does not have an active equity and securities market, considering the net asset of the respective investee from the audited financial reports is used to determine the recoverable amount by applying the percentage owned by Berhan Bank on the net asset of the investee.

(f) Financial risk management

Taking risk is core to the business, and the operational risks are an inevitable consequence of being in business. The Bank's aim is therefore to achieve an appropriate balance between risk and return and minimize potential adverse effects on the Bank's financial performance. The Bank's risk management policies are designed to identify and analyze these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. The Bank regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice. The Bank's risk management organization structure ensures existence of clear lines of responsibility, efficient segregation of duties and prevention of conflicts of interest at all levels, including the Board of Directors, Senior Management, as well as between the Bank and the National Bank of Ethiopia, its customers and any other stakeholders. Within the Bank, risk management activities broadly take place at the following levels:
• Strategic level encompasses risk management functions performed by the Board of Directors, These include the approval of risk and capital strategy, ascertaining the Bank's risk definitions, profile and appetite, as well as, the risk reward profile and other high-level risk related policies and internal guidelines.
• Tactical level encompasses risk management functions performed by the Board of Directors and the Senior Management. These include the establishment of risk policies and procedure manuals for managing specific risks and establishing adequate systems and controls to ensure that the overall risk and reward relationship remains within acceptable levels. Generally, the risk management activities performed by the Risk Management Department of the Bank, as well as, other critical support functions fall into this category.

• Operational level – It involves management of risks at the point where they are actually created. The relevant activities are performed by individuals who undertake risk on the organization's behalf. Risk management at this level is implemented by means of appropriate controls incorporated into the relevant operational procedures and guidelines set by management.
The most important types of risk are credit risk, liquidity risk, market risk and operational risk.

(g) Credit risk

Credit risk is the most important risk for the Bank's business defined as current or future risk on the financial result and capital arising from a counter party's failure to meet the terms of any contract with the Bank or otherwise fail to perform as agreed. The exposure to this risk arises principally from retail and corporate lending activities, as well as activities related to off-balance sheet financial instruments (loan commitments, Letter of Guarantees and Letter of Credit).

(h) Credit risk measurement, limits and mitigation policies

Initially, when approving loans and loan commitments, the authorized Credit Approval Committees assess creditworthiness of the clients depending on the type and size of the exposure and based on defined criteria. The Bank credit risk management, which encompasses identification, measurement, monitoring and control of credit risk, is performed by the Risk Management Committee for classification of assets and provisioning for potential losses, commitments and contingencies and it is mainly based on reports and analyses prepared by relevant organization units of the Bank.

(i) The Risk Management Committee,

Boards of Directors are regularly informed of the credit risk that the Bank is exposed to. The Bank has an internal system of classification of customers whose main aim is determining their creditworthiness and evaluation of the acceptable level of credit risk in starting lending.

Classification of customers to which the Bank is exposed are reviewed at least annually. The Bank has implemented a system of early warning signals in order to timely identify any deterioration in the creditworthiness of the client and take appropriate action to mitigate credit risk.

The Bank employs a range of practices to mitigate credit risk. Common practice is accepting suitable collateral for approved loans. The main collateral types for loans and other credit exposures are:
- Mortgages over residential properties;
- Charges over business assets such as premises, inventory and accounts receivable;
- Charges over financial instruments such as debt and equity securities;
- Pledges over movables, such as cars, equipment and other,

The Bank monitors compliance with the legally and internally established limits and controls concentrations of credit risk. Credit risk limits towards different types of borrowers, industry sectors, geographic location and type of collateral, also limit of the exposure to Bank internal persons, and large exposures, exposure by sector of activity are set in the Risk Strategy and further detailed in the Bank's credit risk management policies and procedures.

The Bank structures the levels of credit risk that undertakes towards domestic and foreign banks by placing limits on the amount of risk accepted subject to at least an annual review. In addition, the exposure concentration risk by sectors and activities is regularly monitored on the basis of set limits.

The loan portfolio of the Bank remains widely dispersed across different types of borrowers, asset categories and number of industries, thus preventing excessive concentration risks. For that purpose, the Bank has introduced a set of limits that control the exposure of the Bank towards different types of borrowers, industry sectors, geographic location and type of collateral.

3 Significant accounting judgements, estimates and assumptions

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

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

3.1 Judgements

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

Operating lease commitments - Bank as lessee

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

3.2 Estimates and assumptions

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

Impairment losses on loans and receivables

The Bank reviews its loan portfolios for impairment on an on-going basis. The Bank first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. Impairment provisions are also recognised for losses not specifically identified but which, experience and observable data indicate, are present in the portfolio at the date of assessment. For individually significant financial assets that have been deemed to be impaired, management has deemed that cashflow from collateral obtained would arise within 12 months where the financial asset is collaterised.

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

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

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

The estimation of impairment losses is subject to uncertainty, which has increased in the current economic environment, and is highly sensitive to factors such as the level of economic activity, unemployment rates, property price trends, and interest rates. The assumptions underlying this judgement are highly subjective. The methodology and the assumptions used in calculating impairment losses are reviewed regularly in the light of differences between loss estimates and actual loss experience. See note 4 for more information.

Fair value measurement of financial instruments

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

Depreciation and carrying value of property, plant and equipment

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

Development cost

The Bank capitalises development costs for a project in accordance with the accounting policy. Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits.

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. Risk Management provides a comprehensive and dynamic framework for identifying, measuring, monitoring and managing financial and non-financial risks. When the quantitative data disclosed at the reporting date is not representative of the Bank's exposure to risk during the period, further information that is representative must be assisted in qualitative disclosures. 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 objective of the Bank's risk policies and procedures is to ensure that the risks in its operations are identified, measured, monitored and effectively managed. Exposure to risk is managed to ensure that it will remain within limits and the risk appetite adopted by the Bank will comply with regulatory requirements. The Bank has established a comprehensive risk management system in line with internationally accepted risk management principles and best practices with necessary adoption to suit its core business activity. The Banks' risk management and control is based on the following key principles:-

- The Board of Directors approve risk management policies of the Bank and ensure their implementation;
- Risk management policies and systems are reviewed regularly to reflect changes in the regulations, market conditions, product and services offered;
- The Board of Directors is assisted by the risk management department to undertake regular and ad-hoc reviews of risk management control and procures, the results are reported to the Sub Board Risk Management Committee.
- Board of Directors ensures that appropriate remedial actions are taken whenever there are risks which are out of Bank's risk appetite.

4.1.2 Risk measurement and reporting systems

The Bank uses international standards of measurements and practices as well as the NBE Directives, guidelines and their derivatives to assess credit, liquidity, market and operational risks.The Bank also uses it's own internal policies and procedures to assess risks.

4.1.3 Risk mitigation

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

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

4.2 Financial instruments by category

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

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

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

30 June 2018	Notes	Available-For-Sale Birr'000	Loans and receivables Birr'000
Cash and balances with banks	13a	-	2,676,716
Loans and advances to customers	14	-	7,067,045
Due from Banks & Other Financial Institutions		-	44,104
Financial investments - Available for sale	15	18,948	-
Financial investments - Loans and receivables	15	.	3,029,999
Other assets	16	-	443,426
Total financial assets		**18,948**	**13,261,290**

30 June 2017	Notes	Available-For-Sale Birr'000	Loans and receivables Birr'000
Cash and balances with banks	13a	-	2,028,280
Loans and advances to customers	14	-	5,281,211
Due from Banks & Other Financial Institutions		-	103,650
Financial investments - Available for sale	15	18,932	-
Financial investments - Loans and receivables	15	-	2,205,665
Other assets	16	-	315,096
Total financial assets		**18,932**	**9,933,902**

1 July 2016	Notes	Available-For-Sale Birr'000	Loans and receivables Birr'000
Cash and balances with banks	13a	-	1,302,961
Loans and advances to customers	14	-	3,713,126
Due from Banks & Other Financial Institutions			77,542
Financial investments - Available for sale	15	18,868	-
Financial investments - Loans and receivables	15	-	1,588,120
Other assets	16	-	158,773
Total financial assets		**18,868**	**6,840,522**

4.3 Credit risk

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

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

4.3.1 Management of credit risk

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

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

(a) *Probability of Default*

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

•The Bank uses computation of PD by amount
•Twelve consecutive months' non-performing loans historical ratio is used to be applied to compute a given reporting period PD.

(b) *Loss Given Default*

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

The LGD is the loss that the bank will suffer in case the loans is not recoverable. The bank has computed the LGD as the exposed/ uncovered portion ((Exposure – Net Collateral Value) / Total Sector Loan portfolio * 100%) by comparing the outstanding portfolio balance with net security values.

For loans that are under-collateralized management have recomputed LGD ((Exposure – Net Collateral Value) / Total Sector Loan portfolio * 100%)
For a more conservative model , management has used the higher of the LGD or unrecoverable rate (1 - Banks recovery rate) i.e. 20% as the LGD for the portfolio.

The bank has studied collateral recoveries over 18 months preceding the reporting period both sold through foreclosures and those acquired. The procedure taken considered aggregating both realized collateral values and defaulted loan balances.

The calculation of the present value of the estimated future cash flows of a collateralized financial asset using the bank's own recovery rate reflects the cash flows that may result from foreclosure less costs for obtaining and selling the collateral, whether or not foreclosure is probable. Even though, the existing record of the bank shows the recovery rate to be more than 100%, the bank assumes a 20% haircut on collateral recoverable amount for the purpose of prudence across all sectors.

(c) *Exposure at Default*

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

4.3.2 Impairment assessment

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

(a) Individual assessment

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

The individual approach encompasses at least the individually significant exposures that are above materiality thresholds set by the Bank. The materiality threshold is above Birr 5 million. Impairment provision of individually assessed items on individual basis is determined by evaluation of generated loss on the balance sheet date.All non-performing loans are assessed for impairment on individual basis.

(b) Collective assessment

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

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

The calculated impairment losses on group basis are provisioned on portfolios of homogenous assets that are individually lower than the materiality thresholds and for which sufficient long data series for the average life of the portfolio to calculate the parameters for correction. Impairment and provisioning are calculated by using parameters that are obtained from historical data on the delinquency rate of certain portfolios.

4.3.3 Credit related commitment risks

The Bank holds collateral against loans and receivables to customers in the form of bank guarantees and property. Estimates of fair value are based on the value of collateral assessed at the time of borrowing, and generally are not updated except when a loan is individually assessed as impaired.

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

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

	30 June 2018 Birr'000	30 June 2017 Birr'000
Cash and balances with banks	2,676,716	2,028,280
Loans and advances to customers	7,067,045	5,281,211
Financial investments - Available for sale	18,948	18,932
Financial investments - Loans and receivables	3,029,999	2,205,665
Other assets	443,426	315,096
	13,236,134	**9,849,184**
Credit risk exposures relating to off balance sheets		
Loan commitments	103,977	62,678
Guarantees issued and outstanding	7,435,721	2,821,501
Letter of credit and other credit related obligations	118,652	125,548
	7,658,349	3,009,728
Total maximum exposure	**20,894,484**	**12,858,911**

	30 June 2018 Birr'000	30 June 2017 Birr'000
Pass	6,713,242	5,095,871
Special mention	291,381	204,864
Substandard	99,545	75,336
Doubtful	72,422	16,756
Loss	28,036	19,560
	7,204,626	5,412,387

Gross loans and advances to customers per sector is analysed as follows:

	30 June 2018 Birr'000	30 June 2017 Birr'000
Agriculture	18,881	21,463
Transport	467,556	529,039
Hotel and Tourism	259,911	258,649
Import	463,873	489,562
Export	1,326,403	973,495
Manufacturing	579,388	358,609
Domestic trade and services	1,815,119	1,336,756
Building and construction	1,507,056	1,077,273
Personal loan	264,320	59,761
Staff loan	502,119	307,779
	7,204,626	5,412,386

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

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

4.3.5 Credit quality analysis

(a) Credit quality of cash and cash equivalents

The credit quality of cash and cash equivalents and short-term investments that were neither past due nor impaired at as 30 June 2018, 30 June 2017 and 30 June 2016 have been classified as non-rated as there are no credit rating agencies in Ethiopia.

(b) Credit quality of loans and receivables

30 June 2018	Neither past due nor impaired Birr'000	Past due but not impaired Birr'000	Individually impaired Birr'000
Agriculture and production	16,981	1,058	842
Transport	401,539	46,544	19,473
Hotel and tourism	245,676	10,579	3,656
Import	383,698	43,649	36,526
Export	1,245,359	34,633	46,411
Manufacturing	555,963	22,423	1,002
Domestic trade and services	1,572,235	177,496	65,388
Building and construction	1,307,570	135,828	63,658
Personal loans	245,360	15,010	3,950
Staff loan	497,619	4,500	-
Gross	**6,471,999**	**491,720**	**240,907**
Less: Impairment allowance (note 14b)	(87,223)	-	(15,504)
Net	**6,384,776.38**	**491,720.00**	**225,402.86**

30 June 2017	Neither past due nor impaired Birr'000	Past due but not impaired Birr'000	Individually impaired Birr'000
Agriculture and production	18,853.09	1,305	1,304.91
Transport	487,660.55	27,598	13,780.45
Hotel and tourism	247,563.17	8,727	2,358.83
Import	393,379.70	63,136	33,046.30
Export	856,156.00	71,020	46,319.00
Manufacturing	331,907.42	18,348	8,353.58
Domestic trade and services	1,277,870.94	22,548	36,337.06
Building and construction	970,895.48	83,876	22,501.52
Personal loans	44,178.40	11,720	3,862.60
Staff loan	307,779.00	-	-
Gross	**4,936,244**	**308,278**	**167,864**
Less: Impairment allowance (note 14b)	(65,616)	-	(11,932)
Net	**4,870,627.41**	**308,278.00**	**155,932.58**

1 July 2016	Neither past due nor impaired Birr'000	Past due but not impaired Birr'000	Individually impaired Birr'000
Agriculture and production	5,817	196	-
Transport	344,725	11,021	6,544
Hotel and tourism	155,635	6,515	1,038
Import	421,610	18,426	20,261
Export	613,510	21,419	11,721
Manufacturing	219,342.47	4,324	600
Domestic trade and services	926,512	89,648	37,237
Building and construction	671,221	23,941	24,578
Personal loans	37,994	3,138	204
Staff loan	105082	-	-
Gross	**3,501,448**	**178,628**	**102,183**
Less: Impairment allowance (note 14b)	(56,949)	-	-
Net	**3,444,499**	**178,628**	**102,183**

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

The credit quality of the portfolio of loans and advances that were neither past due nor impaired can be assessed by reference to the customer's ability to pay based on loss experience. Loans and advances in this category are loans past due for less than 30 (thirty) loans.

	30 June 2018 Birr'000	30 June 2017 Birr'000
Neither past due nor impaired	6,471,999	4,936,244
Collective impairment	(49,986)	(39,289)
Loan and advances (net)	**6,422,013**	**4,896,955**

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

	30 June 2018 Birr'000	30 June 2017 Birr'000
Past due up to 30 days	491,720	308,278
	491,720	308,278
Collective impairment	(2,005)	(1,751)
Loan and advances (net)	**489,715**	**306,527**

(iii) Loans and receivables - collectively impaired loans

These represent significant and insignificant performing loans and insignificant non-performing loans which are assessed on a collective basis.

(iv) Loans and receivables - individually impaired loans

	30 June 2018 Birr'000	30 June 2017 Birr'000
Impaired loans	240,907	167,864
Individual impairment	(15,504)	(11,932)
	225,403	**155,933**

(v) Allowance for loan impairment

	30 June 2018 Birr'000	30 June 2017 Birr'000
Specific impairment	15,504	11,932
Collective impairment	87,223	65,616
Total allowance for impairment	**102,727**	**77,548**

4.3.6 Statement of Prudential adjustments

Provisions under prudential guidelines are determined using the time based provisioning prescribed by the National Bank of Ethiopia (NBE) Directives. This is at variance with the incurred loss model required by IFRS under IAS 39. As a result of the differences in the methodology/provision, there will be variances in the impairments allowances required under the two methodologies.

The proclamation 'Financial Reporting Proclamation No.847/2014 stipulates that Banks would be required to make provisions for loans as prescribed in the relevant IFRS Standards when IFRS is adopted.

However, Banks would be required to comply with the following:

(a) Provisions for loans recognised in the income statement should be determined based on the requirements of IFRS.

(b) The non-distributable reserve should be classified under Tier 1 as part of the core capital.

During the period ended 30 June 2018, the Bank recognized additional provision of Birr 25.18 million in line with IAS 39 as at year end.

	30 June 2018 Birr'000
Total impairment based on IFRS	102,727
Total impairment based on NBE Directives	(97,536)
Additional IFRS Provision	**5,191**

4.3.7 Credit concentrations

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

30 June 2018

	Public Enterprise Birr'000	Cooperative Birr'000	Private Birr'000
Short term Investments	-	-	615,107
Loans and advances	-	90,595	7,024,288
Investment securities	2,987,062	-	-
Investment in Equity	-	-	21,212
Loan commitments	-	-	103,980
	2,987,062	**90,595**	**7,764,587**

30 June 2017

	Public Enterprise Birr'000	Cooperative Birr'000	Private Birr'000
Short term Investments	-	-	312,597
Loans and advances	-	12,769	5,363,647
Investment securities	2,177,820	-	-
Investment in Equity	-	-	20,485
Loan commitments	-	-	159,508
	2,177,820	**12,769**	**5,856,237**

1 July 2016

	Public Enterprise Birr'000	Cooperative Birr'000	Private Birr'000
Short term Investments	-	-	157,862
Loans and advances	-	76,595	3,691,923
Investment securities	1,567,384	-	-
Investment in Equity	-	-	19,485
Loan commitments	-	-	77,523
	1,567,384	**76,595**	**3,946,793**

4.3.8 Nature of security in respect of loans and receivables

30 June 2018	Building & Mortgage Birr'000	Vehicles Birr'000	Building , Mortgage & Vehicle Birr'000	Shares Birr'000	Clean Basis Birr'000
Domestic Trade & Services	1,223,028	4,369	297,405	1,337	34,896
Construction	742,530	57,573	6,323	373	80,943
Export	462,195	134,819	123,415	472	502,826
Import	311,572	15,309	38,128	-	59,956
Transport & Comm.	28,931	405,004	17,059	-	238
Manufacturing	328,664	20,040	47,097	3,443	-
Hotel and tourism	243,085	7,228	6,337	1,209	1,154
Agriculture & production	11,992	3,159	-	-	-
Personal loans	178,421	55,962	1,740	4,023	16,198
	3,530,418	**703,463**	**537,504**	**10,857**	**696,211**

30 June 2017	Building & Mortgage Birr'000	Vehicles Birr'000	Building , Mortgage & Vehicle Birr'000	Shares Birr'000	Clean Basis Birr'000
Domestic Trade & Services	1,003,163	121,579	101,382	1,707	3,993
Construction	594,205	158,499	22,372	1,497	10,339
Export	207,534	118,501	183,440	1,829	307,222
Import	353,026	49,333	24,325	1,040	1,835
Transport & Comm.	30,505	473,585	20,997	-	40
Manufacturing	233,945	7,258	5,761	8,006	4,702
Hotel and tourism	248,189	1,382	6,454	2,624	-
Agriculture & production	16,640	1,112	3,094	-	-
Personal loans	36,089	19,275	1,209	98	263
	2,723,296	**950,524**	**369,034**	**16,801**	**328,394**

1 July 2016	Building & Mortgage Birr'000	Vehicles Birr'000	Building , Mortgage & Vehicle Birr'000	Shares Birr'000	Clean Basis Birr'000
Domestic Trade & Services	645,582	211,089	120,638	287	2,584
Construction	391,788	113,879	63,510	650	-
Export	99,260	56,337	97,476	-	251,017
Import	277,746	59,515	62,065	16,759	614
Transport & Comm.	151,297	150,106	38,919	-	16
Manufacturing	131,278	2,160	4,148	-	-
Hotel and tourism	132,696	25,765	2,579	-	-
Agriculture & production	4,053	1,412	548	-	-
Personal loans	26,384	12,796	1,692	-	209
	1,860,084	**633,059**	**391,575**	**17,696**	**254,440**

4.3.9 Collateral held and their financial effect

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

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

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

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

4.4 Liquidity risk

Liquidity risk is the risk that the Bank cannot meet its maturing obligations when they become due, at reasonable cost and in a timely manner. Liquidity risk management in the Bank is solely determined by Asset Liability Management Committee, which bears the overall responsibility for liquidity risk. The main objective of the Bank's liquidity risk framework is to maintain sufficient liquidity in order to ensure that we meet our maturing obligations.

4.4.1 Management of liquidity risk

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

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

4.4.2 Maturity analysis of financial liabilities

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

30 June 2018	0 - 30 days Birr'000	31 - 90 days Birr'000	91 - 180 days Birr'000	181 - 365 days Birr'000	Over 1 year Birr'000
Deposits from customers	1,364,040	331,900	241,730	347,580	8,576,430
Borrowings	-	-	-	-	-
Due to Banks & Other Institutions	27,323	-	-	-	-
Current tax liabilities	-	-	68,219	-	-
Margins held on letters of credit	-	314,518	-	-	-
Retirement benefit obligations	-	-	-	-	43,848
Other liabilities	27,172	-	303,290	161,171	341
Total financial liabilities	**1,418,535**	**646,418**	**613,239**	**508,751**	**8,620,619**

30 June 2017	0 - 30 days Birr'000	31 - 90 days Birr'000	91 - 180 days Birr'000	181 - 365 days Birr'000	Over 1 year Birr'000
Deposits from customers	766,210	191,540	155,940	504,800	6,051,618
Borrowings	-	-	75,000	-	-
Due to Banks & Other Institutions	29,467	-	-	-	-
Current tax liabilities	-	-	107,923	-	-
Margins held on letters of credit	-	368,411	-	-	-
Retirement benefit obligations	-	-	-	-	15,378
Other liabilities	18,242	-	294,452	69,245	276
Total financial liabilities	**813,919**	**559,951**	**633,315**	**574,045**	**6,067,272**

1 July 2016	0 - 30 days Birr'000	31 - 90 days Birr'000	91 - 180 days Birr'000	181 - 365 days Birr'000	Over 1 year Birr'000
Deposits from customers	492,525	35,286	111,720	270,133	4,407,421
Borrowings	-	-	-	-	-
Due to Banks & Other Institutions	33,293	-	-	-	-
Current tax liabilities	-	-	83,512	-	-
Margins held on letters of credit	-	296,357	-	-	-
Retirement benefit obligations	-	-	-	-	9,357
Other liabilities	11,732	-	349,919	29,085	41
Total financial liabilities	**537,550**	**331,643**	**545,151**	**299,218**	**4,416,819**

4.4.3 Financial assets pledged as collaterals

Financial assets are pledged as collateral as part of securities borrowings under terms that are usual and customary for such activities.

The value of National bank of Ethiopia(NBE) Bills recognised in the statement of financial position that have been pledged as collateral for borrowing of Birr 75 million with tenure of six months from Zemen Bank S.C as at 30 June 2017 and 1 July 2016 are disclosed in the table below.The borrowing was fully settled in 2017 FY.

