



ደቡብ ግሎባል ባንክ አ.ማ.
DEBUB GLOBAL BANK S.C.

Annual Report
June 30, 2017

Your Ladder to Success!

CONTENTS

Message from the Chairperson	6
Message from the President.....	8
Board of Directors' Report.....	10
Auditors' Report	24

BOARD OF DIRECTORS



Nuredin Awol
Chairperson, Board of Directors



Getachew Nune
*Vice Chairperson,
Board of Directors*



Simon Mechale
Member



Melaku W/Mariam
Member



Assefa Dukamo
Member



Mathewos Assale
Member



Haile Hamaro
Member



Nitsuhwork Seifu
Member

EXECUTIVE MANAGEMENT



Addisu Habba
President



Tesfaye Boru
V/P, Operations



Tesfaye Gorfu
*Director, International
Banking Department*



Kassa Mikoro
Director, Credit Department



Sahlemichael Mekonnen
*Director, Retail Banking
Department*



Tsehaynesh Abbay
*Director, Accounts &
Finance Department*



Tesfaye Birru
*Director, Planning & Business
Development Department*



Dasa Gobe
*Director, HR & Support
Services Department*



Tilahun Berhane
*Director, Information
Technology Department*



Belay Namaga
Manager, Legal Service



Gezahegn Mitikie
*Director, Internal Audit
Department*



Tibebu Alula
*Manager, Risk
Management & Compliance*



Betre Balcha
*Executive Assistance
to the President*

MESSAGE FROM THE CHAIRPERSON



Dear Shareholders!

It is indeed an honor and pleasure for me to present an overview of the achievements and operation results of the Bank for the year 2016/17 and its outlook for the coming fiscal year 2017/18.

During the past fiscal year, the macro-economy grew well despite a lot of challenges arising from drought and low export performances. On the positive side, however the economic growth has brought an expansion in the gross national domestic saving and hence in the private sector credit. As stated in the country's five year Growth and Transformation Plan (GTP II), the economy is expected to move into expansion mode simultaneously with the growth in the private sector. The fiscal year of 2016/17 has brought about a growth trend that created a good opportunity to the banking industry to mobilize resources and expand the lending business.

I am happy to report that our Bank recorded a significant financial success despite a difficult

operating environment to mobilize foreign currency from the export sector in particular. Nevertheless, the significant progress we recorded in our local resource mobilization, resource allocation and revenue growth are a testament to the strength of the strategy of our bank. Our approach of putting our customers at the center of everything we do is delivering good results, which are also reflections of the practicality of our day to day motto of 'customers are a bastion of our businesses.'

The double digit growth rate we registered in the balance sheet expansion, deposit mobilization, revenue and capital growth also witnessed the fact that we are better positioned to deliver long term value to our shareholders. We trust that your valuable support, our employees' skills, expertise of the Management and that of the Board as well as the strategy we possess are the major instruments that have placed Debu Global Bank to be vibrant in the financial landscape. Looking ahead, I strongly believe that the

macroeconomic situation in the country will improve steadily as the measures taken by the government have already begun to show their impact. Our Bank will continue to be resilient by capitalizing on our existing strengths and taking various new initiatives in the forthcoming.

We will keep on the relentless commitment to deliver the utmost in customer service through the application of a continuous innovation and simplification of our process. We will be monitoring our customer service rendering excellence in every front. Offering our customers a wide array of products and services, creating even more convenient customer services and ensuring a better accessibility to our customers remain our priority areas. In addition, the future focus areas of the Board and management extend to upholding a resilient capital position, a strong asset quality, enhancing local and foreign currency resources mobilization and acquiring head office building.

With your full support, we are also committed to meet the National Bank of Ethiopia's minimum paid-up capital requirement during the early periods of the coming fiscal year. So far a lot of undertakings have been accomplished to achieve such objectives through unreserved effort from the Board and Management. Such attempts obviously will bear fruit but we strongly request equally unreserved support from our shareholders in this front. In this regard, we request our esteemed shareholders to approve the transfer of the current year's profit to capital growth. With such support along with the Board and Management fruitful efforts, I

am confident that we will fully comply with the requirement of the National Bank in the coming fiscal year.

Finally, we are grateful to all our customers who continue to show trust and the confidence bestowed on us. My special thanks goes to respected shareholders who have shown extraordinary support to us paving the path for our resurgence. It is this relationship that has simplified, strengthened and transformed our Bank. Today, our bank is stronger than ever before. I can happily say that the Bank proved to be resilient and able to sustain its operations successfully. On behalf of the Board of Directors and myself, I would like to thank all Directors, Management team and employees for offering to the Bank a strong corporate governance, hard work and dedication that lifted its achievement to our satisfaction.

I would also like to thank the National Bank of Ethiopia, the Financial Intelligence Center and other stakeholders for their closer supervision and heartfelt support that enabled us to build a better and a vibrant Debu Bank.

Thank you



Nuredin Awol
Chairperson, Board of Directors

MESSAGE FROM THE PRESIDENT



It gives me a great pleasure to present the Annual Performance of Debu Global Bank S.C for the fiscal year 2016/17 on behalf of the Management and Employees.

Despite various challenges to the economy, Ethiopia maintained a stable macroeconomic environment that witnessed a 9% annual growth rate as compared to 8% per annum of the past fiscal year. This remains the most expansive economic growth rate as compared to the growth rate of the economy of Sub-Saharan Africa. Nevertheless, the year has been very challenging to the economy in terms of ensuring a robust export performance. That obviously constrained particularly, our targets related to mobilization of foreign currencies from the export sector. Thanks to the good performances witnessed in the other sectors of the economy mainly of the service related sectors, we are enabled to register another year of success.

Debu Global Bank recorded strong results in 2016/17 and it is my pleasure to present some highlights of our operational developments

and the outlook for the coming year. As at June 30, 2016/17, our Bank has registered a profit before tax of Birr 67.7 million. The total asset of the Bank has also shown a growth of 59.8 percent reaching Birr 2.1 billion compared to 1.3 billion Birr registered last year. A significant growth was also observed in the Bank's total deposit which rose by 64.2 percent over the preceding year and reached Birr 1.4 billion, while the total outstanding loans and advances rose by 32.5 percent over a year earlier. The result shows a strong balance sheet development during the year.

This positive and multi-dimensional growth record remains a strong impulse for us to further embark on a sustainable growth by tapping unfolding opportunities in the banking market. We have embarked on a successful capital-raising program that increased the total paid-up capital by 34.1% in the period. There are also successful attempts involving both existing and new shareholders that will potentially ensure the Bank to meet the National Bank of Ethiopia's requirement. The

progress in such regard witnessed the fact that Debub Global Bank is well received by the market and there is a widely prevailing confidence in our business prospects.

I would like to assure that this confidence is proper as the Bank has now laid the foundation towards ensuring a sustainable growth. We are now at the right age to divulge on a reliable financial position that can comfortably respond to shocks and ensure long term value to our shareholders. The outlook ahead therefore is bright and through the unwavering support of our various stakeholders we will continue to deliver even better results. We will be capitalizing on our customer service culture and our relationship with shareholders so as to advance our performances and capital position in the future. Besides meeting the regulatory requirement, we need to strengthen our capital base so as to support the various operational targets. We will move on the pace of opening new branches in strategically selected locations, improve our customer services and renovate our marketing approaches.

Finally I would like to present my sincere appreciation to the shareholders and customers of the Bank without their consistent support we would not be where we are today. I also would like to forward my heartfelt gratitude to the Management team and esteemed employees that shared and ensured us to realize our commitment to growing shareholder value through hard work and dedication. I also highly appreciate our Board Members who are delivering their utmost in supporting the Management and leading the Bank zealously.

We are also thankful to the National Bank of Ethiopia, other different government authorities', financial institutions and correspondent banks abroad that continue to provide us invaluable support.

We are optimistic about the future and we will keep on counting on the support from various stakeholders as we take Debub Global S.C. to a greater heights.



