DEBUB GLOBAL BANK s.c.

Annual Report

2019/20

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Debub Global Bank

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YOUR LADDER TO SUCCESS

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Debub Global Bank

ACCOMPANYING YOU IN YOUR LIFE'S JOURNEY.

USE OUR TARGET SAVING ACCOUNT TO PLAN YOUR IMPORTANT LIFE MILESTONES.

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መሰላል
YOUR LADDER TO SUCCESS

THIS JOURNEY IS NOT MEANT TO BE TAKEN ALONE.

EVERY BIG DREAM DEMANDS A DREAM TEAM. LET'S DO BUSINESS TOGETHER.

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Debub Global Bank

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YOUR LADDER TO SUCCESS

DEBUB GLOBAL BANK s.c.
Annual Report
2019/20

Contents

Board of Directors

Nuredin Awol
Chairman, Board of Directors

Mathewos Assale
Deputy Board Chairman

Aklilu Kassa
Board Director

Firew Bekele
Board Director

Gizaw Woldesemayat
Board Director

Habtamu Sila
Board Director

Haile Hamaro
Board Director

Melaku Gezu
Board Director

Tariku Birhanu
Board Director

Tariku Oljira
Board Director

Dr. Tegene Hawando
Board Director

Executive Management

Dr. Tesfaye Boru
President

Desta Bekalo
Vice President, Corporate Services

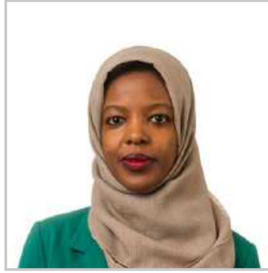
Fekadu Shegute
Vice President, Operations

Belay Namaga
Director, Legal Service Dep't

Dasa Gobe
Director, Human Resource Management Dep't

Dereje Getachew
Director, Credit Management Dep't

Endalish W/Michael
Director, Marketing and Resource Mobilization Dep't



Hindia Mohammed
Director, International Banking Dep't

Kassa Mikoro
Director, Property and Facility Administration Dep't

Sisay Ayele
Director, Information Technology Dep't

Tewodros Akalu
Director, Internal Audit Dep't

Tsehaynesh Abbay
Director, Finance and Accounts Dep't

Wubshet Fola
Director, Risk Management & Compliance Dep't

Tsegaye Tesfaye
Manager Project Management

Teketel Gebrehiwot
Executive Assistant to the President

Meaza Wendimu
Acting Director, Business Development and Planning Dep't

Wubshet Zegeye
Acting Director, Branch Banking Dep't

Chairperson's Statement

Following the closure of the financial Year of 2019/20 with another landmark achievement, I would like to convey my most profound gratitude to our esteemed customers who chose to work with us, to employees for relentlessly deploying their efforts, commitments and dedication of our shareholders for helping us achieve take our bank to better position.

The global socioeconomic slow down, which was largely influenced by the pandemic covid 19, has been hindering people's movement and bottlenecking production of gigantic corporations, causing the close of various big businesses and causing gloomy economic arena all over the globe.

Despite the intimidating circumstance given by the virus, our bank endeavored with renewed commitment, organized resources, become more strategic and vigorous to achieve another year of remarkable financial and operational performance. We were favored with our inherent strengths to come up with prompt responses and make effective decisions for various unprecedented situations. As a result, our ability to mobilize enhanced resources, lend, expand into new areas and come up with out-of-the-box solutions to thrive in the future got more reinvigorated.

Our elevated commitment to broaden customer services and improve service quality has led us to engage in aggressive branch expansion, diversifying banking channels, broadening product assortment and adopting modern information technology innovations. In addition to embarking on digital transformation across the width and breadth of its operations, the bank has been exerting unstinted effort to diversify digital banking services. In line with diversifying deployment of ATM machines across feasible areas, the bank has already finalized development of POS service system and following the procurement of the first round POS machines, the launch is expected to take place in short. Extended effort also put in action to implement mobile and internet banking, and both reached on pre-launching stages. In a way to increase customer choices as well as reach, the bank went through various processes and reached on final stage to commence Interest-Free Banking services, which would be highly expected to become also another impetus for our future success.

During the course of the year, we have progressed toward acquiring land from Addis Ababa City Administration as well as procuring another premise that shall serve as a temporary Headquarter until we erect the skyscraper that will serve likewise as a switch to reinforce brand image of our bank.

In financial terms, the Bank continued to register a robust result in most key performance parameters as well as increased its stake in the industry. It recorded improved gross profit of Birr 376 million, up by 33% from the preceding year's record. The result was solicited through unreserved endeavor and collaboration of people of our bank in overcoming all the challenges facing the bank. Our bank exhibited even higher growth in resource mobilization and application thus, both total deposit and outstanding loans remarkably grew by 50% and 87% over the preceding year's respective level reaching at Birr 5.3 billion and Birr 4.5 billion at the end of the year. The Bank has been resilient and mobilized an even higher foreign currency than the previous period balance. Our balance sheet also continues to remain stable and growing by manifesting 42% and 50% growth of total asset and total capital over the preceding year's respective balance.

Going forward, despite high vulnerabilities and uncertainty induced by the pandemic, the government initiatives that gave a special emphasis to reform financial sectors in a bid to enhance financial inclusion and augment digital transformation would make the outlook for the future very attractive. It is our strong conviction that this further will reinforce the bank by dedicating its resources and capabilities in the coming year and beyond. We believe our bank will sustain the growth achieved in couple of years through exploring potential opportunities and working strategically towards maintain continuous success.

In paving the pathway to broadening our product diversification through alternative banking channels, the bank has already made considerable development to launch POS services with procurement of 10 machines. Subsequently, the bank is on process to recruit potential merchants, and the operation is expected be in action soon. Moreover, after going through various developments, the bank has also reached on the edges of implementing mobile, agency and internet banking services, which would kick-start within few months.

In order to remain more competitive, we have established a sound capital base and maintained the sureness of all stakeholders, the bank will continue to build more on capital in the coming year. The notable achievement recorded in the past couple of years in many aspects including the laudable dividend yielded to our shareholders have already attracted many more investors to partner with our bank and encouraged existing shareholders invest more on the bank.

Given the tone already set through the current growth vibes and openly declared aspirations to transcend the bank in the forthcoming years, we are, therefore, excited to seize opportunities and turn same to our favor. Obviously, change is inevitable but our unwavering commitment, passion and ingenuity will tackle any tsunami from shaking our concrete base.

Finally, I would like to express my gratitude for our honored customers, National Bank of Ethiopia, Financial Intelligence Center and other stakeholders for their supervision and support. Once again, I am grateful of my fellow Board of Directors, executive management members and employees for working tirelessly in the realization of the vision of Debub Global Bank.

Thank you.

Nuredin Awol

Chairperson, Board of Directors – DGB

President's Statement

It is my honor to present the Annual Report of Debub Global Bank for the 2019/20 fiscal year. Debub Global Bank continues registering remarkable achievement in this year as well backed by the efforts from its forward-looking Management team, hard-working employees, esteemed shareholders and dependable customers.

The global economy was unfavorably affected by the noble corona pandemic, the geo political tension witnessed across the world and the increase in commodity price. These diviations reduced the global economic activities in general.

The pandemic also shadowed the domestic economic activities. However, following the government's worthwhile strategic initiatives related with home-based economy direction and the dedication to take the countermeasures to lower the effect of the pandemic, a considerable result was registered especially in the export business and aviation industry in line with lessening the impact on other sectors.

The banking industry was not also immune from the upheavals of the proliferation of the pandemic together with other conditions that may affect it, such as lingering liquidity crunch, intensified competition for resources and corporate customers, and increasing cost of doing business. However, the existence of a huge untapped banking market, the growing awareness and demand for banking services, and government prior attention to transform the banking industry have outweighed the various impeding conditions.

With the strong growth vibes already derived due to the remarkable continuous achievement registered throughout the past years, and most importantly with the ambitious growth goals we thrive to achieve, we have exerted our utmost efforts and utilized all our capabilities to register a robust and consistent results in all the key performance indicators.

Hence, it has become habitual for Debub Global to set new records in profitability where once again we registered a remarkable gross profit of Birr 376 million before tax on June 30, 2020. This profit exhibited a change in Birr 92 million from the preceding year performance, leading to declare an attractive earning per Share to is shareholders. In effect, we expect to witness growing investors' confidence owing to high dividend payout and sustainable profitability. This fact, coupled with the effort to expand capital base allows us to boost the paid-up capital level to Birr one billion and register broad-based balance sheet growth.

Our extensive endeavor to boost the bank's accessibility and bring effectiveness and efficiency across the Bank has enabled us mobilize half of the deposit balance accumulated since its inception and generate the highest level of foreign currency in its history of operation. In the same vein, a commendable achievement in resource allocation also exhibited as outstanding loans and advances exhibited a remarkable increment of 86% over the last year level.

In line with undertaking various major activities, we have been executing and demonstrating our commitment to key initiatives across three important pillars, namely mobilization of augmented resources, strengthening technology and innovation and uplifting staff competence.

Pursuant to the fact that profitability of the Bank heavily hinges on the availability of resources, all attentions and initiatives of the bank mull over resource mobilization, and as a result of this, extensive effort and huge emphasis have been given to the expansion of service delivery channels, commercializing new feasible products within preset schedules and improving the customer service quality. We have remained loyal to enhance the technological capability and a substantial amount of resources allocated primarily to facilitate and streamline end-to-end business processes to boost efficiency and deliver digital services. Besides, in a bid to leverage knowledge and experience of employees, to maintain the growth momentum, bring optimal operational efficiency and deliver quality customer service, our focus also was geared toward human capital development. Hence, we have empowered employees with the right knowledge and skill and urged our people to be supple to adapt with the changing environment.

Looking ahead, we will continue to vigorously grow and deepen financial soundness and resource position, diversify our service delivery channels across the width and breadth of the nation through both physical branch and digital channels, launch new products and services, build concrete image of the Bank and endeavor to match our internal capabilities and core competencies so as to provide quality services in a timely, innovative and responsible manner. We will thrive further as our internal capabilities enable us to exploit the enormous opportunities that lay ahead and lessen the formidable challenges we may face, and hence, we will forge ahead with commitment and passion, continue pursuing our strong growth aspirations, and organize our strength to achieve our vision.

Finally, I am indebted to our grateful customers for their unwavering loyalty, to employees and the management team for their dedication, board of directors for their extraordinary inputs to take the bank forward, the National Bank of Ethiopia for supportive guidance, shareholders and all stakeholders.

Thank you.

Tesfaye Boru (PhD)

President, DGB

DIRECTORS' REPORT

The Board of Directors of Debub Global Bank is delighted in presenting its Annual Report to the shareholders, clients, partners and other relevant stakeholders for the financial year ended 30th June 2020, which included audited financial statement of the bank, highlights of the major progresses noted in key banking operations and other priority focus areas of our bank.

NURTURING HUMAN CAPITAL

Our bank has been undertaking remarkable development schemes that could create inclusive and conducive working environment in a bid to attain and retain high-caliber employees holding the right skill-set, knowledge and attitude. The bank has created additional job opportunities for 562 citizens of the country only until in the ended business year June 30, 2020 in order to collocate with the aggressive expansion of service delivery outlets and operations. The number of staff amassed to 1,477 jumping high from 915 of preceding year's figure. Of which, permanent staff constituted 99% or 1,460 while the remaining 1% or 17 employees are contracts sourced from external agencies.

The Bank dedicated a substantial amount of fund for capacity development via undertaking twenty-six intensive on-the-job and off-job training programs for a total of 1,453 employees as to conserve eloquent customer-centered and performance-oriented staff throughout the bank. Determined to up skill our people embrace the contemporary context and remain worthy to the future, these short-term trainings ranging from refresher to high level exercises were conducted in-house, locally and abroad.

Our people - empowered through knowledge, inspired by the prevailing inclusive work environment and motivated to stretch high - will persist to ensure the sustainable triumph of the bank and conquering of new horizons.

CONNECTING WITH CUSTOMERS

The investment we are injecting on branch expansion, technology and innovation is obviously improving our service to customers. In Debub Global Bank, customer service is redefined as an attitude where our employees are shaped to behave and act accordingly in their life routines. And this is what drives our effort to make our customers the center of our universe that leads us to respond swiftly to their requests, which in turn continuously adds value, creates convenience and helps to stay connected with them throughout our service delivery channels.

BRANCH NETWORK

Debub has achieved a great deal in setting accessibility and reach through physical presence by opening additional thirty branches across the nation that brought the total branch network to eighty-two in the ended year. In line with making the branches one of the platforms to meet our long-term aspiration, the rationale that defined locations of our appearance was their appropriateness and convenience to our esteemed customers. Of the total new branches opened in the year, nineteen branches resided in different parts of Addis Ababa, whilst the remaining eleven branches were located in various bankable regional towns.

With an aim to get even more closer to the general public and clients and augment resource mobilization capacity, Debub Global Bank will continue to expand its branch network in at least thirty strategic locations in the coming fiscal year, of which new eight branches have gone operational already in areas of Kebena, Haya Arat, Lamberet, Ayer Tena, Hawassa Addisu Gebeya, Mizan, Jakros and Arat Kilo with a target to add more than 22 branches in the subsequent months.