30 June 2018	Pledged as collateral Birr'000	Others* Birr'000	Available as collateral Birr'000	Others** Birr'000
Cash and balances with banks	-	-	-	-
Loans and receivables	-	-	-	-
Investment securities	-	-	-	-
Non-financial assets	-	-	-	-
	-	-	-	-

30 June 2017	Pledged as collateral Birr'000	Others* Birr'000	Available as collateral Birr'000	Others** Birr'000
Cash and balances with banks	-	-	-	-
Loans and receivables	-	-	-	-
Investment securities	83,211	-	-	-
Non-financial assets	-	-	-	-
	83,211	-	-	-

1 July 2016	Pledged as collateral Birr'000	Others* Birr'000	Available as collateral Birr'000	Others** Birr'000
Cash and balances with banks	-	-	-	-
Loans and receivables	-	-	-	-
Investment securities	80,110	-	-	-
Non-financial assets	-	-	-	-
	80,110	-	-	-

* Represents assets that are not pledged but the Bank believes it is restricted from using to secure funding, for legal or other reasons.

** Represents assets that are not restricted for use as collateral, but the Bank would not consider them as readily available to secure funding in the normal course of business.

4.5 Market risk

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

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

4.5.1 Management of market risk

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

4.5.2 Management of market risk

Market risk is monitored by the risk management department 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 2018	Fixed Birr'000	Floating Birr'000	Non-interest bearing Birr'000
Assets			
Cash and balances with banks	629,793	-	2,046,923
Loans and receivables	7,140,143	-	64,483
Investment securities	3,029,999	-	18,948
Total	**10,799,935.19**	**-**	**2,130,353.81**
Liabilities			
Deposits from customers	6,936,648	-	3,925,032
Borrowings	-	-	-
Total	**6,936,648.00**	**-**	**3,925,032.00**

30 June 2017	Fixed Birr'000	Fixed Birr' 000	Floating Birr'000	Non-interest bearing Birr'000
Assets				
Cash and balances with banks		316,998	-	1,711,282
Loans and receivables		5,376,841	-	35,545
Investment securities		2,205,665	-	18,932
Total		**7,899,504.38**	**-**	**1,765,758.62**
Liabilities				
Deposits from customers		4,574,843	-	3,095,265
Borrowings		75,000	-	
Total		**4,649,843.00**	**-**	**3,095,265.00**

1 July 2016	Fixed Birr'000	Floating Birr'000	Non-interest bearing Birr'000
Assets			
Cash and balances with banks	159,397	-	1,143,563
Loans and receivables	3,764,118	-	18,141
Investment securities	1,588,120	-	18,868
Total	**5,511,635**	**-**	**1,180,572**
Liabilities			
Deposits from customers	2,741,966	-	2,575,118
Borrowings	-	-	-
Total	**2,741,966**	**-**	**2,575,118**

(ii) Foreign exchange risk

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

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

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

The total foreign currency denominated assets and liabilities exposed to risk as at 30 June 2018 was Birr 381.4 million, 30 June 2017 Birr 455 million and , 1 July 2016: Birr 339.8 million).

Foreign currency denominated balances

	30 June 2018 Birr'000	30 June 2017 Birr'000
Cash and bank balances	278,820	342,196
Deposits/Liabilities	102,591	112,762
	381,411	**454,958**

Sensitivity analysis for foreign exchange risk

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

The sensitivity of the Bank's earnings to fluctuations in exchange rates is reflected by varying the exchange rates at 15% and 5% as shown below:

	30 June 2018 Birr'000	30 June 2017 Birr'000
USD cash at Foreign and Cash Balances	278,820	342,196
15% appreciation of Dollar	41,823	51,329
5% Depreciation of Dollar	(13,941)	(17,110)
	27,882	**34,220**

4.6 Capital management

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

4.6.1 Capital adequacy ratio

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

The capital adequacy ratio is the quotient of the capital base of the Bank and the Bank's risk weighted asset base.

Capital includes capital contribution, retained earnings, legal reserve and other reserves to be approved by the National Bank of Ethiopia.

	30 June 2018 Birr'000	30 June 2017 Birr'000
Capital		
Capital contribution	1,709,050	1,396,123
Retained earnings	208,132	214,376
Legal reserve	308,390	227,469
Other Reserve	(23,894)	(1,706)
	2,201,678	**1,836,262**
Risk weighted assets		
Risk weighted balance for on-balance sheet items	7,491,853	5,618,036
Credit equivalents for off-balance Sheet Items	3,769,873	1,467,199
Total risk weighted assets	**11,261,726**	**7,085,235**
Risk-weighted Capital Adequacy Ratio (CAR)	**20%**	**26%**
Minimum required capital	**10%**	**10%**
Excess	**10%**	**16%**

4.7 Fair value of financial assets and liabilities

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

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

4.7.1 Valuation models

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

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

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

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

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

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

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

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

30 June 2018	Carrying amount Birr'000	Level 1 Birr'000	Level 2 Birr'000	Level 3 Birr'000
Financial assets				
Cash and balances with banks	2,676,716	-	2,676,716	-
Loans and receivables	7,088,719	-	7,088,719	-
Investment securities	3,048,947	-	-	3,048,947
Total	**12,814,382**	**-**	**9,765,435.24**	**3,048,947.00**
Financial liabilities				
Deposits from customers	10,861,680	-	10,861,680	-
Other liabilities	492,089	-	492,089	-
Total	**11,353,769**	**-**	**11,353,769**	**-**

30 June 2017	Carrying amount Birr'000	Level 1 Birr'000	Level 2 Birr'000	Level 3 Birr'000
Financial assets				
Cash and balances with banks	2,028,280	-	2,028,280	-
Loans and receivables	5,328,391	-	5,328,391	-
Investment securities	2,224,597	-	-	2,224,597
Total	**9,581,268**	**-**	**7,356,670.99**	**2,224,597.00**
Financial liabilities				
Deposits from customers	7,670,108	-	7,670,108	-
Other liabilities	382,215	-	382,215	-
Total	**8,052,323**	**-**	**8,052,323**	**-**

1 July 2016	Carrying amount Birr'000	Level 1 Birr'000	Level 2 Birr'000	Level 3 Birr'000
Financial assets				
Cash and balances with banks	1,302,961	-	1,302,961	-
Loans and receivables	3,725,309	-	3,725,309	-
Investment securities	1,606,988	-	-	1,606,988
Total	**6,635,258**	**-**	**5,028,270**	**1,606,988**
Financial liabilities				
Deposits from customers	5,317,085	-	5,317,085	-
Other liabilities	390,777	-	390,777	-
Total	**5,707,862**	**-**	**5,707,862**	**-**

4.7.3 Valuation technique using significant unobservable inputs – Level 3

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

4.7.4 Transfers between the fair value hierarchy categories

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

4.8 Offsetting financial assets and financial liabilities

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

		30 June 2018 Birr'000	30 June 2017 Birr'000
5	**Interest income**		
	Interest on loans and advances	979,100	625,296
	Interest on investment securities	81,335	54,758
	Interest on deposits due from banks	52,351	13,079
	Interest on fund placement	-	-
		1,112,786	**693,133**

		30 June 2018 Birr'000	30 June 2017 Birr'000
6	**Interest expense**		
	Interest on Demand deposits	-	-73
	Interest on Saving deposits	(271,687)	-137,500
	Interest on Time deposits	(142,544)	-85,303
	Interest on borrowings from domestic banks	(3,115)	-4,586
	Interest on borrowings from foreign banks	-	-
		(417,346)	**(227,462)**

		30 June 2018 Birr'000	30 June 2017 Birr'000
7	**Net fees and commission income**		
	Fee and commission income		
	Commission on letters of credit	51,333	59,419
	Commission on CPOs, Cheques and FTs	4,163	2,401
	Commission on guarantees	130,574	91,962
	Fees Income	134,624	180,095
	Commission on PO issuance	28,719	29,752
		349,413	**363,629**
	Fee and commission expense :		
	Fee and commission Expense	(6,105)	(4,521)
		-	-
		(6,105)	(4,521)
	Net fees and commission income	**343,308**	**359,108**

		30 June 2018 Birr'000	30 June 2017 Birr'000
8	**Other operating income**		
	Other income	23,407	12,678
	Gain on foreign exchange	62,151	66,377
		85,558	**79,055**

		30 June 2018 Birr'000	30 June 2017 Birr'000
9	**Loan impairment charge**		
	Loans and receivables - charge for the year (note 14b)	25,179	20,599
		25,179	**20,599**

		30 June 2018 Birr'000	30 June 2017 Birr'000
10	**Personnel expenses**		
	Short term employee benefits :		
	Salaries	(293,462)	(180,928)
	Staff allowances	(31,701)	(23,073)
	Overtime	(5,332)	(8,203)
	Bonus	(48,524)	(35,468)
	Training and Education	(7,792)	(8,574)
	Leave Payment	(337)	(6,286)
	Pension costs – Defined contribution plan	(29,969)	(18,116)
	Provident Fund – Defined contribution plan	(4,848)	(3,298)
	Staff Loan Market Interest Rate Adjustment	(951)	-2,408
	Other staff expenses	(9,553)	(5,048)
		(432,469)	**(291,402)**
	Long term employee benefits :		
	Defined benefit plans-Severance	(6,282)	(4,315)
		(438,751)	**(295,717)**

		30 June 2018 Birr'000	30 June 2017 Birr'000
11	**Other operating expenses**		
	Rent	(87,334)	(65,222)
	Utilities	(1,127)	(905)
	Advertisement and promotions	(22,037)	(14,181)
	Software Maintenance Fee	(7,820)	(2,411)
	Sponsorship expenses	(2,033)	(921)
	Communicaton expense	(10,002)	(7,786)
	Postage and stamps	(93)	(67)
	Stationery and office expenses	(14,061)	(13,738)
	Legal and professional fees	(538)	(312)
	Audit fees	(262)	(132)
	Repairs and maintenance	(5,118)	(4,498)
	Travelling expenses	(6,231)	(4,019)
	Donations	(2,177)	(1,153)
	Insurance	(7,733)	(4,918)
	Entertainment	(996)	(1,199)
	Fuel andl lubricant	(4,237)	(2,859)
	Miscellanous expenses	(13,912)	(5,821)
	License fees	(31)	(76)
	Director fees	(1,500)	(2,138)
	Fines and penalty	(240)	(471)
	Loss on foreign exchange	(16,770)	(5,355)
	Impairment - Equity Investment	(711)	(936)
	Impairment Loss - Property	(65)	(236)
	Inventory Write-Down Expense	-	(150)
	Impairment -Receivables	(14,703)	-
	Impairment Loss on Assets Held for Sale	(320)	-
		(220,051)	**(139,504)**

12 Company income and deferred tax

12a Reconciliation of effective tax to statutory tax

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

	30 June 2018 Birr'000	30 June 2017 Birr'000
Profit before tax	**410,934**	**428,686**
Add : Disallowed Expenses		
Entertainment	996	1,199
Donation	227	153
Penalty	240	471
Awards	85	286
Impairment Loss - Property	65	236
Impairment - Equity Investment	711	936
Impairment Loss on Assets Held for Sale	320	-
Inventory Write-Down Expense	(261)	150
Provision for loans and advances as per IFRs	25,179	21,009
Severnace expense	6,282	4,315
Depreciation for IFRSaccounting purpose	28,225	18,498
Amortization for IFRS accounting purpose	484	830
	62,553	**48,083**
Less :		
Depreciation for tax purpose	34,394	19,062
Provision for loans and advances for tax NBE 80%	28,299	16,903
Interest income taxed at source- foreign	839	67
Dividend income taxed at source	94	-
Interest income taxed at source-NBE Bills	81,335	55,372
Interest income taxed at source-Local Deposit	51,509	13,009
Revaluation Gain - Investment Property	196	720
	196,666	**105,132**
Taxable profit	**276,821**	**371,637**
Current tax at 30%	83,046	111,491
5% on interest on foreign deposits	42	3
Total tax in statement of comprehensive income	**83,088**	**111,494**
Average Effective Tax Rate:	**20.22**	**26.01**

The average effective tax rate is the tax expense divided by accounting profit.

12b Current income tax liability	30 June 2018 Birr'000	30 June 2017 Birr'000	1 July 2016 Birr'000
Balance at the beginning of the year	107,923	83,512	83,512
Charge for the year:	83,089	111,494	
Capital gains tax	-	-	
Income tax expense	-	-	
Prior year (over)/ under provision	-	-	
WHT Notes utilised	-	-	
Payment during the year	(122,793)	(87,083)	
Balance at the end of the year	**68,219**	**107,923**	**83,512**

12c 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 2018 Birr'000	30 June 2017 Birr'000	1 July 2016 Birr'000
The analysis of deferred tax assets/(liabilities) is as follows:			
To be recovered after more than 12 months	6,224	2,071	2,624
To be recovered within 12 months	-	-	-
	6,224	**2,071**	**2,624**

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

Deferred income tax assets/(liabilities):	**At 1 July 2017 Birr'000**	**Credit/ (charge) to P/L Birr'000**	**Credit/ (charge) to equity Birr'000**	**30 June 2018 Birr'000**
Property, plant and equipment	6,685	246	-	6,930
Provisions	-	-	-	-
Unrealised exchange gain	-	-	-	-
Tax losses charged to profit or loss	-	-	-	-
Post employment benefit obligation	(4,613)	(8,541)	-	(13,154)
Total deferred tax assets/(liabilities)	2,071	(8,295)	-	(6,224)

Deferred income tax assets/(liabilities):	**At 1 July 2016 Birr'000**	**Credit/ (charge) to P/L Birr'000**	**Credit/ (charge) to equity Birr'000**	**30 June 2017 Birr'000**
Property, plant and equipment	5,431	1,254	-	6,685
Provisions	-	-	-	-
Unrealised exchange gain	-	-	-	-
Tax losses charged to profit or loss	-	-	-	-
Post employment benefit obligation	(2,807)	(1,806)	-	(4,613)
Total deferred tax assets/(liabilities)	2,624	(552)	-	2,071

13 Cash and Cash Equivalents

13a Cash and balances with banks

	30 June 2018 Birr'000	**30 June 2017 Birr'000**	**1 July 2016 Birr'000**
Cash in hand local currency	1,336,106	1,164,355	754,657
Cash in hand foreign currency	26,848	13,205	7,907
Placement with other Institutions	629,793	316,998	159,397
Deposits with foreign banks	251,972	328,991	262,874
Balance held with National Bank of Ethiopia	431,997	204,730	118,126
	2,676,716	**2,028,280**	**1,302,961**

Maturity analysis	**30 June 2018 Birr'000**	**30 June 2017 Birr'000**	**1 July 2016 Birr'000**
Current	2,244,719	1,823,550	1,184,834
Non-Current	431,997	204,730	118,126
	2,676,716	**2,028,280**	**1,302,960**

		30 June 2018 Birr'000	30 June 2017 Birr'000	1 July 2016 Birr'000
13b	**Due from Banks & Other Financial Institutions :**			
	ATM Settlement-Off Us	9,096	6,125	4,681
	Cheque Clearance-Outward	7,319	6,251	6,470
	Foreign Currency Receivable	27,689	91,274	66,391
		44,104	**103,650**	**77,542**

		30 June 2018 Birr'000	30 June 2017 Birr'000	1 July 2016 Birr'000
14	**Loans and advances**			
14a	**Loans and advances to customers**			
	Agriculture	18,881	21,463	6,013
	Transport	467,556	529,039	362,289
	Hotel and Tourism	259,911	258,649	163,189
	Import	463,873	489,562	460,297
	Export	1,326,403	973,495	646,650
	Manufacturing	579,388	358,609	224,266
	Domestic trade and services	1,801,938	1,330,310	1,053,397
	Building and construction	1,507,056	1,077,273	719,740
	Personal loan	264,320	59,761	41,336
	Staff loan	502,119	307,779	105,082
	Gross amount	7,191,445	5,405,940	3,782,259
	Less: Impairment allowance (note 15b)			
	Specific impairment	- 15,504.21	(11,932)	-
	Collective impairment	(87,223)	(65,616)	(56,949)
			-	-
		7,088,719	**5,328,391**	**3,725,309**
	Less :			
	Interest in suspense	13,181	6,446	-
	Staff Loan Market Interest Adjustment	(34,855)	(53,626)	(12,183)
	Net Loan Balance	**7,067,045**	**5,281,211**	**3,713,126**

		30 June 2018 Birr'000	30 June 2017 Birr'000	1 July 2016 Birr'000
	Maturity analysis			
	Current	2,252,075	1,860,556	1,752,264
	Non-Current	4,952,552	3,551,830	2,029,995
		7,204,626	**5,412,386**	**3,782,259**

14b Impairment allowance for loans and advances

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

Individual allowance for impairment	As at 1 July 2016 Birr'000	Charge for the year Birr'000	As at 30 June 2017 Birr'000	Charge for the year Birr'000	As at 30 June 2018 Birr'000
Specific Agriculture	-	-	-	-	-
Specific Transport	-	-	-	-	-
Specific Hotel and tourism	-	-	-	-	-
Specific Import	-	-	-	-	-
Specific Export	-	-	-	(6,538)	(6,538)
Specific Manufacturing	-	-	(11,932)	11,932	
Specific Domestic trade and industry	-	-	-	-	-
Specific Building and construction	-	-	-	(8,966)	(8,966)
Specific Personal loan	-	-	-	-	-
Specific Staff loan	-	-	-	-	-
	-	-	(11,932)	(3,573)	(15,504)

Collective allowance for impairment	As at 1 July 2016 Birr'000	Charge for the year Birr'000	As at 30 June 2017 Birr'000	Charge for the year Birr'000	As at 30 June 2018 Birr'000
Allowance For Impairment - Agriculture	(92)	272	(364)	69	(295)
Allowance For Loan Impairment - Transport	(3,673)	1,718	(5,391)	(858)	(6,249)
Allowance For Loan Impairment -Hotel And Tourism	(1,285)	497	(1,782)	(63)	(1,846)
Allowance For Loan Impairment - Import	(5,500)	(1,636)	(3,865)	(4)	(3,869)
Allowance For Loan Impairment - Export	(15,877)	(2,336)	(13,540)	(7,594)	(21,134)
Allowance For Loan Impairment - Manufacturing	(1,606)	2,203	(3,809)	1,093	(2,716)
Allowance For Loan Impairment - DTS	(15,141)	912	(16,053)	(10,442)	(26,495)
Allowance For Loan Impairment -Building And Con	(12,013)	4,560	(16,573)	(2,075)	(18,648)
Allowance For Loan Impairment - Personal	(568)	708	(1,277)	(1,202)	(2,479)
Allowance For Loan Impairment - Staff Loan	(1,195)	1,767	(2,962)	(531)	(3,493)
	(56,949)	8,667	(65,616)	(21,606)	(87,223)
Total - Impairment	**(56,949)**	**(8,667)**	**(77,548)**	**(25,179)**	**(102,727)**

	30 June 2018 Birr'000	30 June 2017 Birr'000	1 July 2016 Birr'000
15 Investment securities			
Bonds and Bills	3,029,999	2,205,665	1,588,120
Equity Investments	21,212	20,485	19,485
Less:			
Impairment allowance- Equity Investment	(2,264)	(1,553)	(617)
Net Equity Investments	18,948	18,932	18,868
	3,048,947	**2,224,597**	**1,606,988**

Maturity analysis	30 June 2018 Birr'000	30 June 2017 Birr'000	1 July 2016 Birr'000
Current	3,029,999	2,205,665	1,588,120
Non-Current	18,948	18,932	18,868
	3,048,947	**2,224,597**	**1,606,988**

The Bank holds equity investments in Ethio Switch S.C. of 5.26% (30 June 2017: 5.26%, 1 July 2016: 5.26%), Berhan Insurance S.C. of 4.27% (30 June 2017: 4.27%, 1 July 2016: 4.27%) and Premier Switch Solution S.C of 3.21% (30 June 2017: 3.21%, 1 July 2016: 3.21%).For current year equity investment on Ethio Switch S.C. of 5.55% (30 June 2018), Berhan Insurance S.C. of 3.90% (30 June 2018) ,Premier Switch Solution S.C of 3.21% (30 June 2018) and Debo Micro Finance S.C 8.33% (30 June 2018). These investments are unquoted equity securities measured at cost.

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

	30 June 2018 Birr'000	30 June 2017 Birr'000	1 July 2016 Birr'000
15a Restricted Fund Balance	542,000	376,000	255,000

The restricted fund balance represents 5% of deposit balance maintained with National Bank of Ethiopia.

16 Other assets

	30 June 2018 Birr'000	30 June 2017 Birr'000	1 July 2016 Birr'000
Financial assets			
Other Receivables	238,943	127,440	76,228
	238,943	**127,440**	**76,228**
Non-financial assets			
Prepayments	180,227	139,432	79,218
Prepaid Staff Benefits	46,569	57,056	13,223
	226,796	**196,488**	**92,441**
Gross amount	**465,739**	**323,928**	**168,669**
Less :			
Impairment allowance for Other assets	22,313	8,832	9,896
Net amount	**443,426**	**315,096**	**158,773**

Maturity analysis	30 June 2018 Birr'000	30 June 2017 Birr'000	1 July 2016 Birr'000
Current	443,426	315,096	158,773
Non-Current	-	-	-
	443,426	**315,096**	**158,773**

16a Impairment allowance on other assets

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

	30 June 2018 Birr'000	30 June 2017 Birr'000	1 July 2016 Birr'000
Balance at the beginning of the year	8,832	9,896	-
(Reversal)/charge for the year (note 10)	13,481	(1,064)	-
Balance at the end of the year	**22,313**	**8,832**	**9,896**

16b Inventory

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

	30 June 2018 Birr'000	30 June 2017 Birr'000	1 July 2016 Birr'000
Sundry materials	4,060	2,798	1,047
Check books	2,767	1,499	873
Stationary	2,061	1,320	787
Printed materials	3,585	2,941	420
Draft and CPO	157	79	48
Accessories	10	65	11
Revenue stamp	20	132	7
Cleaning and sanitation	0	81	-
Less: Allowance for Inventory Write-Down	(93)	(354)	(204)
	12,568	**8,562**	**2,988**

16c Non current assets held for sale	30 June 2018 Birr'000	30 June 2017 Birr'000	1 July 2016 Birr'000
Assets Held for Sale	7,486	11,597	5,525
Less:			
Allowance for Impairment Assets Held for Sale	(320)	-	-
	7,166	**11,597**	**5,525**

The non current assets held for sale comprises repossed colletarals which are two motor vehicles and four buildings. The buildings are not impaired while the two vehicles showed decrease in value as indicated by the fair value assessment.

17 Investment property

Investment property is made up of properties held to earn rentals and/or for capital appreciation, and are accounted for using the fair value model. Investment properties are revalued annually and are included in the statement of financial position at their open market values. These values are supported by market evidence and are determined by external professional valuers with sufficient experience with respect to both the location and the nature of the investment property.

Any gain or loss resulting from either a change in the fair value or the sale of an investment property is immediately recognised in profit or loss within change in fair value of investment property. However, the bank used its internal valuer to assess the fair value of its investment property because there is scarcity of professional valuers and also the value of the building is not significant.

Rental income and operating expenses from investment property are reported within revenue and other expenses.The rental income from the investment property for 30-June-2018 was Birr 169,382.60, and for 30-June-2017 Birr 118,173.90. The operating expense incurred in connection with the investment property was minimal.

	30 June 2018 Birr'000	30 June 2017 Birr'000	01 July 2016 Birr'000
Balance as at the beginning of the year	2,562	1,842	1,842
Transfer (from) / to Asset held for sale	-	-	-
Fair value gain/(loss) on investment property	196	720	-
Balance at the end of the year	**2,758**	**2,562**	**1,842**

The fair value of investment property was determined by reference to the market prices of similar properties of the type and in the area in which the property is situated. The property comprise of one condominium units .