Addisu Habba
President

1. THE BOARD OF DIRECTORS' REPORT

1.1 Introduction

The fiscal year 2016/17 has been a period of an impressive growth in terms of various operational performances. A notable balance sheet expansion coupled with growth in resource mobilization, resource allocation and number of accounts has witnessed a promising growth trajectory during the period. The rise in the balance sheet is also supported by the boost in earnings from both interest and non-interest income sources which have enabled us to register a significant growth record. In general, the period can be cited as one of the successful years in the history of Debu Global Bank S.C. That ensured the laying down of a strong foundation for better achievement and realization of its ultimate business objectives in the forthcoming period. Therefore, the Board of Directors is pleased and honored to present this performance report to its esteemed shareholders. The first part of the report attempts to give a broader picture of the major financial and non-financial performances of the Bank, while the second part extends the Auditors' report which contains the income statement, balance sheet, cash flow and other relevant notes.

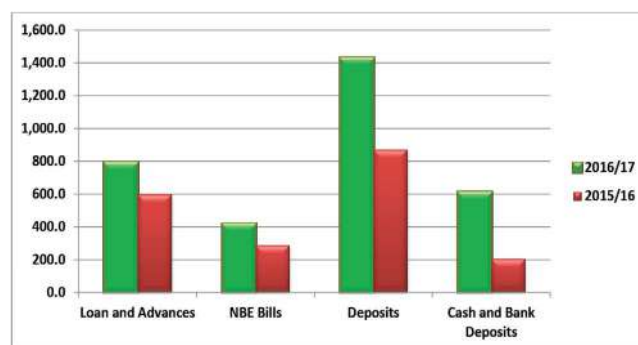
1.2 Balance Sheet Development

The asset side growth has been significant registering 59.8% annual growth as compared to the previous fiscal year. The major reason for the outstanding performance relates to the Bank's aggressive resource mobilization endeavor that revealed an annual growth rate

of 64.2%. Almost all major asset components of the Bank: loans and advances (21.7%), NBE bills (46.1%), and cash on hand and at banks (197.9%) have revealed a double digit level of growth per annum (Chart 1).

Similarly, the liability side growth has been strong due to high growth rate in deposit balances, which constituted 87.3% of the total liability during the period. The total capital had reached Birr 423.0 million mainly comprising of paid up capital (Birr 351.2 million), legal reserve (Birr 34.6 million) and retained earnings (Birr 37.2 million). The paid-up capital growth shows a 34.1% increase during the fiscal year and is coming closer to the NBE's minimum capital requirement by August 2017. In addition to such encouraging growth, there are a lot of successful attempts from the Board and Management that will ensure the Bank to reach the required capital level within the time frame set by the regulator.

Chart 1: Selected Balance sheet Components (in millions of Birr)



1.3 Operational Performance Report

1.3.1 Domestic Banking Services

During the fiscal year 2016/17, deposit mobilization registered a remarkable annual growth rate of 64.2% and in absolute terms it stood at Birr 1,431.5 million from Birr 871.8 million of the past fiscal year. The result shows

that mobilization of local resources has been expanding positively. On the other front, the growth in deposit is supported by a favorable deposit mix that is highly dominated by stable and cost saving deposit types. Saving and demand deposit types hold more than 93.0% of the total deposit mix while share of a relatively high cost deposit type, time deposit, is kept below 7.0% (Chart 2). Furthermore, the growth in deposit originated also from a more diversified funding base as witnessed by a notable (almost double) increase in the number of account holders from 36,615 to 61,630 within a year (Chart 3).

Chart 2: Deposit by Type

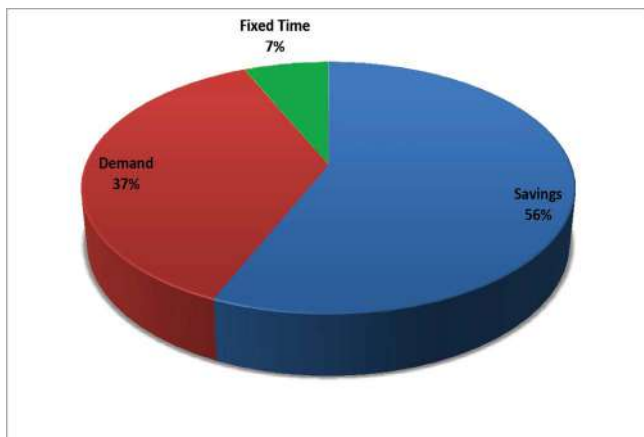
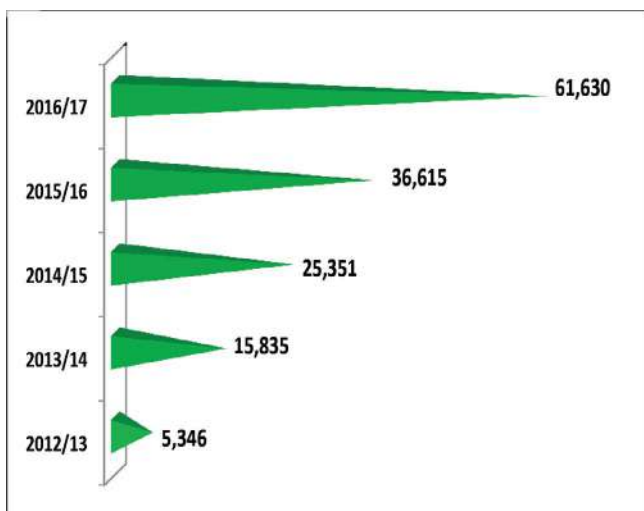


Chart 3 : Number of Accounts



1.3.2 International Banking Services

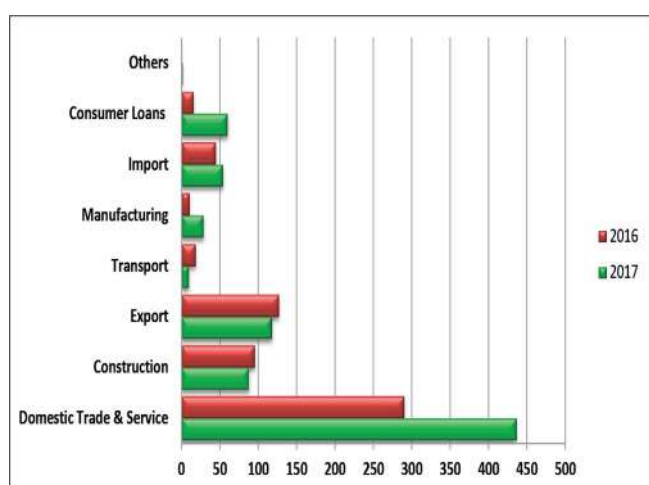
Despite the challenges faced in the economy to raise more foreign currency from the export sector, the foreign currency earnings of DGB during the year stood at USD 26.5 million. The forex inflow is achieved through a combination of forex sources including export, remittances, dealings etc. Therefore, the foreign currency earning strategy besides being entrenched in the export sector, it appears to incorporate non-export sources ensuring a more diversified earning base. The recently implemented strategy to attract non-export foreign currency from microfinance institutions, NGOs and other institutions through offering credit facilities to their staff at attractive terms and conditions is also expected to win a good number of customers. Besides to boost the earnings through inward remittance and for settlement of trade service transactions, partnership has been signed with correspondent banks including Eco Bank, CAC International Bank Djibouti, KCB Bank Kenya Limited, Bank of Beirut, Bank of Africa Mer Rouge and Banca UBAE S.P.A, Italy.

1.3.3 Credit Services

Intermediation activities were also moving in an increasing direction with annual growth rate of 32.5%. The sector-wide distribution mainly favors the trade related sectors (DTS, Import and Export) that together constitutes more than 70.5% of the total loan book (Chart 4). In terms of the composition, despite the dominance of domestic trade and service sectors, the extension of loans towards the priority sectors such as export and manufacturing is also improving overtime.

The growth in export loans is one of the crucial strategies of the Bank towards boosting its interest income from export lending as well as from foreign currency related gains by selectively financing well established and emerging exporters. The Bank will push forwards this strategy in the coming years in order to maximize on the double edge benefit from export sector financing.

Chart 4: Loans and Advances by Economic Sector (in millions of Birr)



1.3.4 Asset Quality

The growth in the loan portfolio and other assets has followed a healthy pattern with less strain in the quality of the Bank's asset. The non-performing loans ratio is around 2.9% of the total loans and advances. This remains lower and stood far below the statutory requirement (5%). The rigorous borrower screening and follow up system is one of the major contributing factors to maintain a healthy loan portfolio.