PREMIUM BRANCHES

We keep customers and client at the heart of our business and this philosophy dictates everything we do, from how we meet their expectation to how we please them. Besides, with a commitment to deliver an exclusive service to our customers and build progressive business relationships, we have established premium branches in Stadium and Lebu areas equipped with all modern facilities that yield positive impression and leisure to customers with ultimate comfort. The meeting room with WI-FI that keeps the client connected and beverage services for refreshment are available to make our customers feel at home. The positive feedback obtained from our customers and our extensive desire to meet their needs inspires us to expand the number of premium branches as well in the year ahead. Subsequently, two additional premium branches will be opened in other areas putting the total number of premium branches to five at the end of the upcoming year.

DIGITAL BANKING

Improving operational efficiency is an instrument of enhancing customer experience which encourages the bank to invest on infrastructure that device seamless and consistent interaction between customers and our bank through multiple channels of services with digital banking platforms.

CARD BANKING

To provide our customers the flexibility to access banking services and leverage digital banking, we have been endeavoring to augment services delivered via ATM machines. By deploying additional fifteen ATM machines in feasible areas, the total number of ATMs working in collaboration with other domestic banks via EthioPay have increased by 150% as of June 30, 2020. Thus far, we have issued more than 14,000 Global Cards to our customers; and the total annual transaction of the ATM has reached Birr 92.6 million increasing by 29% from the previous year. Furthermore, the Bank is about to launch a Point-On-Sale (POS) service and the first 10 machines are already procured and recruitment of feasible merchants is being under process to launch the service.

MOBILE AND INTERNET BANKING

Customer preference for automated services has been escalating with the drive in staggering technological advancements in digital banking innovations and even exacerbated with the outbreak of the noble Coronavirus pandemic in the year under review. Moreover, the explosive digital trends, the tangible improvements in e-banking services, the competition to introduce various digital alternatives and the urge to ease operations coupled with many other related developments has made our bank deploy much effort and work relentlessly to introduce high-tech e-banking services. Fortunately, we have now reached the edges to launch Mobile and Internet Banking service to our daring customers.

MOBILE WALLET AND AGENCY BANKING

As part of the bank's plan to install Omni-channel services, the bank has already commenced preparation of Mobile Wallet and Agency Banking. The development process of the products is progressing well to kick-start in the subsequent months.

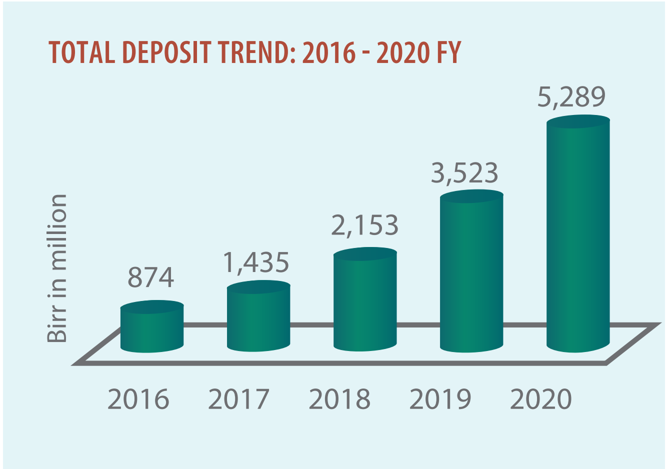
INTEREST FREE-BANKING

Key activities have been made to meet the diverse needs of our esteemed customers regarding Interest Free banking services. Accordingly, all preliminary tasks were completed and we will commence operation as soon as we received final approval from NBE.

BANKING OPERATION

DEPOSIT

Owing to the aggressive branch expansion, diversification of products and collaborative efforts made at all levels to sign-in and retain customers; our Bank's deposit mobilization capacity has registered remarkable growth. During the year under review, the total deposits grew noticeably by Birr 1.76 billion, which is 50% above the preceding year's balance that was Birr 3.52 billion. Our total deposits now remarkably stand at Birr 5.29 billion as of June 30, 2020.



While looking at the composition of deposit, Saving took the lion's share of 54%, followed by Demand and Fixed Time deposits by 25% and 21%, correspondingly.

From day-one of our formation, customers remain at the center of our focus and this always led us to deliver more quality services and increase our reach by expanding branch networks across the nation. Hence, the total number of deposit account grew to over 203,000, attracting a record high additional number of customers which is 52% over the previous year. The growth in larger customer base attributes to our effort in attracting prospects, service excellence and the public trust laid to our brand.

INTERNATIONAL BANKING

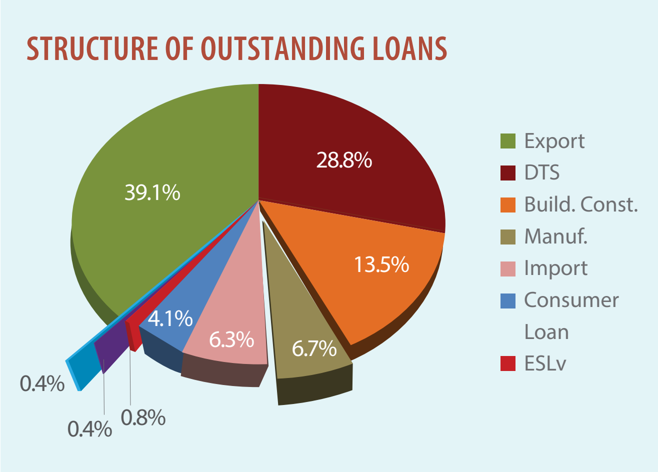
In spite of the global context shaped by the proliferation of the pandemic (COVID - 19) for the last two quarters of the year, extensive effort has been made to sustain the growth of foreign currency mobilization. This endeavor led to amass increased amount of foreign currency equivalent to USD 126.6 million in the fiscal year, which manifested growth of 8% over the last year same period. Following collaborative effort made to attract and maintain exporters, the export sector contributed significant proportion of foreign currency generated with percentage share of 86.5.

Besides, as an ongoing effort to augment foreign currency generation capacity of the Bank, considerable developments have been made to introduce more products that could address the needs of customers potent to generate foreign currency. Moreover, in a bid to diversify and enhance effort in foreign currency generation, branches were opened in border towns including Humera and Togowechale. These branches have notably contributed during the year ended and the branches are believed to bring more currency inflow when COVID-19's deterring impact sets back and the economic activities in border towns is reinvigorated.

Much effort was deployed in strengthening relationships with international banks and money transfer organizations and as a result, our bank has laid partnership with eight Correspondent Banks, 60 Relationship Management Application (RMA) and eight Money Transfer Agents to smoothly connect our clients with the rest of the world.

CREDIT MANAGEMENT

The Bank has extended Loans and Advances to customers engaged in different business and investment activities. During the period under consideration, the Bank's Outstanding Loans reached Birr 4.5 billion, showing a commendable increment of 83% from last year same period.



Attributed to its meticulous analysis, effective follow-up, ability to recognize forewarning signs, and dedication to help defaults recover, Debub Global has been able to maintain its non-preforming loans at 0.44%, lower than the regulatory limit of 5 percent.

RISK MANAGEMENT AND COMPLIANCE

With an aim of effectively managing inherent risks manifested over the course of the business, risk management process remained one of the utmost focus areas of the Bank in the prevailing period. In an attempt to administer the risk effectively and efficiently, the Bank crafted and put in action a comprehensive Risk Management Program (RMP) to identify, measure, monitor and control potential risks and recommends mitigation strategies for risks that could potentially impede achievement of objectives set in credit, liquidity, foreign exchange, interest rate and operational activities in accordance with all rules and directives laid down by the National Bank of Ethiopia and internal policies and procedures. Besides, in pursuing the global and national efforts against suspected financial transactions, the bank put in place a framework that take into consideration of requirements of the Ethiopian Financial Intelligence Centre (EFIC) to combat money laundering and financing of terrorism.

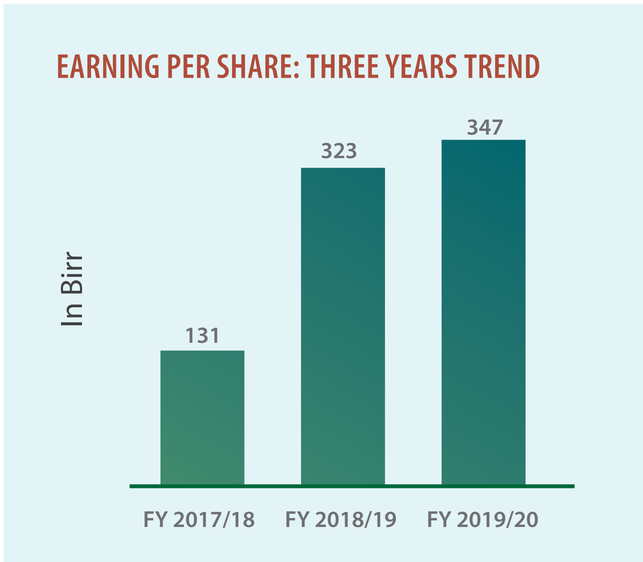
To give assurance to the effective management of the aforesaid major risk areas, the bank with the independent Risk and Compliance Management Department, which is organized with enhanced professionalism and all-rounded multidisciplinary expertise, has been striving to implement effective risk management system and develop risk culture across the Bank with an ultimate aim of creating a safer and sound banking practice for sustainable growth of the Bank. The Department plays a crucial role to ensure existence of strong Board and Senior Management oversight on major risk of the Bank. The Department also spearheads Bank wise efforts to embed a risk management and compliance culture.

INTERNAL AUDIT

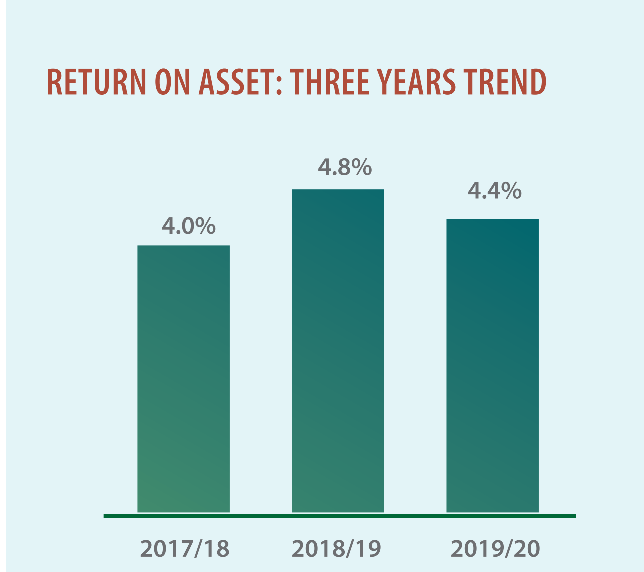
The Internal audit function of the Bank is organized at a department level by the Board of Directors to conduct independent objective assurance and consulting activity which is guided by a philosophy of adding value to improve operations of the Bank. Hence, the department has been examining and evaluating the adequacy and effectiveness of the Bank's governance, risk management process, system of internal control structure and the quality of performance in carrying out assigned responsibilities to achieve the Bank's stated goals and objectives.

FINANCIAL POSITION

The bank ended 2020 with a solid performance in all key performance indicators albeit the challenges posed by the pandemic. Accordingly, it has generated a gross profit of Birr 376 million in the reporting period, exceeding last year's performance by 33%. Thus, Debub's earning per share increased by 2.4% to Birr 347, resulted by the net income of Birr 292 million that has also increased by 39%.



Despite the challenging external context, Debub was able to maintain its RoA at 4.4% and RoE at 28.6%, which further has showed slight increment from the prior year. The stated achievement is also attained while raising its total paid up share capital by 37% and bringing its total standing to Birr 986 million.



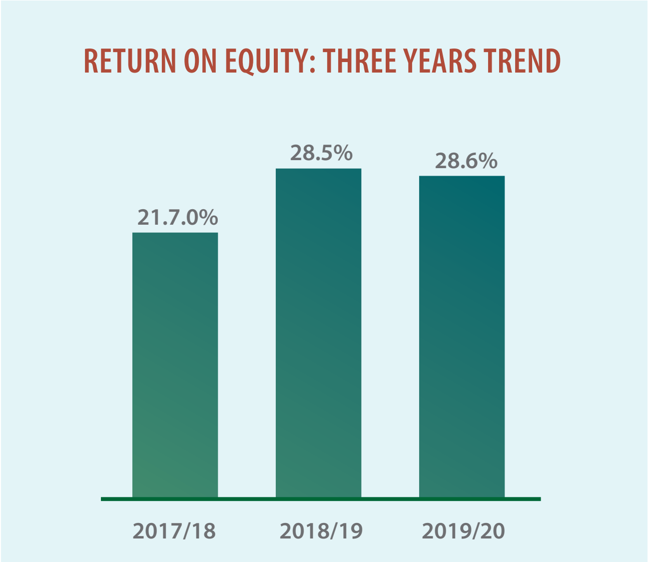
REVENUE

The total income earned during the year reached Birr 1.1 billion, which is the record-high achievement in the bank's history, showing 60% increment compared to the previous year's balance. This is a testament to the bank's ability to maintain existing and tap new income sources; and effectively utilize them.