The table below analyses the non-financial assets carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2)

- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

	Level 1 Birr' 000	Level 2 Birr' 000	Level 3 Birr' 000	Total Birr' 000
As at 30 June 2018				
Investment properties	-	2,758	-	2,758
As at 30 June 2017				
Investment properties	-	2,562	-	2,562
As at 01 July 2016				
Investment properties	-	1,842	-	1,842

Valuation technique used to derive level 2 fair value on investment property has been valued on the basis of highest and best use that is Market Value for existing use. Leasehold considerations and tenancies have been reflected in the valuation.

18 Intangible Assets

	Computer software Birr'000
Cost:	
As at 1 July 2016	8,693
Acquisitions	-
Reclassifications	-
As at 30 June 2017	8,693
As at 1 July 2017	**8,693**
Acquisitions	-
Reclassifications	-
As at 30 June 2018	8,693
Accumulated amortisation and impairment losses	
As at 1 July 2016	6,268
Amortisation for the year	830
Impairment losses	-
As at 30 June 2017	7,098
As at 1 July 2017	7,098
Amortisation for the year	484
Impairment losses	-
As at 30 June 2018	7,582
Net book value	
As at 1 July 2016	2,425
As at 30 June 2017	1,595
As at 30 June 2018	1,111

19 Property, plant and equipment

	Buildings Birr'000	Motor vehicles Birr'000	Office and other equipment Birr'000	Furniture and fittings Birr'000	Computer and accessories Birr'000	Total Birr'000
Cost:						
As at 1 July 2016	-	**38,929**	**27,424**	**24,375**	**21,646**	**112,374**
Additions	12,722	39,367	32,770	19,661	9,711	114,231
Reclassifications	-	-	4,668	1,776	(402)	6,042
Disposals	-	-	-	-	-	-
As at 30 June 2017	**12,722**	**78,296**	**64,862**	**45,812**	**30,955**	**232,647**
As at 1 July 2017	**12,722**	**78,296**	**64,862**	**45,812**	**30,955**	**232,647**
Additions	932	17,693	22,372	13,394	9,634	64,025
Disposals	-	(1,361)	-	-	-	(1,361)
Reclassification	-	-	-	-	-	-
As at 30 June 2018	**13,654**	**94,628**	**87,234**	**59,206**	**40,589**	**295,311**
Accumulated amortisation and impairment losses						
As at 1 July 2016	-	**9,099**	**9,125**	**4,740**	**9,369**	**32,333**
Impairment Loss			**41**			**41**
As at 1 July 2016		**9,099**	**9,166**	**4,740**	**9,369**	**32,374**
Charge for the year	-	4,853	6,539	3,640	3,466	18,498
Impairment Loss			191	8	36	276
Disposals	-	-	-	-	-	-
As at 30 June 2017	-	**13,952**	**15,896**	**8,388**	**12,871**	**51,148**
As at 1 July 2017	-	**13,952**	**15,896**	**8,388**	**12,871**	**51,107**
Charge for the year	**249**	**8,445**	**10,515**	**5,230**	**4,468**	**28,907**
Impairment Loss			**39**	-	**25**	**341**
Disposals	-	**(682)**	-	-	-	**(682)**
As at 30 June 2018	**249**	**21,715**	**26,450**	**13,618**	**17,364**	**79,396**
Net book value						
As at 1 July 2016	-	**29,830**	**18,258**	**19,635**	**12,277**	**80,000**
As at 30 June 2017	**12,722**	**64,344**	**48,966**	**37,424**	**18,084**	**181,540**
As at 30 June 2018	**13,405**	**72,913**	**60,784**	**45,588**	**23,225**	**215,914**

The gross carrying amount of fully depreciated still in use are as follows:

	Buildings	Motor vehicles	Office and other equipment	Furniture and fittings	Computer and accessories
As at 1 July 2016			10		0
As at 30 June 2017			19		4
As at 30 June 2018			23		68

	30 June 2018 Birr'000	30 June 2017 Birr'000	1 July 2016 Birr'000
20 Liabilities			
20a Due to Banks & Other Institutions			
Cheque Clearance-Inward	7,861	20,014	21,161
ATM Settlement-On Us	19,462	9,453	12,132
	27,323	**29,467**	**33,293**

	30 June 2018 Birr'000	30 June 2017 Birr'000	1 July 2016 Birr'000
20b Deposits from customers			
Demand deposits	3,967,477	3,127,678	2,576,096
Savings deposits	5,772,120	3,567,279	2,226,592
Time deposits	1,122,083	975,151	514,397
	10,861,680	**7,670,108**	**5,317,085**

	30 June 2018 Birr'000	30 June 2017 Birr'000	1 July 2016 Birr'000
Borrowings	-	75,000	-

	30 June 2018 Birr'000	30 June 2017 Birr'000	1 July 2016 Birr'000
Margins held on letters of credit	314,518	368,411	296,357

20c Other liabilities

	30 June 2018 Birr'000	30 June 2017 Birr'000	1 July 2016 Birr'000
Banking instruments payables	161,171	138,371	154,472
Unearned Income	132,499	69,727	29,406
Tax and Other Obligations	24,462	17,690	11,661
Sundry payables	171,247	155,875	195,167
Interest payable on demand deposits	2,710	552	71
Gross amount	492,089	382,215	390,777

20d Provisions

	30 June 2018 Birr'000	30 June 2017 Birr'000	1 July 2016 Birr'000
Leave Pay	10,188	12,646	6,651
Bonus Payable	48,436	35,208	23,490
	58,624	47,854	30,141

20e Retirement benefit obligations

		30 June 2018 Birr'000	30 June 2017 Birr'000	1 July 2016 Birr'000
Defined benefits liabilities:				
Severance pay	Note 20 (f)	43,848	15,378	9,357
Liability in the statement of financial position		43,848	15,378	9,357
Income statement charge included in personnel expenses:				
Severance costs	Note 20(f)	6,245	4,315	9,357
Total defined benefit expenses		6,245	4,315	9,357
Remeasurements for:				
Remeasurement gains/(losses)	Note 20(f)	- 22,659.00	(1,706)	-
`		(22,659)	(1,706)	-

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

Maturity analysis	30 June 2018 Birr'000	30 June 2017 Birr'000	1 July 2016 Birr'000
Current	-	-	-
Non-Current	43,848	15,378	9,357
	43,848	15,378	9,357

20f Severance pay

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

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

	30 June 2018 Birr'000	30 June 2017 Birr'000	1 July 2016 Birr'000
A Liability recognised in the financial position	43,848	15,378	9,357

B Amount recognised in the profit or loss	30 June 2018 Birr'000	30 June 2017 Birr'000	1 July 2016 Birr'000
Current service cost	6,245	2,605	9,357
Interest cost	-	1,710	-
	6,245	4,315	9,357

20g Retirement benefit obligations (Contd)

C Amount recognised in other comprehensive income:

Remeasurement (gains)/losses arising from changes in demographic assumptions	-	-	-
Remeasurement (gains)/losses arising from changes in the financial assumptions	15,240	-3,607	-
Remeasurement (gains)/losses arising from loss experience	7,419	5,313	-
	22,659	1,706	-

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

	30 June 2018 Birr'000	30 June 2017 Birr'000	1 July 2016 Birr'000
At the beginning of the year	15,378	9,357	7,537
Current service cost	3,610	2,605	1,820
Interest cost	2,635	1,710	
Remeasurement (gains)/ losses		1,706	
Benefits paid			
At the end of the year	21,623	15,378	9,357

The significant actuarial assumptions were as follows:

i) Financial Assumption Long term Average

	30 June 2018 Birr'000	30 June 2017 Birr'000	1 July 2016 Birr'000
Discount rate (p.a)	13.03%	14.25%	14.30%
Long term salary Increase rate (p.a)	12.00%	9.70%	11.60%

ii) Mortality in Service

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

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

20h Retirement benefit obligations (Contd)

iii) Withdrawal from Service

The withdrawal rates are as summarised below :

Age	Resignation rates per annum
Less than 20	0.00%
21-25	15.00%
26-30	12.50%
31-35	10.00%
36-40	7.50%
41-45	5.00%
46-50	2.50%
Above 51	0.00%

21 Ordinary share capital

	30 June 2018 Birr'000	30 June 2017 Birr'000	1 July 2016 Birr'000
Authorised:			
Ordinary shares of Birr 1,000 each	1,709,050	1,396,123	730,617
Issued and fully paid:			
Ordinary shares of Birr 1,000 each	1,709,050	1,396,123	730,617

As at 30 June 2018, the authorised share capital of the Bank comprised of 2,000,000 ordinary shares with a par value of Birr 1000. The issued shares as at 30 June 2017 are 665,505 and 1,396,123 are fully paid. Issued and fully paid ordinary shares, which have a par value of Birr 1000, carry one vote per share and carry a right to dividend.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at General Meetings of the Bank.

	30 June 2018 Birr'000	30 June 2017 Birr'000
22 Retained earnings		
At the beginning of the year	214,376	173,092
Profit / (loss) for the year	327,846	317,192
Transfer to legal reserve	(80,921)	(87,155)
Dividend provided for / paid	(261,464)	(189,305)
Deferred Tax adjustment	8,295	552
	-	-
At the end of the year	**208,132**	**214,376**

	30 June 2018 Birr'000	30 June 2017 Birr'000
23 Legal reserve		
At the beginning of the year	227,469	140,314
Transfer from profit or loss	80,921	87,155
At the end of the year	**308,390**	**227,469**

The NBE Directive No. SBB/4/95 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.

24 Other Reserves:

	30 June 2018 Birr'000	30 June 2017 Birr'000	1 July 2016 Birr'000
Other comprehensive income :			
Remeasurement Gain or Loss on Defined Benefit Plans	(23,894)	(1,706)	-
	-23,894	**(1,706)**	**-**
Income tax relating to Other comprehensive income :			
Remeasurement Gain or Loss on Defined Benefit Plans	(7,168)	(512)	-
	-7,168	-512	-
Net Other comprehensive income :			
Remeasurement Gain or Loss on Defined Benefit Plans	(16,726)	(1,194)	-
	(16,726)	**(1,194)**	

25 Earnings per share

	Notes	30 June 2018 Birr'000	30 June 2017 Birr'000
Net profit attributable to ordinary equity holders		327,846	317,192
Weighted average number of ordinary shares		1,610,442	1,042,159
Earnings per share		**20.36**	**30.44**

Basic earnings per share (EPS) is calculated by dividing the net profit for the year attributable to ordinary equity holders of the Bank by the weighted average number of ordinary shares outstanding during the year.

26 Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operation decisions, or one other party controls both.

There are other companies which are related to Berhan Bank through common shareholdings or common directorships.

In the normal course of business, a number of banking transactions are entered into with related parties i.e. staff, directors, their associates and companies associated with directors. These include loans, deposits and foreign currency transactions. Loans and advances to customers include loans and advances to staff and to companies associated with directors. Contingent liabilities include guarantees and letters of credit for companies associated with directors.

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

26a Loans and advances

	30 June 2018 Birr'000	30 June 2017 Birr'000	July 2016 Birr'000
Companies associated with directors			
At the beginning of the year	37,603	22,573	12,518
Net movement during the year	57,539	15,031	10,054
At the end of the year	**95,142**	**37,603**	**22,573**
Guarantees and letters of credit to companies associated with directors	-	-	-

The above outstanding balances arose from the ordinary course of business and are substantially on the same terms, including interest rates and security, as for comparable transactions with third-party counterparties.

	30 June 2018 Birr'000	30 June 2017 Birr'000	1 July 2016 Birr'000
Directors			
At the beginning of the year	51,728	46,223	5,110
Net movement during the year	(14,266)	5,505	41,113
At the end of the year	**37,462**	**51,728**	**46,223**
Guarantees and letters of credit to directors	-	-	-

These loans and advances are performing and are adequately secured.

26b *Deposit by Directors and key management personnel*

	30 June 2018 Birr'000	30 June 2017 Birr'000	1 July 2016 Birr'000
At the beginning of the year	663	710	1,842
Net movement during the year	310	(47)	(1,132)
At the end of the year	**973**	**663**	**710**

26c *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 is shown. There were no sales or purchase of goods and services between the Bank and key management personnel as at 30 June 2018.

	30 June 2018 Birr'000	30 June 2017 Birr'000	1 July 2016 Birr'000
Salaries and other short-term employee benefits	19,602	10,543	4,262
Post-employment benefits	-	-	-
Termination benefits	-	-	-
Sitting allowance	662	555	1,047
Other expenses	11	6	-
	20,275	**11,104**	**5,309**

26d Directors and employees

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

	30 June 2018 Number	30 June 2017 Number	1 July 2016 Number
Professionals and High Level Supervisors	27	73	45
Semi-professional, Administrative and Clerical	178	460	297
Technician and Skilled	-	7	10
Manual and	286	553	353
	491	**1,093**	**705**

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

	30 June 2018 Birr'000	30 June 2017 Birr'000	1 July 2016 Birr'000
10,000 - 30,000	834	362	157
30,001 - 50,000	27	-	-
50,001 - 100,000	-	-	-
Above 100,000	-	-	-
	861	362	157

27 Contingent liabilities

27a *Claims and litigation*

The Bank is a party to numerous legal actions brought by different organizations and individuals arising from its normal business operations. The maximum exposure of the Bank to these legal cases as at 30 June 2018 is Birr 15.59 million (30 June 2017: Birr 6.66 million , 1 July 2016: Birr 17.93 million). No provision has been made in the financial statements as the Directors believe that it is not probable that the economic benefits would flow out of the Bank in respect of these legal actions.

A tax assement was conducted by the Ethiopian Revenue and Customs Authority covering the fnancial year form 2002EC TO 2006 EC .As a result of the assesment additional taxes, interest and penalty amounting to Birr 33.15 million was levied by the tax office. The bank has appealed federal high court against the additional taxes. An amount equivalent to fifty percent of the disputed amount has been deposited with the tax authority. The bank is awaiting the court's decision and the claim has been disclosed by management as a contingent liability.

Claims by the bank
The bank has instituted suits against third parties arising from the normal course of business

The possible claim arising from settlement of these cases as at 30 June 2018 is Birr 32.80 (30 June 2017 : Birr 24.24 million , 01 July 2016 : Birr 7.09 million)

27b *Guarantees and letters of credit*

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

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

	30 June 2018 Birr' 000	30 June 2017 Birr' 000	1 July 2016 Birr' 000
Guarantees issued and outstanding	7,435,721	2,821,501	1,675,855
Commitments on lettes of credit net of margin paid	118,652	125,548	245,767
Loans approved but not disbursed	103,977	62,678	77,523
	7,658,349	3,009,728	1,999,145

28 Commitments

The Bank has commitments, not provided for in these financial statements, of 30 June 2018 Birr 142.36 million (30 June 2017: Birr 153.28 million, 1 July 2016: Birr 75,597,413) for purchase of various capital items.

29 Operating lease commitments - Bank as lessee

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

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	30 June 2018 Birr'000	30 June 2017 Birr'000	1 July 2016 Birr'000
No later than 1 year	83,622	63,427	40,707
Later than 1 year and no later than 2 years	51,181	72,018	36,848
Later than 2 years but not later than 5 years	39,974	863	
Total	**174,777**	**136,308**	**77,555**

30 Events after reporting period

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

31 First-time adoption of IFRS for the Bank

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

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

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

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

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

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

Exemptions applied

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

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

Property, plant and equipment and intangible assets were carried in the statement of financial position prepared in accordance with previous framework using historical cost. The Bank has re-calculated the useful life and salvage value of all the items in use retrospectively.

(b) *Leases*

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

(c) Designation of Previously Recognised Financial Instruments

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

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

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

Exceptions applied

(a) *Estimates*

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

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

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

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

	Notes	GAAP Birr' 000	Reclassification Birr'000	Remeasurement Birr'000	IFRS as at 30 June 2017 Birr'000
Interest income	A	687,936	-	5,197	693,133
Interest Expenses		(227,462)	-	-	(227,462)
Net interest income		460,474	-	5,197	465,671
Fee and commission income	B	398,494	-	(34,865)	363,628
Fee and commission expense		(4,521)	-	-	(4,521)
Net fees and commission income		393,973	-	(34,865)	359,107
Other operating income	C	78,336	-	720	79,056
Total operating income		932,783	-	(28,949)	903,834
Loan impairment charge	D	(21,129)	-	530	(20,599)
Impairment losses on other		-	-	-	-
Net operating income		911,654	-	(28,418)	883,235
Personnel expenses	E	(282,999)		(12,719)	(295,719)
Amortisation of intangible assets	F	(650)	-	(179)	(829)
Depreciation and impairment of property, plant and equipment	G	(18,411)		(87)	(18,498)
Other operating expenses	H	(138,181)	-	(1,322)	(139,503)
Profit before tax		471,413	-	(42,726)	428,686
Income tax expense		(122,793)	-	11,299	(111,494)
Profit after tax		348,620	-	(31,427)	317,192
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	I	-		(1,194)	(1,194)
Deferred tax (liability)/asset on remeasurement gain or loss		-		-	-
		-	-	(1,194)	(1,194)
Total comprehensive income for the period		348,620	-	(32,621)	315,998

33 Reconciliation of equity

33a Reconciliation of equity as at 30 June 2017

	Notes	GAAP Birr'000	Reclassification Birr'000	Remeasurement Birr'000	IFRS as at 30 June 2017 Birr'000
ASSETS					
Cash and balances with banks		2,028,280			2,028,280
Due from Banks & Other Financial Institutions		103650		-	103,650
Loans and advances	J	5,289,792		(8,580)	5,281,212
Financial investments - Available for sale		20,485		(1,553)	18,932
Financial investments - Loans and receivables		2,177,820	30,748	(2,904)	2,205,664
Other assets	L	276,507		38,589	315,096
Inventory		17,227	(8,311)	(354)	8,562
Non current assets held for sale		-		11,597	11,597
Investment Property - Building		-	2,562		2,562
Intangible assets	M	1,951		(356)	1,595
Property, plant and equipment	N	157,582	6,647	17,312	181,541
Restricted Fund Balance		376,000		-	376,000
Deferred tax assets		-		-	-
Total assets		**10,449,294**	**31,646**	**53,751**	**10,534,690**
LIABILITIES					
Due to Banks & Other Institutions		29,466	-	-	29,467
Deposits from customers	O	7,637,695	-	32,413	7,670,108
Current tax liabilities		122,793	-	(14,870)	107,923
Margins held on letters of credit		368,411	-	-	368,411
Borrowings		75,000	-	-	75,000
Other liabilities	P	319,186		63,029	382,216
Provisions		42,433		5,421	47,853
Retirement benefit obligations	Q	-	-	15,378	15,378
Deferred tax liabilities		-	-	2,071	2,071
Total liabilities		**8,594,984**	**-**	**103,442**	**8,698,427**
EQUITY					
Share capital		1,396,123	-	-	1,396,123
Retained earnings	R	261,464	-	(47,088)	214,376
Legal reserve		227,469	-	-	227,469
Other reserves		-	-	(1,706)	(1,706)
		1,885,056	-	(48,794)	1,836,262
Total equity and liabilities		**10,480,041**	**-**	**54,648**	**10,534,690**

33b Reconciliation of equity as at 1 July 2016

	Notes	GAAP Birr'000	Reclassification Birr'000	Remeasurement Birr'000	IFRS as at 1 July 2016 Birr'000
ASSETS					
Cash and balances with banks		1,302,960	-	-	1,302,960
Due from Banks & Other Financial Institutions		77,542	-	-	77,542
Loans and advances	J	3,719,793	-	(1,234)	3,718,559
Financial investments - Available for sale		19,485.00		615.69	18,869
Financial investments - Loans and receivables		1,567,383	23,025	(2,290)	1,588,118
Other assets	L	151,392	-	1,947	153,339
Inventory		5,461	(2,269)	(204)	2,988
Non current assets held for sale		-	-	5,525	5,525
Investment Property - Building	M	-	1,665	178	1,842
Intangible assets	N	2,602	-	(177)	2,425
Property, plant and equipment		61,761	604	17,635	80,000
Restricted Fund Balance		255,000	-	-	255,000
Deferred tax assets		-	-	-	-
Total assets		**7,163,379**	**23,025**	**20,764**	**7,207,169**
LIABILITIES					
Due to Banks & Other Institutions		33,293	-	-	33,293
Deposits from customers	O	5,316,106	-	978	5,317,085
Current tax liabilities		87,083	-	(3,571)	83,512
Margins held on letters of credit		296,357	-	-	296,357
Other liabilities	P	362,613	-	28,163	390,776
Provisions		30,716	-	(575)	30,141
Retirement benefit obligations	Q	-	-	9,357	9,357
Deferred tax liabilities		-	-	2,624	2,624
Total liabilities		**6,126,169**	**-**	**36,976**	**6,163,146**
EQUITY					
Share capital		730,618	-	-	730,618
Retained earnings	R	189,305	-	(16,213)	173,092
Legal reserve		140,314	-	-	140,314
Other reserves		-			-
		1,060,237	**-**	**(16,213)**	**1,044,024**
Total equity and liabilities		**7,186,406**	**-**	**20,763**	**7,207,169**

		30 June 2017 Birr'000
A	**Interest income**	
	Interest and similar income under GAAP	687,936
	Remeasurement adjustment :	
	To recognise suspended Interest on non performing loans and advances	1,013
	To recognise amortised costs on staff loans	4,798
	To recognise amortised costs on NBE bills	(614)
		693,133

		30 June 2017 Birr'000
B	**Fee and commission income**	
	Fees and commission income under GAAP	398,494
	Remeasurement adjustment :	
	To recognised unearned guarantee fees	(34,865)
		363,629

		30 June 2017 Birr'000
C	**Other operating income**	
	Other operating income under GAAP	81,329
	Remeasurement adjustment :	
	To recognise fair value gain on investment property	720
	To recognised unearned LC Service Charge	(2,994)
		79,055

		30 June 2017 Birr'000
D	**Loan impairment charge**	
	Loan impairment charge under GAAP	21,129
	Remeasurement adjustment :	
	To adjust loan impairment in line with IFRS requirements	(530)
		20,599

		30 June 2017 Birr'000
E	**Personnel expenses**	
	Personnel expense under GAAP	282,999
	Remeasurement adjustment :	
	To recognise severance benefit costs	4,315
	To recognise amortisation of cumulative prepaid employee benefit	2,408
	To recognise leave pay expense in the period incurred	5,996
		295,717

		30 June 2017 Birr'000
F	**Amortisation of intangible assets**	
	Amortisation charge under GAAP	650
	Remeasurement adjustment :	
	To correct amortization charge on intangible assets overstated in line with IFRS	180
		830

		30 June 2017 Birr'000
G	**Depreciation and impairment of property, plant and equipment**	
	Depreciation charge on PPE under GAAP	18,411
	Remeasurement adjustment :	
	To correct depreciation charge overstated - Furniture and fittings	(513)
	To correct depreciation charge understated - Office equipment	1,440
	To correct depreciation charge understated - Computer equipment	536
	To correct depreciation charge understated - Building	(145)
	To correct depreciation charge overstated - Motor vehicle	(1,231)
		18,498

		30 June 2017 Birr'000
H	**Other operating expenses**	
	Other operating expense under GAAP	138,182
	Remeasurement adjustment :	
	To recognise -Impairment - Equity Investment	936
	To recognise -Impairment Loss - Property	236
	To recognise -Inventory Write-Down Expense	150
	To recognise -Impairment -Receivables	-
		139,504