1.3.5 Investment in Government Bills

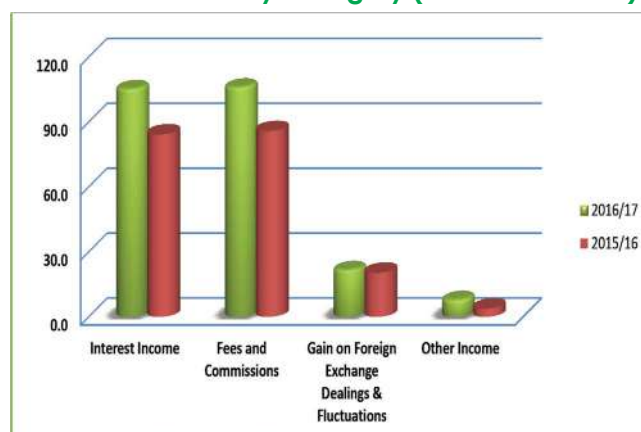
Besides targeting nationwide priority sectors, Debub Global Bank S.C. has also been involved in national development endeavor through contributing part of its resources to government bill purchases. During the concluded fiscal year,

the credit allocation to NBE bills has reached Birr421.0 million. In comparison with the previous year same period, it has shown an increment by Birr132.8 million in line with the growth in credit disbursements during the year (see Chart 1).

1.3.6 Revenue

The strong balance sheet development during the fiscal year 2016/17 is well reflected in the Bank's growth of earnings. The aggregate revenue from interest, service charges and other income sources stood at Birr 241.0 million which surpasses the previous year same period record by 24.2 percent. On individual basis, all income components are trended positively upward. In addition, the income component is highly dominated by a more dependable earning sources i.e. the share of interest income accounted for 43.7 percent of the total income, up by 25 percent compared with the same period last year. Similarly, the non-interest income sources which are mainly related to service charges on foreign operations as well as commission from guarantees issued reached Birr 135.6 million for the year 2016/17 from Birr 109.8 million of the same period last year (Chart 5). The Bank's several initiatives including aggressive resource mobilization, credit disbursement, controllable asset quality, modest foreign currency mobilization and guarantee services have brought success to ensure a much improved revenue performance during the fiscal year.

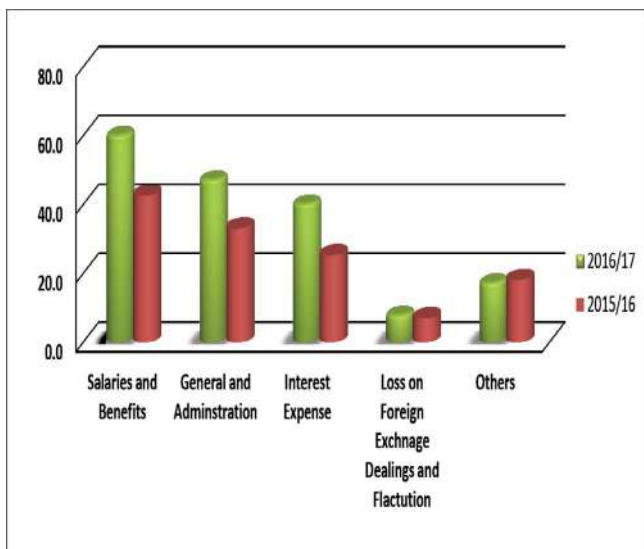
Chart 5: Income by Category (in millions of Birr)



1.3.7 Expense Management

The total expenses of the Bank at the end of fiscal year 2016/17 stood at Birr 173.2 million showing a 37.4 percent growth from the preceding year level of Birr 126.1 million (Chart 6). Salaries and benefits appear to be the major expense component that revealed a higher absolute growth. This is as the result of the execution of a competitive salary scale during the year with the intent of retaining existing staff as well as attracting new competent employees to the Bank. General and administrative expenses and interest expenses were also growing at modest rate following the growth in the scope of the Bank's activities as well as the deposit base of the Bank. Even if the trend shows an increase, the level still witnesses a better cost management. The Bank's focus on cost saving deposit types such as saving and demand deposits and in-placing better expense management by prioritizing resources to essential activities but without compromising growth, staff benefit, outlet expansion, technology acquisition etc. has contributed a lot in the expense management front.

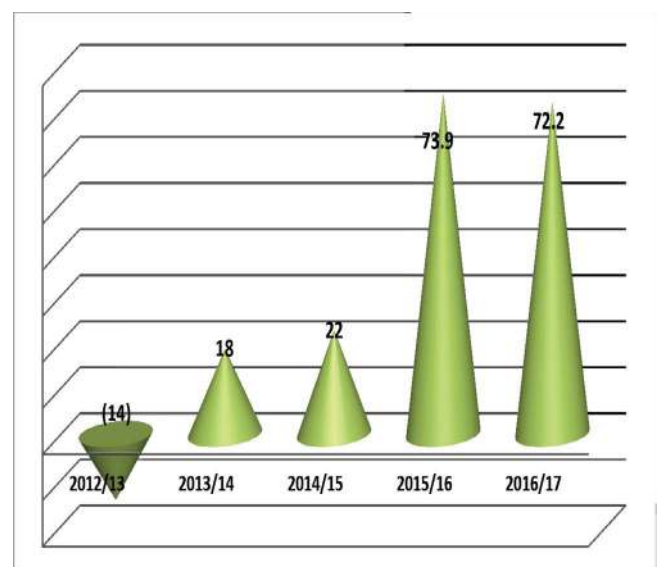
Chart 6: Comparison of Expenses (in millions of Birr)



1.3.8 Profitability

At the end of fiscal year 2016/17 the Bank has registered before and after tax profit of Birr 66.7 million and Birr 50.8 million, respectively (Chart 7). The annual net profit yields earnings per share equivalent to 17.4%. Trend wise, the earning per share witnessed a drop by 4.9 percentage points mainly due to the growth in the paid-up capital. The Bank's capital growth motive to meet regulatory threshold obviously has situated a pressure on its current profitability records and largely on its earnings per share performances. Nevertheless, the capital growth is justifiable not only for meeting the regulatory standards but also building on the resilience of the bank for improved performances in the forthcoming years. Therefore, for the coming years the Bank will follow a similar trend and will aggressively work even harder to further enlarge its capital base.

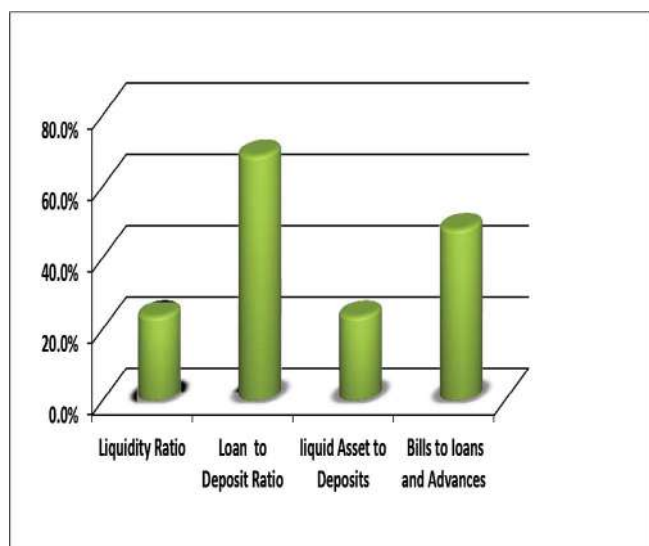
Chart 7: Gross Profit in Millions of Birr



1.3.9 Liquidity

Liquidity measures remained favorable to support growth in the coming year. The loan to deposit ratio was comfortable at 55.5%, while deposits rose by 64.2% and the liquid assets to deposit ratio during the fiscal year remained 42.8% which is well above the regulatory requirement of 15% (Chart 8).

Chart 8: Selected Liquidity Measures in Percent



1.3.10 Capital and Capital Growth Proposal

The level of total and paid up capital as of June 30, 2017 was Birr 422.9 million and Birr 351.2 million, respectively. Capital level stood at 20% of the total assets and 19% of the risk weighted assets; both of which reflect a strong capital holding. Nevertheless, the paid-up capital level requires growth as high as Birr 500 million by end of August 2017 to meet the regulatory requirement.