With its client-centric service, the bank was able to generate 53% of its income from the non-interest income sources. Of which 31% is from charges, fees and commissions while the remaining 22% is from other operating income. The bank's intermediation has been also noticeably supporting its profitability as the share and level of income earned from interest income significantly grew constituting 47% of the total income.

EXPENSE

The bank's growth driven investments coupled with recurrent expenses and grant for social causes, that needed much attention during the time, brought the total expense of the year to Birr 733 million, a 78% growth from the previous year. In the bid to strengthen our platform that would ensure exponential growth in the years to come, 35.6% of the total expense was channeled to general expenses, followed by 33.7% in interest expense and 30.7% for salary & benefits.



BALANCE SHEET

Our total asset has reached Birr 7.81 billion growing by 42% from the previous year standing of Birr 5.5 million. Net Loans and advance took the lion's share by constituting 57% followed by Deposit with Other banks (16%) and NBE Bills (14%), while the remaining 13% constituted by other.

Meanwhile, our liabilities, as of June 30, 2020, stood at Birr 6.40 billion registering a 42% growth from the same period last year. The growth of liability for most part is attributed to the deposit from customers, which constituted 83% of the total amount.

Similarly, the total capital increased to Birr 1.41 billion, registering again a 42% increment from the prior year. Share capital, which nearly reached 1 billion Birr by the end of the year, covers 70% of the total capital.

CORPORATE SOCIAL RESPONSIBILITY

As a concurrent effort to support the society in areas of environment, humanitarian and community activities and build the bank's image, the bank has been giving due attention and allocating resources for various corporate social responsibility initiatives. In effect, DGB scheduled the execution of social responsibilities to work closely with various stakeholders in different areas. Case in point, it contributed Birr Four million for COVID-19 prevention purpose in addition to donating Birr 100 thousand for Ethio Care Epilepsy. With the aim of creating awareness about the effect of COVID-19, billboards are posted at Arat Kilo and crossover of Bole Road. The Bank's staff engagement on social responsibility was also considerable in the concluded fiscal year, among which the major ones were participating on protection of historical sites and heritages, seedling plantation and more importantly donating blood to save thousands of lives. In the years ahead, our participation in benevolent activities will continue and sustain reinforcing the aforementioned activities.

WAY FORWARD

Volatility of the world socioeconomic order will continue to prevail exacerbated by the impact of the pandemic noble Coronavirus – the severe contagious global health issue. Albeit the unprecedented challenges, fierce competition, high threats of new entrants and most considerably the hovering effect of the pandemic, our bank will exert its level best effort to effectively and efficiently align its resources and capabilities and utilize potential opportunities to achieve far better more in the years to come. Our bank aspires to bring together and accelerate all concerned stakeholders in order to uncover the potential of untapped markets, exploit the advantage of digital banking and pave a way to a sustainable growth.

Enhancing service quality to retain the existing and attract the new ones will continue to be our prior attention in the forthcoming period, in doing so we assure that we are meeting our customers' expectations. And we have a strong conviction that service excellence will lead us to a sustainable growth and maximized earnings.

In a bid to embrace a more sustainable growth in years ahead, the Bank will have a dedication to put in place more financial technological solutions both to ease the day-to-day operations of the bank and introduce new technology-based products, in line with diversifying other services. Moreover, stretching to upsurge the capital position of the Bank, acquiring a premise that shall be the future headquarter of the Bank, expanding its service delivery outlets both through branch and e-banking channels, establishing more premium branches, enforcing strong organizational culture, developing the capacity of its workforces and pursuing strategy that could create long-term values to its shareholders.

The Board Of Directors

19th December 2020

DEBUB GLOBAL BANK SHARE COMPANY

Annual Financial Statements

CORRESPONDENT BANKS

MONEY TRANSFER PARTNERS

DEBUB GLOBAL BANK SHARE COMPANY
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

DIRECTORS, PROFESSIONAL ADVISERS AND REGISTERED OFFICE

Bank license number LBB/019/2017 **Issued on April 20,2012**

Directors

Nuredin Awol Yisehak	Chairman	Appointed 13 March 2018
Matewos Assale Ergardo	Vice Chairman	Appointed 13 March 2018
Haile Hamaro Hankamo	Member	Appointed 13 March 2018
Habtamu Sila Daye (Aleta Land Coffee PLC)	Member	Appointed 13 March 2018
Tariku Oljira Negewo	Member	Appointed 13 March 2018
Firew Bekele Worana (Furra Inst. Dev. Studies & Edu. SC)	Member	Appointed 13 March 2018
Tegene Hawando Jale(Dr.)	Member	Appointed 13 March 2018
Aklilu Kassa Chirsa	Member	Appointed 13 March 2018
Melaku Gezu Birche	Member	Appointed 13 March 2018
Gizaw Woldesemayat Hailemariam	Member	Appointed 13 March 2018
Tariku Birhanu Detamo	Member	Appointed 13 March 2018

Executive management

Tesfaye Boru Lelissa (Dr.)	President	Appointed 19 Dec. 2019
Desta Bekalo Sapa	Vice President,Corporate Services	Appointed 13 Jul. 2019
Fekadu Shegute Nebi	Vice President-Operations	Appointed 25 Jun. 2019
Dasa Gobe Gossom	Director, HRM Department	Appointed 19 Mar. 2012
Tsehaynesh Abbay Beraki	Director, Accounts & Finance Department	Appointed 10 May 2012
Belay Namaga Keraga	Director, Legal Services Deparment	Appointed 09 May 2012
Hindia Mohammed Seman	Director, International Banking Department	Appointed 09 May. 2020
Dereje Getachew Kelemu	Director, Credit Department	Appointed 24 Dec. 2019
Kassa Mikoro Mekengo	Director, Property & Facility Administration Dep't	Appointed 01 Jul.2019
Endalish W/Michael Taye	Director, Marketing & Resource Mobilization Dep't	Appointed 27 Apr.2018
Atikilt Admasu Dessie	Director, Business Development & Planning Dep't	Appointed 01 Mar. 2018
Wubshet Fola Ganta	Director, Risk Management & Compliance Dep't	Appointed 25 Jun. 2020
Sisay Ayele Habtewold	Director, Information Technology Department	Appointed 25 Mar 2020
Tewodros Akalu Getahun	Director, Internal Audit Department	Appointed 15 May. 2019
Wubshet Zegeye Edossa	A/Director, Branch Banking Department	Appointed 11 Mar. 2020
Tsegaye Tesfaye Woldegiorgis	Manager, Project Management	Appointed 03 Apr. 2019

Independent auditor
Tafesse, Shisema and Ayalew Certified Audit Partnership (TMS Plus)
Chartered Certified Accountants (UK)
Authorized Auditors (ETH)
P.O Box 110690
Addis Ababa
Ethiopia

Corporate office
National Tower
Behind Ethiopia Hotel
P.O Box 100743
Stadium
Addis Ababa, Ethiopia

Company secretary
National Tower
Behind Ethiopia Hotel
P.O Box 100743
Stadium
Addis Ababa, Ethiopia

Principal bankers
National Bank of Ethiopia

Berhan International Bank S.C.

Commercial Bank of Ethiopia

CAC International Bank

Bank of Africa Mer Rouge, Djibouti

Bank of Beirut S.A.L

Kenya Commercial Bank,Nairobi

East Africa Bank

Bank Of Beirut(UK) S.A

Aktif Yatirim Bankasi A.S

Exim Bank (Djibouti) S.A

DEBUB GLOBAL BANK SHARE COMPANY
Annual financial statements
For the year ended 30 June 2020

REPORT OF THE DIRECTORS

The Board of directors submit their report together with the financial statements for the period ended 30 June 2020, to the members of Debub Global Bank Share Company ("Debub Global Bank or the Bank"). This report discloses the financial performance and state of affairs of the Bank.

Incorporation and address

Debub Global Bank Share Company was established in Addis Ababa in August 2009 and registered as a share company in accordance with the Commercial Code of Ethiopia of 1960, and is domiciled in Ethiopia.

The Bank obtained its business license on 20 April 2012 incompliance with Banking Business Proclamation no. 592/2008 with subscribed capital of Birr 266.9 Million and with a paid up capital of Birr 138.9 million. Moreover, as of 30 June 2020 the paid-up capital increased to ETB 986 million.

Principal activities

The Bank's principal activity is providing commercial banking services.

Results and dividends

The Bank's results for the year ended 30 June 2020 are set out on page 7. The profit for the year has been transferred to retained earnings. The summarized results are presented below.

	30 June 2020 Birr '000	30 June 2019 Birr '000
Interest income	521,742	321,668
Profit before tax	376,243	283,947
Tax (charge) / credit	(83,838)	(73,232)
Profit for the year	292,405	210,715
Other comprehensive profit / (loss) net of taxes	10,746	15,081
Total comprehensive profit for the year	**303,151**	**225,796**

Directors

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

Nuredin Awol
Chairman Board of Directors
Addis Ababa, Ethiopia

DEBUB GLOBAL BANK SHARE COMPANY
Annual financial statements
For the year ended 30 June 2020

STATEMENT OF DIRECTORS' RESPONSIBILITIES

In accordance with the Banking Business Proclamation No. 592/2008, the National Bank of Ethiopia (NBE) may direct the Bank to prepare financial statements, whether their designation changes or they are replaced, from time to time. Also, the Financial Reporting Proclamation No. 847/2014 requires the Bank to prepare its financial statements in accordance with the International Financial Reporting Standards (IFRS).

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, 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 to 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 of the aforementioned Proclamation.

The financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies and supported by reasonable and prudent judgments and estimates.

The Bank's Directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards.

The Bank's Directors are of the opinion that the financial statements present fairly in view of the state of the financial position of the Bank and of its financial performance.

The Directors 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 Directors to indicate that the Bank will not remain a going concern for at least twelve months from the date of this Statement.

Signed on behalf of the Directors by:

Nuredin Awol
Chairman Board of Directors
23-Oct-20

Tesfaye Boru Lelissa (PHD)
President
23-Oct-20

INDEPENDENT AUDITOR'S REPORT ON THE ACCOUNTS OF DEBUB GLOBAL BANK SHARE COMPANY

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENT

Opinion

We have audited the financial statements of Debub Global Bank Share Company set out on pages 4-78, which comprise the statement of financial position as at 30 June 2020, the statement of profit and loss and other comprehensive income, the statement of cash flows and statement of changes in equity for the year ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 30 June 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Ethiopian Code of Ethics for Professional Accountants, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence, we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

As described in notes 9 and 10 to the financial statements, the impairment losses have been determined in accordance with IFRS 9 Financial Instruments. This was considered a key audit matter as IFRS 9 is a complex accounting standard which requires significant judgment to determine the impairment losses.

Responsibilities of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Report on other Legal and Regulatory Requirement

We have no comment to make on the report of your Board of Directors so far as it relates to these financial statements and pursuant to Article 375(2) of the Commercial Code of Ethiopia 1960, recommend approval of the financial statements.

TAFESSE, SHISEMA AND AYALEW CERTIFIED AUDIT PARTNERSHIP

(TMS PLUS)

CHARTERED CERTIFIED ACCOUNTANTS (UK)
ADDIS ABABA
AUTHORIZED AUDITORS (ETH)

24 OCTOBER 2020

DEBUB GLOBAL BANK SHARE COMPANY
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2020

	Notes	30 June 2020 Birr '000	30 June 2019 Birr '000
Interest income	5	521,742	321,668
Interest expense	6	(247,401)	(144,099)
Net interest income		274,341	177,569
Fee and commission income	7	340,003	275,840
Fee and commission expense	7	-	-
Net fees and commission income		340,003	275,840
Other operating income	8	241,572	97,762
Total operating income		855,916	551,171
Loan impairment charge or reversal	9	6,213	(16,350)
Impairment losses on other Financial assets	10	(1,428)	(1,844)
Net operating income		**860,701**	**532,977**
Personnel expenses	11	(225,158)	(125,686)
Amortization of intangible assets	18	(3,533)	(3,418)
Depreciation and impairment of property, plant and equipment	19	(15,894)	(7,497)
Depreciation of Right of use assets	20	(49,427)	-
Other operating expenses	12	(190,446)	(112,429)
Profit before tax		**376,243**	**283,947**
Income tax expense	13	(83,838)	(73,232)
Profit after tax		**292,405**	**210,715**
Other comprehensive income (OCI) net of income tax			
Items that will not be subsequently reclassified into profit or loss:			
Re-measurement gain/(loss) on retirement benefits obligations	24	(1,493)	(1,410)
Deferred tax (liability)/asset on re-measurement gain or loss	13	448	423
		(1,045)	(987)
Fair value through OCI on Financial assets (2018-AFS)- Unrealized gain/(Loss) arising from measurement at fair value	28	11,791	16,068
		10,746	15,081
Total comprehensive income for the period		**303,151**	**225,796**
Basic & diluted earnings per share (Birr)	26	**347**	**323**

The notes on pages 29 to 95 are an integral part of these financial statements.