I	Remeasurement gain/(loss) on retirement benefits obligations		30 June 2017 Birr'000
	Remeasurement gain/(loss) on retirement benefits obligations under GAAP		-
	Remeasurement adjustment :		
	To book Remeasurement gain/(loss) on retirement benefits obligations through OCI		1,706
			1,706

J	Loans and advances to customers	30 June 2017 Birr'000	1 July 2016 Birr'000
	Loans and Advances under previous GAAP	5,405,939	3,782,258
	Remeasurement adjustment :		
	To recognise interest on staff loans computed using market interest rate (Note A)	(53,626)	(12,183)
	To recognise loan impairment	(77,548)	(56,949)
	To recognise suspended Interest on non performing loans and advances	6,446	-
	Roll over adjustment from prior period	-	-
		(124,728)	**(69,132)**
		5,281,211	**3,713,126**

K	Financial Investments	30 June 2017 Birr'000	1 July 2016 Birr'000
	Equity Investment under previous GAAP	20,485	19,485
	Remeasurement adjustment :		
	To recognise impairment on equity investment	(1553)	(617)
	Roll over adjustment from prior period	-	-
		(1,553)	(617)
	Investment securities per IFRS	**18,932**	**18,868**
	Investment on NBE Bills under previous GAAP	2,208,568	1,590,411
	Remeasurement adjustment :		
	To recognise amortised cost on NBE bills	(2904)	(2,290)
	Roll over adjustment from prior period	-	-
		(2,904)	(2,290)
	Investment securities per IFRS	**2,205,665**	**1,588,120**

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

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

L	Other assets	30 June 2017 Birr'000	1 July 2016 Birr'000
	Other assets as per previous GAAP	276,508	151,392
	Reclassification :		
	Reclassification of acquired assets to asset held for sale	(11,597)	(5,524)
	Uncleared Balance	(6,871)	(5,751)
	Remeasurement adjustment :		
	To recognise staff loans at fair value	57,056	13,223
	To recognize Suspended Interest Adjustment	-	5,433
		38,589	7,381
	Other assets per IFRS	**315,096**	**158,773**

M	Intangible assets	30 June 2017 Birr'000	1 July 2016 Birr'000
	Intangible assets as per previous GAAP	1,951	2,602
	Remeasurement adjustment :		
	To correct amortisation charge on intangible assets understated in line with IFRS	(356)	(177)
	Roll over adjustment from prior period		
		(356)	(177)
	Intangible assets per IFRS	**1,595**	**2,425**

N	Property , plant and equipment	30 June 2017 Birr'000	1 July 2016 Birr'000
	Property, plant and equipment as per previous GAAP	157,582	61,761
	Reclassification :		
	Reclassification of Building to investment property	(1,849)	(1,849)
	Reclassification of fixed assets in store to property plant and equipment :		
	Furniture and fittings cost	1,776	848
	Office equipment	4,668	752
	Computer equipment	(402)	668
	Remeasurement adjustment :		
	To correct depreciation charge overstated - Buildings	145	185
	To correct depreciation charge overstated - Furniture and fittings	513	4,448
	To correct depreciation charge overstated - Office equipment	(1,676)	2,227
	To correct depreciation chargeOverstated/ (understated) - Computer	(536)	2,656
	To correct depreciation charge overstated - Motor vehicle	1,231	8,304
	Roll over adjustment from prior period	20,088	
		23,958	18,239
	Property plant, and equipment per IFRS	**181,540**	**80,000**

O	Deposits from customers	30 June 2017 Birr'000	1 July 2016 Birr'000
	Deposits from customers under previous GAAP	7,637,695	5,316,106
	Reclassification :		
	Reclassification adjustment - Accrued interest on deposits from Other liabilities	32,413	978
	Deposits from customers per IFRS	**7,670,108**	**5,317,085**

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

P	Other liabilities	30 June 2017 Birr'000	1 July 2016 Birr'000
	Other liabilities as per previous GAAP	319,186	362,614
	Reclassification :		
	Reclassification adjustment - Accrued interest on deposits from Other liabilities (Note O)		
	Remeasurement adjustment :		
	To amortise guarantee commission and recognise unearned commission income	54,571	22,859
	To amortise LC service charge and recognise unearned income	7,978	4,983
	To amortize Unearned Loan Estimation Fee	480	321
	Roll over adjustment from prior period		
		63,029	28,163
	Other liabilities per IFRS	**382,215**	**390,777**

Q	Retirement benefit obligations	Birr'000	Birr'000
	Retirement benefit obligation under previous GAAP	-	-
	Remeasurement adjustment :		
	To recognise defined benefit obligation arising from severance pay plan	15,378	9,357
	Roll over adjustment from prior period	-	-
		15,378	9,357
	Retirement benefit obligations per IFRS	**15,378**	**9,357**

R	Retained earnings	30 June 2017 Birr'000	1 July 2016 Birr'000
	Retained earnings as per previous GAAP	261,464	189,305
	Remeasurement adjustment :		
	Being adjustment for inventory writedown	(150)	(204)
	Being adjustment for PPE Impairment	(236)	(41)
	Being adjustment for updating excess Loan Interest Suspense carry forward from previous year	(640)	-
	Being adjustment to recognise Impairment of Equity Investment	(936)	(617)
	Being adjustment to recognise Loan Interest Suspense	-	9,582
	Being adjustment to recognise unearned guarantee fees	(31,712)	(22,859)
	Being adjustment to recognise unearned LC Service Charge	(2,994)	(4,983)
	Being adjustment to reverse overstated Loan Interest Suspense	1,653	(4,149)
	Being amortisation of cumulative prepaid employee benefit	(2,408)	(1,292)
	To adjust impairment of loans and advances in line with IFRS	530	(1,213)
	To adjust overstated staff leave accrual	(5,996)	575
	To book fair value gain on valuation of investment property	720	178
	To correct understated depreciation charge on office and other equipment	(1,440)	-
	To correct understated amortisation charge on intangible assets	(179)	(177)
	To correct overstated depreciation charge on computer and accessories	(536)	2,656
	To correct overstated depreciation charge on furniture and fittings	513	4,448
	To correct overstated depreciation charge on motor vehicles	1,231	8,304
	To correct overstated depreciation charge on office and other equipment	-	2,282
	To correct overstatement of depreciation charge of building	145	-
	To recognise defined benefit obligation arising from severance pay plan	(4,315)	(9,357)
	To recognise staff loans difference between the market rate and the below market interest rate	4,798	2,332
	To recognize deferred taxliability	11,851	947
	To recognize loan fees amortization(EIR)	(159)	(321)
	To reconcile accumulated depreciation office and other equipment	-	(14)
	To restate NBE bills at amortised cost using the Effective Interest Rate method	(614)	(2,290)
		(16,213)	
		(47,088)	(16,213)
	Retained earnings per IFRS	**214,376**	**173,092**

S	Other reserves	30 June 2017 Birr'000	1 July 2016 Birr'000
	Other reserves under previous GAAP	-	-
	Remeasurement adjustment :		
	To book Remeasurement gain/(loss) on retirement benefits obligations	(1706)	-
	Other reserves as per IFRS	**(1,706)**	-

BRANCH ADDRESS

Eastern Addis Ababa District

No.	Branch Name	Location	Telephone
1	Airport	WOMSADCO Building Around Bole Dildiye	011 - 618 57 32
2	Ayat	Ayat Tafo Road Around Kibir Demena Church	011 - 639 05 01
3	Balderas	Inside Balderas Condominium	011 - 667 39 86
4	Beshale	At the back of Saletemeheret Church	011 - 667 76 59
5	Bole	TK Building	011 - 618 51 05
6	Bole BulBula	Leul Building	011 - 471 44 51
7	Bole M/Alem	Behind Edna Mall (Inside Morning Star Mall)	011 - 667 26 74
8	Bole Michael	Bole Michael Square Behind Gebeyehu Building	011 - 339 23 11
9	Bulbula Mariam Mazoria	Around Bulbula Mariam Mazoria next to Eney Real state	011 - 471 46 30
10	CMC Michael	In front of CMC St. Michael Church	011 - 667 61 92
11	Enderassie	Full Gospel Church Around Kasanchis Total	011 - 557 73 97
12	Flamingo	In front of Flamingo Restaurant	011 - 557 47 93
13	Gerji	Gerji Condominium around Taxi Tera	011 - 639 40 47
14	Gerji M/Hail	Ahadu Building Around Safe Way Supermarket	011 - 629 33 35
15	Goro Filntstone	Inside Filntstone Apartment	011 - 829 83 97
16	Gurd Sholla	Around Beshale Hotel or Athletics	011 - 667 59 44
17	Hayahulet	Z Building In front of Debre Damo Hotel	011 - 827 84 88
18	Hayahulet Gebriel	Tsega Business center beside Awraris Hotel	011 - 667 23 68
19	Imperial	Around Imperial square in front of Checheho Hotel	011 - 667 48 13
20	Karalo	Around karalo Behind Sega Tera	011 - 668 00 99
21	Kebena	In front of Kebena Square	011 - 126 09 42
22	Kidest Mariam	Around 5 Kilo Atsie Naod School	011 - 154 41 34
23	Kirkos	Kirkos Market center In front of Kirkos Church	011 - 470 34 21
24	Kotebe	Near to 02 Market	011 - 667 55 28
25	Lem Megenagna	Around Lem Hotel	011 - 659 11 69
26	Megenagna	HYUNDAI Building / Around Diaspora Square	011 - 661 98 88
27	Megenagna Adebabay	Salite Meheret Road inside Great Commission	011 - 666 02 05
28	Mehal Summit	Around Safari Square in front of Vision Academy	011 - 668 22 37
29	Mehal Wollosefer	Medco Bio Medical College Building	011 - 470 11 34
30	Meri	In front of School of Tomorrow Ayat Branch	011 - 667 81 89
31	Meshualkia	Around Richie Yeabesira Building	011 - 467 15 86
32	Meskelflower	Haile Alemesged Araya Building	011 - 470 14 53
33	Olympia	Amasco Building	011 - 558 07 82
34	Semit Condominium	Inside Summit Condominium	011 - 833 26 83
35	Shala	Around Shala Menafesha Genet Guest House Building	011 - 689 34 88
36	Shiro Meda	In front of America Embassy	011 - 126 09 15

No.	Branch Name	Location	Telephone
37	Sidest Kilo	Documents Authentication and Registration Office No.4 Building	011 - 154 05 28
38	Urael Branch	Around Urael Church Belay Business Center	011 - 558 40 75
39	Wollo Sefer	TK Building	011 - 557 24 78
40	Worldvision	Inside World Vision Head Office	011 - 895 96 72
41	Wuha Limat	Next to Hadis Alemayehu School	011 - 689 60 35
42	Yeka Abado	500 m Away from Tafo square in side Yeka Abado Condo-minium	011 - 872 07 80
43	Yerer Ber	Around Jakros 200 m away from goro path	011 - 667 59 06

Western Addis Ababa District

No.	Branch Name	Location	Telephone
1	Addisu Gebeya	Near to Sheger Menafesha	011 - 172 70 10
2	Adey Abeba	Adey Hotel around saris Addis sefer	011 - 470 76 48
3	Akaki	Kifeya Financial PLC Building	011 - 471 61 07
4	Alemgena	Aserat Building around Road Authority Enterprise	011 - 387 01 06
5	Amedegebeya	Merkato in front of Amedegebeya Market	011 - 278 19 49
6	Autobis Tera	Abenem Business Center In front of Autobis tera Bus station	011 - 273 44 39
7	Ayertena Girar	Behind Ayertena Girar Condominium	011 - 369 47 18
8	BekloBet	Mekwor Plaza In front of Global Hotel	011 - 470 41 62
9	Bethel	Near to Bethel Teaching Hospital	011 - 349 31 99
10	Cinima Ras	Next to Cinema Ras Haji Legesse Building	011 - 273 34 83
11	Dirtera	Dirtera Building behind Tana Shopping Mall	011 - 213 39 77
12	Enkulal Fabrica	Around Embileta Hotel	011 - 273 24 06
13	Furry	Behind NOC gas Station	011 - 380 51 46
14	Geja Sefer	Around Geja Side inside Geja Kale Hiwot Church	011- 273 50 06
15	Genet	Sied Yasin Building Around Bulgaria	011 - 554 15 94
16	Gerefsa Nono	Ashewa Meda behind Yetebaberut gas station	011 - 260 10 87
17	Gojam Bereda	Tesfachin Building Merekato Near the Fourth Police Station	011 - 273 24 42
18	Gotera	Gotera Condominium Block 45	011 - 470 01 46
19	Gullele	In front of School of Tomorrow Ayat Branch	011 - 273 24 29
20	Habte-Giorgis	Behind Kelifa Building	011 - 170 60 45
21	Hanna Mariam	End 72 Bus Station	011 - 471 06 61
22	Hiwot	Inside Kale - Hiwot Head Office	011 - 557 37 54
23	Hungnaw Mera	In front of Military Tera	011 - 273 57 43
24	Jemo	(Jemo 1) Mark International Academy Building	011 - 471 22 34

No.	Branch Name	Location	Telephone
25	Kality	KAFDEM Building	011 - 435 22 22
26	Kera	Ayalew Building In front of Sofia Mall	011 - 467 25 24
27	Lafto	Lafto belay AYB Academy Building	011 - 419 11 00
28	Lebu	In front of Lebu Varniro Apartment Sabey Spring Building	011 - 471 31 42
29	Legehar	Tewolde and Son's Building	011 - 550 66 43
30	Lideta	Soliana Commercial Center	011 - 557 69 61
31	Mekanisa	Mekan Yesus Building	011 - 369 99 31
32	Mesalemia	Honaliat Building	011 - 277 58 01
33	Mierab Merkato	On the back side Mierab Hotel	011 - 273 35 48
34	Nifas Silk	Mulegie Plc. Building Next to Nifas Silk preparatory School.	011 - 470 83 86
35	Old Airport	Around Menaye Building Zelalem Building	011 - 384 70 26
36	Piassa	Next to Don Dental Clinic Piassa Yegebeya Makel Building	011 - 826 90 62
37	Sarbet	EGST Building	011 - 369 19 29
38	Sarisgumuruk	In front of Ethiopian Customs Authority Kality Branch	011 - 470 70 45
39	Sefer Selam	Mulunesh Wulqera Building In front of Ethio Tebib Hospital	011 - 273 28 58
40	SIM	Inside SIM Organization Around Tikur Anbessa Hospital	011 - 557 69 98
41	Teklehaimanot	Around Berberie Tera In front of Leyela Building, MZ Building	011 - 213 07 66
42	Tulu Dimtu	Inside the Condominium Compound	011 - 430 04 80
43	Wolete	Around Wolete Tele Betsi Building	011 - 354 03 09
44	Wossen	Near Akim Ginbata (Wossen Grocery)	011 - 667 89 08

Central & western Ethiopia District

No.	Branch Name	Location	Telephone
1	Adama	Around Post Office Titas Building	022 - 112 51 05
2	Adama Arada	In front of EELPA Kaleb Yegebeya Makel Building	022 - 111 24 90
3	Ambo	Dawi Metaferia Hotel	011 - 236 26 67
4	Assela	Around Kagnew Hotel inside City Mall	022 - 238 02 81
5	Assosa	Bamboo Hotel	057 - 775 13 53
6	Bedele	Dabo Ber in front of Autobis Menaharia	047 - 445 20 06
7	Berecha Adama	Sodere Mewechiya Around Police Station	022 - 212 37 48
8	Bishoftu	Around Autobis Menaheria In front of Stadium	011 - 433 19 84
9	Bonga	Next to Autobis Menaheria	047 - 331 24 25
10	Burayu	Behind Burayu Municipality	011 - 260 49 87
11	Dembi Dollo	Nebiyu Aguma Building	057 - 555 06 38
12	Dukem	Yina Grand Hotel Building	011 - 432 03 24
13	Fietch	Next to Jimma road High way Derbe Building	011 - 160 99 52
14	Gambella	Care Gambella Shopping Center	047 - 551 03 61

No.	Branch Name	Location	Telephone
15	Gebre Guracha	Park International Hotel Building	011 - 131 19 96
16	Gimbi	Near to Kebele 03	057 - 771 27 50
17	Holeta	Around 44 Jalela Building	011 - 261 06 01
18	Jimma	Jimmity Building in front of kemal Abedela Building	047 - 811 90 57
19	Jimma Aba Jifaar	Around Dawero Ber Behind from ses Clinic	047 - 211 43 34
20	Mehal Adama	Around Ginb Gebeya	022 - 211 03 41
21	Meki	Tesfa Building	022 - 118 18 72
22	Mettu	Around Darefan Hotel	047 - 141 68 55
23	Mizan Teferi	Jimma Ber Mewecha inside Cinodos Building	047 - 135 00 00
24	Modjo	Around Modjo Mesekelegna Akababi	022 - 336 54 53
25	Nedjo	In front of Eyerusan Hotel	057 - 774 15 54
26	Nekemte	In front of Desalegn Hotel inside Shimles Habte Building	057 - 661 17 02
27	Sebeta	Around Sambusa Bet next to Telecommunication	011 - 366 21 66
28	Sululta	Around Kajima Construction	011 - 161 79 20
29	Teppi	Around Teppi Square Next to NOC gas Station	047 - 556 32 71
30	Torban Gerba	Inside Torban Gerba Market	011 - 430 04 80
31	Weliso	Melaku Bedada Business Center Building	011 - 366 41 13
32	Wolkitie	In front of Total Gas Station Tarikua Foyat Building	011 - 365 99 20

North & Eastern Ethiopia District

No.	Branch Name	Location	Telephone
1	Abay Mado	Around Abay Mado Market	058 - 321 10 85
2	Adi Hake	Next to Planet Hotel Fekrehager Building	034 - 440 71 00
3	Adi Hawsi	Around Adi-Hawsi gebeya	034 - 241 25 11
4	Adigrat	Alem Teklu Hotel Around Mobile Fuel distribution	034 - 245 17 31
5	Adwa	Around Autobis Menaharia Dega Dig Akababi	034 - 271 04 32
6	Alamata	Shambel Haddis Debesay Building	034 - 774 13 03
7	Axum	Near to Ambassador Hotel	034 - 275 39 24
8	Bahirdar	Around Autobis Menaheria next to Mekonen Gebeyehu Building	058 - 222 11 19
9	Belay Zeleke	Around Koda Tera In front of Debremarkos University	058 - 178 01 28
10	Chiro	In front of Autobis Menaharia	025 - 551 31 07
11	Debre Berhan	Next to Bernos Hotel in front of Debrebrehan municipality	011 - 637 51 37
12	Debremarkos	Kidus Markos Pharmacy Building	058 - 771 22 62
13	Dessie	Around Segno Bet Next to Al-Hamudi Tower	033 - 112 45 78
14	Dire Dawa	Megala Area	025 - 411 45 27
15	Emperor Thewodros	Near to Ethiopian Airline Ticket Office	058 - 211 00 61
16	Gish Abay	Gashena Building	058 - 220 95 68

No.	Branch Name	Location	Telephone
17	Gonder	In front of Hulegeb Market Center	058 - 111 23 22
18	Harar	Shewa Ber In front of ELPA	025 - 466 18 47
19	Humera	Haftom Amare Building	034 - 248 00 70
20	Jigjiga	Around Africa Hotel in front of Chipan Kitefo Bet	025 - 278 04 91
21	Kezira	Jovani Barbano Building Besides to Ethiopian Insurance Company	025 - 211 01 01
22	Kombolcha	Belayneh Building	033 - 551 16 67
23	Logia Semera	In front of Medanialem Church	033 -550 14 49
24	Mekelle	Djibruk Area	034 - 440 24 70
25	Mekelle Hawzen Adeba-bay	Behind Hawzen Adebabay	034 - 241 56 14
26	Metehara	Hailu Beza Building Next to Unique Hotel	022 - 226 12 97
27	Shire	Bushira Freweyni and Friends Partner Ships Building	034 - 444 36 67
28	Tana	Aziwa PLC Building	058 - 220 78 74
29	Tossa	Around Autobis Menaharia	033 - 312 25 39
30	Woldiya	Around LaL Hotel In front of Total Gas Station Piassa	033 - 431 65 81
31	Wukro	Geza Gerlase Building In front of Capital Hotel	034 - 443 42 10

South & Western Ethiopia District

No.	Branch Name	Location	Telephone
1	Aleta Wondo	Tesfaye Workineh Building	046 - 224 13 13
2	Arab sefer	Arab Sefer In front of Wolisso Hotel	046 - 212 52 05
3	Arbaminch	Around Autobis Menaheria next to Zebib Café	046 - 881 48 44
4	Areka	Next to Areka Dubo Hospital	046 - 552 13 45
5	Arsi-Negele	Behaind Tigistu Building	046 - 116 30 21
6	Bale Robe	Around Walo Gutu Square	022 - 244 28 77
7	Batu	Around Terefe Siga bet next to ELPA	046 - 141 00 98
8	Bekoji	Next to Ibssa Hotel Haji Umer Building	022 - 332 14 18
9	Bensa Daye	Alemitu Building	046 - 337 05 84
10	Boditi	In front of Total Gas Station	046 - 559 07 90
11	Bule Hora	Around Autobis Menaharia Aklilu Building	046 - 443 14 52
12	Butajira	Next to Post Office	046 -145 55 81
13	Dawro	In front of Autobis Menaharia	047 - 345 05 36
14	Dilla	Mazoria Lay In front of Ethiopian Insurance Corporation	046 - 131 54 67
15	Durame	Next to Autobis Menaheria	046 - 554 15 76
16	Gimbichu	Around Ethiopian Power & Electric office	046 - 772 06 11
17	Ginir	In front of Ethio Telecom	022 - 664 15 40
18	Gombora	Erkalo Building next to Gombora Hotel	046 - 178 24 71

BRANCH ADDRESS

No.	Branch Name	Location	Telephone
19	Hadero	In front of Wereda police Station	046 - 432 07 58
20	Halaba Qulito	Around Zopichame Kebele	046 - 556 18 85
21	Hawassa	In front of St. Gabriel Square	046 - 220 45 54
22	Hawassa Menaharia	In front of Autobis Menaharia	046 - 220 57 06
23	Hossana	Erkalo Abiyo Building	046 - 555 25 72
24	Jinka	In front of Red Cross Pharmacy	046 - 775 18 71
25	Sawula	Around Karat belu Cherenet & Tadele Building	046 - 777 10 83
26	Shashemene	Aboto Building around Shalom Juice	046 - 110 00 39
27	Shashemene Arada	Rinzaf Building	046 - 211 44 74
28	Shashemene Awasho	Around Addisu Autobis Menaharia next to Seya Hospital	046 - 211 03 08
29	Shinshicho	Mulugeta Woeme building In front of Shinshicho Hospital	046 - 379 08 24
30	Shone	Near to Shone Hidasse Telecom	046 - 553 04 89
31	Wolaita Sodo	Around Bekele Mola Hotel	046 - 180 00 35
32	Wondo Genet	Inside Kela Kebele Town	