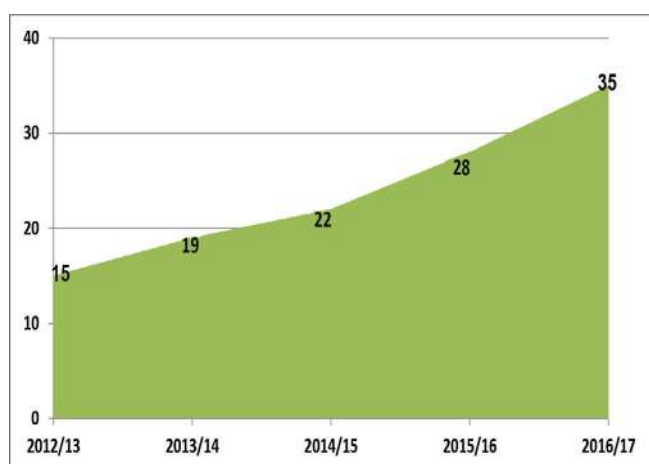
Board and Management are continuing working in alliance towards achieving such growth objectives. Yet, we seek a close

collaboration among our shareholders at least in two areas. On the one front, shareholders shall cooperate to retain the current year profit figure in the paid-up capital account and on the other shareholders shall increase their share purchases at least up to their subscribed amount. Therefore, the Board proposes to our esteemed shareholders to approve the retention of the full amount of the current year profit of Birr 37,191,441 in the paid-up capital. The Bank pursues planned capital mobilization approach in the coming periods taking into account the long term growth prospects and in view of the uncertain impact of regulatory changes.

1.3.11 Service Delivery Channels

The Bank mainly pursues a branch based banking system supported by various digital and physical outlets. Our branch network has reached 35 with modestly wide geographical coverage outside the capital city (Chart 9). Currently, eighteen branches are serving the Addis market while the rest seventeen are in the outlying regions. We do have a wide physical presence as compared to that of our peer banks keeping the lead through opening seven branches on average per year. In addition to the branch based banking services that accommodate for local customers, our branch managers are serving as relationship managers to undertake a targeted personal sales effort. Technology based service offering such as ATM, sms banking, card banking and others have also increased the delivery channels and the way we serve our customers.

Chart 9: Growth in the Number of Branches



1.3.12 Marketing and Promotion

Several marketing initiatives that add force to the resource mobilization effort as well as building the image of the Bank are undertaken during the fiscal year. Presence in local print, audio and visual media has been carried out in a recurrent way. Presence on social media, design of informative and engaging website, assigning marketing ambassador and others are being utilized to further enrich the promotional approaches. In addition, a separate unit that handles the marketing task to attract potential clients through physical reach, work on bank branding, build the image of the Bank and undertake targeted promotion approach is being organized.

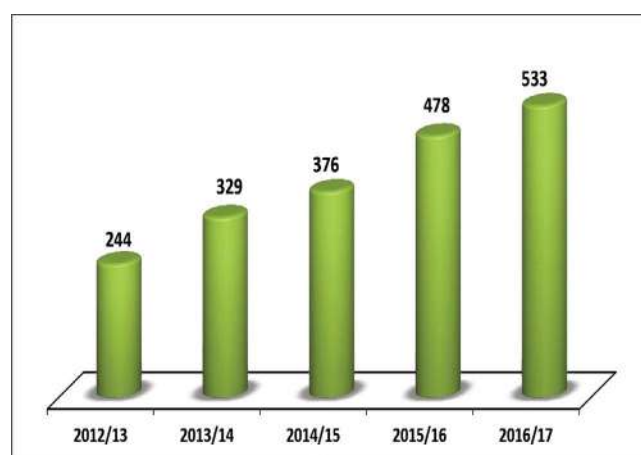
The Bank is committed to establish a continuous new, fresh, and innovative marketing promotion that will be strategically considered as a regular feature of the Bank's activities.

1.3.13 Human Resources and Development

At the end of the fiscal year, the total staff headcount has reached 533 from 478 of the previous year which is up by 11.5 percent within the year (Chart 10). The growth in the branch network as well as the growth in head office activities were the main factors for the growth in number of staff.

Besides the growth in number, human resource development is the main issue attracting the Bank's Board and Management attention. Therefore, upgrading the skills and competencies of staffs continued to be done in a more organized manner via setting a comprehensive staff development program. As part of such commitment, in the fiscal year about 408 staff members have attended different training programs mainly including credit operations, branch activities, international banking, staff discipline, customer service, compliance and others to mention a few. Board and management also worked in collaboration to control the growing staff attrition rate through setting a competitive salary and benefit packages. During the year it has made salary adjustments to staff in line with the trend in the industry, which is offering an alarmingly growing salary and benefit package to professional staff. In addition, through improved HR management, we will be committed to provide an inclusive work environment where every employee can develop professionally and personally.

Chart 10: Trend in the Number of Employees per annum



1.3.14 Information Technology

The Bank's strategy with regard to Information Technology involves retaining a state-of-the-art IT infrastructure which can serve as the backbone of all critical banking products and services. Currently, many of the operations are automated and are supported by the implementation and use of Core Banking Solutions. In addition, the internal IT department's capacity in providing internal users with a range of in-house software solutions has been improved through enhancing the headcount and quality of IT staff. Automated shareholder management system, credit support system, foreign exchange request management system etc. are among the few in-house developed software using internal IT capability. Moreover, the Bank was a beneficiary from the improving technology infrastructure nationally and among banks which allowed closer sharing of assets (including ATM/POS networks,) and simplified certain operations (payments systems). Through the national system, ETHSWITCH Debub Global Bank implemented a card banking system that currently can operate in the ATMs of all banks operating in the country.

1.3.15 Risk Management

Debub Global Bank established an independent risk management unit to take the lead on the identification, measurement, mitigation and monitoring of risks. As per the guideline of the National Bank of Ethiopia and international best practices, the unit reports functionally to the Board of Directors and administratively to the President of the Bank. The unit submits monthly risk reports, a much comprehensive quarterly risk reports, loan review reports and Anti-money laundering and other compliance related reports to the Board/ Board Risk Committee. It provides focus on key banking risk types including credit, liquidity, market and

operational risks measuring their level, setting the quality of risk management and pointing the risk directions. With the current growth in the size and scope of the Bank's activities, currently the unit is upgraded to a Departmental level assignment increasing its staffing size and quality. With such structure the Department will have a much broader risk undertakings assisting Board and Management on the identification and mitigation of unforeseen events in the Bank and banking industry.

1.3.16 Internal Audit

An internal Audit system organized at department level is established detached from the operational unit. The Department conducts a comprehensive audit comprising pre audit, post audit and investigative audit in core operations and support functions. The unit provides an independent assurance to the Board and Management on bank wide and individual unit level systems maintaining its professional and structural independence. Besides its current role, groundwork to further broaden the audit scope to incorporate various audit areas and transform the audit system to a risk based approach is underway.

1.3.17 Future Outlook

With the backdrop of the achievements registered so far, the Board trusts that the outlook of the Bank in the financial landscape will be positive. We will be positioning Dubub Global Bank S.C. as bank of customer choice through various initiatives. Offering our customers a wide array of products and services, creating convenient customer services, introducing comprehensive promotional packages and ensuring accessibility to our customers will be priority tasks. In addition, the Board and Management focus extends to uphold a resilient capital position, acquiring head office building

and enhancing local and foreign currency resources mobilization. Therefore, in the coming financial year several initiatives are planned including:

- **Introducing Innovative Products and services-** offering new products and services through continuous monitoring of developments in the banking industry in more enhanced manner. For the coming fiscal year finalizing studies and introduction of interest free banking services, agent banking and mobile banking is planned.
- **Launching Premium branch networks-** with the basic aim of improving customer service quality, we intended to introduce premium branch concept. Selection of dedicated branch sites to provide services to high value corporate customers are identified. In addition, service packages and standards to corporate customers will be revisited during the coming fiscal year.
- **Enhancing Resource mobilization-** the notable growth observed in resource mobilization front during this fiscal year will also be continued in the coming year. Mobilization of local and foreign currency targeting retail and corporate clients, exporters, introducing international card payments, remittances and others will be sustained.
- **Ensuring accessibility to our customers-** the Bank continues its branch based banking business with the aim of ensuring accessibility and diversifying its resource base. Branch expansion is needed not only to address the growing middle class but also to fulfill the regulatory requirements.