DEBUB GLOBAL BANK SHARE COMPANY
Statement of financial position
As at 30 June 2020

	Notes	30 June 2020 Birr '000	30 June 2019 Birr '000
ASSETS			
Cash and bank balances	14	1,598,610	1,582,784
Loans and advances to customers	15	4,476,763	2,401,169
Investment securities:			
-Financial asset at Fair value through **OCI**(2018- Available for sale)	4.2, 16	47,687	35,896
-Financial asset at Amortized cost (2018-Loans and receivables)	16	1,068,248	1,088,559
Other assets	17	225,860	293,867
Right of Use Assets	20	242,675	-
Intangible assets	18	5,889	8,618
Property, plant and equipment	19	140,069	74,768
Deferred tax assets	13	6,777	1,848
Total assets		**7,812,578**	**5,487,509**
LIABILITIES			
Deposits from customers	21	5,289,293	3,523,440
Borrowings	22	27	16
Current tax liabilities	13	88,319	76,379
Lease liabilities	20	76,094	-
Other liabilities	23	939,077	887,239
Retirement benefit obligations	24	9,529	6,184
Deferred tax liabilities	13	-	-
Total liabilities		**6,402,339**	**4,493,258**
EQUITY			
Share capital	25	986,000	721,860
Other equity/Treasury shares/	27	(6,414)	(6,348)
Other Reserves	28	26,014	15,268
Retained earnings	29	206,606	149,587
Legal reserve	30	186,985	113,884
Risk Regulatory Reserve	31	11,048	-
Total equity		**1,410,239**	**994,251**
Total equity and liabilities		**7,812,578**	**5,487,509**

The notes on pages 29 to 95 are an integral part of these financial statements.

The financial statements on pages 24 to 95 were approved and authorized for issue by the board of directors on October 23,2020 and were signed on its behalf by:

Nuredin Awol
Chairman

Tesfaye Boru Lelissa (Dr.)
President

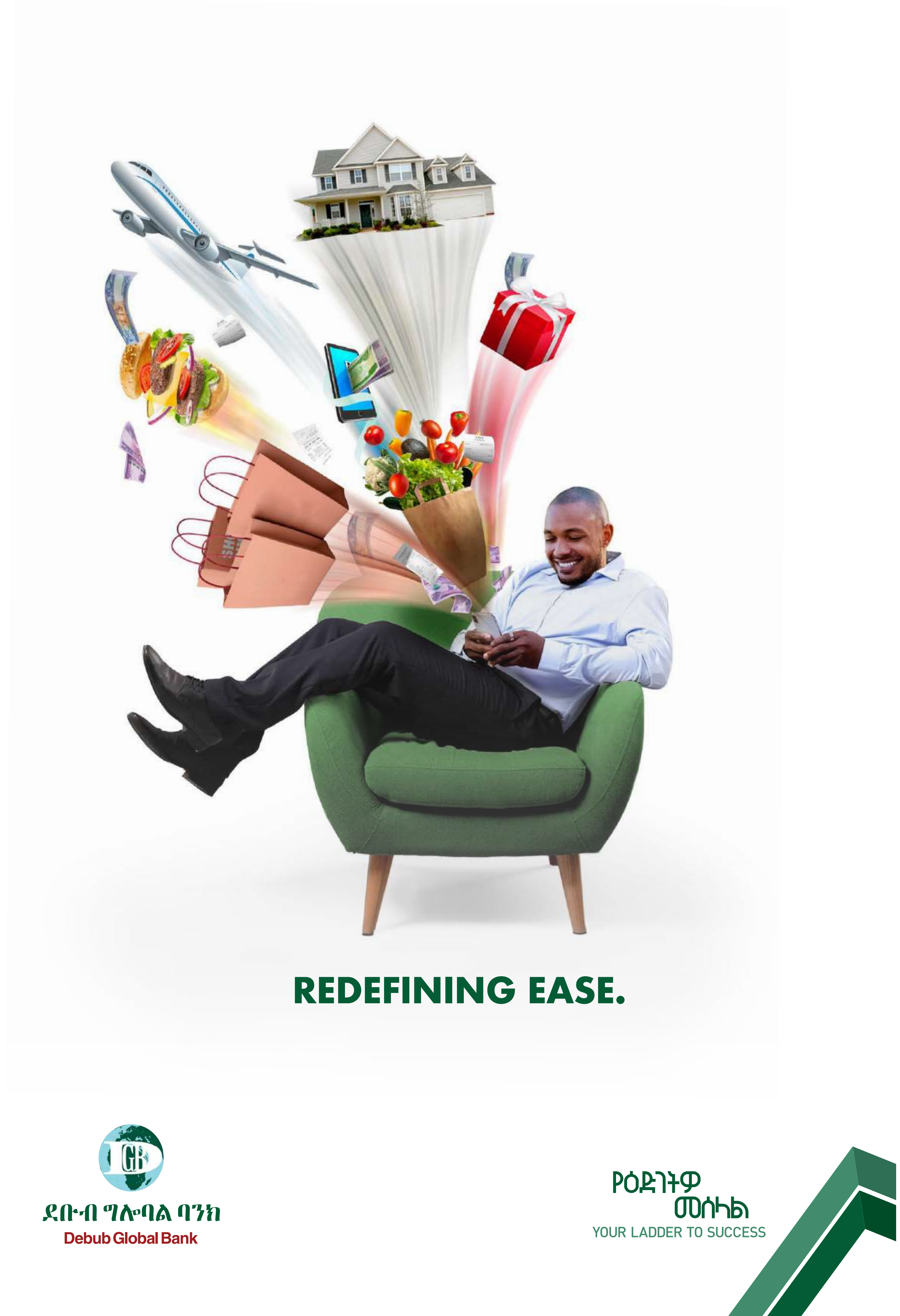
DEBUB GLOBAL BANK SHARE COMPANY
Statement Of Changes In Equity
For the year ended 30 June 2020

	Notes	Share capital Birr'000	Other equity Birr'000	Other reserves Birr'000	Risk Regulatory Reserve Birr'000	Retained earnings Birr'000	Legal reserve Birr'000	Total Birr'000
Restated Balance as at 1 July 2018 -After Initial Application of IFRS 9		**579,756**	**(6,068)**	**187**	**-**	**40,873**	**61,205**	**675,953**
Profit for the period	29	-	-	-	-	210,715	-	210,715
Dividend paid		-	-	-	-	(48,002)	-	(48,002)
Directors allowances'		-	-	-	-	(1,320)	-	(1,320)
Transfer to legal reserve		-	-	-	-	(52,679)	-	(52,679)
Acquisition of treasury shares	25	142,104	(280)	-	-	-	-	141,824
								-
Other comprehensive income:								
Re-measurement gains on defined benefit plans (net of tax)	13	-	-	(987)	-	-	-	(987)
Transfer to legal reserve	30	-	-	-	-	-	52,679	52,679
Change in FV through OCI Financial assets (2018-AFS) - Unrealized gain arising from measurement at fair value	27	-	-	16,068	-	-	-	16,068
Total change for the year		**142,104**	**(280)**	**15,081**	**-**	**108,714**	**52,679**	**318,298**
As at 30 June 2019		**721,860**	**(6,348)**	**15,268**	**-**	**149,587**	**113,884**	**994,251**
As at 1 July 2019		**721,860**	**(6,348)**	**15,268**	**-**	**149,587**	**113,884**	**994,251**
Profit for the period	29	-	-	-	-	292,405	-	292,405
Dividend paid		-	-	-	-	(149,587)	-	(149,587)
Directors allowances'		-	-	-	-	(1,650)	-	(1,650)
Transfer to legal reserve		-	-	-	-	(73,101)	-	(73,101)
Acquisition of treasury shares	25	264,140	(66)	-	-	-	-	264,074
Change between NBE provisions and IFRS Impairment		-	-	-	-	(11,048)	-	(11,048)
Other comprehensive income:								
Re-measurement gains on defined benefit plans (net of tax)	13	-	-	(1,045)	-	-	-	(1,045)
Transfer to legal reserve	30	-	-	-	-	-	73,101	73,101
Change in FV through OCI Financial assets (2018-AFS)-Unrealized gain arising from measurement at fair value	27	-	-	11,791	-	-	-	11,791
Transfer to Risk Regulatory Reserve	30	-	-	-	11,048	-	-	11,048
Total change for the year		**264,140**	**(66)**	**10,746**	**11,048**	**57,019**	**73,101**	**415,988**
As at 30 June 2020		**986,000**	**(6,414)**	**26,014**	**11,048**	**206,606**	**186,985**	**1,410,239**

DEBUB GLOBAL BANK SHARE COMPANY
Statement of cash flows
For the year ended 30 June 2020

	Notes	30 June 2020 Birr '000	30 June 2019 Birr '000
Cash flows from operating activities			
Cash generated from operations	**32**	**(1,790,834)**	**(258,573)**
Directors' allowance	29	(1,650)	(1,320)
Defined benefit paid	24	(141)	(195)
Income tax paid	13	(76,379)	(21,603)
Net cash (outflow)/inflow from operating activities		**(1,869,004)**	**(281,691)**
Cash flows from investing activities			
Purchase of investment securities	16	8,520	(420,425)
Purchase of intangible assets	18	(804)	(260)
Purchase of property, plant and equipment	19	(81,326)	(41,197)
Proceeds from sale of property, plant and equipment	32	-	-
Dividend received		-	-
Purchase of equity shares	27	(66)	(280)
Net cash (outflow)/inflow from investing activities		**(73,676)**	**(462,162)**
Cash flows from financing activities			
Proceeds of deposits from customers	21	1,765,853	1,370,118
Proceeds from borrowings	22	11	(24,984)
Proceeds from issues of shares	25	264,140	142,104
Lease Liability payment	20	(13,041)	-
Dividend paid	28	(149,587)	(48,002)
Net cash inflow from financing activities		**1,867,376**	**1,439,236**
Net increase in cash and cash equivalents		**(75,304)**	**695,383**
Cash and cash equivalents at the beginning of the year	14	1,413,744	718,361
Foreign exchange (losses)/ gains on cash and cash equivalents		-	-
Cash and cash equivalents at the end of the year	**14**	**1,338,440**	**1,413,744**

The notes on pages 22 to 95 are an integral part of these financial statements.



1 GENERAL INFORMATION

Debub Global Bank Share Company ("Debub Global Bank or the Bank") is a private commercial Bank domiciled in Ethiopia. The Bank was established in Addis Ababa in August 2009 and registered as a share company in accordance with the provisions of the Licensing and Supervision of Banking Business Proclamation no. 592/2008 and the Commercial Code of Ethiopia of 1960. The Bank registered office is at:

National Tower
Behind Ethiopia Hotel
P.O Box 100743
Stadium
Addis Ababa, Ethiopia

The Bank is principally engaged in the provision of diverse range of financial products and services to corporate, retail and SME clients.

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

2.2.1 STATEMENT OF COMPLIANCE

The financial statements for the period ended 30 June 2020 have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). Additional information required by National regulations is included where appropriate.

For this Bank reporting purposes, 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.

2.2.2 BASIS OF MEASUREMENT

The financial statements have been prepared in accordance with the going concern principle under the historical cost concept except for the following :

- Financial instruments at fair value through profit or loss are measured at fair value; and
- Financial assets at FVTOCI are measured at fair value.

All values are rounded to the nearest thousand, except when otherwise indicated. The financial statements are presented in thousands of Ethiopian Birr (Birr' 000) which Serves as functional and presentation currency. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured.

Board of Directors Debub Global Bank S.C.
Tadesse, Shisema & Ayalew Certified Audit Partnership TMS Plus

DEBUB GLOBAL BANK SHARE COMPANY
Notes to the financial statements
For the year ended 30 June 2020

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 3.

2.2.3 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.

2.3 FOREIGN CURRENCY TRANSLATION

a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Bank operates ('the functional currency'). The functional currency and presentation currency of the Bank is the Ethiopian Birr (Birr'000).

b) Transactions 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. 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 recognized in profit or loss within other operating income.

At the end of each reporting period, monetary items denominated in foreign currencies are translated at the mid rate prevailing at that date. Translation differences related to changes in amortized cost are recognized in profit or loss, and other changes in carrying amount are recognized in other comprehensive income.

Non-monetary items that are measured at historical cost in a foreign currency are translated to Birr on the initial date of transaction.

Foreign exchange gains and losses 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. Translation differences on non-monetary financial assets measure at fair value, are included in other comprehensive income.

2.4 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

2.4.1) NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS EFFECTIVE AND ADOPTED DURING THE YEAR

A number of new standards are effective from 1 January 2019 but they do not have a material effect on the Bank's except for IFRS16

DEBUB GLOBAL BANK SHARE COMPANY
Notes to the financial statements
For the year ended 30 June 2020

(i) IFRS 16 Leases

IFRS 16 Leases was issued by the IASB on 13 January 2016 and is effective for periods beginning on or after 1 January 2019. IFRS 16 replaces the following standards and interpretations: IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases – Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

A) Definition of a lease

Previously, the Bank determined at contract inception whether an arrangement was or contained a lease under IFRIC 4 Determining whether an Arrangement contains a Lease. The Bank now assesses whether a contract is or contains a lease based on the definition of a lease

On transition to IFRS 16, the Bank elected to apply the practical expedient to grandfather the assessment of which transactions are leases. The Bank applied IFRS 16 only to contracts that were previously identified as leases

Contracts that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed for whether there is a lease under IFRS 16. Therefore, the definition of a lease under IFRS 16 was applied only to contracts entered into or changed on or after 1 July 2020.