ብርሃን ባንክ አ.ማ
የገንዘብ ፍሰት መግለጫ
እ.ኤ.አ.በሰኔ 30 ቀን 2018 ለተጠናቀቀው ዓመት

ከመዋዕለ ንዋይ ፍሰት እንቅስቃሴዎች የተገኘ የተጣራ የጥሬ ገንዘብ ፍሰት		(879,011)	(729,572)
ከገንዘብ ነክ እንቅስቃሴዎች የተገኘ የገንዘብ ፍሰት			
የተሸጡ መደበኛ አክሲዮኖች	21	312,928	665,506
የተከፋፈሉ ድርሻዎች		(261,464)	(189,305)
የብድር ጭማሪ (ቅናሽ)	20ለ	(75,000)	75,000
ከገንዘብ ነክ እንቅስቃሴዎች የተገኘ የተጣራ የገንዘብ ፍሰት		(23,536)	551,201
በጥሬ ገንዘብ እና የጥሬ ገንዘብ እኩያዎች የታየ ልዩነት		648,321	725,320
በዓመቱ መጀመሪያ ላይ የነበረ ጥሬ ገንዘብ እና የጥሬ ገንዘብ እኩያ		2,028,280	1,302,960
በዓመቱ ማብቂያ ላይ የታየ የጥሬ ገንዘብ ሚዛን		2,676,601	2,028,280

ሂሳብ መግለጫዎቹ ጸድቀው በዳይሬክተሮች ቦርድ አማካይነት መስከረም 25/2010 ዓ.ም ተፈቅደው ፊርማ የተደረገባቸው።

አቶ ጉማቸው ኩሴ
የዳይሬክተሮች ቦርድ ሊቀመንበር

አቶ አብርሃም አላሮ
ፕሬዝዳንት

ብርሃን ባንክ አ.ማ
የገንዘብ ፍሰት መግለጫ
እ.ኤ.አ.በሰኔ 30 ቀን 2018 ለተጠናቀቀው ዓመት

	ማስታወሻ	እ.ኤ.አ በሰኔ 30 ቀን 2018 ብር "000	እ.ኤ.አ በሰኔ 30 ቀን 2017 ብር"000
ከሥራ እንቅስቃሴዎች የታየ የጥሬ ገንዘብ ፍሰት			
ትርፍ ከግብር በፊት		410,934	428,686
ማስተካከያ			
ለተበላሹ የብድር መጠባበቂያ ክፍያ	9	25,179	20,599
በሌሎች ለማይሰበሰቡ ሐብቶች ላይ የተጣለ መጠባበቂያ	11	15,799	1,322
የማይዳሰሱ ሐብቶች እርጅና ቅንስናሽ	18	484	830
የንብረት፣ የማምረቻ እና የመሣሪያዎች እርጅና እና የመጠባበቂያ	19	28,907	18,498
የሌሎች የተጣመሩ ገቢዎች /ወጭዎች	24	(22,188)	-
የእንጥልጥል ወለድ		(9,051)	640
የዳግም ግምገማ - የኢንቨስትመንት ንብረት ገቢ	17	(196)	
የአላቂ እቃዎች የዋጋ መቀነስ መጠበበቅያ		(261)	
የጉርሻ ማስተካከያ		(861)	
የገቢ ድርሻ		(94)	
የንብረት ማምረቻ እና መሣሪያ አወጋገድ ገቢ		(374)	
የመስሪያ ካፒታል ለውጥ ያልገባበት የእንቅስቃሴዎች ገንዘብ ፍሰት		448,277	470,575
የብድር እና የቅድሚያ ክፍያ ቅናሽ (ጭማሪ)፣ የተመደቡትን ሳይጨምር	14ሀ	(1,785,507)	(1,623,683)
የብድር ብልሽት መጠባበቂያ አበል ጭማሪ (ቅናሽ)	14ለ	(5,845)	(683)
የቋሚ እቃዎች እና ንብረቶች (P.P.E) መጠባበቂያ አበል ጭማሪ (ቅናሽ)	19	64	236
ለሽያጭ የተዘጋጁ የማይንቀሳቀሱ ሐብቶች ቅናሽ (ጭማሪ)	16ሐ	4,111	(6,072)
የሌሎች ሐብቶች ቅናሽ (ጭማሪ)	16	(167,317)	(120,262)
ከማንቃሰቀስ የተገደቡ ገንዘቦች ሚዛን ቅናሽ (ጭማሪ)	15ሀ	(166,000)	(121,000)
የደንበኞች ተቀማጭ ጭማሪ (ቅናሽ)	20ለ	3,191,572	2,353,023
የሌተር ኦፍ ክሬዲት ቅድሚያ ክፍያ ህዳግ ጭማሪ (ቅናሽ)	20ለ	(53,893)	72,054
የሌሎች እዳዎች ጭማሪ (ቅናሽ)	20ሐ	109,759	(8,562)
የአላቂ ንብረት ቅናሽ (ጭማሪ)	16ለ	(4,005)	(5,574)
የኢንቨስትመንት ንብረት - ህንጻ ዳግም ግመታ ዋጋ ቅናሽ (ጭማሪ)	17	(196)	(720)
ከባንኮች እና ሌሎች የገንዘብ ተቋማት የሚሰበሰብ ቅናሽ (ጭማሪ)	13ለ	59,545	(26,108)
ለባንኮች እና ሌሎች ተቋማት የሚከፈል ቅናሽ (ጭማሪ)	20ሀ	(2,144)	(3,826)
የውጭ ምንዛሪ ትርፍ/ ኪሳራ	11	16,770	5,355
ለሰራተኛ የአገልግሎት ጥቅም መጠባበቅያ ጭማሪ (ቅናሽ)	20ሐ	28,470	6,021
ከእንቅስቃሴዎች የተገደበ ጥሬ ገንዘብ			
ከተከፋይ ሒሳብ የሚከፈል ግብር	12ለ	-	
የተከፈለ የትርፍ ግብር		(122,793)	(87,083)
ከሥራ እንቅስቃሴዎች የተገኘ የተጣራ የጥሬ ገንዘብ ፍሰት		1,550,869	903,691
ከመዋዕለንዋይ ፍሰት እንቅስቃሴዎች የተገኘ የጥሬ ገንዘብ ፍሰት			
የቋሚ ንብረቶች ግዢ		(55,714)	(111,963)
የብሔራዊ ባንክ ቢል ኢንቨስትመንት ጭማሪ (ቅናሽ)	15	(824,334)	(617,545)
በአክሲዮን ላይ የተደረገ ኢንቨስትመንት ገቢ	15	(16)	(64)
ከንብረት እና መሣሪያዎች ሽያጭ ገቢ		1,053	-

ብርሃን ባንክ አ.ማ
የተጣራ ሐብት እቅስቃሴ መግለጫ
እ.ኤ.አ. በሰኔ 30 ቀን 2018 ለተጠናቀቀው ዓመት

	ማስታወሻ	የተከፈለ የአክሲዮን ካፒታል ብር "000	የተገኘ ገቢ ብር "000	ሌላ መጠባበቂያ ብር "000	ሕጋዊ መጠባበቂያ ብር "000	ድምር ብር "000
እ.ኤ.አ. በሐምሌ 1 ቀን 2016		730,617	173,092	-	140,314	1,044,023
የዘመኑ ትርፍ	22	-	317,192	-	-	317,192
ሌላ የተጣመረ ገቢ						
ለሰራተኞች የአገልግሎት ጥቅም መጠባበቅያ ዳግም ልኬት የተገኘ ገቢ(ወጭ) (Re-measurement gains (loss) on defined benefit plans (net of tax)	24	-	-	(1,706)	-	(1,706)
የትርፍ ዳግም ግምት - ለሽያጭ የተመደበ ሐብት (ከግብር በፊት)						
ጠቅላላ የተጣመረ የዘመኑ ገቢ		-	317,192	(1,706)	-	315,486
ባለንብረቶች በያዙት ባለይዞታነት መሠረት ያደረጉት ግብይት						
የግብይት ወጪዎች ያልተቆጠሩበት የተጣራ ሐብት መዋጮ	21	665,506	-	-	-	665,506
ለተከፈለ/ ለክፍያ የተዘጋጀ ድርሻ	22		(189,305)	-	-	(189,305)
ወደ ሕጋዊ መጠባበቂያ የተላለፈ	23	-	(87,155)	-	87,155	
ወደ ሌሎች መጠባበቂያዎች የተላለፈ			-			
ወደፊት የሚታሰብ የትርፍ ግብር ማስተካከያ	22		552			
ድምር		665,506	41,284	(1,706)	87,155	791,687
እ.ኤ.አ. በሰኔ 30 ቀን 2017 የነበረ		1,396,123	214,376	(1,706)	227,469	1,836,262
እ.ኤ.አ. በሐምሌ 1 ቀን 2017		1,396,123	214,376	(1,706)	227,469	1,836,262
የዘመኑ ትርፍ	22		327,846	-	-	327,746
ሌላ የተጣመረ ገቢ						
የሰራተኞች የአገልግሎት ጥቅም መጠባበቅያ ዳግም ልኬት የተገኘ ገቢ (ወጭ) (Re-measurement gains (loss) on defined benefit plans (net of tax)	24			(22,188)		(22,188)
ጠቅላላ የተጣመረ የዘመኑ ገቢ			327,846	(22,188)	-	305,658
ባለንብረቶች በያዙት ባለይዞታነት መሠረት ያደረጉት ግብይት						-
የግብይት ወጪዎች ያልተቆጠሩበት የተጣራ ሐብት መዋጮ	21	312,927	-	-	-	312,927
የተከፈለ/ለክፍያ የተዘጋጀ ድርሻ	22		(261,464)	-	-	(261,464)
ወደፊት የሚታሰብ የትርፍ ግብር ማስተካከያ	22		8,295	-		8,295
ወደ ሕጋዊ መጠባበቂያ የተላለፈ	23		(80,921)	-	80,921	-
ድምር		312,927	(6,244)	(22,188)	80,921	365,416
እ.ኤ.አ. በሰኔ 30 ቀን 2017 የነበረ		1,709,050	208,132	(23,894)	308,390	2,201,678

ብርሃን ባንክ አ.ማ
የሀብትና ዕዳ መግለጫ
እ.ኤ.አ በሰኔ 30 ቀን 2018 ለተጠናቀቀው ዓመት

	ማስታወሻ	እ.ኤ.አ በሰኔ 30 ቀን 2018 ብር "000	እ.ኤ.አ በሰኔ 30 ቀን 2017 ብር "000	እ.ኤ.አ በሰኔ 30 ቀን 2016 ብር "000
ሐብቶች				
በባንክና በእጅ የሚገኝ ጥሬ ገንዘብ	13ሀ	2,676,716	2,028,280	1,302,960
ከባንክ እና ከሌሎች ገንዘብ ነክ ተቋማት የሚሰበሰብ	13ለ	44,104	103,650	77,542
የደንበኞች ብድር እና ቅድመ ክፍያ (የተጣራ)	14	7,067,045	5,281,211	3,713,126
የአክስዮን ኢንቨስትመንት	15	18,948	18,932	18,868
የብሔራዊ ባንክ ቢል ኢንቨስትመንት	15	3,029,999	2,205,665	1,588,120
ሌሎች ሐብቶች	16	443,426	315,096	158,773
(አላቂ እቃዎች)	16ለ	12,568	8,562	2,988
ለሽያጭ የተዘጋጀ የማይንቀሳቀስ ሐብት	16ሐ	7,166	11,597	5,525
ኢንቨስትመንት ንብረት - ህንጻ	17	2,758	2,562	1,842
የማይዳሰሱ ሐብቶች	18	1,111	1,595	2,425
ቋሚ ንብረት እና መሣሪያ (የተጣራ)	19	215,914	181,540	80,000
ከእንቅስቃሴ የተገደበ ገንዘብ ሚዛን	15ሀ	542,000	376,000	255,000
ወደፊት የሚታሰብ የትርፍ ግብር (Deffered tax Asset)	12	6,224		
ጠቅላላ ሐብት		**14,067,979**	**10,534,690**	**7,207,169**
እዳዎች				
ለባንክ እና ለሌሎች ተቋማት ተከፋይ	13ሀ	27,323	29,467	33,293
የደንበኞች ተቀማጭ ሂሳብ	20ለ	10,861,680	7,670,108	5,317,085
የዚህ ዓመት ተከፋይ የገቢ ግብር	12ለ	68,219	107,923	83,512
የሌተር ኦፍ ክሬዲት ቅድሚያ ክፍያ [ማርጅን]	20ለ	314,518	368,411	296,357
ብድር	20ለ	-	75,000	-
ሌሎች እዳዎች	20ሐ	492,089	382,215	390,777
ለሰራተኞች ጥቅማ ጥቅም መጠባበቅያ (provision)	20መ	58,624	47,854	30,141
ለሰራተኞች የአገልግሎት ጥቅም መጠባበቅያ (Retirement benefit obligations)	20ሠ	43,848	15,378	9,357
የተቀመጠ የግብር ኃላፊነት	12ሐ	-	2,071	2,624
ጠቅላላ ኃላፊነት		**11,866,301**	**8,698,427**	**6,163,146**
የተጣራ ሐብት				
የተከፈለ አክሲዮን ካፒታል	21	1,709,050	1,396,123	730,617
ያልተከፋፈለ ትርፍ	22	208,132	214,376	173,092
ሕጋዊ መጠባበቂያ	23	308,390	227,469	140,314
ሌሎች መጠባበቂያዎች	24	(23,894)	(1,706)	-
ጠቅላላ የተጣራ ሐብት		2,201,678	1,836,262	1,044,023
ጠቅላላ የተጣራ ሐብት እና ኃላፊነት		**14,067,979**	**10,534,690**	**7,207,169**

ብርሃን ባንክ አ.ማ
የትርፍ ወይም ኪሳራ እና ሌሎች የተጣመሩ ገቢዎች መግለጫ
እ.ኤ.አ በሰኔ 30 ቀን 2018 ለተጠናቀቀው ዓመት

	ማስታወሻ	እ.ኤ.አ በሰኔ 30 ቀን 2018 ብር "000	እ.ኤ.አ በሰኔ 30 ቀን 2017 ብር "000
የወለድ ገቢ	5	1,112,786	693,133
የወለድ ወጪ	6	(417,346)	(227,462)
የተጣራ የወለድ ገቢ		695,440	465,671
የክፍያ እና የኮሚሽን ገቢ	7	349,413	363,629
የክፍያ እና የኮሚሽን ወጪ	7	(6,105)	(4,521)
የተጣራ የክፍያ እና የኮሚሽን ገቢ		343,308	359,108
ከሌሎች የአገልግሎት ክፍያ የተገኙ ገቢዎች	8	85,558	79,055
ጠቅላላ የእንቅስቃሴ (አገልግሎት) ገቢ		1,124,306	903,834
ለደንበኞች የተሰጡ አጠራጣሪ ብድሮች መጠባበቂያ ክፍያ	9	(25,179)	(20,599)
የተጣራ የእንቅስቃሴ (አገልግሎት) ገቢ		1,099,127	883,235
የሠራተኞች ደመወዝ እና ጥቅማ ጥቅም ክፍያዎች	10	(438,751)	(295,717
የንብረት እና የመሣሪያዎች የእርጅና ቅንስናሽ	19	(28,907)	(18,498)
የማይዳሰሱ ሐብቶች የእርጅና ቅንስናሽ	18	(484)	(830)
ሌሎች የእንቅስቃሴ (አገልግሎት) ወጪዎች	11	(220,051)	(139,504)
ጠቅላላ ወጪዎች		(688,193)	(454,549)
ትርፍ ከግብር በፊት		410,934	428,686
የገቢ ግብር ወጪ	12	(83,088)	(111,494)
ትርፍ ከግብር በኋላ		327,846	317,192
ሌሎች የተጣመሩ ወጪዎች (Other Comprehensive Income) ከግብር በፊት			
ትርፍ ወይም ኪሳራ ሆነው ዳግም ሊመደቡ የሚችሉ ነገሮች (Items that may be reclassified to profit or loss)			
በተቀመጡት የጥቅም ዕቅዶች የተገኙ ገቢዎች (ወጭዎች) ድጋሚ ልኬት (ከግብር ውጭ) Re-measurement gains on defined benefit plans (net of tax)	20ሠ	(16,726)	(1,194)
የዓመቱ ድምር የተጣመረ ገቢ፣ ከግብር በኋላ (Total comprehensive income for the year, net of tax)		311,120	315,998
የባለአክስዮኖች ድርሻ		311,120	315,998
የአንድ ባለ ብር 1000 አክስዮን የትርፍ ድርሻ (EPS) %		20.36	30.44

ከሌሎች ጉዳዮች በተጨማሪ ኦዲቱን እና ጠቃሚ የኦዲት ግንቶችን የታቀደ አድማስ እንዲሁም የጊዜ ሰሌዳ፣ ማናቸውንም በኦዲት ሥራችን ወቅት ያገኘናቸውን የጎሉ የውስጥ ቁጥጥር ጉድለቶችን ጨምሮ በሚመለከት የአመራር ኃላፊነት ላለባቸው እናሳውቃለን።

ደግሞም ተዛማጅ የሆኑ ስለገለልተኝነት የተቀመጡ የስነምግባር ቅድመሁኔታዎችን በማጠናቀር ስናቀርብ ሁሉንም በእኛ ገለልተኝት ላይ አሳማኝ የሆነ ሀሳቦችን የሚያስከትሉ ግንኙነቶችን እና ሌሎች ጉዳዮችን እንዲሁም አስፈላጊ ሆኖ ሲገኙ መከላከያዎቻችንንም የማስተዳደር ኃላፊነት ላለባቸው አካላት እናሳውቃለን፤

የማስተዳደር ኃላፊነት ላለባቸው አካላት ከምናሳውቀው በተጨማሪ እነዚህ ጉዳዮች የሒሳብ መግለጫዎቹ ኦዲት ውስጥ እጅግ ላቅ ያሉ የነባራዊው ወቅት ጉዳዮችን በመወሰን የኦዲቱ ጉዳይ ቁልፍ እናደርጋለን። እነዚህንም የኦዲተሪ ሪፖርት ጉዳይ አድርገን ስንገልጽ በሕጉ ወይም በመመሪያዎች እነዚህን ጉዳዮች ይፋ ማድረግ የሚከለከል እስካልሆነ ድረስ በጣም አልፎ አልፎ በሚከሰቱ አጋጣሚዎች እነዚህ ሪፖርቶች እንዲታወቁ መደረጋቸው ማሳወቁ ለህዝቡ ከሚያስገኘው ጥቅም የሚበልጥ የሆነ ከባድ የሆነ ጉዳት ያለው ከሆነ ሪፖርቶቹ መታወቅ የለባቸውም ብለን እንወስናለን።

በዚህ ገለልተኛ የኦዲት ሪፖርት ውስጥ የተሳተፈ ሽሪክ አቶ ተስፋ ታደሰ ነው።

ቲ/ኤ/ዋይ እና ኩባንያው የተመሰከረላቸው
የሒሳብ አዋቂዎች እና የተፈቀደላቸው ኦዲተሮች

አዲስ አበባ
ጥቅምት 2 ቀን 2011 ዓ.ም.

የሒሳብ መግለጫዎችን ዝግጅት በተመለከተ፥ ሥራ አመራሮች የኩባንያውን ቀጣይነት ማዕከል ባደረገ መልኩ ኩባንያውን ለማፍረስ ወይም ሥራውን ለማቋረጥ የሚፈልጉ ወይም ደግሞ ከዚህ በስተቀር ሌላ ዕውን የሆነ አመራጭ የሌላቸው እስካልሆነ ድረስ ከሥራው ቀጣይነት ጋር ተያያዥ የሆኑ ነገሮችን እንደአስፈላጊነቱ ማሳወቅ እና የሥራውን ቀጣይነት በሒሳብ መዝገብ አያያዝ መጠቀም ኃላፊነታቸው ነው።

የአመራር ስልጣን የተሰጣቸው አካላት የኩባንያውን የሒሳብመግለጫ አወጣጥ ሒደት የመከታተል ኃላፊነት አለባቸው።

የሒሳብ መግለጫዎች ኦዲትን በሚመለከት የኦዲተር ኃላፊነት

የእኛ ኃላፊነት የኩባንያውን የሒሳብ መግለጫ በአጠቃላይ በማጭበርበርም ሆነ በስህተት ከሚመጣ ከይዘት መዛባት የጸዳ ስለመሆኑ አሳማኝ ማረጋገጫ ማግኘት፤ እንዲሁም የእኛን አስተያየት ጨምሮ የኦዲተር ሪፖርት መስጠት ነው። በአይ/ኤስ/ኤዎች መሠረት የተሠራ ኦዲት ከፍተኛ የሆነ ማረጋገጫ ቢሰጥም መዛባቶችን ሁሌ ያገኛል ማለት አይደለም። መዛባቶች የሚከሰቱት በማጭበርበር ወይም በስህተት ሊሆን የቻላል።

የኦዲት ምርመራው በአይ/ኤ/ኤስ መሠረት ሲከናወን በኦዲት ተግባሩ ውስጥ ሁሉ ሙያዊ ውሳኔዎችን እየተጠቀምን ሙያዊ ጥርጣሬዎችንም ተጠቅመናል። ደግሞም :-

- ከመጭበርበርም ሆነ ከስህተት የመጣ የገንዘብ ነክ መግለጫዎች መሠረታዊ መዛባት ስለመኖሩ አደጋዎችን ለይተን በመዳሰስ፣ ለእነዚህ አደጋዎች ምላሽ የሚሆን አካሔድ ቀርጸን ኦዲት ያደረግን ሲሆን ለአስተያየታችን መሠረት የሚሆን ተገቢ የሆነ መግለጫ የሚያስገኝ በቂ የሆነ የኦዲት ማስረጃ ነበረን። ማጭበርበር ሲፈጸም መመሳጠር፣ ማታለያ መጠቀም፣ ሆን ብሎ ማጉደል፣ የተሳሳተ አመዘጋገብ ወይም የውስጥ ቁጥጥርን መጣስ ሊኖርበት የሚችል በመሆኑ፥ አደጋው ከስህተት ይልቅ በማጭበርበር የሚከሰት የይዘት መዛባት ሳይታይ ሊታለፍ መቻሉ ነው።

- በሁኔታዎቹ ተገቢ የሆኑ ኦዲት አካሔዶችን ለመቅረጽ ሲባል ከኦዲቱ ጋር ተዛማጅ የሆኑ የውስጥ ቁጥጥር ግንዛቤ ያገኘን ቢሆንም ይህ ግን የኩባንያውን የውስጥ ቁጥጥር ውጤታማነት በሚመለከት አስተያየት ለማንጸባረቅ አይደለም።

- ጥቅም ላይ የዋሉትን የሒሳብ መዝገብ አያያዝ ፖሊሲዎች ተገቢነት እንዲሁም የሒሳብ መዝገብ አያያዝ ግምቶች አሳማኝነት እና ተዛማጅ የሆኑ በሥራ አመራሮች የተሰጡ መግለጫዎችን መመዘን፤

- የንግድ ሥራውን ሒደት የሒሳብ መዝገብ አያያዝ አካል አድርጎ ሥራ አመራሩ መጠቀሙ ተገቢ ስለመሆኑ በቀረቡልን የኦዲት ማስረጃዎች ላይ ከክስተቶቹ ወይም ሁኔታዎቹ ጋር ተያያዥ የሆነ መሠረታዊ የማይጠበቅ ነገር ኖሮ ቡድኑ በቀጣይነት የንግድ ሥራውን እያከናወነ እንዳይቀጥል የማይታበል ጥርጣሬ ሊፈጥሩ የሚችሉ ስለመሆናቸው ድምዳሜ ላይ ለመድረስ ነው። መሠረታዊ የሆነ ያልተጠበቀ ነገር እንዳለ ከደመደምን ፣ ለሚመለከተው የሒሳብ መግለጫ ይዘቶች በእኛ የኦዲተር ሪፖርት ውስጥ ትኩረት እዲደረግበት ማድረግ ወይም ምናልባት ይህን መግለጫ መስጠት ብቻ የማይበቃ ቢሆን አስተያየታችንን ማስተካከል ይጠበቅብናል። የእኛ ድምዳሜዎች መሠረታቸውን የሚያደርጉት የኦዲተሩ ሪፖርት እስከተዘጋጀበት ዕለት ድረስ በተገኙት የኦዲት ማስረጃዎች ላይ ነው። ነገርግን ወደፊት የሚያጋጥሙ ሁኔታዎች ወይም ክስተቶች ኩባንያው በንግድ ሥራው እንዳይቀጥል ሊያደርጉት ይችላሉ።