- **Reframing the role of the Marketing Function-** marketing activities are reorganized in a more autonomous and structured manner so that the unit plays a key role in the Bank's growth. The department is reestablished at Department level having separate Director and its role is revamped to involve in customer acquisition and sales function.
- **Acquiring/constructing Head office building-** the Bank is on process to acquire/construct its own premise. Board and Management are working on the feasibility of either acquiring convenient buildings or constructing its own premises. Once the feasibility is completed we will be starting on the acquisition process of building or land for future construction.
- **Ensuring Capital growth-** the Board has provided a particular focus on fulfilling the capital requirement of the NBE by the early months of the coming fiscal year. A mix of strategies to achieve this objective such as issuance of new shares, collection of subscribed capital and retention of dividends are being implemented and will continue in the coming fiscal year in more enhanced fashion.

In sum, we trust that the aforesaid plans will be implemented as we have strong foundations to meet them. We have continued momentum in a broad range of the identified activities and the financial experience we exercised over the years will ensure to establish a resilient bank. The growing of public confidence in our Bank, unreserved support of shareholders, commitment of the Board of Directors, the dedication of the management and employees will be strong pillars for the continual success of the Bank in the years to come.



ደቡብ ግሎባል ባንክ አ.ማ.
DEBUB GLOBAL BANK S.C.





For your convenience,
we partner with the Best
International Money
Transfer Companies.



moving money for better



SWIFT CODE: DEGAETAA



Partial View of Customers Day



Addis Ababa



Hawassa



Adama

Staff Day Celebration





AUDITORS' REPORT



TAY & Co.

Chartered Certified Accountants & Authorized Auditors
ተ.ኤ.ቀ.ደ. እና ኩባንያው የተመለከረላቸው የሂሳብ አዋቂዎች እና የተፈቀደላቸው አዲተሮች

INDEPENDENT AUDITOR’S REPORT TO THE SHAREHOLDERS OF DEBUB GLOBAL BANK SHARE COMPANY (S.Co.)

Report on the financial Statements

We have audited the accompanying financial statements of Debus Global Bank S.Co. which comprise the balance sheet as at 30 June 2017, and the related income statement, cash flow statement and statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Generally Accepted Accounting Principles, 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.

Auditor’s Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessment, the auditors considers internal control relevant to the entity’s preparation and fair presentation of the financial statements 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 entity’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

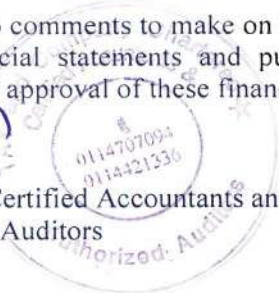
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Debus Global Bank S.Co as at 30 June 2017 and of its financial performance and its cash flows for the year then ended in accordance with Generally Accepted Accounting Principles.

We have no comments to make on the report 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 recommend approval of these financial statements.


TAY & Co.
Chartered Certified Accountants and
Authorized Auditors



Addis Ababa
September 22, 2017

Debut Global Bank S.C.

Balance Sheet

As At 30 June 2017

	Notes	Birr	2016
Assets			
Cash and Bank Deposits	4	612,996,288	205,759,688
Reserve Account		70,000,000	44,000,000
Other Assets	5	115,731,686	104,179,664
Loans and Advances (net)	6	780,769,241	591,284,491
Investments in Other Companies	7.1	20,661,000	16,627,196
Investment in NBE bills	7.2	420,988,330	288,225,330
Property, Plant and Equipment	10	29,162,648	29,837,910
Intangible Assets (net)	8	12,488,004	11,288,199
Deferred Charges (net)	9	<u>108,214</u>	<u>757,501</u>
Total Assets		<u>2,062,905,410</u>	<u>1,291,959,979</u>
Liabilities			
Customer Deposits	11	1,431,531,701	871,760,128
Margin Held On Letter Of Credit		146,442,237	38,377,384
Other Liabilities	12	45,105,121	43,441,073
Profit Tax Payable	26	<u>16,865,376</u>	<u>16,236,251</u>
Total Liabilities		<u>1,639,944,435</u>	<u>969,814,836</u>
Capital			
Paid up capital	13	351,223,197	262,000,123
Legal reserve	14	34,546,337	21,836,348
Retained Earnings		<u>37,191,441</u>	<u>38,308,672</u>
Total Capital		<u>422,960,975</u>	<u>322,145,143</u>
Total Liabilities and Capital		<u>2,062,905,410</u>	<u>1,291,959,979</u>



Ato Nuredin Awol
Chairman of the Board of Directors




Ato Addisu Habba
President

Debut Global Bank S.C.

Income Statement

For the Year Ended 30 June 2017

Income	Notes	Birr	2016
Interest Income	15	105,319,573	84,243,855
Commission Income	16	75,662,015	57,682,405
Service Charges	17	30,365,399	25,922,698
Gain (Loss) on Foreign Currency	19	21,685,598	20,312,351
Other Income	18	7,920,123	5,901,382
Total Income		<u>240,952,709</u>	<u>194,062,691</u>
Expenses			
General Expenses	21	46,777,912	32,775,393
Interest Expenses	22	40,276,715	25,256,807
Salaries & Benefits	23	60,193,378	42,626,966
Provision for Loans & Advances		5,475,467	4,038,072
Provision for Other Assets		-	1,998,792
Depreciation and Amortization		12,094,560	12,057,066
Audit Fee		116,250	72,400
Directors Allowance	24	384,000	241,863
Loss On Foreign Currency and Other Charges	20	<u>7,929,096</u>	<u>7,036,848</u>
Total Expenses		<u>173,247,378</u>	<u>126,104,207</u>
Profit Before Tax		67,705,330	67,958,484
Provision for Profit Tax	25	<u>(16,865,376)</u>	<u>(16,267,104)</u>
Profit After Tax		50,839,955	51,691,380
Transfer to Legal Reserve		(12,709,989)	(12,922,845)
Net Profit After Tax & Legal Reserve		<u>38,129,966</u>	<u>38,768,535</u>
Directors Share on Profit		<u>(938,525)</u>	<u>(459,863)</u>
Retained Earning for the Year		<u>37,191,441</u>	<u>38,308,672</u>
Earning per Share of Birr 1000	27	174	223

Nuredin Awol

Ato Nuredin Awol
Chairman of the Board of Directors



Addisu Habba

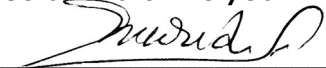
Ato Addisu Habba
President

Debut Global Bank S.C.

Cash Flow Statement

For the Year Ended 30 June 2017

	Birr	2016
Cash Flow From Operating Activities		
Net Profit Before tax	67,705,330	67,958,484
Adjustment for:		
Depreciation and Amortization	12,094,560	12,057,066
Dividend Payable	(3,865,441)	-
Provision for Doubtful Loans & Advances	5,475,467	4,038,072
Provision for Other Assets	-	1,998,792
Fixed assets and adjustment	141,319	56,136
Dividend collected from equity investment	(533,696)	(507,195)
Directors' share on profit	(938,525)	(459,863)
Effect of exchange rate fluctuation and Forex dealing	(21,685,598)	(20,312,351)
Cash Flow From Operation before Changes in Working Capital	58,393,419	64,829,141
Decrease (Increase) in Loans & Advances excluding provision	(194,960,217)	(260,409,862)
Decrease (Increase) in Other Assets	(11,552,022)	(13,568,531)
Increase (Decrease) in Deposits	559,771,573	52,416,770
Increase (Decrease) in Margin Held Account	108,064,853	(10,979,006)
Increase (Decrease) in Other Liabilities	1,664,048	(7,152,774)
Cash Flow From Operation after Changes in Working Capital	521,381,653	(174,864,262)
Profit tax Paid	(16,236,251)	(5,435,572)
Net Cash Inflow from Operating Activities	<u>505,145,402</u>	<u>(180,299,834)</u>
Cash Flow From Investing Activities		
Purchase of Fixed Assets	(6,748,661)	(9,421,707)
Dividend collected from equity investment	533,696	507,195
Investment in Intangible Assets	(5,362,472)	-
Investment in NBE Bills	(132,763,000)	(132,764,330)
Investment in other companies shares	(4,033,804)	(7,847,196)
Net Cash Outflow from Investing Activities	<u>(148,374,242)</u>	<u>(149,526,038)</u>
Cash Flow From Financing Activities		
Dividend paid in cash	(2,697,939)	(12,004,636)
Share capital collected net dividend capitalized	57,477,781	64,024,888
Cash Inflow from Financing Activities	54,779,842	52,020,252
Effect of exchange rate fluctuation & FOREX dealing	21,685,598	20,312,351
Changes in Cash and Cash Equivalents	433,236,600	(257,493,269)
Cash and Cash Equivalent at the Beginning of the Year	<u>249,759,688</u>	<u>507,252,957</u>
Cash Balance at end of the year	<u>682,996,288</u>	<u>249,759,688</u>