B) As a lessee

As a lessee, the Bank leases many assets including property, equipment and motor vehicles. The Bank previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Bank. Under IFRS 16, the Bank recognizes right-of-use assets and lease liabilities for most of these leases – i.e. on-balance sheet.

At commencement or on modification of a contract that contains a lease component, the Bank allocates the consideration in the contract to each lease component on the basis of its relative stand-alone price.

C) Leases classified as operating leases under IAS 17

On transition, for these leases, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Bank's incremental borrowing rate as at 1 July 2020.

Right-of-use assets are measured at their carrying value as if IFRS 16 had been applied since the commencement date, discounted using the incremental borrowing rate at the date of initial application.

The Bank used a number of practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17. In particular, the Bank:

- did not recognize right-of-use assets and liabilities for leases for which the lease term ends within 12 months of the date of initial application; and
- did not recognize right-of-use assets and liabilities for leases of low value assets."

D) As a lesser

The Bank leases out its leasehold property and right-of-use assets. The Bank has classified these leases as operating leases. The Bank is not required to make any adjustments on transition to IFRS 16 for leases in which it acts as a lesser, except for a sub-lease. The Bank does not sub-lease its properties. Under IAS 17, the head lease and sub-lease contracts were classified as operating leases. On transition to IFRS 16, the right-of-use assets recognized from the head leases are presented in property, plant and equipment, and measured at fair value at that date. The Bank assessed the classification of the sub-lease contracts with reference to the right of :-

DEBUB GLOBAL BANK SHARE COMPANY
Notes to the financial statements
For the year ended 30 June 2020

- use asset rather than the underlying asset, and concluded that they are operating leases under IFRS 16
- The Bank has applied IFRS 15 Revenue from Contracts with Customers to allocate consideration in the contract to each lease and non-lease component

(ii) IFRIC 23 Clarification on accounting for Income tax exposures

An uncertain tax treatment is any tax treatment applied by an entity where there is uncertainty over whether that treatment will be accepted by the tax authority.

If an entity concludes that it is probable that the tax authority will accept an uncertain tax treatment that has been taken or is expected to be taken on a tax return, it should determine its accounting for income taxes consistently with that tax treatment. If an entity concludes that it is not probable that the treatment will be accepted, it should reflect the effect of the uncertainty in its income tax accounting in the period in which that determination is made. Uncertainty is reflected in the overall measurement of tax and separate provision is not allowed.

The entity is required to measure the impact of the uncertainty using the method that best predicts the resolution of the uncertainty (that is, the entity should use either the most likely amount method or the expected value method when measuring an uncertainty).

The entity will also need to provide disclosures, under existing disclosure requirements, about

(a) judgments made;
(b) assumptions and other estimates used; and
(c) potential impact of uncertainties not reflected.

(iii) IAS 1 and IAS 8 Definition of Material

The amendment refines the definition of Material to make it easier to understand and aligning the definition across IFRS Standards and the Conceptual Framework

The amendment includes the concept of 'obscuring' to the definition, alongside the existing references to 'omitting' and 'misstating'. Additionally, the amendment also adds the increased threshold of 'could influence' to 'could reasonably be expected to influence' as below.

Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." However, the amendment has also removed the definition of material omissions or misstatements from IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

2.4.2) NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS ISSUED BUT NOT ADOPTED

The Bank does not plan to adopt these standards early. These are summarized below;

New Standard or amendments	Effective for annual periods beginning on or after
Definition of a Business (Amendments to IFRS 3)	1-Jan-20
Definition of material (Amendments to IAS 1 and IAS 8)	1-Jan-20
Amendments to references to the Conceptual Framework in IFRS Standards	1-Jan-20
IFRS 17 insurance contracts	1-Jan-21
Sale or combination of assets between an investment and associate or joint venture (Amendments to IFRS 10 and IAS 28)	To be determined

All standards and interpretations will be adopted at their effective date (except for those standards and interpretations that are not applicable to the entity). The standard that is expected to have an impact to the bank is Definition of material (Amendments to IAS 1 and IAS 8).

IFRS 9 - Financial Instruments

2.5 FINANCIAL ASSETS AND FINANCIAL LIABILITIES

a) Recognition and initial measurement

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

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

b) Classification and subsequent measurement

i) Financial assets

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

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

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI).

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

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI.

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

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

In addition, on initial recognition, the Bank may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise (see 1.8).

BUSINESS MODEL ASSESSMENT

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

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realizing cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Bank's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and its strategy for how those risks are managed; ◊ how managers of the business are compensated (e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected); and
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Bank's stated objective for managing the financial assets is achieved and how cash flows are realized.

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

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

ASSESSMENT OF WHETHER CONTRACTUAL CASH FLOWS ARE SOLELY PAYMENTS OF PRINCIPAL AND INTEREST

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

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

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

ii) Financial liabilities

The Bank shall classify its financial liabilities, other than financial guarantees and loan commitments, as measured at amortized cost or FVTPL.

A financial guarantee is an undertaking commitment that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified party fails to meet its obligation when due in accordance with the contractual terms.
Financial guarantees issued by the Bank are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of: the amount of the obligation under the guarantee, as determined in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets; and the amount initially recognized less, where appropriate, cumulative amortization recognized in accordance with the revenue recognition policies.

c) Impairment

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

- financial assets that are debt instruments;
- lease receivables;
- financial guarantee contracts issued; and
- loan commitments issued.

No impairment loss shall be recognized on equity investments.

The Bank shall measure loss allowances at an amount equal to lifetime ECL, except for the following, which are measured as 12-month ECL:

- debt investment securities that are determined to have low credit risk at the reporting date; and
- other financial instruments (other than lease receivables) on which credit risk has not increased significantly since their initial recognition.
  Loss allowances for lease receivables shall always be measured at an amount equal to lifetime ECL.

12-month ECL is the portion of ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Financial instruments for which a 12-month ECL is recognized are referred to as 'Stage 1 financial instruments'.

Life-time ECL is the ECL that result from all possible default events over the expected life of the financial instrument. Financial instruments for which a lifetime ECL is recognized but which are not credit-impaired are referred to as 'Stage 2 financial instruments'.

i) Measurement of ECL

ECL is a probability-weighted estimate of credit losses. It shall be measured as follows:

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

ii) Restructured financial assets

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

- If the expected restructuring will not result in de-recognition of the existing asset, then the expected cash flows arising from the modified financial asset are included in calculating the cash shortfalls from the existing asset.
- If the expected restructuring will result in de-recognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flow from the existing financial asset at the time of its de-recognition. This amount is included in calculating the cash shortfalls from the existing financial asset that are discounted from the expected date of de-recognition to the reporting date using the original effective interest rate of the existing financial asset.

iii) Credit-impaired financial assets

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

A financial asset shall be considered 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

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

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

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

Loss allowances for ECL shall be presented in the statement of financial position as follows:

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

v) Write-off

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

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

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

vi) Non-integral financial guarantee contracts

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

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

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

d) De-recognition

i) Financial assets

The Bank shall derecognize a financial asset when:

- The contractual right to the cash flows from the financial asset expires , or
- It transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred; or
- Bank neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

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

Any cumulative gain/loss recognized in OCI in respect of equity investment securities designated as at FVOCI shall not be recognized in profit or loss on de-recognition of such securities.

Any interest in transferred financial assets that qualify for de-recognition that is created or retained by the Bank shall be recognized as a separate asset or liability.

ii) Financial liabilities

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

e) Modifications of financial assets and financial liabilities

i) Financial assets

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

If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset shall be deemed to have expired. In this case, the original financial asset shall be derecognized and a new financial asset shall be recognized at fair value plus any eligible transaction costs. Any fees received as part of the modification shall be accounted for as follows:

- fees that are considered in determining the fair value of the new asset and fees that represent reimbursement of eligible transaction costs shall be included in the initial measurement of the asset; and
- other fees are included in profit or loss as part of the gain or loss on de-recognition.

If cash flows are modified when the borrower is in financial difficulties, then the objective of the modification is usually to maximize recovery of the original contractual terms rather than to originate a new asset with substantially different terms.

If the Bank plans to modify a financial asset in a way that would result in forgiveness of cash flows, then it shall first consider whether a portion of the asset should be written off before the modification takes place.

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

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

ii) Financial liabilities

The Bank shall derecognize a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms shall be recognized at fair value. The difference between the carrying amount of the financial liability derecognized and consideration paid is recognized in profit or loss. Consideration paid shall include non-financial assets transferred, if any, and the assumption of liabilities, including the new modified financial liability. Where the modification of a financial liability is not accounted for as de-recognition, then the Amortized cost of the liability shall be recalculated by discounting the modified cash flows at the original effective interest rate and the resulting gain or loss is recognized in profit or loss. Any costs and fees incurred are recognized as an adjustment to the carrying amount of the liability and Amortized over the remaining term of the modified financial liability by re-computing the effective interest rate on the instrument.

f) Offsetting

Financial assets and financial liabilities shall be offset and the net amount presented in the statement of financial position when, and only when, the Bank currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously. Income and expenses shall be presented on a net basis only when permitted under IFRS, or for gains and losses arising from a group of similar transactions such as in the Bank's trading activity.

g) Designation at fair value through profit or loss
i) Financial assets

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

ii) Financial liabilities

The Bank shall designate certain financial liabilities as at FVTPL in either of the following circumstances:

- the liabilities are managed, evaluated and reported internally on a fair value basis; or
- the designation eliminates or significantly reduces an accounting mismatch that would otherwise arise.

2.6 NET INTEREST INCOME
a) Effective interest rate and Amortized cost

Interest income and expense are recognized in profit or loss using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the Amortized cost of the financial liability.

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

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

b) Amortized cost and gross carrying amount

The 'amortized cost' of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any expected credit loss allowance (or impairment allowance before 1 July 2018).

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

c) Calculation of interest income and expense

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

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

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

d) Presentation

Interest income and expense presented in the statement of profit or loss and OCI include:

- interest on financial assets and financial liabilities measured at amortized cost calculated on an effective interest basis;
- interest on debt instruments measured at FVOCI calculated on an effective interest basis;

- the effective portion of fair value changes in qualifying hedging derivatives designated in cash flow hedges of variability in interest cash flows, in the same period as the hedged cash flows affect interest income/expense; and
- the effective portion of fair value changes in qualifying hedging derivatives designated in fair value hedges of interest rate risk.

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

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

Note:-The Bank does not have loan processing fee and the inspection fee collected from customers are immaterial. Therefore, the contractual interest rate used by the bank is considered as effective interest rate.

e) Fees and commission

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

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

f) Dividend income

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

g) 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 recognized in the income statement and it is further broken down into realized and unrealized portion.

The foreign denominated monetary assets and liabilities include financial assets within the cash and bank balances and foreign currencies deposits received."

2.7 CASH AND BANK BALANCES

Cash and cash equivalents' include notes and coins on hand, unrestricted balances held with central banks and highly liquid financial assets with original maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the Bank in the management of its short-term commitments. Cash and cash equivalents are carried at amortized cost in the statement of financial position.

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

2.8 PROPERTY, PLANT AND EQUIPMENT

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

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

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

ASSET CLASS	Depreciation rate (years)
Buildings	50
Motor vehicles	10
Furniture and fittings:	
Medium-lived	10
Long lived	20
Computer and Accessories	7
Office equipment:	
Short-lived	5
Medium-lived	10

The Bank commences depreciation when the asset is available for use.
An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use disposal. Any gain or loss arising on de-recognition 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 derecognized.

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.

i) 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 amortization and accumulated impairment losses, if any. Internally generated intangibles, excluding capitalized development costs, are not capitalized 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 amortized over the useful economic life. The amortization period and the amortization 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 amortization period or methodology, as appropriate, which are then treated as changes in accounting estimates. The amortization expenses on intangible assets with finite lives is presented as a separate line item in the income statement.

Amortization of computer software is calculated using the straight–line method to write down the cost of intangible assets to their residual values over their estimated useful lives which is six years or the license duration for purchased computer software.

ii) Impairment of non-financial assets

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

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

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

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Bank estimates the asset's or CGU's recoverable amount. A previously recognized 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 recognized. 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 recognized for the asset in prior years. Such reversal is recognized in the income statement.

iii) 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 amortized over the period in which the service is to be enjoyed.

(b) Other receivables

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

The Bank's other receivables are accounts receivables from head office, accounts receivables from branches, receivable from other banks, export bills purchased, sundry receivables."

2.9 EMPLOYEE BENEFITS

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

(a) Wages, salaries and annual leave

Wages, salaries, other allowances, paid annual leave and sick leave are accrued in the period in which the associated services are rendered by employees of the Bank. The Bank operates an accumulating leave policy; this can be encashed when the employee is leaving employment. The Bank measures the expected cost of accumulating compensated absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the end of each reporting period.

(b) Defined contribution plan

The Bank operates two defined contribution plans;

i) pension scheme in line with the provisions of Ethiopian pension of private organization 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 7% and 11% 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 in the period in which they relate.

(c) Defined benefits plan

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

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

The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. The current service cost of the defined benefit plan, recognized in the income statement in employee benefit expense, except where included in the cost of an asset, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes curtailments and settlements.

Past-service costs are recognized immediately in income.

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

(d) Profit-sharing and bonus plans

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

2.10 PROVISIONS

Provisions are recognized 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 recognized 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 recognized as other operating expenses.