- የሒሳብ መግለጫዎቹን አቀራረብ፣ አወቃቀር እና ይዘት መገምገም እና እነዚህ የገንዘብ መግለጫዎች መሠረታዊ ግብይቶችን እና ክስተቶችን የሚያሳዩ እና ትክክለኛ መገለጫዎች መሆናቸውን መመዘን፤

ለብርሃን ባንክ አ.ማ. ባለአክስዮኞች የቀረበ ገለልተኛ የኦዲተሮች ሪፖርት

አስተያየት

እ.ኤ.አ ሰኔ 30 ቀን 2018 ለተጠናቀቀው የበጀት ዓመት በብርሃን ባንክ አክስዮን ማህበር የተዘጋጁ የሂሳብ መግለጫዎች ማለትም የሀብት እና እዳ መግለጫ፣ የትርፍ እና ኪሳራ መግለጫ፣ የባለአክሲዮኖች ካፒታል ለውጥ መግለጫ፣ የገንዘብ ፍሠት መግለጫ እና የሒሳብ አሰራር መርሆች ማጠቃለያ እና ማብራሪያዎችን መርምረናል፡፡

በእኛ አስተያየት የሂሳብ መግለጫዎቹ አጠቃላይ ተቀባይነት ባላቸው የሂሳብ አያያዝ መርሆች መሰረት እ.ኤ.አ. ሰኔ 30 ቀን 2018 የነበረውን የባንኩን የሂሳብ አቋም እና በዚያው እለት በተጠናቀቀው የሂሳብ ዘመን የተገኘውን አጠቃላይ ውጤት፤ የባለአክሲዮኖች ካፒታል ለውጥ መግለጫ እና በዓመቱ የነበረውን የጥሬ ገንዘብ ፍሠት ከዓለምአቀፍ የሒሳብ መዝገብ አያያዝ መመዘኛዎች ቦርድ (አይ/ኤ/ኤስ/ቢ) በተገኘው በዓለምአቀፍ የፋይናንስ ሪፖርት መመዘኛዎች (አይ/ኤፍ/አር/ኤስ) መሠረት በትክክለኛ እና በተገቢው ሁኔታ ያሳያሉ፡፡

የዳይሬክተሮች ቦርድ ሪፖርትን በሚመለከት በ1952 በወጣው የንግድ ህግ አንቀፅ 375 መሰረት በእኛ በኩል የምንሰጠው የልዩነት አስተያየት የሌለን መሆኑን እየገለፅን የባለአክሲዮኖች ጠቅላላ ጉባኤ የቀረበውን የሂሣብ መግለጫ ሪፖርት እንዲያፀድቅ እንጠይቃለን፡፡

የአስተያየታችን መሠረት

የእኛን ኦዲት ስራዎች ያከናወንነው በዓለምአቀፍ የኦዲት መመዘኛዎች (አይ/ኤስ/ኤ) መሠረት ነው፡፡ በእነዚህ መመዘኛዎች መሠረት በእኛ ላይ ያሉብን ኃላፊነቶች በእኛ ሪፖርት ውስጥ የፋይናንስ መግለጫዎች ኦዲትን በሚመለከት የኦዲተሮች ኃላፊነት በተሰኘው ሥር ይበልጥ ተብራርቷል፡፡ በዓለምአቀፍ የስነምግባር መመዘናዎች ቦርድ የባለሞያ አካውንት የሒሳብ መዝገብ ያዦች የስነምግባር ደንብ (አይ/ኢ/ኤስ/ቢ/ኤ ኮድ) መሠረት በኢትዮጵያ ውስጥ ገንዘብ ነክ መግለጫዎችን ኦዲት ስለማድረግ ተያያዥ የሆኑ የስነምግባር ቅድመ ሁኔታዎችን ጨምሮ መሠረት አድርገን ከኩባንያው ገለልተኛ የሆንን ስንሆን በአይ/ኢ/ኤስ/ቢ/ኤ ኮድ መሠረት እነዚህን ቅድመ ሁኔታዎች ተመርኩዘን ሌሎች ስነምግባራዊ ኃላፊነቶቻችንን አሟልተናል፡፡ እንደምናምነው ያገኘናቸው የኦዲት ማስረጃዎች ላቀረብናቸው ግምገማዎቻችን መሠረት ሊሆኑ በሚችሉ ሁኔታ በቂ እና ተገቢ ናቸው፡፡

ቁልፍ የኦዲት ጉዳዮች

ቁልፍ የኦዲት ጉዳዮች በእኛ ሙያዊ ውሳኔ መሠረት የወቅቱን ሂሳብ መግለጫዎች ኦዲት እጅግ ዋጋ ያላቸው ጉዳዮች ናቸው ተብለው የሚታመኑ ናቸዉ፡፡ እነዚህ ጉዳዮችም በአጠቃላይ ሂሳብ መግለጫው ኦዲት አውድ ውስጥ የተዳረሱ ሲሆኑ፣ አስተያየታችንን በእነዚህ ላይ መሠረት በማድረጋችን ስለእነዚህ ጉዳዮች የተለየ አስተያየት አላቀረብንም፡፡

ባንኩ ለመጀመሪያ ጊዜ የዓለምአቀፍ የሒሳብ መዝገብ አያያዝ መመዘኛዎች ቦርድ (አይ/ኤ/ኤስ/ቢ) በተገኘው የዓለምአቀፍ የፋይናንስ ሪፖርት መመዘኛዎች (አይ/ኤፍ/አር/ኤስ) በመተገበር ሂደት ውስጥ ነበር፡፡ ከዚህ የተነሣ በርካታ አዳዲስ የሒሳብ መዝገብ አያያዝ ፖሊሲዎች ተመርጠው ተግባራዊ ተደርገዋል፡፡ የቀድሞው ዓመት ተነጻጻሪ ቁጥሮች እንዲሁም በሽግግሩ ዕለት ማለትም እ.ኤ.አ ከ ሐምሌ 1፣ 2016 የመክፈቻ ቀሪ ሚዛን ጨምሮ በተመረጠው የሒሳብ መዝገብ አያያዝ ፖሊሲ መሠረት ዳግም ተመዝግቧል፡፡ ከሽግግሩ ዕለት ማለትም እ.ኤ.አ ከ ሐምሌ 1፣ 2016 ጀምሮ የአዳዲስ የሒሳብ መዝገብ አያያዝ ፖሊሲዎች ምርጫ እና ትግበራ በዓመቱ የእኛ የኦዲቱ ቁልፍ ጉዳዬች ሆኖ ተወስዷል፡፡ ከዚህ የተነሣ እ.ኤ.አ ከ ሐምሌ 1፣ 2016 ጀምሮ የሒሳብ መዝገብ አያያዝ ፖሊሲዎቹ በትክክል መተግበራቸዉን የማረጋገጥ ሥራ በእኛ ኦዲት ውስጥ ተካቷል፡፡

የስራ አመራሩ እና የሂሳብ መግለጫዎቹ አስተዳደር ያለባቸው ሃላፊነት

የሥራ አመራሮች ከዓለምአቀፍ የሒሳብ መዝገብ አያያዝ መመዘኛዎች ቦርድ በተሰጠው የዓለምአቀፍ የገንዘብ ሪፖርት መመዘኛዎች መሠረት የሒሳብ መግለጫዎችን የማዘጋጀት እና በትክክል የማቅረብ ሃላፊነት ያለባቸው ሲሆን፣ ለዚህም በሥራ አመራሮች ለሚወሰን የውስጥ ቁጥጥር ማድረግ ከመጭበርበርም ሆነ ከስህተት የፀዳ የኩባንያውን ሪፖርት መግለጫ የማዘጋጀት አስፈላጊ ነው፡፡

ሙሉ በሙሉ አጠናቅቆ ለአገልግሎት ዝግጁ ሆኗል።

ይህ የመረጃ ስርዓት ወደ ትግበራ ሲገባ የአቅም ውስንነት ይታይበት የነበረውን ነባሩን ሲስተም ሙሉ በሙሉ ከመተካቱ ባሻገር የነበረውን የሃይል አቅርቦት እና የመረጃ አያያዝ ውስንነት ይቀርፋል። ከዚህም በላይ ቴክኖሎጂው የዘመናዊ የመረጃ ማዕከል አገልግሎቶች ሊያሟሉ የሚገባቸውን መስፈርቶች ያሟላ እና የተቀላጠፈ የደንበኞች አገልግሎት ለመስጠት የሚያስችል ነው።

6. የቅርንጫፍ ማስፋፊያ

ደንበኞችን ባሉበት በቅርበት ማገልገልን እና የባንኩን የገበያ አድማስ ማስፋፋትን ማዕከል ባደረገ መልኩ እ.ኤ.አ. ሰኔ 30 2018 በተጠናቀቀው የበጀት ዓመት ባንኩ የቅርንጫፍ አድማሱን ማስፋቱን ቀጥሎ 21 አዳዲስ ቅርንጫፎችን በአዲስ አበባ እና በክልል ከተሞች በመክፈት ጠቅላላ የቅርንጫፎቹን ብዛት ወደ 182 አድርሷል። ከጠቅላላው የባንኩ ቅርንጫፎች ውስጥ 87 ቅርንጫፎች በአዲስ አበባ ሲገኙ ሌሎቹ 95 ቅርንጫፎች በተለያዩ የሃገሪቱ ክፍሎች ይገኛሉ።.

7. ድርጅታዊ መዋቅር

እ.ኤ.አ. በ2017/18 ባንኩ ከፍተኛ የመዋቅር ለውጥ ያደረገበት ጊዜ ነው።

የመዋቅር ለውጡ ከውስጥም ሆነ ከውጭ የሚቀርቡ የተለያዩ የአገልግሎት አማራጭ ምላሾችን ለመስጠት እና እንዲሁም ባንኩ እያደገ መሄዱን ተከትሎ ቀደም ሲል በማዕከላዊነት ሲያከናውናቸው የነበሩ ተግባራትን በተወሰነ መልኩ ተደራጅተው በተከፋፈሉ ቀጠናዎች ወይም የሥራ ክፍሎች ማከናወን አስፈላጊ ሆኖ ተገኝቷል። ይህም እያደገ የመጣውን የባንኩን የአገልግሎት አቀራረብ፣ የአገልግሎት ጥራት ቁጥጥር እና ስትራቴጂያዊ አካሄዱን በተደራጀ መልኩ ለመፈፀም ይረዳዋል ተብሎ ይታመናል። በዚህም መሰረት አዳዲስ የቀጠና ቢሮዎች ተደራጅተው በውስጣቸውም የሰው ኃይል ተሟልቶ ወደ ሥራ ገብተዋል። በተጨማሪም ቀደም ሲል ባንኩ በሁለት ምክትል ፕሬዚዳንቶች ሲመራ የቆየ ቢሆንም አሁን ያለውን የባንኩን እድገት በሚመጥን እና በተደራጀ መልኩ አመራር መስጠት ይቻል ዘንድ ተጨማሪ ሁለት ምክትል ፕሬዚዳንቶች ተሹመዋል።

ይህ በእንዲህ እንዳለ የተወሰኑ ነባር የሥራ መደቦች በአዳዲስ አመራሮች የተተኩበት እንዲሁም ነባር የመምሪያ ኃላፊዎች የተሻለ አፈፃፀም ሊያሳዩ ወደሚችሉበት የሥራ ክፍሎች የተዘዋወሩበት ዓመትም ነበር።

8. ማህበራዊ ኃላፊነት

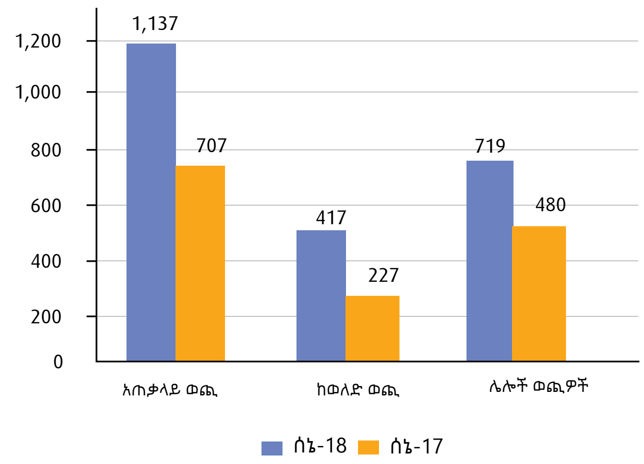
ባንኩ ማህበራዊ ሃላፊነቱን ከመወጣት አንፃር የተለያዩ የገንዘብ ድጋፍ በሚያስፈልጋቸው የበጎ አድራጎት መርሃግብሮች ላይ በመገኘት የበኩሉን አስተዋፅኦ ሲያበረክት መቆየቱ ይታወቃል። በተጠናቀቀው የበጀት ዓመትም በሃገሪቱ የፖለቲካ አለመረጋጋት ጋር ተያይዞ የተከሰተውን የዜጎች መፈናቀል ተከትሎ የክልል አመራሮች ለባንኩ ባቀረቡት ጥያቄ መሰረት ለተፈናቃይ ዜጎች መቋቋሚያ ይሆን ዘንድ ለኦሮሚያ ብሄራዊ ክልላዊ መንግስት ተፈናቃዮች ብር 1 ሚሊዮን እንዲሁም ለኢትዮጵያ ሶማሊ ክልላዊ መንግስት ተፈናቃዮች ብር 1 ሚሊዮን የክልሎቹ ከፍተኛ አመራር አካላት በተገኙበት ተበርክቷል።

9. የወደፊት እቅድ

የተጀመረውን ዕድገት ለማስቀጠል እንዲቻል ባንኩ በሚቀጥለው የበጀት ዓመት እንዲተገብራቸው ለይቶ ያስቀመጣቸው እቅዶች የሚከተሉት ናቸው።

- የሐብት ማሰባሰብ (ሪሶርስ ሞቢላይዜሽን) ሥራ በሰፊው እንዲሰራና እንዲያድግ ማድረግ
- በቴክኖሎጂ የተደገፈ አገልግሎት አሰጣጥን ማጠናከርና ማስቀጠል
- የሰው ኃይል አቅምን በዘመናዊ መልኩ ማስተዳደር እና ማጎልበት ላይ ትኩረት ከመስጠት ጎን ተቋማዊ ባህልን ማጎልበት
- ከዓለም አቀፍ ባንኮች ጋር ግንኙነት መፍጠር
- የሐብት ጥራት አመራርን (Asset Quality) ማጠናከርና
- የአገልግሎት አሰጣጥ ጥራት አቅምንና ምርታማነትን ማሳደግ ናቸው።

የወጪ ስርጭት በ'000 ብር

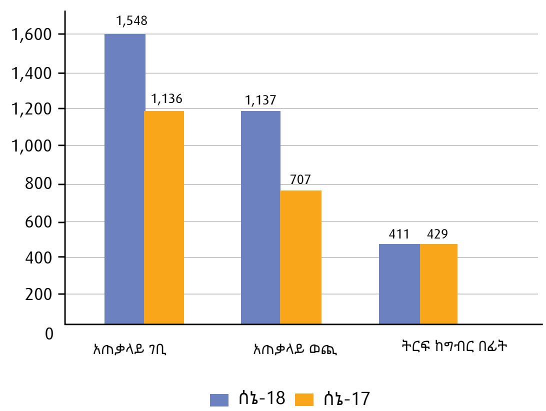


3.5 ትርፍ

እ.ኤ.አ. በ2017/18 በተጠናቀቀው የበጀት ዓመት የባንኩ ትርፍ ከግብር በፊት ብር 410.9 ሚሊዮን የተመዘገበ ቢሆንም ባለፈው ዓመት ከተመዘገበው ከብር 428.7 ሚለዮን ጋር ሲነፃፀር የ 4.1 በመቶ ቅናሽ አሳይቷል፡፡

ይህ ውጤት የተመዘገበው የሃገራችን የሃገራችን የማህበራዊና የፖለቲካ ሁኔታ ከምንጊዜውም በተለየ ባልተረጋጋበት እና በባንክ ኢንዱስትሪው ላይ ሌሎች በርካታ ተግዳሮቶች በተጋረጡበት ወቅት መሆኑ እሙን ነው፡፡

የ 2017/18 የበጀት ዓመት ትርፍ በ'000 ብር



4. የሰው ኃይል

ባንኩ የሰው ሃብቱን ለባንኩ ራዕይ መሳካት ዋነኛ አቅም አድርጎ ያምናል፡፡ በዚህም ምክንያት የሰው ኃይል ምልመላ፣ ቅጥር፣ ልማት እና እድገትም ይህንኑ ታሳቢ ባደረገ መልኩ ይከናወናል፡፡ ባንኩ ባለው የሰው ኃብት የሚያልማቸውን የረዥም ጊዜ እቅዶች እውን ለማድረግ ካለው ፅኑ እምነት የተነሳ የሰራተኛውን የሥራ የአፈፃፀም አቅም በማጎልበት ጥራት ያለው የደንበኞች አገልግሎት በመሥጠት ያለፉትን ተከታታይ ስኬታማ ዓመታት እውን ሊያደርግ ችሏል፡፡

እ.ኤ.አ. ሰኔ 30 2018 በተጠናቀቀው የበጀት ዓመት 327 ሰራተኞችን በመጨመር በጠቅላላው የሰራተኛውን ቁጥር ወደ 3,237 ያደረሰ ሲሆን ከዚህም ውስጥ 32.7 በመቶው ሴቶች ሲሆኑ የተቀሩት 67.3 በመቶ የሚሆኑት ወንዶች ናቸው፡፡ በሰው ኃይል ልማት ዘርፍም ዓመቱ ከፍተኛ ውጤት የተመዘገበበት ሆኖ አልፏል፡፡ በበጀት ዓመቱ 4,206 ሠራተኞች የደንበኞች አገልግሎትን ለማቀላጠፍ፣ የአመራር ክህሎቶቻቸውን ለማሳደግ እንዲሁም የቴክኒካል ብቃታቸውን በሚያጎለብቱባቸው በተለያዩ የስልጠና መስኮች ላይ በሃገር ውስጥ እና በውጭ ሃገራት ስልጠናዎችን የተከታተሉበት እና በወሰዷቸው ስልጠናዎችም ምክንያት በተለያየ መልኩ ለባንኩ እሴት የጨመሩበት ዓመት ነው፡፡

በተጨማሪም በተጠናቀቀው የበጀት ዓመት የሰራተኛውን አቅም ለማጎልበት በማለም የትምህርት ድጋፍ በተሰኘው መርሃግብር ከባንኩ መደበኛ የሥራ ሰዓታት ውጭ ከ ደረጃ አንድ እስከ የመጀመሪያ ዲግሪ መማር ለሚፈልጉ ሠራተኞች የትምህርት ክፍያዎቻቸውን በመሸፈን ትምህርታቸውን እንዲከታተሉ የተደረገበት ዓመት ሲሆን ይህ መርሃግብር ከተጀመረበት ጊዜ ጀምሮ በጠቅላላው 136 ሠራተኞች ተጠቃሚዎች ሆነዋል፡፡

5. ኢንፎርሜሽን ቴክኖሎጂ

ወጥ የሆነ የቴክኖሎጂ እና የአዳዲስ እሳቤዎች መፍለቅ የባንኩን የሥራ አፈፃፀም ብቃት ለማሳደግ እና ውጤታማነቱን ለመጨመር ትኩረት ተሰጥቶበት ከሚሰራባቸው አንኳር ስትራቴጂክ አቅጣጫዎች መካከል ዋናዎቹ ናቸው፡፡

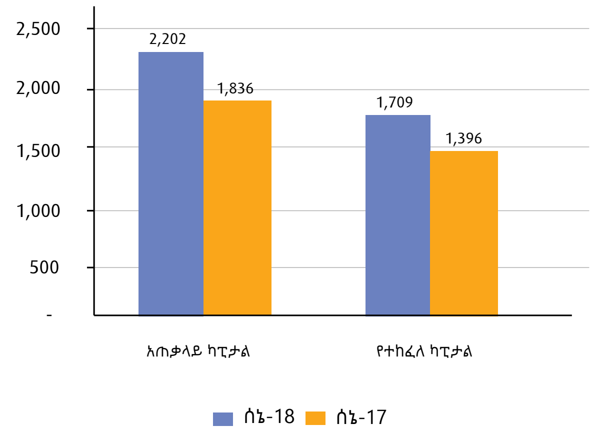
ቅርንጫፎችን በተሳካ ሁኔታ በኔትወርክ ለማስተሳሰር እና ከተወዳዳሪ ባንኮች የሚመጡ መሰል የመወዳደሪያ ጫናዎችን በብቃት ማለፍ ይቻል ዘንድ ባንኩ የተደራጀ እና የተዋጣለት እንዲሁም የዘመኑ የቴክኖሎጂ ውጤት የሆነውን ታየር 3 (tire III) የተሰኘውን የመረጃ ማዕከል በማደራጀት ለትግበራ ዝግጁ ሆኗል፡፡

ይህ እውን ይሆን ዘንድ እ.ኤ.አ. በ 2016/17 የዳይሬክተሮች ቦርድ በሰጠው አቅጣጫ መሰረት የባንኩ የበላይ አመራር ከፍተኛ ክትትል እና ድጋፍ ቆይቶ ሲሆን ይኸው ፕሮጀክት የመደራጀት ጊዜውን

3.2. ካፒታል

በተጠናቀቀው የበጀት ዓመት የባንኩ ካፒታል በከፍተኛ ሁኔታ እድገት አሳይቷል። በዚህም መሠረት የባንኩ አጠቃላይ ካፒታል እና የተከፈለ ካፒታል ብር 2.2. ቢሊዮን እና 1.7 ቢሊዮን የደረሰ ሲሆን ይኸው ውጤት ካለፈው ተመሳሳይ ወቅት ጋር ሲነፃፀር የ ብር 365.4 ሚሊዮን ብልጫ ወይም የ19.9 በመቶ እድገት እና የ ብር 312.9 ሚሊዮን ወይም የ22.4 በመቶ እድገት አስመዝግቧል።