Ato Nuredin Awol
Chairman of the Board of Directors




Ato Addisu Habba
President

Debut Global Bank S.C Statement of Change in Equity As At 30 June 2017

	Paid up Capital Birr	Legal Reserve Birr	Retained Earnings Birr	2017 Birr
Balance as at July 01,2015	197,975,235	8,913,503	12,004,636	218,893,374
Increase in paid up capital	64,024,888	-	-	64,024,888
Transfer to dividend payable	-	-	(12,004,636)	(12,004,636)
Net profit for the year	-	-	51,691,380	51,691,380
Transfer to legal reserve	-	12,922,845	(12,922,845)	-
Directors Share on Profit	-	-	(459,863)	(459,863)
Balance as at June 30, 2016	<u>262,000,123</u>	<u>21,836,348</u>	<u>38,308,672</u>	<u>322,145,143</u>
Balance as at July 01, 2016	262,000,123	21,836,348	38,308,672	322,145,143
Increase of paid up capital in cash	57,477,781	-	-	57,477,781
Dividend capitalized	31,745,293	-	(31,745,293)	-
Dividend paid in cash	-	-	(2,697,939)	(2,697,939)
Transfer to dividend payable	-	-	(3,865,440)	(3,865,440)
Net Profit for the year	-	-	50,839,955	50,839,955
Transfer to legal reserve	-	12,709,989	(12,709,989)	-
Directors Share on Profit	-	-	(938,525)	(938,525)
Balance as at June 30, 2017	<u>351,223,197</u>	<u>34,546,337</u>	<u>37,191,442</u>	<u>422,960,975</u>



Ato Nuredin Awol
Chairman of the Board of Directors




Ato Addisu Habba
President

Debub Global Bank S.C

Notes to the Accounts

For the Year Ended 30 June 2017

1 Background of the Bank

Debub Global Bank Share company was established in Addis Ababa, Ethiopia in August 2009 in accordance with the provision of the Licensing and Supervision of Banking Business Proclamation No.592/2008 and the commercial Code of Ethiopia 1960.

The bank's principal activity is providing commercial banking services. The registered address of the bank is Addis Ababa ,Ethiopia and has branches in Addis Ababa and other Regional States.

2 Basis of Preparation

a) Accounting Basis

Financial statement of the bank is prepared in accordance with Generally Accepted Accounting Policies(GAAP).The accounting basis is accrual basis of accounting.

3 Summary of Significant Accounting Policies

i) Interest Income and Expenses

Interest income and expenses for all interest bearing financial instrument are recognized within the effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial instruments or, where appropriate, a shorter period to the carrying amount of the financial instruments. The effective interest rate is established on initial recognition of the financial assets or liability.

ii) Fees and Commission Income

In the course of business, the bank earns fees and commission income from a diverse range of service from its customers. Fees and commission income and expenses that are integral to the effective on a financial assets or liability are included in the measurement of the effective interest rate.

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

iii) Establishment costs

These constitute costs incurred prior to the commencement of operation and amortised over five years on straight line basis as per Banking Proclamation No 592/2008-Article 21 Sub-Article 4.



Debut Global Bank S.C

Notes to the Accounts

For the Year Ended 30 June 2017

iv) Property, Plant and Equipment

Property and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is calculated using pooling methods in accordance with Income Tax Proclamation 286/2002 Sub-Article 4.

	Rate
Motor vehicles	20%
Computer, Computer Accessories and Softwares	25%
Other office equipment	20%
Furniture and fittings	20%

v) Foreign currencies

a) Functional and presentation currency

Ethiopian Birr is the functional currency. The financial statements are presented in Ethiopian Birr, which is the bank's functional and presentation currency.

b) Transaction and balances

Foreign currency transactions that are denominated, or that require settlement in a foreign currency are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the mid rates prevailing at that date.

Non-monitory items that are measured at historical costs in a foreign currency are translated to birr on foreign exchange gain and loss from resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized through profit or loss.

4 Cash and Bank Deposits

	Birr	2016
Cash - Local Currency	270,357,161	138,961,556
Cash Foreign Currency	478,709	1,232,761
Deposit With Foreign Bank	130,615,043	11,442,352
Deposit With Domestic Bank	21,935,811	942,975
Payment And Settlement Account	50,724,476	17,769,444
NBE Issue Account	<u>138,885,087</u>	<u>35,410,600</u>
	<u>612,996,288</u>	<u>205,759,688</u>



Debut Global Bank S.C

Notes to the Accounts

For the Year Ended 30 June 2017

5 Other Assets

	Birr	2016
Uncleared Effect-Local	1,300,992	8,404,163
Uncleared Effect-Foreign	38,024,622	24,138,228
Accrued Interest Receivable on NBE	6,358,016	4,242,901
Sundry Debtor	374,820	646,811
Supplies Stock	3,133,534	2,248,945
Branch under Establishment	7,648,701	11,990,989
Assets waiting for Resale	113,790	42,124
Prepayment	51,729,407	47,547,037
Miscellaneous	3,649,668	6,917,258
Share held for sale	<u>5,396,928</u>	<u>-</u>
	117,730,478	106,178,456
Provision for other assets	<u>(1,998,792)</u>	<u>(1,998,792)</u>
	<u>115,731,686</u>	<u>104,179,664</u>

6 Loans and Advances

	Birr	2016
Domestic trade & Service	402,289,575	254,002,554
Construction	129,042,030	100,640,427
Merchandise	46,065,880	69,838,965
Export	50,634,378	48,566,887
Transport	10,771,621	18,320,195
Overdraft	82,224,772	73,030,595
Manufacturing	24,756,219	6,260,062
Import	35,752,827	21,542,700
Personal	11,419,435	5,343,336
Agriculture	1,317,277	323,501
Advance against import bills	<u>-</u>	<u>1,444,573</u>
	794,274,012	599,313,795
Less: Provision for doubtful debts & advances	<u>(13,504,771)</u>	<u>(8,029,304)</u>
	<u>780,769,241</u>	<u>591,284,491</u>

7 Investments

7.1 Investments in Other Companies

	Birr	2016
Ethios Switch Share Company	11,370,000	11,370,000
Lucy Insurance Share Company	8,291,000	4,257,196
AODAOE Inclusive Finance Technology S.C	<u>1,000,000</u>	<u>1,000,000</u>
	<u>20,661,000</u>	<u>16,627,196</u>



Debut Global Bank S.C

Notes to the Accounts

For the Year Ended 30 June 2017

7.2 Investment in NBE Bills

In accordance with NBE directive no MFA/NBE BILLS/001/2011, the Bank has purchased NBE Bills to the equivalent of 27% of total loan disbursed during the year. The Bills are interest bearing at 3% with maturity period of five years.