2.11 SHARE CAPITAL

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

2.12 LEGAL RESERVE

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

2.13 RISK REGULATORY RESERVE

It represents an amount set aside to cover additional provision for loan losses required to comply with the requirements of NBE guidelines. This amount is not available for distribution.

2.14 EARNINGS PER SHARE

The Bank presents basic earnings per share for its ordinary shares. Basic earnings per share are calculated by dividing the profit or loss attributable to ordinary shareholders of the Bank by the weighted average number of shares outstanding during the period.

2.15 LEASES

Policy applicable before 1 July 2020

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 fulfillment 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 recognized as an expense in the income statement on a straight-line basis over the lease term. Contingent rental payable is recognized as an expense in the period in which it is incurred.

Bank as a lesser

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 recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

Policy applicable After 1 July 2020

Bank as a lessee

At commencement or on modification of a contract that contains a lease component, the Bank allocates consideration in the contract to each lease component on the basis of its relative stand-alone price. However, for leases of branches and office premises the Bank has elected not to separate non-lease components and accounts for the lease and non-lease components as a single lease component.

The Bank recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove any improvements made to branches or office premises. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Bank's incremental borrowing rate. Generally, the Bank uses its incremental borrowing rate as the discount rate. The Bank determines its incremental borrowing rate by analyzing its borrowings from various external sources and makes certain adjustments to reflect the terms of the lease and type of asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Bank is reasonably certain to exercise, lease payments in an optional renewal period if the Bank is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Bank is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Bank's estimate of the amount expected to be payable under a residual value guarantee, if the Bank changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The Bank presents right-of-use assets in 'property and equipment' and lease liabilities in 'other liabilities' in the statement of financial position.

Bank as a lesser

At inception or on modification of a contract that contains a lease component, the Bank allocates the consideration in the contract to each lease component on the basis of their relative stand-alone selling prices. When the Bank acts as a lesser, it determines at lease inception whether the lease is a finance lease or an operating lease. To classify each lease, the Bank makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Bank considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

The Bank applies the de-recognition and impairment requirements in IFRS 16 to the net investment in the lease. The Bank further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease

2.16 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, Income Tax Proclamation 979/2016, 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 recognized 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 recognized 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 realized or the deferred tax liability is settled.

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

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

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

3 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

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

Other disclosures relating to the Bank's exposure to risks and uncertainties includes:

- Capital management Note 4.6
- Financial risk management and policies Note 4.1
- Sensitivity analyses disclosures Note 4.5.2

3.1 JUDGMENTS

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

(a) 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.

(b) Going concern basis

The Bank's management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Bank's ability to continue as a going concern, except that it has to make significant effort to reach the minimum capital requirement. However, the financial statements continue to be prepared on going concern basis.

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.

(a) 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 recognized for losses not specifically identified but which, experience and observable data indicate, are present in the portfolio at the date of assessment. For individually significant financial assets that has been deemed to be impaired, management has deemed that cash flow from collateral obtained would arise within 24 months where the financial asset is collaterised.

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

The use of historical loss experience is supplemented with significant management judgment to assess whether current economic and credit conditions are such that the actual level of inherent losses is likely to differ from that suggested by historical experience. In normal circumstances, historical experience provides objective and relevant information from which to assess inherent loss within each portfolio.

In other circumstances, historical loss experience provides less relevant information about the inherent loss in a given portfolio at the balance sheet date, for example, where there have been changes in economic conditions such that the most recent trends in risk factors are not fully reflected in the historical information. In these circumstances, such risk factors are taken into account when calculating the appropriate levels of impairment allowances, by adjusting the impairment loss derived solely from historical loss experience. The detailed methodologies, areas of estimation and judgment 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 judgment 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.

(b) 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 judgment is required in establishing fair values. Judgments 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.

(c) Depreciation and carrying value of property, plant and equipment

The estimation of the useful lives of assets is based on management's judgment. 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.

(d) Impairment of non-financial assets

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

(e) Taxes

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

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

(f) Defined benefit plans

The cost of the defined benefit pension plan, long service awards, gratuity scheme and post-employment medical benefits and the present value of these defined benefit obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

4 FINANCIAL RISK MANAGEMENT

4.1 INTRODUCTION

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

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

4.1.1 RISK MANAGEMENT STRUCTURE

The Board Risk Sub-Committee, a subset of the Board of Directors is responsible for the overall risk management approach and for approving the risk management strategies and principles. It also has the responsibility to monitor the overall risk process within the Bank.

The Bank's risk management policies are established to identify and analyze the risks faced by the Bank, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. The Bank has established a comprehensive risk management system in line with internationally accepted risk management principles and best practices with the necessary adoption to suit its core business activity. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions, products and services offered.

4.1.2 STRESS TESTING

The Bank has a strong commitment to stress testing performance on a regular basis in order to assess the impact of a severe economic downturn on its risk profile and financial position. These exercises complement traditional risk measures and represent an integral part of the Bank's strategy and capital planning process. The stress testing framework comprises of regular Bank wide stress testing based on internally defined benchmark and more severe macroeconomic global downturn scenarios. All material risk types are included in the stress testing exercises. These methodologies undergo regular scrutiny from internal experts as well as regulators to review whether they correctly capture the impact of a given stress test scenario.

4.1.3 RISK IDENTIFICATION AND ASSESSMENT

The Bank's risk identification and assessment process leverages on intelligence across organizational levels and utilize existing information whenever possible. Operating process are in place across the organization to capture relevant measures and indicators. The core aim of all processes is to provide adequate transparency and understanding of the existing and emergency risk issues, and to ensure a holistic cross-risk perspective. The risk inventory is updated at least once a year or at other times if needed by running a risk identification and materiality assessment process in line with Value at risk (VAR).

4.1.4 RISK MEASUREMENT AND REPORTING SYSTEMS

The risk data systems support regulatory reporting and external disclosures, as well as internal management reporting for credit risk, liquidity risk and market risk. The risk infrastructure incorporates the relevant legal entities and business divisions and provides the basis for reporting on risk positions, capital adequacy and limit utilization to the relevant functions on a regular basis and ad-hoc basis. Established units within Finance department and Risk Management assume responsibility for measurement, analysis and reporting of risk while promoting sufficient quality and integrity of risk-based data. The risk management systems are reviewed by Audit department following a risk-based audit approach.

4.1.5 RISK MITIGATION

In addition to determining counterparty credit quality and our risk appetite, the Bank uses various credit risk mitigation techniques to optimize credit exposure and reduce potential credit losses. The Bank regularly agrees on collateral to be received from or to be provided to customers in contracts that are subject to credit risk. Collateral is security in the form of an asset or third-party obligation that serves to mitigate the inherent risk of credit loss in an exposure, by either substituting the borrower default risk or improving recoveries in the event of a default. While collateral can be an alternative source of repayment, it generally does not replace the necessity of high quality underwriting standards.

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 amortized 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 summarized in the table below:

30 June 2020	Notes	Financial asset at Fair value through OCI (2018-AFS) Birr'000	Loans and Financial assets at Amortized cost Birr'000	Total Birr'000
Cash and bank balances	14	-	1,598,610	1,598,610
Loans and advances to customers	15	-	4,476,763	4,476,763
Investment securities:				
- Financial asset at Fair value through OCI (2018-Available for sale)	4.2, 16	47,687	-	47,687
- Financial asset at Amortized cost(2018-Loans and receivables)	16	-	1,068,248	1,068,248
Other assets	17	-	225,860	225,860
Total financial assets		**47,687**	**7,369,481**	**7,417,168**

30 June 2019	Notes	Financial asset at Fair value through OCI Birr'000	Loans and Financial assets at Amortized cost Birr'000	Total Birr'000
Cash and bank balances	14	-	1,582,784	1,582,784
Loans and advances to customers	15	-	2,401,169	2,401,169
Investment securities:				
- Financial asset at Fair value through OCI (2018-Available for sale)	4.2, 16	35,896	-	35,896
- Financial asset at Amortized cost(2018-Loans and receivables)	16	-	1,088,559	1,088,559
Other assets	17	-	293,867	293,867
Total financial assets		**35,896**	**5,366,379**	**5,402,275**

4.3 CREDIT RISK

Credit risk is the risk of financial loss to the Bank if a customer of counterpart to a financial instrument fails to meet its contractual obligations, and arises principally from the Bank's loans and advances to customers and other bank and investment securities.

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

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

The National Bank of Ethiopia (NBE) sets credit risk limit for a single borrower, one related party and all related parties to not exceed 25 %, 15 % and 35 % of Bank's total capital amount as of the reporting quarterly period respectively. Credit management is conducted as per the risk management policy and guideline approved by the board of directors and the Risk Management Committees. Such policies are reviewed and modified periodically based on changes and expectations of the markets where the Bank operates, regulations, and other factors.

4.3.1 CREDIT QUALITY ANALYSIS

(a) Credit quality of loans and Receivables

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

The loss allowance for loans and advances to customers also includes the loss allowances for loan commitments and financial guarantee contracts.

Explanation of the terms 'Stage 1', 'Stage 2' and 'Stage 3' is included in **Note 2.4. (c)**

In Birr'000	2020				2019			
Loans and advances to customers at amortized cost	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Stage 1 – Pass	4,122,187	-	-	4,122,187	2,254,068	-	-	2,254,068
Stage 2 – Special mention	-	157,583	-	157,583	-	155,741	-	155,741
Stage 3 - Non performing	-	-	22,462	22,462	-	-	51,004	51,004
Total gross exposure	**4,122,187**	**157,583**	**22,462**	**4,302,232**	**2,254,068**	**155,741**	**51,004**	**2,460,813**
Loss allowance	(37,692)	(1,235)	(2,246)	(41,173)	(41,566)	(930)	(8,487)	(50,983)
Net carrying amount	**4,084,495**	**156,348**	**20,216**	**4,261,059**	**2,215,856**	**154,836**	**42,517**	**2,409,830**

In Birr'000	2020				2019			
Loans and advances to customers at amortized cost	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Stage 1 – Pass	600,311	-	-	600,311	75,085	-	-	75,085
Stage 2 – Special mention	-	-	-	-	-	5,118	-	5,118
Stage 3 - Non performing	-	-	-	-	-	-	-	-
Total gross exposure	**600,311**	**-**	**-**	**600,311**	**75,085**	**5,118**	**-**	**80,203**
Loss allowance	(3,137)	-	-	(3,137)	(2,873)	(35)	-	(2,908)
Net carrying amount	**597,174**	**-**	**-**	**597,174**	**72,212**	**5,083**	**-**	**77,296**

In Birr'000	2020			2019		
Other financial assets	Gross exposure	Loss allowance	Net carrying amount	Gross exposure	Loss allowance	Net carrying amount
Cash and balances with banks	1,219,810	(61)	1,219,749	1,598,610	(61)	1,212,591
Investment securities (debt instruments)	1,048,444	(52)	1,048,392	1,068,248	(54)	1,073,981
Other receivables and financial assets	15,813	(5,237)	10,576	26,498	(1,829)	24,669
Emergency staff loans	30,657	(2)	30,655	-	-	-
Totals	2,314,724	(5,352)	2,309,372	2,693,356	(1,943)	2,311,241

(b) Credit quality of cash and bank balances

The credit quality of cash and bank balances and short-term investments that were neither past due nor impaired at as 30 June 2020 and 30 June 2019 are held in Ethiopian banks have been classified as non-rated as there are no credit rating agencies in Ethiopia.

However, cash and bank balances that held in foreign banks can be assessed by reference to credit rating agency designation as shown in the table below;

	"30 June2020 Birr'000"	"30 June 2019 Birr'000"
A-	-	-
BBB+	-	-
B	-	-
BB	-	-
Not rated	1,598,610	1,582,784
	1,598,610.00	1,582,784.00

DEFINITIONS OF RATINGS

A: High credit quality

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

BBB: Good credit quality

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

BB: Speculative

This indicates an elevated vulnerability to default risk, particularly in the event of adverse changes in business or economic conditions over time; however, business or financial flexibility exists that supports the servicing of financial commitments.

B: Highly speculative

This indicates that material default risk is present, but a limited margin of safety remains. Financial commitments are currently being met; however, capacity for continued payment is vulnerable to deterioration in the business and economic environment.

Not rated

This indicates financial institutions or other counterparties with no available ratings and cash in hand.

A "+"(plus) or "-" (minus)

May be appended to a rating to indicate the relative position of a credit within the rating category. This is based on Fitch national long-term issuer default ratings.

4.3.2 CREDIT RELATED COMMITMENTS RISKS

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

4.3.3 MAXIMUM EXPOSURE TO CREDIT RISK BEFORE COLLATERAL HELD OR CREDIT ENHANCEMENTS

(a) Types of collateral or credit enhancement

The Bank holds collateral against certain of its credit exposures. The following table below sets out the principal types of collateral held against different types of financial assets as at 30 June 2020 and 30 June 2019.