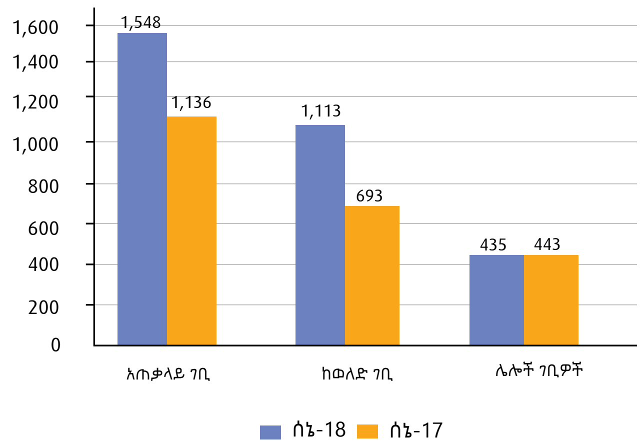
የካፒታል ስርጭት በ'000 ብር



3.3. ገቢ

እ.ኤ.አ. በ2017/18 በተጠናቀቀው የበጀት ዓመት የባንኩ አጠቃላይ ገቢ ብር 1.5 ቢሊዮን ሆኖ ተመዝግቧል። ይህም ካለፈው ተመሳሳይ ወቅት ጋር ሲነፃፀር የ 36.3 በመቶ ዕድገት ወይም የብር 412 ሚሊዮን ጭማሪ አሳይቷል። ከተገኘው አጠቃላይ ገቢ ውስጥ ከወለድ የተገኘው ገቢ አብላጫውን ወይም የ 71.9 በመቶ የሚይዝ ሲሆን ይህም ካለፈው ዓመት አፈፃፀም ጋር ሲወዳደር የ60.5 በመቶ ብልጫ አሳይቷል። በሌላ በኩል ወለድ ካልሆኑ የገቢ ምንጮች የተገኘው ገቢ ከጠቅላላው ገቢ የ28.1 በመቶ ድርሻን የሚይዝ ቢሆንም ካለፈው ዓመት ተመሳሳይ ወቅት ጋር ሲነፃፀር የ ብር 7.7 ሚሊዮን ወይም የ1.7 በመቶ ቅናሽ አሳይቷል።

የገቢ ስርጭት በ'000 ብር



3.4. ወጪ

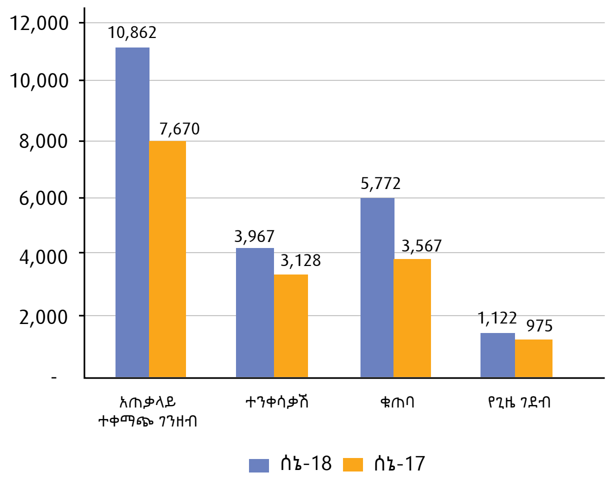
እ.ኤ.አ. በ2017/18 በተጠናቀቀው የበጀት ዓመት የባንኩ ጠቅላላ ወጪ ብር 1.1 ቢሊዮን የደረሰ ሲሆን ይህም ካለፈው ዓመት ጋር ሲነፃፀር የ60.8 በመቶ ጭማሪ አሳይቷል። የወጪውን አብላጫ ምጣኔ የሚይዘው ለወለድ ወጪ የተከፈለ ሲሆን ይህም ባለፈው ተመሳሳይ ወቅት ለወለድ ከተከፈለው ወጪ ጋር ሲነፃፀር የ ብር 189 ሚሊዮን ወይም 83.5 በመቶ እድገት አሳይቷል።

የወለድ ወጪው ከፍ እንዲል ያደረገው ብሄራዊ ባንክ ቁጠባ ወለድ ምጣኔውን ከነበረበት የ5 በመቶ ወደ 7 በመቶ ከፍ ማድረጉን ተከትሎ ሲሆን ወለድ የሚከፈልባቸው ተቀማጭ ገንዘቦች መጨመርም አስተዋፅኦ አድርገዋል። ከወለድ ውጪ የሆኑ ወጪ ብር 239 ሚሊዮን ሲሆን ይህም የጠቅላላ ወጪውን 50 በመቶ የሚይዝ ይሆናል። በዋና ዋና የወጪ አርዕስቶች ላይ የታየው ጭማሪ የባንኩን የቅርንጫፍ መስፋፋት ተከትሎ የጨመረውን የሰራተኞች ቁጥርን እና ሌሎች ወጪዎችን ያካትታል።

ዋና ዋና የአፈፃፀም ማሳያዎች

የቅርንጫፍ ስርጭትም በተሻለ መልኩ ለደንበኞች ተደራሽ እና የተለያዩ የአገልግሎት ዓማራጮችን በመያዝ የላቀ የደንበኞች አገልግሎት መስጠትን ከምን ጊዜውም በላቀ ሁኔታ የትኩረት አቅጣጫው በማድረግ ተንቀሳቅሷል፡፡

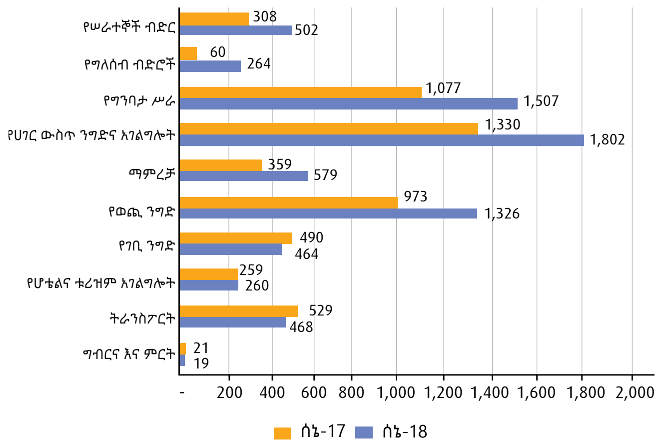
የተቀማጭ ሂሳብ ክፍፍል በ ‘000 ብር



2.2 ብድር እና ቅድሚያ ክፍያዎች

እ.ኤ.አ. ሰኔ 30, 2018 በተጠናቀቀው የበጀት ዓመት የባንኩ ጠቅላላ የብድር ክምችት ወደ ብር 7.2 ቢሊዮን ያደገ ሲሆን ይህም ካለፈው ዓመት ተመሳሳይ ወቅት ጋር ሲወዳደር የ33 በመቶ ብልጫ አሳይቷል፡፡ በተመሳሳይም በብድር አስተዳደር ስርዓቱ ላይ ባደረጋቸው ያላሰለሱ የብድር ጥራት እና የተደራጀ የብድር ማስመለስ እንቅስቃሴዎች የባንኩ የተበላሸ የብድር መጠን 2.5 በመቶ ብቻ እንዲሆን አድርጓል፡፡ የባንኩ የብድር ክምችት በኢኮኖሚ ዘርፍ አመዳደብ ሲቃኙ የሃገር ውስጥ ንግዱ፣ የግንባታው እና የወጪ ንግዱ በቅደም ተከተል ቀዳሚዎቹን ድርሻ ሲይዙ የገቢ ንግድ የትራንስፖርት እና የግብርናው ዘርፍ ዝቅተኛ አፈፃፀም አሳይተዋል፡፡

የብድርና የቅድሚያ ክፍያዎች ስርጭት በተለያዩ የኢኮኖሚ ዘርፎች በ’000 ብር



2.3 ዓለም ዓቀፍ የባንክ አገልግሎት

እ.ኤ.አ. በ2017/18 በተጠናቀቀው የበጀት ዓመት በሃገር ዓቀፍ ደረጃ ከፍተኛ የውጭ ምንዛሪ እጥረት መከሰቱ እውነታ ነው፡፡ ባንኩ ይህንን ተግዳሮት ተቋቁሞ በአብዛኛው የውጭ ምንዛሪ ተኮር የቢዝነስ እንቅስቃሴ ካላቸው ተቋማት ጋር ስልታዊ ግንኙነትን በመፍጠር፣ ከአለም ዓቀፍ የገንዘብ አስተላላፊዎች ጋር የነበረውን ግንኙነት በማሻሻል በተለያዩ የአገልግሎት አሰጣጥ ጥራት ላይ የክትትል ስርዓቶችን በመዘርጋት እና በሁሉም የአገልግሎት ማእከላቱ ይህንኑ የጥራት አማራጮች በመተግበር በበጀት ዓመቱ 108.5 ሚሊዮን የአሜሪካን ዶላር መሰብሰብ ችሏል፡፡

ይህም ሆኖ በሃገር ዓቀፍ ደረጃ በዋነኛነት የታየውን የወጪ ንግድ መቀዛቀዝን እና ከውጭ ባንኮች ጋር የነበረው ግንኙነት መሻከር ተከትሎ በበጀት አመቱ የተመዘገበው የውጭ ምንዛሪ ካለፈው ተመሳሳይ ወቅት ጋር ሲነፃፀር የ16.4 በመቶ ቅናሽ አሳይቷል፡፡

3. የፋይናንስ አፈፃፀም

3.1. ሀብት

እኤአ ሰኔ 30, 2018 የባንኩ ጠቅላላ የሀብት መጠን ብር 14.1 ቢሊዮን የደረሰ ሲሆን ባለፈው የበጀት ዓመት ከነበረው የብር 10.5 ቢሊዮን አፈፃፀም ጋር ሲንፃፀር የ 33.5 በመቶ ጭማሪ አሳይቷል፡፡ ይህ የባንኩ የሃብት እድገት የተገኘው በተለይም በባንኩ የብድር ክምችት እና በብሄራዊ ባንክ ቦንድ ላይ በተደረገ የመዋዕለ-ነዋይ ፈሰስ ነው፡፡

ዋና ዋና የአፈፃፀም ማሳያዎች

1. እ.ኤ.አ. የ2017/18 ዋና ዋና ክንውኖች

እ.ኤአ በ 2017/18 በጀት ዓመት በአብዛኛው መንግስት መር በሆነው የኢትዮጵያ ኢኮኖሚ በሃገር ዓቀፍ ደረጃ የነበረውን እድገት በተመሳሳይ ሁኔታ አስቀጥሎ ማለፉ እሙን ነው።

ነገር ግን የሃገሪቱን ኢኮኖሚ ሁኔታ በጥቅሉ ስንመለከተው ለታላላቅ መሰረተ ልማቶች የሚዉሉ አስተማማኝ የፋይናንስ አቅርቦቶች በበቂ ሁኔታ ስላልተገኙ፣ እነዚህን አውታሮች ለመደገፍ ከውጭ ሃገራት የተወሰዱ ብድሮች እና የወለድ ምጣኔዎቻቸው እያደር እየጨመሩ መሄዳቸውና የሃገራችን የብድር ምጣኔ እያደገ መምጣቱ የኢኮኖሚ እድገቱ ላይ ጫና ፈጥሯል። በተጨማሪም በተለያዩ የሀገሪቱ ክፍሎች የታየውን የማህበራዊና የፖለቲካ አለመረጋጋትን ተከትሎ የውጪ ንግዱ በመቀዛቀዙ ምክንያት የውጭ ምንዛሪ አቅርቦቱም ደካማ እንዲሆን አድርጎታል።

በዚሁ ወቅት የተከሰተውን ችግር ለመፍታት መንግስት በባለቤትነት ያስተዳድራቸው የነበሩ ከፍተኛ የገቢ ማስገኛ ተቋማቱን ወደ ግሉ ዘርፍ ለማዞር እንዲሁም ሌሎች የኢኮኖሚ ሪፎርሞችን ለህዝቡ በማቅረብ የህግ ድንጋጌዎችን በመቅረፅ ላይ መሆኑን አሳውቋል።

የወጪ ንግዱን ለማበረታታት እና በኢኮኖሚው ላይ ሊከተል የሚችለውን የዋጋ ግሽበት ጫና ለመቆጣጠር በማሰብ የኢትዮጵያ ብሄራዊ ባንክ የብር ምጣኔን ከዶላር አንፃር በ15 በመቶ ዝቅ እንዲል አድርጓል። ከዚህም በተጨማሪ ባንኮች በሚያበድሩት ብድር ላይ ከወጪ ንግድ እና ከማምረቻ ዘርፎች በስተቀር ለሌሎች ዘርፎች ጣራ ያስቀመጠ ሲሆን፣ 30 በመቶውን ወርሃዊ የዶላር ምንዛሪ በተገዛበት ተመን ተሰልቶ ለኢትዮጵያ ብሄራዊ ባንክ ገቢ እንዲደረግ፣ የቁጠባ የወለድ ምጣኔው ከነበረበት የ5 በመቶ ወደ 7 በመቶ እንዲያድግ ወስኗል። በተጨማሪም ድንጋጌው በማናቸውም ምክንያት በምንዛሪ ለውጡ የተነሳ የተገኙ ንፋስ አመጣሽ ገቢዎች ሙሉ በሙሉ ለብሄራዊ ባንኩ ገቢ እንዲደረጉም ጭምር ያስገድዳል። እነዚህን ጫናዎች ሁሉ አልፎ ብርሃን ባንክ የተመሰረተበትን እሴቶቹን ባማከለ መልኩ ቢዝነሱ ጤናማ እና ትርፋማ ሆኖ የሚቀጥልበትን አመራሩጮች ቀይሶ ተንቀሳቅሷል። በዚህም መሰረት ከብድሮች የሚገኘውን ትርፍ ለማሻሻል የሀብት ጥራትን በመጨመር፣ የጊዜ ገደብ ቁጠባዎችን በመቀነስና የወለድ ምጣኔውን በዚያው ልክ በመቀነስ እንዲሁም ገቢ በሚያስገኙ የቢዝነስ አማራጮች ላይ ትኩረት በማድረግ እና ሰፋፊ የስትራቴጂ ግቦችን በመተለም የባንኩን የዓመቱ አፈፃፀም ውጤታማ እንዲሆን አድርጓል።

የባንኩ የዳይሬክተሮች ቦርድ ጥንቃቄ በተሞላው እና በተሳካ መልኩ የባንኩን መዋቅር በማሻሻል እና እንዲተገበር አቅጣጫ በመስጠት የተሻለ አደረጃጀት እንዲፈጠር ብሎም በምክትል ፕሬዚዳንቶች፣ በመምሪያ ሃላፊዎች እንዲሁም በተዋረድ በሚገኙ ሰራተኞች መካከል ለሚኖሩ ሃላፊነቶች አስተዳደራዊ መስተጋብር እንዲፈጠር አድርጓል።

ባንኩ የአይቲ ማዕከሉን ታየር III በተሰኘው እና የዘመኑን የቴክኖሎጂ ፍጥነት፣ የመረጃ አያያዝ መጠን፣ የኔትወርክ አደረጃጀት ፍላጎት እንዲሁም መሰል የቴክኖሎጂ ይዘቶቹን ባማከለ መልኩ በተሻለ ሁኔታ አደራጅቷል።

በሥራ ላይ የነበረው የመረጃ ስርዓት መረጃ ለመያዝ ካለው የአቅም ውስንነት ባሻገር የቴክኖሎጂ ውስንነትም በዋነኛነት ከሚነሳበት ቅሬታዎች መካከል ስለነበር እና የባንኩን የወደፊት የቅርንጫፍ ማስፋፋት ፍላጎትም ከግምት ውስጥ ያላስገባ በመሆኑ ይህ አዲስ የመረጃ ማዕከል እነኚህን ችግሮች በዘላቂነት ለሚቀጥሉት 10 ዓመታት ይፈታል በሚል ዕምነት ተደራጅቷል።

በኢትዮጵያ የሂሳብ አዋቂዎች እና የኦዲተሮች ቦርድ በተላለፈው አቅጣጫ በፋይናንሺያል ሪፖርቲንግ አዋጅ ቁጥር 847/2014 ድንጋጌ ቁጥር 332/2014 መሰረት የፋይናንሱ ሴክተር በተለይም በኢትዮጵያ የሚገኘው የባንኩ ዘርፍ የአለም ዓቀፍ የፋይናንስ ሪፖርት አቀራረብ ስርዓትን ከእ.ኤ.አ ሰኔ 2018 ጀምሮ ሙሉ በሙሉ ተግባራዊ እንዲያደርጉ ደንግጓል። ይህን ድንጋጌ ተከትሎ ባንኩ ወደ አዲሱ ስርዓት በቀላሉ ሽግግር ለማድረግ በወሰደው አቋም መሰረት ሀገር በቀል አማካሪ ድርጅት በመቅጠር፣ ይህንኑ አዲስ ስርዓት ለመተግበር ያስችል ዘንድ በሁሉም የግል ባንኮች አስተባባሪነት የተቀጠረውን አለም ዓቀፍ አማካሪ ድርጅት ከመጠቀም ባለፈ በዋነኛነት ባንኩ አተገባበሩን በተሻለ እና በተደራጀ መልኩ ለመምራት ያስችለው ዘንድ የራሱን የፕሮጀክት ቡድን በማደራጀት ስርዓቱን በተሳካ ሁኔታ ሊተገብር ችሏል።

የአዲሱን የሪፖርት ስርዓት መተግበር ተከትሎ መሰረታዊ የፋይናንስ የትርፍ እና የኪሳራ ስሌት ለውጥ ለማየት ተችሏል።

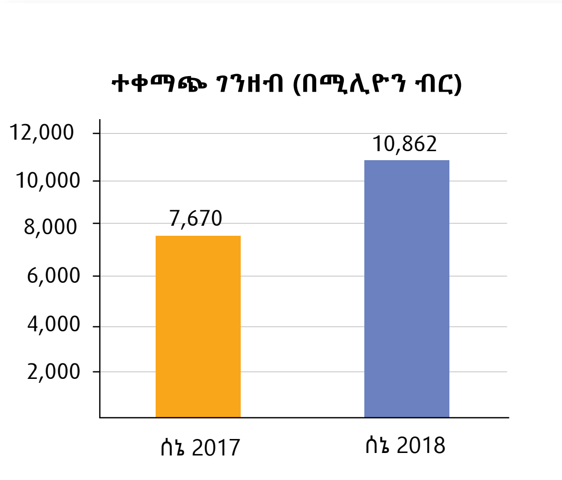
2. የሥራ አፈፃፀም

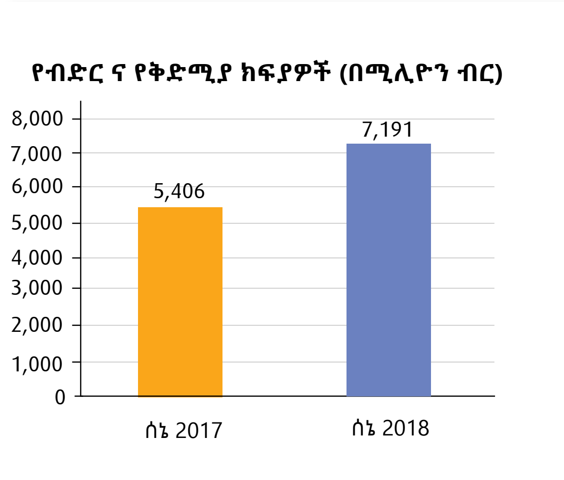
2.1. የተቀማጭ ገንዘብ እንቅስቃሴ

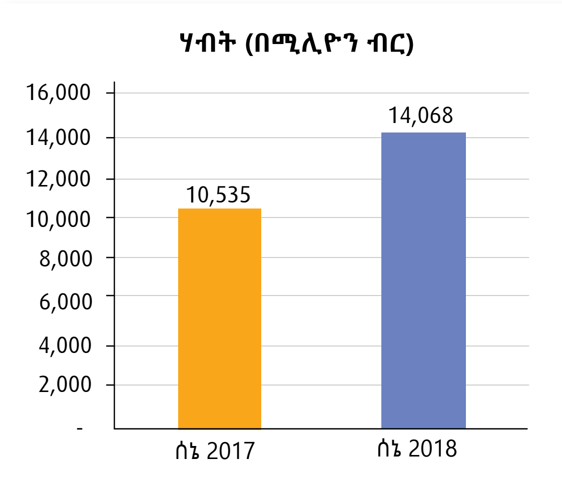
እ.ኤ.አ. በ2017/18 በተጠናቀቀው የበጀት ዓመት ባንኩ ብር 10.9 ቢሊዮን የተቀማጭ ገንዘብ ያሰባሰበ ሲሆን ይህም ካለፈው ዓመት ተመሳሳይ ወቅት ጋር ሲወዳደር የብር 3.2 ቢሊዮን ጭማሪ ወይም የ41.6 በመቶ እድገት አሳይቷል። በዚህ ዓመት ከተደረገው ጠቅላላ የተቀማጭ ሂሳብ መጠን ውስጥ 53.1 በመቶ የሚሆነው ድርሻ የቁጠባ ሂሳብ ሲሆን 36.5 በመቶ ደግሞ የተንቀሳቃሽ ሂሳብ ነው። የተቀማጭ ሂሳብ ደንበኞች ቁጥርም በዚሁ በተጠናቀቀው የበጀት ዓመት በ42.6 በመቶ ጭማሪ በማሳየት የጠቅላላ የተቀማጭ ሂሳብ ደንበኞች ቁጥር ወደ 523,705 አድጓል።

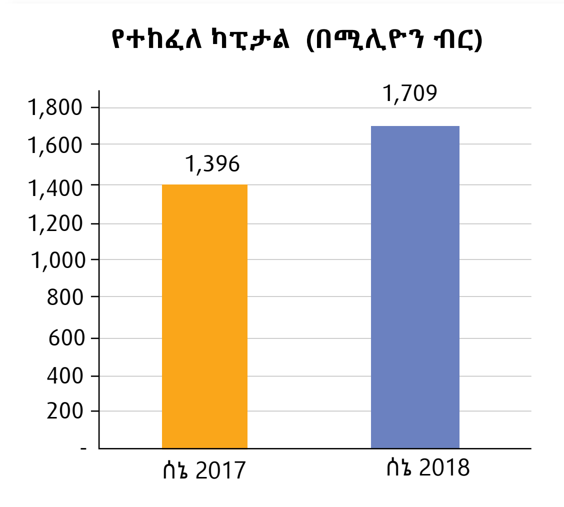
ባንኩ የሃብት ማሰባሰብ እንቅስቃሴን ማዕከል በማድረግ የባንኩ

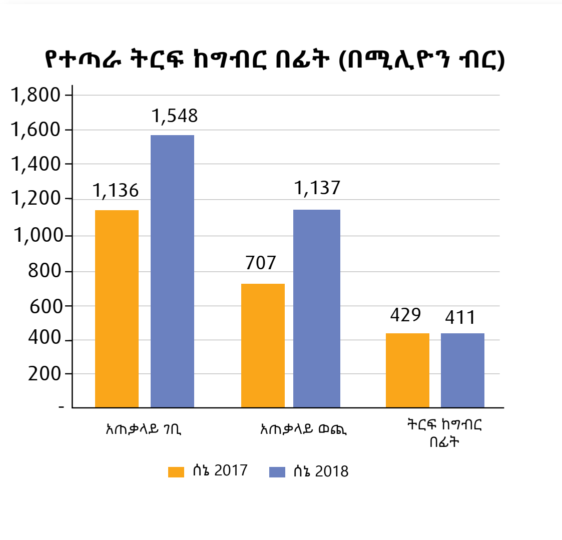
የአፈፃፀም ማሣያ

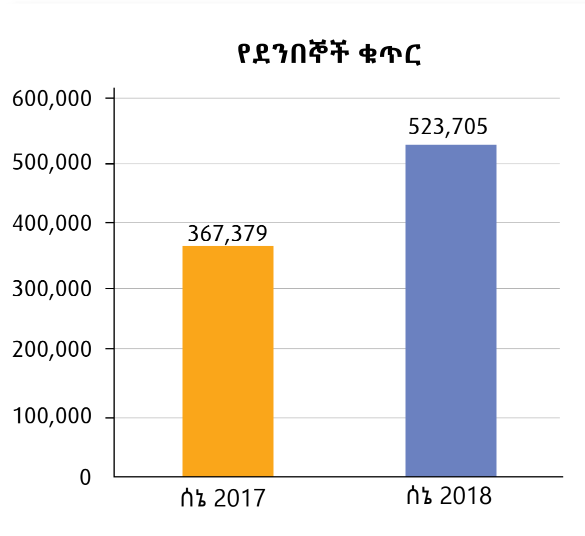

ተቀማጭ ገንዘብ (በሚሊዮን ብር)
12,000
10,000
8,000
6,000
4,000
2,000
7,670
10,862
ሰኔ 2017
ሰኔ 2018