	Birr	2016
NBE Bills	<u>420,988,330</u>	<u>288,225,330</u>
	<u>420,988,330</u>	<u>288,225,330</u>

8 Intangible Assets

COST

	Balance as at 30/06/2016 Birr	Additions Birr	Balance as at 30/06/2017 Birr
Softwares	<u>15,050,932</u>	<u>5,362,472</u>	<u>20,413,404</u>
	<u>15,050,932</u>	<u>5,362,472</u>	<u>20,413,404</u>

AMORTIZATION

Softwares	<u>3,762,733</u>	<u>4,162,668</u>	<u>7,925,401</u>
	<u>3,762,733</u>	<u>4,162,668</u>	<u>7,925,401</u>

Net Book Value	<u>11,288,199</u>		<u>12,488,004</u>
-----------------------	--------------------------	--	--------------------------

9 Deferred Charges

COST

	Balance as at 30/06/2016 Birr	Additions Birr	Balance as at 30/06/2017 Birr
Establishment Cost	<u>3,246,439</u>	-	<u>3,246,439</u>
	<u>3,246,439</u>	<u>-</u>	<u>3,246,439</u>

AMORTIZATION

Establishment Cost	<u>2,488,937</u>	<u>649,288</u>	<u>3,138,225</u>
	<u>2,488,937</u>	<u>649,288</u>	<u>3,138,225</u>

Net Book Value	<u>757,501</u>		<u>108,214</u>
-----------------------	-----------------------	--	-----------------------



Debut Global Bank S.C

Notes to the Accounts

For the Year Ended 30 June 2017

10 Property, Plant & Equipments

COST	Balance at 30 June 2016	Additions	Transferred	Balance 30 June 2017
Motor Vehicles	20,765,341	694,245	-	21,459,586
Office and other equipment	7,726,455	-	3,145,991	10,872,447
Furniture and Fittings	8,791,737	1,019,883	513,867	10,325,487
Computer Accessories	15,249,568	1,749	791,078	16,042,396
Fixed Assets at Stores	1,997,711	5,032,784	(4,735,652)	2,294,843
	<u>54,530,812</u>	<u>6,748,661</u>	<u>(284,715)</u>	<u>60,994,758</u>
ACCUMULATED DEPRECIATION				
Motor Vehicles	10,019,433	2,288,031	-	12,307,464
Office and Other Equipment	3,495,534	1,488,718	(66,675)	4,917,577
Furniture and Fittings	4,148,305	1,243,246	(39,047)	5,352,504
Computer Accessories	7,029,630	2,262,610	(37,674)	9,254,566
	<u>24,692,902</u>	<u>7,282,604</u>	<u>(143,396)</u>	<u>31,832,110</u>
Net book value	<u>29,837,910</u>			<u>29,162,648</u>

11 Customer Deposits

	Balance as at 30 June 2017				2016
	Demand Deposits	Saving Deposits	Time Deposits	Total	Total
Non-Resident Foreign Currency Accounts	3,497,272	-	-	3,497,272	3,499,698
Domestic Banks And Other Financial Institution	6,469,996	3,466,523	71,129,324	81,065,843	70,746,201
Private And Individuals	445,128,709	462,713,973	16,080,000	923,922,682	620,019,776
Public Agencies And Public Enterprise	333,932	854,411	-	1,188,343	384,870
Cooperative And Associations	65,610,323	8,071,085	8,000,000	81,681,408	44,342,042
Special Cooperative And Association	-	-	-	-	2,701,801
Retention Foreign Currency Account A	4,603,805	-	-	4,603,805	5,784,868
Retention Fcy Account - B	2,466,486	-	-	2,466,486	37,837
Special Public Agencies & Enterprises	-	-	-	-	21,489,263
Saving Provident Fund - Other Companies Employer Contribution	-	748,510	-	748,510	-
Saving Retirement, Child Educate- and Credit Facility	-	-	-	-	300
Saving Non Interest Bearing	-	68,090,367	-	68,090,367	23,217,139
Saving For Children	-	1,806,752	-	1,806,752	812,134
Saving For Youth	-	1,278,159	-	1,278,159	405,659
Saving For Golden Aged People	-	261,182,074	-	261,182,074	78,318,540
Total as at 30 June 2017	<u>528,110,523</u>	<u>808,211,854</u>	<u>95,209,324</u>	<u>1,431,531,701</u>	<u>871,760,128</u>

Debut Global Bank S.C

Notes to the Accounts

For the Year Ended 30 June 2017

12 Other Liabilities

	Birr	2016
Accrued Interest On Fixed Time Deposit	3,561,414	2,403,316
Annual Leave Pay	5,095,633	3,432,023
Interest Income On Non Performing Loan	4,178,465	2,250,843
Cashier's Payment Order	16,353,673	21,333,338
Income Tax Payable	1,008,222	560,212
Account Payable Miscellaneous	4,049,081	2,239,896
Stamp Duty Charges	440,424	95,319
IT's Payable	118,573	403,470
Exchange Commission Payable To NBE	3,421,304	1,328,462
Audit Fee Payable	116,250	100,000
Tax On Interest Paid	376,670	170,528
Pension Payable	690,394	319,123
Dividend Payable	5,562,089	1,696,649
Withholding Tax Payable	94,129	60,331
Account Payable Special	-	7,046,991
Short Term Borrowings	19,726	-
Cost Sharing Payable	19,073	570
	<u>45,105,121</u>	<u>43,441,073</u>

13 Paid up Share Capital

The authorized share capital of the bank is Birr 1 Billion comprising 1,000,000 ordinary shares at par value of Birr 1,000 each. Total subscribed shares at the balance sheet date is Birr 442,874,000 out of which Birr 351,223,197 is fully paid.

14 Legal Reserve

In accordance with the Articles of Association of the bank and Proclamation No 592/2008 article 19 of the Licensing and Supervision of Banking, 25% of profit after tax is transferred to legal reserve until the balance reaches 100% of the paid-up capital.

	Birr	2016
Balance brought forward	21,836,348	8,913,503
Transfer from current year profit	12,709,989	12,922,845
	<u>34,546,337</u>	<u>21,836,348</u>

15 Interest Income

	Birr	2016
Interest Income on Loan and Advance	94,191,061	63,130,302
Overdraft Income	-	6,461,831
Advance on letters of Credit	-	1,152,172
Interest Income on Surplus Fund	11,128,512	13,499,550
	<u>105,319,573</u>	<u>84,243,855</u>



Debut Global Bank S.C

Notes to the Accounts

For the Year Ended 30 June 2017

	Birr	2016
16 Commission Income		
Commission Income-Foreign	9,495,214	4,550,918
Commission-Local	79,862	106,993
Commission on CPO	320,050	238,095
Commission on Letter Of Guarantee Issued	<u>65,766,889</u>	<u>52,786,399</u>
	<u>75,662,015</u>	<u>57,682,405</u>
17 Service Charges		
Service Charges - Local	13,130,287	10,282,949
Service Charges - Foreign	<u>17,235,112</u>	<u>15,639,749</u>
	<u>30,365,399</u>	<u>25,922,698</u>
18 Other Income		
Estimation and Inspection Fees	206,523	171,700
Money Bags	3	-
Postage	40,240	-
Sundries	488,277	628,791
Telephone Telegram and Telex	43,176	-
Share Subscription Fee	3,849,096	1,951,013
Swift Charge	165,780	283,760
Penalty Charge	2,467,387	2,235,606
Communication Charge	-	123,317
Discrepancy Charge	125,945	-
Dividend Earned On Equity Investment	<u>533,696</u>	<u>507,195</u>
	<u>7,920,123</u>	<u>5,901,382</u>
19 Gain On Foreign Currency		
Gain On Foreign Exchange Rate Flactuation	<u>21,685,598</u>	<u>20,312,351</u>
	<u>21,685,598</u>	<u>20,312,351</u>
20 Loss On Foreign Currency and Other Charges		
Loss On Foreign Exchange Dealings	362,082	6,420,317
Loss On Foreign Exchange Rate Flactuation	7,567,014	616,391
Loss On Foreign Currency Notes	-	140
	<u>7,929,096</u>	<u>7,036,848</u>



Debut Global Bank S.C

Notes to the Accounts

For the Year Ended 30 June 2017

21 General Expenses

	Birr	2016
Advertisement	2,661,033	1,766,584
Cleaning Supplies	132,334	417,144
Security Service Payment	2,528,432	1,143,813
Donations and Contributions	24,000	126,863
Entertainment	169,427	143,612
Insurance	418,880	380,238
Office Rent	23,376,322	17,881,709
Membership Fees	161,354	169,854
Motor Vehicles Inspection and Circulation Fees	20,562	15,631
Nbe License Fees	15,000	14,000
Fuel and Lubricant	345,117	644,571
Stationery, Printing and Office Supplies	2,771,014	1,490,549
Repair and Maintenance	3,357,104	746,502
Communication	693,856	1,068,070
Travel and Transport	944,242	900,717
Wages	109,431	94,488
Utilities	170,233	96,654
Bank Charges	222,809	855,749
Consultancy	-	145,107
Annual Reception	1,126,766	659,773
Parking	16,168	15,001
Electric and Telephone Supplies	97,811	53,358
Internet and Network Installation	21,466	153,798
Swift Charge	173,864	170,242
Representation Allowance	646,309	577,510
Share Commission Fee	1,563,890	1,127,900
Internet, Broadband and Website	3,142,272	1,387,318
Other Expenses	<u>1,868,215</u>	<u>528,638</u>
	<u>46,777,912</u>	<u>32,775,393</u>