30 June 2020	"Maximum exposure to credit risk" Birr'000	Secured against real estate Birr'000	Plant and Machinery Birr'000	Motor vehicles Birr'000	Others Birr'000	Total Birr'000
Cash and bank balances	1,598,610	-	-	-	-	-
Loans and advances to customers		-		-	-	
- Agriculture	15,931	15,993	31,261	-	-	47,254
- Construction	614,539	1,482,973	94,091	31,600	-	1,608,663
' - Domestic trade and services	1,311,798	2,936,924	-	147,255	116,571	3,200,750
- Export	1,778,444	2,187,386	-	-	1,496,099	3,683,485
- Import	286,369	596,702	-	-	10,000	606,702
- Manufacturing	304,964	644,027	645,847	-	10,000	1,299,874
- Transportation	17,069	14,297	-	29,259	-	43,556
- Individual loans	29,190	37,957	-	-	-	37,957
- Staff loans and advances"	162,748	163,018	-	23,560	35,226	221,805
	4,521,052	8,079,276	771,199	231,674	1,667,897	10,750,046
Investment securities:						
- Loans and receivables	1,068,248					
	1,068,248	-	-	-	-	-
Other assets						
- Receivable from other banks	15,259	-	-	-	-	-
- Export bills purchased	81,303	-	-	-	-	-
- Sundry receivables	17,932	-	-	-	-	-
	114,494	-	-	-	-	-
Loan commitments	749,178					
Other commitments	494,052					
	8,545,634	8,079,276	771,199	231,674	1,667,897	10,750,046

30 June 2019	"Maximum exposure to credit risk Birr'000	Secured against real estate Birr'000	Plant and Machinery Birr'000	Motor vehicles Birr'000	Others Birr'000	Total Birr'000
Cash and bank balances	1,582,784	-	-	-	-	-
Loans and advances to customers						
- Agriculture	2,578	5,217	-	-	-	5,217
- Construction	277,647	520,281	108,208	7,960	-	636,449
- Domestic trade and services	777,088	2,079,953	4,487	12,290	1,000	2,097,729
- Export	848,687	540,489	-	11,744	-	552,233
- Import	165,486	322,643	-	2,000	811,037	1,135,681
- Manufacturing	266,551	474,521	-		-	474,521
- Transportation	79		-	8,500	-	8,500
- Individual loans	5,812	14,605	-	2,800	14	17,419
- Staff loans and advances	**107,742**	**100,342**	**-**	**10,393**	**145,712**	**256,446**
	2,451,670	4,058,049	112,695	55,687	957,764	5,184,194
Investment securities:						
- Loans and receivables	1,088,559	-	-	-	-	-
	1,088,559	-	-	-	-	-
Other assets						
- Receivable from other banks	10,071	-	-	-	-	-
- Export bills purchased	102,632	-	-	-	-	-
- Sundry receivables	33,461	-	-	-	-	-
	146,164	-	-	-	-	-
Loan commitments	542,515	-	-	-	-	-
Other commitments	1,072,195	-	-	-	-	-
	6,883,887	**4,058,049**	**112,695**	**55,687**	**957,764**	**5,184,194**

Collateral held and their financial effect

i) Loans and advances to corporate customers

The general creditworthiness of a corporate customer tends to be the most relevant indicator of credit quality of a loan extended to it. However, collateral provides additional security and the Bank generally requests that corporate borrowers provide it. The Bank may take collateral in the form of a first charge over real estate, floating charges over all corporate assets and other liens and guarantees.

Because of the Bank's focus on corporate customers' creditworthiness, the Bank does not routinely update the valuation of collateral held against all loans to corporate customers. Valuation of collateral is updated when the loan is put on a watch list and the loan is monitored more closely. For credit-impaired loans, the Bank obtains appraisals of collateral because it provides input into determining the management credit risk actions.

At 30 June 2020, the net carrying amount of credit-impaired loans and advances to corporate customers amounted to ETB 4.52 billion (2019: ETB 2.45 billion) and the value of identifiable collateral held against those loans and advances amounted to ETB 10.75 billion (2019: ETB 5.18 billion). For each loan, the value of disclosed collateral is capped at the nominal amount of the loan that it is held against.

ii) Investment securities designated as at FVTPL

At 30 June 2020, the Bank had no exposure to credit risk of the investment securities designated as at FVTPL

4.3.4 LOANS AND RECEIVABLES AT AMORTIZED COST

(a) Gross loans and receivables to customers per sector is analyzed as follows:

	30 June 2020 Birr'000	30 June 2019 Birr'000
Agriculture	15,931	2,578
Construction	614,539	277,647
Domestic trade and services	1,311,798	777,088
Export	1,778,444	848,687
Import	286,369	165,486
Manufacturing	304,964	266,551
Transportation	17,069	79
Individual loans	29,190	5,812
Staff loans and advances	**162,748**	**107,742**
	4,521,052	**2,451,670**

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

	30 June 2020 Birr'000	30 June 2019 Birr'000
Pass	4,314,253	2,244,871
Special mention	155,741	155,741
Substandard	22,069	22,069
Doubtful	10,950	10,950
Lost	18,039	18,039
	4,521,052	2,451,670

The above table represents a worse case scenario of credit risk exposure of the Bank as at the reporting dates without taking account of any collateral held or other credit enhancements attached. The exposures are based on net carrying amounts as reported in the statement of financial position. Management is confident in its ability to continue to control and effectively manage the credit risk exposure in the Bank's loan and advances portfolio.

4.3.5 AMOUNTS ARISING FROM ECL

i) Inputs, assumptions and techniques used for estimating impairment:-

ii) Significant increase in credit risk

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

The objective of the assessment is to identify whether a significant increase in credit risk has occurred for an exposure by comparing:

- the remaining lifetime probability of default (PD) as at the reporting date; with
- the remaining lifetime PD for this point in time that was estimated at the time of initial recognition of the exposure (adjusted where relevant for changes in prepayment expectations).

The Bank uses three criteria for determining whether there has been a significant increase in credit risk:

- quantitative test based on movement in PD;
- qualitative indicators; and
- a backstop of 30 days past due,

iii) Credit risk Grades

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

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

a) Term loan exposures

- Information obtained during periodic review of customer files – e.g. audited financial statements, management accounts, budgets and projections. Examples of areas of particular focus are: gross profit margins, financial leverage ratios, debt service coverage, compliance
- Data from credit reference agencies, press articles, changes in external credit ratings
- Actual and expected significant changes in the political, regulatory and technological environment of the borrower or in its business activities
- Internally collected data on customer behavior – e.g. utilization of credit card facilities
- Affordability metrics

b) Overdraft exposures

- Payment record – this includes overdue status as well as a range of variables about payment ratios
- Utilization of the granted limit
- Requests for and granting of forbearance
- Existing and forecast changes in business, financial and economic conditions

iv) Generating the term structure of PD

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

v) Determining whether credit risk has increased significantly

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

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

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

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

The Bank monitors the effectiveness of the criteria used to identify significant increases in credit risk by regular reviews to confirm that:

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

vi) Definition of default

The Bank considers a financial asset to be in default when:

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

In assessing whether a borrower is in default, the Bank considers indicators that are:

- qualitative: e.g. breaches of covenant;
- quantitative: e.g. overdue status and non-payment on another obligation of the same issuer to the Bank; and

- based on data developed internally and obtained from external sources.
- Inputs into the assessment of whether a financial instrument is in default and their significance may vary over time to reflect changes in circumstances.

The definition of default largely aligns with that applied by the Bank for regulatory capital purposes.

vii) Incorporation of forward-looking information

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

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

External information considered includes economic data and forecasts published by Business Monitor International, an external and independent macroeconomic data body. This is in addition to industry – level, semi – annual NPL trends across statistically comparable sectors

Periodically, the Bank carries out stress testing of more extreme shocks to calibrate its determination of the upside and downside representative scenarios. A comprehensive review is performed at least annually on the design of the scenarios by a panel of experts that advises the Bank's senior management.

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

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

Sector/Product	Macroeconomic factors				
Agriculture, Personal loans and Staff loans	INFLATION: Consumer price index, 2010 = 100, ave	EXCHANGE RATE: ETB/USD, ave	GDP EXPENDITURE: Exports of goods and services, USD per capita	DEBT: Government domestic debt, ETBbn	STRATIFICATION: Household Spending, ETBbn
Domestic Trade & Services	GDP: GDP per capita, USD	GDP EXPENDITURE: Imports of goods and services, USDbn	INFLATION: Consumer price index, 2010 = 100, eop	EXCHANGE RATE: ETB/USD, ave	FISCAL: Total revenue, USDbn
Construction and Manufacturing	GDP EXPENDITURE: Exports of goods and services, USD per capita	FISCAL: Current expenditure, USDbn	DEBT: Government domestic debt, ETBbn	-	-

Macro-economic factor	2020	2021	2022
INFLATION: Consumer price index, 2010 = 100	397	470.4	517.4
GDP: GDP per capita, USD	783	889	1004
GDP EXPENDITURE: Exports of goods and services, USD per capita	64.4	72.1	80.3
GDP EXPENDITURE: Exports of goods and services, ETBbn	246.7	291.7	342.9
EXCHANGE RATE: ETB/USD	33.31	34.31	35.34
GDP EXPENDITURE: Imports of goods and services, USDbn	25.4	31.4	35.9
FISCAL: Current expenditure, USDbn	8.1	9.6	10.9
GDP EXPENDITURE: Imports of goods and services, ETBbn	845.7	1077.9	1270.6
INFLATION: Consumer price index, 2010 = 100	397	470.4	517.4
DEBT: Government domestic debt, ETBbn	752	872.3	1003.1
EXCHANGE RATE: Real effective exchange rate, index	126.32	124.12	122.16
GDP EXPENDITURE: Private final consumption, USDbn	68	81.9	95
STRATIFICATION: Household Spending, ETBbn	2095.7	2503.8	2991.5
FISCAL: Total revenue, USDbn	9.6	10.3	11.6
DEBT: Total government debt, USDbn	55.2	67.1	77

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

As at June	2020			2019		
	Upside	Median/ Central	Downside	Upside	Median/ Central	Downside
Cluster 1	0%	50%	50%	16%	69%	16%
Cluster 2	0%	50%	50%	10%	80%	10%
Cluster 3	0%	50%	50%	13%	74%	13%
Cluster 4	0%	50%	50%	14.5%	71%	14.5%

viii) Modified financial assets

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

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

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

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

The revised terms usually include extending the maturity, changing the timing of interest payments and amending the terms of loan covenants. Both retail and corporate loans are subject to the forbearance policy.

The Bank Credit Committee regularly reviews reports on forbearance activities.

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

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

ix) Measurement of ECL

The key inputs into the measurement of ECL are the term structure of the following variables:

- probability of default (PD);
- loss given default (LGD); and
- exposure at default (EAD).

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

The methodology of estimating PDs is discussed above under the heading 'Generating the term structure of PD'.LGD is the magnitude of the likely loss if there is a default. The Bank estimates LGD parameters based on the history of recovery rates of claims against defaulted counterparties. The LGD models consider the structure, collateral, seniority of the claim, counterparty industry and recovery costs of any collateral that is integral to the financial asset.

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

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

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

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

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

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

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

x) Loss allowance

The following tables show reconciliations from the opening to the closing balance of the loss allowance by class of financial instrument.

Loans and advances to customers at amortized cost (on balance sheet exposures)				2020				2019
In Birr'000	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Balance at 1 July	41,084	930	8,487	50,501	15,845	1,670	16,636	34,152
Transfer to 12 months ECL	1,484	(28)	(1,455)	-	1,377	(286)	(1,091)	-
Transfer to Lifetime ECL not credit impaired	(384)	384	-	-	(116)	116	-	-
Transfer to Lifetime ECL credit impaired	(54)	(2)	56	-	(139)	(4)	143	-
Net remeasurement of Loss allowance	(2,261)	(78)	(1,407)	(3,745)	(3,881)	(114)	2,654	(1,341)
Net financial assets originated or purchased	33,675	870	109	34,654	37,808	782	1,525	40,115
Financial assets derecognized	(32,981)	(816)	(3,543)	(37,341)	(9,810)	(1,234)	(11,380)	(22,424)
Balance at 30 June	**37,692**	**1,235**	**2,246**	**41,173**	**41,084**	**930**	**8,487**	**50,501**

Loan commitments and financial guarantee contracts (off balance sheet exposures)				2020				2019
In Birr'000	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Balance at 1 July	2,873	35	-	2,908	1,725	5	-	1,730
Transfer to 12 months ECL	-	-	-	-	-	-	-	-
Transfer to Lifetime ECL not credit impaired	-	-	-	-	-	-	-	-
Transfer to Lifetime ECL credit impaired	-	-	-	-	-	-	-	-
Net remeasurement of Loss allowance	55	-	-	55	(96)	-	-	(96)
Net financial assets originated or purchased	3,011	-	-	3,011	2,849	35	-	2,884
Financial assets derecognized	(2,802)	(35)	-	(2,836)	(1,605)	(5)	-	(1,610)
Balance at 30 June	**3,137**	**-**	**-**	**3,137**	**2,873**	**35**	**-**	**2,908**

Other financial assets	2020					2019			
In Birr'000	Cash and balances with banks	Investment securities (debt instruments)	Emergency staff loans	Other receivables and financial assets	Total	Cash and balances with banks	Investment securities (debt instruments)	Other receivables and financial assets	Total
Balance as at 1 July	60	53	-	3,828	3,942	29	33	1,999	2,061
Net remeasurement of loss allowance	0	(1)	2	1,409	1,410	31	20	1,829	1,880
New financial assets originated or purchased	-	-	-	-	-	-	-	-	-
Balance as at 30 June	**60**	**52**	**2**	**5,237**	**5,351**	**60**	**53**	**3,828**	**3,941**

The following table provides a reconciliation between amounts shown in the above tables reconciling opening and closing balances of loss allowance per class of financial instrument; and the 'impairment losses on financial instruments' line item in the consolidated statement of profit or loss and other comprehensive income.