የብድር ና የቅድሚያ ክፍያዎች (በሚሊዮን ብር)
8,000
7,000
6,000
5,000
4,000
3,000
2,000
1,000
0
5,406
7,191
ሰኔ 2017
ሰኔ 2018


ሃብት (በሚሊዮን ብር)
16,000
14,000
12,000
10,000
8,000
6,000
4,000
2,000
-
10,535
14,068
ሰኔ 2017
ሰኔ 2018


የተከፈለ ካፒታል (በሚሊዮን ብር)
1,800
1,600
1,400
1,200
1,000
800
600
400
200
-
1,396
1,709
ሰኔ 2017
ሰኔ 2018


የተጣራ ትርፍ ከግብር በፊት (በሚሊዮን ብር)
1,800
1,600
1,400
1,200
1,000
800
600
400
200
-
1,136
1,548
707
1,137
429
411
አጠቃላይ ገቢ
አጠቃላይ ወጪ
ትርፍ ከግብር በፊት
ሰኔ 2017
ሰኔ 2018


የደንበኞች ቁጥር
600,000
500,000
400,000
300,000
200,000
100,000
0
367,379
523,705
ሰኔ 2017
ሰኔ 2018

የፕሬዚዳንቱ መልዕክት

በተሞላበት፣ ፍሰት ባለው እና በተገቢው የሰው ኃይል የተሟላ የማድረግ ትኩረት አለው። በዚህም መሰረት አምስት የቀጠና ቢሮዎች ተከፍተው የባንኩ ቅርንጫፎች በእነዚሁ ቀጠናዎች ስር እንዲደራጁ የተደረገ ሲሆን እየጨመረ የመጣውን የባንኩን የአገልግሎት እና የአመራር ስፋት ከግምት ውስጥ በማስገባት ተጨማሪ ሁለት የምክትል ፕሬዚዳንት ቦታዎች በዚሁ በአዲሱ መዋቅር ተግባራዊ ተደርጓል። ሰራተኛውን እና ሥራውን ባማከለ መልኩ የሰራተኛ ምልመላ እና ቅጥር በተደራጀ መልኩ የተከናወነ ሲሆን በዚሁ በተጠናቀቀው የበጀት ዓመት ባንኩ የአገልግሎት አሰጣጡን ለማሻሻል ሰራተኞቹ በሃገር ውስጥ እና በውጭ ሃገራት የተለያዩ ስልጠናዎች ላይ እንዲሳተፉ አድርጓል።

ባንኩ ከተመሰረተበት ጊዜ ጀምሮ በቅርንጫፍ አገልግሎትም ሆነ በተለያዩ የዲጂታል አገልግሎት አማራጮች የባንኩን የኦፕሬሽን እና የደንበኞች አገልግሎትን በማዘመን ላይ ትኩርት ሰጥቶ ሲሰራ መቆየቱ ይታወቃል። በዚህም መሠረት ለመላው ደንበኞቹ ዘመናዊ በሆነ መልኩ፣ በስፋት እና በጥራት የባንኩን የአገልግሎት አማራጮች ለማዳረስ በማሰብ ደረጃውን የጠበቀ የኢንፎርሜሽን ቴክኖሎጂ መረጃ ማእከል አስገንብቶ ለትግበራ ዝግጁ አድርጓል። አዲሱ የመረጃ ስርዓት የባንኩን የአገልግሎት አሰጣጥ የተቀላጠፈ እና የዘመነ እንዲሆን ያደርገዋል።

በተጨማሪም ባንኩ ከኢትዮጵያ ምርት ገበያ ባለስልጣን ጋር የቀጥታ ግንኙነትን መፍጠር መቻሉን ተከትሎ በባንኩ እና በባለስልጣን መሥሪያ ቤቱ መካከል የኤሌክትሮኒክ ኔትወርክ ተዘርግቶ ባንኩ በወጪ ንግድ ገበያው ጋር የሚኖረውን ሚና ከፍ እንዲያደርግ ዕድሎችን ከፍቷል።

በተጠናቀቀው የበጀት ዓመት በመንግስት ውሳኔ እና የኢትዮጵያ የሂሳብ ባለሙያዎች እና ኦዲተሮች ቦርድ በሃገር አቀፍ ደረጃ የፋይናንስ ሪፖርት አዘገጃጀትና አቀራረብ ስርዓትን አስመልክቶ ባወጣው አዋጅ መሰረት ባንኩ ከዚህ ቀደም ይጠቀም ከነበረው የፋይናንስ ሪፖርት አዘገጃጀትና አቀራረብ ወደ አለም ዓቀፋዊው የፋይናንስ ሪፖርት አዘገጃጀትና አቀራረብ (IFRS) የተሸጋገረበት ዓመትም ነው። የዚህ ስርዓት አተገባበር በስኬት ከመጠናቀቁም ባሻገር እ.ኤ.አ. ሰኔ 30 2018 የተጠናቀቀው የባንኩ ዓመታዊ አፈፃፀም ሪፖርትም በዚሁ መሰረት ተሰርቶ ቀርቧል።

በመጨረሻም ባንካችን የነበረውን ከባቢያዊ እና አለም አቀፋዊ ጫና ተቋቁሞ ተስፋ ሰጪ ውጤት ያስመዘግብ ዘንድ ከጎናችን በመቆም የጎላ ሚናችሁን ለተወጣችሁ እና ሁሌም ከጎናችን ለሆናችሁ ሁሉ በባንኩ አመራር አካላት፣ በተወደዱ ሰራተኞቻችን፣ በተከበሩ ደንበኞቻችን፣ በባለድርሻ አካላት እና በራሴ ስም የእንኳን ደስ ያለን መልዕክቴን እያስተላለፍኩ በመጨረሻም ለባንኩ የዳይሬክተሮች ቦርድ ለአመራር አካላት እንዲሁም ለመላው የባንኩ ሰራተኛ ላሳያችሁት ቁርጠኛነት እና ጠንካራ የሥራ ባህል ከልብ የመነጨ ምስጋናዬን ላቀርብ እወዳለሁ። በዚሁ አጋጣሚ ቀጣዮቹን የስኬት ዓመታትም በተለመደው ጠንካራ እና መልካም ስሜት በመነሳሳት የላቀ ውጤት እንደምናስመዘግብ እና ባንካችን ወደ ሌላ ከፍታ እንደምናሸጋግረው ያለኝ እምነት የላቀ ነው።

አመሰግናለሁ

አብርሃም አላሮ

ፕሬዚዳንት

የፕሬዚዳንቱ መልዕክት

ከሁሉም አስቀድሜ እ.ኤ.አ.. ሰኔ 30/2018 የተጠናቀቀውን የብርሃን ባንክ ዓመታዊ የሥራ አፈፃፀም ሪፖርት ሳቀርብ ከፍተኛ ክብር ይሰማኛል። በአጠቃላይ ዓመቱ የዳይሬክተሮች ቦርድ፣ የአመራሩ እና የሰራተኛው ጠንካራ ጥረት የታየበት እንዲሁም በተለያዩ አበይት እንቅስቃሴዎች አመርቂ ውጤት የተመዘገበበት መሆኑን ስገልጽ በታላቅ ደስታ ነው።

ምንም እንኳን ያለፈው የበጀት ዓመት ባንካችን በሰኬት ያጠናቀቀበት ቢሆንም በዓመቱ በተለያዩ ሁኔታዎች የታዩ ክስተቶች የበጀት ዓመቱን ፈታኝ ወቅት አድርገውት አልፈዋል፡ እንደሚታወቀው በተለይ የወጪ ንግዱም ሆነ የውጭ ቀጥታ ኢንቨስተመንቱ ዝቅተኛ አፈፃፀም ማስመዝገቡን ተከትሎ የውጭ ምንዛሪ እጥረት በከፍተኛ ሁኔታ ሀገራችንን ፈትኗት ማለፉ አይዘነጋም። ችግሩን ለማረጋጋትም የብሄራዊ ባንክ የኢትዮጵያን ብር ከአሜሪካን ዶላር አንፃር በ15 በመቶ ዝቅ በማድረግ የምንዛሪ ተመኑ ላይ ማሻሻያ ያደረገበት ጊዜ ስለነበር የኢንዱስትሪ ግብዓቶችን ጨምሮ በገቢ እቃዎች ላይ ከፍተኛ የዋጋ ግሽበት እንዲኖር የራሱን ተፅእኖ ፈጥሯል።

በሌላ በኩል አለም ዓቀፍ የፋይናንስ ተቋማት ከሃገራችን ውስጥ ካሉ ባንኮች ጋር እንዲሁም ከአፍሪካ ባንኮች ጋር የነበራቸውን ግንኙነት በአብዛኛው ያቋረጡ በመሆኑ ባንኩ የአሜሪካን ዶላር ከውጭ ለማሰባሰብ እና ወደውጭ ሃገር የሚከናወኑ ክፍያዎችንም የመፈፀም እክል ገጥሞት ቆይቷል።

ባንካችን በበጀት ዓመቱ የታዩ ክስተቶችን በማለፍ ያስቀመጠውን ግብ ለማሣካት የተለያዩ ለጊዜው የሚመጥኑ ስልቶችን ነድፎ ተግባራዊ በማድረግ ተግዳሮቶቹን በአስተማማኝ ሁኔታ ለመወጣት ችሏል።

ከላይ በተጠቀሰው መሠረት ባንኩ ባደረገው ያላሰለሰ ጥረት እ.ኤ.አ. 2017/18 የበጀት ዓመት የባንኩ ተቀማጭ ሂሳብ ወደ 10.9 ቢሊዮን ያደገ ሲሆን ይኸውም ከአለፈው ዓመት ተመሳሳይ ወቅት ጋር ሲወዳደር የ3.2 ቢሊዮን ብር አመታዊ ጭማሪ አሳይቷል፡ በዚህም ልክ የተቀማጭ ሂሳብ ደንበኞች ቁጥር ወደ 523,705 አድጓል። በበጀት ዓመቱ በሀገር ደረጃ ከፍተኛ የውጭ ምንዛሪ እጥረት የተከሰተ ቢሆንም ባንኩ ከተቀዳሚ ደንበኞች ጋር ባደረገው ውጤታማ እና ስተራቴጂያዊ ግንኙነት 108.5 ሚሊዮን የአሜሪካን ዶላር ሊሰበስብ ችሏል።

በበጀት ዓመቱ የባንኩ የብድር ክምችት መጠን አምና ከነበረበት ብር 5.4 ቢሊዮን ወደ 7.2 ቢሊዮን ያደገ ሲሆን የተበላሹ ብድሮች ከተሰጡት ጠቅላላ ብድሮች ምጣኔ ጋር ሲነፃፀር 2.5 በመቶውን ብቻ ይዘዋል። ይህም የኢትዮጵያ ብሔራዊ ባንክ ለተበላሹ ብድሮች ካስቀመጠው የ 5 በመቶ ጣሪያ አንጻር ሲታይ የባንኩ ሃብት በመልካም የጥራት ደረጃ ላይ እንደሚገኝ ያሣያል። በዓመቱ የባንኩ አጠቃላይ ሃብት ከብር 10.5 ቢሊዮን ወደ ብር 14.1 ቢሊዮን ያደገ ሲሆን የተከፈለ ካፒታሉ ደግሞ ወደ ብር 1.7 ቢሊዮን አድጓል። እንዲሁም ጠቅላላ የባንኩ ካፒታል ወደ ብር 2.2 ቢሊዮን ከፍ ብሏል። በተጨማሪም በበጀት ዓመቱ የባንኩ ባለአክሲዮኖች ባዋጡት መዋዕለ-ነዋይ መጠን የሚያገኙት የትርፍ ድርሻ 20.4 በመቶ ሆኗል።

ከዚህም በተጨማሪ ባንኩ ደንበኞችን በአቅራቢያቸው እና በሚያመቻቸው ስፍራ አገልግሎት እንዲያገኙ ለማድረግ 21 ተጨማሪ ቅርንጫፎችን በአዲስ አበባ እና በተለያዩ የሃገራችን ክፍሎች ከፍቷል። በዚህም መሠረት እ.ኤ.አ. እስከ ሰኔ 30/2018 ዓ.ም. ድረስ ጠቅላላ የቅርንጫፍ ቁጥሮቹን ወደ 182 እንዲሁም የሰራተኞቹን ብዛት ደግሞ ወደ 3,237 አሳድጓል።

ከላይ በተጠቀሱት እና ሌሎች በተደረጉ የሥራ እንቅስቃሴዎች ባንካችን በበጀት ዓመቱ መጨረሻ ከግብር በፊት ብር 410.9 ሚሊዮን ትርፍ አግኝቷል።

በሌላም በኩል በኢትዮጵያ ልማት ባንክ በኩል በአለም ባንክ ፋይናንስ በመደረግ ላይ ባለው ፕሮግራም ባንኩ ተሳታፊ ሆኗል። ፕሮግራሙ በአነስተኛ እና መካከለኛ ዘርፎች ላይ ትኩረት የሚሰጥ ሲሆን ባንካችንም በልማት ባንክ በኩል ፈሰስ በሚደረገው ፋይናንስ መሥራቱን ቀጥሎበታል። እነዚህ ተግባራት ባንኩ ለረዥም ጊዜ ካቀዳቸው ስትራቴጂክ እቅዶች ጋር የተቀናጀ እና ባንኩ ላለመው የእድገት አቅጣጫ በተለይም የብድር አሰጣጡን በማሳለጥ በኩል ሚናው መሆኑ ይታወቃል።

ከዚህም ባሻገር ባንኩ ከዘመኑ ተለዋዋጭ የቢዝነስ ፍላጎት እንዲሁም እየሰፋ የመጣውን አጠቃላይ የሥራ እንቅስቃሴ በአስተማማኝ ሁኔታ መወጣት ይችል ዘንድ በተጠናቀቀው የበጀት ዓመት አዲስ አስተዳደራዊ መዋቅር አጥንቶ ተግባራዊ ተደርጓል።

አዲሱ መዋቅር በቂ ጊዜ ተወስዶ በተጠና ጥናት ላይ የተመሰረተ ሲሆን ደንበኛ ተኮር አገልግሎትን ከማስተዋወቅ እና ከመተግበር አንጻር፣ እንዲሁም የሥራ ክፍሎችን በተቀናጀና ተጠያቂነት

የዳይሬክተሮች ቦርድ ሊቀመንበር መልዕክት

የተከበራችሁ ባለአክሲዮኖች!

በመጨረሻም ለክቡራን ደንበኞቻችን፣ ለአመራር አካላት፣ ለመላው የባንኩ ሠራተኞች እንዲሁም ለመላው ባለአክሲዮኖች እና ባለድርሻ አካላት ላደረጋችሁት አስተዋጽኦ፣ ላሳደራችሁብን እምነት ከፍ ያለ ምሥጋና እያቀረብኩ ለሚቀጥሉት ዓመታትም የባንካችን አኩሪ ጉዞ ብሩህ ሆኖ እንደሚቀጥል በመላው የዳይሬክተሮች ቦርድ እና በራሴ ስም ያለኝን ፅኑ እምነት ለመግለፅ እወዳለሁ።

አመሰግናለሁ

ጉማቸው ኩሴ

የዳይሬክተሮች ቦርድ ሰብሳቢ

ቀላልና ዘመናዊ
የግብይት አማራጭ

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ብርሃን የኤቲኤም
አገልግሎት

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ብርሃን
ሞባይል የባንክ
አገልግሎት

የዳይሬክተሮች ቦርድ ሊቀመንበር መልዕክት

የተከበራችሁ ባለአክሲዮኖች

በቅድሚያ እ.ኤ.አ ሰኔ 30/2018 የተጠናቀቀውን 9ኛ የብርሃን ባንክ ዓመታዊ የሥራ አፈፃፀም ሪፖርት ሳቀርብላችሁ ከፍተኛ ደስታ ይሰማኛል፡፡ የባንካችን ዓመታዊ አፈፃፀም እንደ ከዚህ ቀደሙ ሁሉ በብዙ መልኩ አስተማማኝ እና ስኬታማ ዉጤትን የተጎናፀፈበት ዓመት ነው፡፡

ባንካችን ወደገበያው ሲቀላቀል በንግድ ባንኮች መካከል ከፍተኛ ፉክክር የነበረበት ወቅት ቢሆንም ውድድሩን በብቃት ለመወጣት በሚያስችለው ስተራቴጂያዊ እቅዶች እና በሚሰጣቸው የተለያዩ የፋይናንስ አገልግሎት አማራጮች በመታገዝ በኢንዱስትሪው ውስጥ አንፀባራቂ ድል ከመቀዳጀቱም በላይ በታማኝነት እና በቀና የደንበኞች አገልግሎት በመታገዝ ከፍተኛ ስኬት ማስመዝገብ ችሏል፡፡ በተለይም ያለፉት ሁለት ተከታታይ ዓመታት ባንካችን ከማንኛውም ጊዜ በተለየ ተለዋዋጭ የሆነውን የገበያውን ጫና በፅናት መጋፈጥ ያስችለው ዘንድ የኦፕሬሽን ሥራዎቹን በማዘመንና በማስፋፋት፣ እንዲሁም የተለያዩ የቢዝነስ አማራጮችን ቀርጾ በመተግበር ከምን ጊዜውም በተሻለ መልኩ ተወዳዳሪነቱን ያሳየበት ጊዜ ነው፡፡ ዓመቱ በተጨማሪም እ.ኤ.አ በ 2016/17 የታየውን ስኬት አስተማማኝ በሆነ መልኩ ቀጣይነቱን ለማረጋገጥ ትኩረት ሰጥቶ የሠራበትም ዓመት ነው፡፡

እ.ኤ.አ. 2017/18 የበጀት ዓመት የባንኩ ዘርፍ አስቸጋሪ ጫናዎች የተስተዋሉበት ዓመት ነበር ተብሎ ሊገለፅ ይችላል፡፡ በተለያዩ የአገሪቱ አካባቢዎች በተከሰተው የፖለቲካ አለመረጋጋት የተነሳ የአገሪቱ ቀጥታ የውጭ ኢንቨስትመንት በከፍተኛ ሁኔታ ተፅዕኖ ውስጥ የወደቀበት ጊዜ ነበር፡፡ በዚህም ምክንያት በተለይ የወጪ ንግዱ ዘርፍ ዘገምተኛ እድገት ያሳየበት፣ የውጭ ምንዛሪው ከፍተኛ እጥረት ያስከተለበትና በዚህም ምክንያት የገቢ ንግዱ አመርቂ ውጤት ማምጣት ያልቻለበት ጊዜ ነበር፡፡

ይህም ባንኮች የደንበኞችን የውጭ ምንዛሪ ፍላጎት በበቂ ሁኔታ ምላሽ መስጠት የተቸገሩበት ጊዜ እንደነበር አይዘነጋም፡፡

እንዲህ ያሉት ተለዋዋጭ እና አስቸጋሪ ከባቢያዊ ሁነቶች በተከሰቱበት ወቅትም ቢሆን ብርሃን ባንክ የቅርንጫፍ አድማሱን በማስፋት እና በታታሪ ሰራተኞቹ በመታገዝ ከፍተኛ የፋይናንስ ትርፍ ማስመዝገብ ችሏል፡፡ በበጀት ዓመቱ ባንኩ የገበያ አድማሱን ከማስፋፋት ጎን ለጎን ሃብት ማሰባሰብ ላይ ቀዳሚ ትኩረት ሰጥቶ ከሰራባቸው ዘርፎች ዋነኛው ነው፡፡ በዚህም ከፍተኛ እድገት ማስመዝገብ ችሏል፡፡ በአጠቃላይ ባንኩ በበጀት ዓመቱ በባንክ ኢንዱስትሪው የታየውን ከፍተኛ ውድድር እና ፈታኝ የሆኑ ክስተቶችን በአሸናፊነት ለመወጣት የተለያዩ ስልቶችን በመንደፍ ተግባራዊ አድርጓል፡፡

ባከናወናቸው ዘርፈ ብዙ ተግባራት ከባቢያዊ እና ኢኮኖሚያዊ ጫናዎችን ተቋቁሞ እ.ኤ.አ ሰኔ 30/2018 በተጠናቀቀው የበጀት ዓመት ከግብር በፊት የትርፍ መጠን ብር 410.9 ሚሊዮን ሲያስመዘግብ የባንኩን የተከፈለ ካፒታል ደግሞ ወደ ብር 1.7 ቢሊዮን አድርሷል፡፡

በሌላ በኩል የባንካችን የዳይክተሮች ቦርድ እና የበላይ አመራር አካላት ከምን ጊዜውም በተሻለ መልኩ ባንኩ በደንበኞች ዘንድ ተመራጭ ሆኖ እንዲቀጥል በሚረዱ የተለያዩ ፖሊሲዎችን እና ደንቦችን በመገምገም እና በማጽደቅ በሥራ ላይ እንዲውሉ አድርገዋል፡፡

በተጨማሪም በተጠናቀቀው የበጀት ዓመት በተደረገው 8ኛ የባለአክሲዮኖች ጠቅላላ ጉባኤ አዳዲስ የዳይሬክተሮች ቦርድ አባላትን የመረጠበት እና የሾመበት ዓመትም መሆኑ ይታወሳል፡፡ ይህንንም ተከትሎ አዳዲስ ተመራጭ የዳይሬክተሮች ቦርድ አባላት ከነባሮቹ ጋር በቀላሉ እንዲዋሃዱ የሚረዱ የተለያዩ የትውውቅ ስልጠናዎች እንዲሰጥ ተደርጓል፡፡

በቴክኖሎጂው መስክም ባንካችን ከፍተኛ እመርታ ያሳየበት ሲሆን በዚህም አይቢኤም ታየር III የተሰኘ ደረጃውን የጠበቀ እና የዘመነ የመረጃ ተቋም አስገንብቶ ወደ አገልግሎት የገባበት የበጀት ዓመት ነው፡፡ እንዲህ ያለውን ዘመናዊ የባንክ ቴክኖሎጂ መተግበር ባንኩ ከአዳዲስ የቴክኖሎጂ እሴቶች ጋር ጎን ለጎን እንዲሄድ የሚያግዘው ሲሆን በዲጂታል እና በአሁኑ ጊዜ የለውጥ አብዮት በመባል በሚታወቀው የተንቀሳቃሽ የባንክ አገልግሎቶች ዘርፍ ልቆ እንዲገኝ እና የደንበኞች አገልግሎትን እንዲያሳልጥ ይረዳዋል ተብሎ ይታመናል፡፡

ከዚህም በላይ ባንኩ የተጣለበትን ማህበራዊ ሃላፊነት ከመወጣት አንፃር በዚሁ በተጠናቀቀው የበጀት ዓመት ለችግር ለተጋለጡ የማህበረሰብ ክፍሎች የገንዘብ ድጋፍ አድርጓል፡፡

ማውጫ

የዳይሬክተሮች ቦርድ ሊቀመንበር መልዕክት. 3

የፕሬዚዳንቱ መልዕክት. 5

የአፈፃፀም ማሣያ 7

ዋና ዋና የአፈፃፀም ማሳያዎች. 8

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ብርሃን ባንክ አ.ማ.
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2010 ዓ.ም.

ዓመታዊ ሪፖርት