22 Interest Expenses

	Birr	2016
Interest Paid on Savings Accounts	23,042,346	15,736,907
Interest Paid on Special Savings Accounts	776,134	914,188
Interest Paid on Fixed Time Deposit	15,142,208	7,244,968
Interest Paid on Short Term Borrowing	<u>1,316,029</u>	<u>1,360,744</u>
	<u>40,276,715</u>	<u>25,256,807</u>



Debut Global Bank S.C

Notes to the Accounts

For the Year Ended 30 June 2017

23 Salaries and Benefits	Birr	2016
Clerical Staff Salary	32,450,249	22,181,881
Non-Clerical Staff Salary	6,071,250	4,652,096
Contractual Staff Salary	328,677	367,402
Overtime	704,155	445,588
Other Allowance	2,130,195	1,607,293
Fuel and Transportation Allowance	5,195,174	4,140,839
Cash Indemnity Allowance	906,533	681,521
Medical	834,296	638,801
Pension Fund	4,217,935	2,952,867
Staff Insurance	175,726	118,331
Training Fee	1,034,117	433,958
Uniforms	1,390,265	621,346
Leave and Compensation Pay	2,482,614	2,248,344
Bonus	2,259,257	1,536,699
Provident Fund	<u>12,934</u>	<u>-</u>
	<u>60,193,378</u>	<u>42,626,966</u>

24 Directors Allowance

24.1. Directors Allowances represent monthly allowances of Birr 4,000.00 per month in accordance with the with NBE Directive SBB 63/2016.

24.2. Directors Share on Profit represent annual remuneration of Birr 100,000.00 per each member of board of directors of the bank. The amount paid is within the limit set in accordance with NBE Directive SBB 63/2016.

25 Provision for Taxation	Birr	2016
Profit before tax	67,705,330	67,958,484
Add: Disallowed Expenses (Expenses deducted but should not have been deducted)		
Entertainment	169,427	143,612
Donations	<u>3,500</u>	<u>126,863</u>
	172,927	270,475
Chargeable Income (Income not included but would have been included)	Nil	Nil
Deduct: Exempt Incomes and Incomes taxed at source:		
Interest on Bank deposits at domestic banks	304,814	6,897,366
Interest Income on NBE bills	10,812,481	6,593,383
Interest on Bank Deposits at Foreign Banks	11,218	8,802
Dividend from equity investment	<u>533,696</u>	<u>507,195</u>
	11,662,208	14,006,746
Taxable Profit	56,216,049	54,222,213
Provision for Taxation 30%	16,864,815	16,266,664
Add: 5% On deposit at Foreign banks	561	440
	<u>16,865,376</u>	<u>16,267,104</u>



Debut Global Bank S.C

Notes to the Accounts

For the Year Ended 30 June 2017

26 Profit Tax Payable	Birr	2016
Balance Brought Forward	16,236,251	5,404,719
Profit Tax Paid During the year	(16,236,251)	(5,404,719)
Current Year Provision for Profit Tax	16,865,376	16,267,104
Withholding Tax Paid	<u> </u>	<u>(30,853)</u>
Balance Carried Forward	<u>16,865,376</u>	<u>16,236,251</u>

27 Earning per Share

Earning per share for the year is computed by dividing the net profit after tax but before legal reserves by the average number of shares outstanding during the year. Average number of shares is computed on weighted average basis.

	Birr	2016
Profit after tax	50,839,955	51,691,380
weighted average number of shares	291,997	231,973
Earning Per Share (EPS)	174	223

28 Certain comparative figures were reclassified where necessary to facilitate comparison.

29 Commitments and Contingent Liabilities

	Birr	2016
Guarantees Issued and Outstanding	1,594,587,064	1,202,771,405
Letter of credit	<u>(226,738,894)</u>	<u>(63,593,411)</u>
	<u>1,367,848,169</u>	<u>1,139,177,994</u>

30 Memorandum Account

	Birr	2016
Accrued Interest Income On Non Performing Loans and Advances	4,178,464	2,250,843
Money Bags	(7)	-
Export Bills Collection Sight	9,763,917	-
	<u>13,942,374</u>	<u>2,250,843</u>

31 Related Party Disclosure

Transactions and balances during the year with related parties are stated as below:

	Amount
Outstanding Loan	12,197,159
Estimated value of collaterals	20,066,034



Debut Global Bank S.C

Notes to the Accounts

For the Year Ended 30 June 2017

32 Status of IFRS implementation

The bank falls into the category of companies in Ethiopia required to prepare and report financial statements under IFRS for periods beginning on or after 1st July 2017. Therefore, Debut Global Bank S.C. will report its June 30, 2018 financial statement using IFRSs.

Consequently, the Ethiopian Bankers Association recruited a consultant Pricewaterhouse coopers(PWC) to facilitate the IFRS implementation process to be carried out by members banks. As part of the implementation process, member banks are required to establish a project team which is solely responsible for IFRS implementation. As a result, DGB established IFRS Project Team composed of eight members from different departments that are directly or indirectly affected by the implementation of IFRS.

The Consultant(PWC) has performed gap analysis between the current accounting practices(GAAP) and IFRS of the Bank. Accordingly, PWC has forwarded the indentified gaps along with gap analysis and corresponding recommendations and requested for confirmation of optional exemptions and accounting policy choices. Following this, the IFRS project team has thoroughly discussed the indentified gaps, the optional exemptions and accounting policy choices and forwarded its recommendations to the executive managements and same was endorsed by concerned authority.



Addresses of City Branches

No.	Branch Name	Telephone	Fax. No.	P.O.Box
1	Atlas	011 667 25 87 011 667 26 04	011 667 26 04	100743
2	Beklobet	011 470 4426	011 467 40 68	100743
3	Bethel	011 369 6755	011 369 67 56	
4	Dir-Tera	0112 73 4232	011 273 4223	183692
5	Dubi-Tera	011 273 2139/65 011 869 0215	011 273 2164	
6	Gerji	011 639 4631	011 639 4 696	
7	Gofa	011 470 4870/71		
8	Jemo	011 471 3934	011 471 35 88	
9	Kality	011 4 71 6009 011 869 8621	011 471 60 65	100743
10	Kality Gebreal	011 471 7718	011471 77 53	
11	Messalemia	011 278 8711 011 278 8439	011 275 8661	100743
12	Saris	011 443 1405/20	011 443 1383	2315/1000
13	Senga Tera	011 557 4682		
14	Shiromeda	011 154 0066/95	011 154 0085	20414/1000
15	Stadium	011 558 1298/73/31	011 558 1723	100743
16	Summit	011 667 8986	011 667 8969	
17	Yerer	011 667 5782/5824	011 667 5813	
18	Hayahulet	011 668 4278	011 668 4033	

Addresses of Outlying Branches

No.	Branch Name	Telephone	Fax. No.	P.O.Box
1	Adama	022 111 8471 /72	011 667 26 04	100743
2	Aletawondo	046 224 1179 046 824 8644	011 467 40 68	100743
3	Arbaminch	046 181 4020	011 369 67 56	
4	Chuko	046 227 0169 046 227 0324	011 273 4223	183692
5	Dilla	046 331 0012/19	011 273 2164	
6	Doyogena	046 244 0339/40	011 639 4 696	
7	Durame	046 554 0235 046 554 0334		
8	Gondar	058 211 0972 058 211 1555	011 471 35 88	
9	Hawassa	046 221 3014 046 220 4673	011 471 60 65	100743
	Hawassa Mini	046 212 2521	011471 77 53	
10	Hossaena	046-555-08-00	011 275 8661	100743
	Hossaena Meneharia	046-178-01-19	011 443 1383	2315/1000
11	Mekelle	034 241 5387		
12	Shashemene	046 211 0075/77	011 154 0085	20414/1000
13	Wolayta	046 551 4153	011 558 1723	100743
14	Wolkite	011 330 0225/24	011 667 8969	
15	Worabe	046 771 0117/18	011 667 5813	
16	Yirgachefe	046 332 0579	046 332 0570	112
17	Yirgalem	046 225 2039	046 225 2129	18