CHARGE TO STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME.

	2020				2019			
In Birr'000	Loans and advances to customers at amortized cost	Investment securities (debt instruments)	Other financial assets	**Total charge/ (credit)**	Loans and advances to customers at amortized cost	Investment securities (debt instruments)	Other financial assets	**Total charge/ (credit)**
Net remeasurement of loss allowance	(3,745)	55	1,409	**(2,281)**	(1,341)	(96)	1,847	**409**
New financial assets originated or purchased	34,654	3,011	-	**37,665**	40,115	2,884	-	**42,999**
Financial assets derecognized	(37,341)	(2,836)	-	**(40,177)**	(22,424)	(1,610)	-	**(24,034)**
Amounts directly written off during the year	-	-	-	**-**	-	-	-	**-**
Recoveries of amounts previously written off	-	-	-	**-**	-	-	-	**-**
Total	**(6,432)**	**229**	**1,409**	**(4,793)**	**16,350**	**1,178**	**1,847**	**19,375**

Loans with renegotiated terms

Loans with renegotiated terms are defined as loans that have been restructured due to a deterioration in the borrower's financial position, for which the Bank has made concessions by agreeing to terms and conditions that are more favorable for the borrower than the Bank had provided initially and that it would not otherwise consider. A loan continues to be presented as part of loans with renegotiated terms until maturity, early repayment or write-off.

Loans that were past due but not impaired

Loans that were 'past due but not impaired' are those for which contractual interest or principal payments were past due but the Bank believed that impairment was not appropriate on the basis of the level of security or collateral available and/or the stage of collection of amounts owed to the Bank.

The amounts disclosed exclude assets measured at FVTPL.

4.3.7 CREDIT CONCENTRATIONS

Credit concentration indicates the relative sensitivity of the Bank's performance to developments affecting a particular industry or geographical location. Excessive concentration arises when a number of counterparties are engaged in similar business activities or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

The Bank monitors concentrations of credit risk by social sector. An analysis of concentrations of credit risk at 30 June 2020 and 30 June 2019 . The Bank concentrates all its financial assets in Ethiopia.

30 June 2020	Public Enterprise Birr'000	Private Birr'000	Total Birr'000
Cash and bank Balances	819,942	778,668	1,598,610
Loans and Advances to Customers	-	-	-
Investment securities:			
- Available for sale	-	47,687	47,687
- Loans and receivables	1,068,248	-	1,068,248
Other assets	-	114,494	114,494
	1,888,190	940,849	2,829,039

30 June 2019	Public Enterpris Birr'000	Birr'000	Birr'000
Cash and bank Balances	412,510	1,170,274	1,582,784
Loans and Advances to Customers	-	-	-
Investment securities:			-
- Available for sale	-	35,896	35,896
- Loans and receivables	1,088,559	-	1,088,559
Other assets	-	146,164	146,164
	1,501,069	1,352,334	2,853,403

4.3.8 COMMITMENTS AND GUARANTEES

The maximum exposure to credit risk relating to a financial guarantee is the maximum amount the Bank could have to pay if the guarantee is called upon. The maximum exposure to credit risk relating to a loan commitment is the full amount of the commitment. The table below shows the Bank's maximum credit risk exposure for commitments and guarantees.

	30 June 2020 Birr'000	30 June 2019 Birr'000
Letters of credit	749,178	542,515
Guarantees issued	494,052	1,072,195
Total maximum exposure	1,243,230	1,614,710

4.4 LIQUIDITY RISK

Liquidity Risk is a risk that the Bank will encounter difficulty in meeting obligations from its financial liabilities. The Bank's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Bank's reputation.

4.4.1 MANAGEMENT OF LIQUIDITY RISK

Compliance with the regulatory framework is monitored consistently. The Licensing & Supervision of Banking Business Directive No SBB/44/08 of the National Bank of Ethiopia provides that any licensed Bank should maintain liquid assets of not less than 25% of its total current liabilities, which is the sum of demand deposits, saving deposits and time deposits and similar liabilities with less than one-month maturity period. Weekly liquidity position showing end of week balance is required by the National Bank.

The Asset and Liability Management Committee (ALCO) is responsible for managing funding mismatches and attaining the desired level of liquidity in the manner described in the risk management policy. The Bank' liquid assets are more than 15% of the total current liabilities as required by the National Bank of Ethiopia's directives. Moreover off-balance sheet commitments are within the internal limits set by the Bank.

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 2020	0 - 30 days Birr'000	31 - 90 days Birr'000	91 - 180 days Birr'000	181 - 365 days Birr'000	Over 1 year Birr'000
Deposits from customers	687,140	153,583	334,392	948,712	3,116,565
Borrowings	-	-	-	-	-
Other liabilities	415,027	402,055	28,066	35,939	139,013
Total financial liabilities	1,102,167	555,638	362,459	984,651	3,255,578
Letters of credit	-	-	-	-	-
Guarantees issued	-	-	-	-	-
Total commitments	-	-	-	-	-
Assets used to manage liquidity risk	**1,604,792**	**438,865**	**558,852**	**476,471**	**4,656,867**

30 June 2019	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	564,270	388,720	604,940	654,230	1,311,280
Borrowings	-	-	-	-	-
Other liabilities	261,977	399,834	55,706	82,563	135,139
Total financial liabilities	826,247	788,554	660,646	736,793	1,446,419
Letters of credit	-	-	-	-	-
Guarantees issued	-	-	-	-	-
Total commitments	-	-	-	-	-
Assets used to manage liquidity risk	1,332,370	1,073,550	335,920	219,860	2,547,580

4.5 MARKET RISK

Market risk is the risk that changes in the market prices, such as interest rate, equity prices, and foreign exchange rates will affect the future cash flows of the Bank's financial instruments. The objectives of market risk management are to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

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

(i) Interest rate risk

Interest rate risk is a risk resulting from changes in interest rates. It is the probability that the rising and falling of interest rates will adversely affect the Bank's interest margin or the value of its net worth. The Bank often revises its lending rate across segments of the credit portfolio based on the changes in the cost of funds, reserve requirements and the perceived risk in each credit portfolio segment to keep the overall profitability. ALCO is responsible for managing rate sensitivity assets and liabilities and the effects of rate, volume and mix changes in order to preserve and optimize the interest return.

The Bank's investment portfolio is comprised of National Bank of Ethiopia bills and cash deposits. The table below sets out information on the exposures to fixed and non-interest instruments.

30 June 2020	Fixed Birr'000	Non-interest bearing Birr'000	Total Birr'000
ASSETS			
Cash and balances with banks	1,216,394	382,216	1,598,610
Loans and advances to customers	4,521,052	-	4,521,052
Investment securities	1,068,248	47,687	1,115,935
Other assets	96,562	12,581	109,143
Total	**6,805,694**	**429,903**	**7,235,597**
LIABILITIES			
Deposits from customers	5,289,293	-	5,289,293
Other liabilities	882,942	-	882,942
Borrowings	27	-	27
Total	**6,172,262**	**-**	**6,172,262**

30 June 2019	Fixed Birr'000	Non-interest bearing Birr'000	Total Birr'000
ASSETS			
Cash and balances with banks	1,186,175	396,609	1,582,784
Loans and advances to customers	2,451,670	-	2,451,670
Investment securities	1,088,559	35,896	1,124,455
Other assets	112,703	29,516	142,219
Total	**4,726,404**	**432,505**	**5,158,909**
LIABILITIES			
Deposits from customers	3,523,440	-	3,523,440
Other liabilities	828,715	-	828,715
Borrowings	20	-	20
Total	**4,352,175**	**-**	**4,352,175**

(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. Foreign exchange risks are controlled by maintaining balances in major currencies whose exchange rates against the reporting currency are expected to appreciate. The National Bank controls exchange rates due to which the rates are not fluctuating significantly. 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 summarizes 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 2020 was Birr 898.76 million (30 June 2019: Birr 881.54 million).

Foreign currency denominated balances

	30 June 2020 Birr'000	30 June 2019 Birr'000
Cash and bank balances	479,886	439,232
Other assets	81,303	102,632
Deposits from customers	274,753	276,857
Other liabilities	62,820	62,820
	898,762	881,541

Sensitivity analysis for foreign exchange risk

The sensitivity analysis for currency rate risk shows how changes in the fair value or future cash flows of a financial instrument will fluctuate because of changes in market rates at the reporting date. The sensitivity of the Bank's earnings to fluctuations in exchange rates is reflected by varying the exchange rates at 10% as shown below:

	"Increase/ (decrease) in basis points"	30 June 2020 Birr'000	30 June 2019 Birr'000
USD	10%	89,196	41,881
USD	10%	(89,196)	(41,881)
EUR	10%	675	46,269
EUR	10%	(675)	(46,269)
GBP	10%	6	4
GBP	10%	(6)	(4)

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 so that it can continue to provide returns for the shareholders and benefits for the other stakeholders, to maintain a strong capital base to support the current and future development needs of the business and to comply with the capital requirements set by the National Bank of Ethiopia (NBE).

Based on the National Bank of Ethiopia requirement, the Bank was required to raise its paid-up capital to Birr 500 million by the end of August 2017. Accordingly, the bank has fulfilled the minimum capital requirement set by NBE as shown in the statement of financial position.

4.6.1 CAPACITY 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 2020 Birr'000	30 June 2019 Birr'000
Capital and reserves		
Share capital	986,000	721,860
Other equity	(6,414)	(6,348)
Retained earnings	206,606	149,587
Legal reserve	186,985	113,884
	1,373,177	978,983
Risk weighted assets		
Risk weighted balance for on-balance sheet items	4,725,066	2,505,829
Credit equivalents for off-balance Sheet Items	248,646	322,942
	4,973,712	2,828,771
Risk-weighted Capital Adequacy Ratio (CAR)	28%	35%
Minimum required capital	8%	8%
Excess	975,280	752,681

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 categorized 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 categorized 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

The following table summarizes the carrying amounts of financial assets and liabilities at the reporting date. The amounts are based on the values recognized in the statement of financial position.

	30 June 2020 Carrying amount Birr'000	Fair value Birr'000	30 June 2019 Carrying amount Birr'000	Fair value Birr'000
Financial assets				
Cash and balances with banks	1,598,610	1,598,610	1,582,784	1,582,784
Loans and advances to customers	4,476,763	4,476,763	2,401,169	2,401,169
Investment securities:				
-Financial asset at Fair value through OCI (2018- AFS)	-	-	-	-
- Financial asset at Amortized cost (2018-Loans and receivables)	1,068,248	1,068,248	1,088,559	1,088,559
Other assets	114,494	114,494	146,164	146,164
Total	**7,258,115**	**7,258,115**	**5,218,676**	**5,218,676**

	30 June 2020 Carrying amount Birr'000	Fair value Birr'000	30 June 2019 Carrying amount Birr'000	Fair value Birr'000
Financial liabilities				
Deposits from customers	5,289,293	5,289,293	3,523,440	3,523,440
Borrowings	27	27	16	16
Other liabilities	882,942	882,942	839,759	839,759
Total	**6,172,262**	**6,172,262**	**4,363,215**	**4,363,215**

4.7.3 FAIR VALUE METHODS AND ASSUMPTIONS

(a) Loans and advances to customers

Loans and advances to customers are carried at amortized cost net of provision for impairment. The estimated fair value represents the discounted amount of estimated future cash flows expected to be received. Expected cash flows are discounted at current market rates to determine fair value.

4.7.4 VALUATION TECHNIQUE USING SIGNIFICANT UNOBSERVABLE INPUTS – LEVEL 3

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

4.7.5 TRANSFERS BETWEEN THE FAIR VALUE HIERARCHY CATEGORIES

During the 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 2020 Birr'000	30 June 2019 Birr'000
5	**INTEREST INCOME**		
	Interest on Agriculture loans	617	207
	Interest on Construction loans	79,779	37,603
	Interest on Domestic trade and services	142,402	100,503
	Interest on Export term loans	96,649	51,933
	Interest on Import term loans	79,463	47,245
	Interest on Manufacturing loans	46,571	35,392
	Interest on Transportation loan	1,041	292
	Interest on Staff loans and advances loans	12,008	8,218
	Interest on Individual loans	1,804	1,404
	Interest on Investment securities	45,860	28,609
	Interest on fund placement	15,548	10,262
		521,742	**321,668**

Included within various line items under interest income for 30 June 2020 is a total of Birr 521,742 millions (30 June 2019: Birr 321,668 millions) relating to impaired financial assets.

The Bank does not have loan processing fee and the inspection fee collected from customers are immaterial. Therefore, the contractual interest rate used by the bank is considered as effective interest rate.

		30 June 2020 Birr'000	30 June 2019 Birr'000
6	**INTEREST EXPENSE**		
	Interest on savings deposits	141,790	92,113
	Interest on special saving deposits	6,227	4,952
	Interest on fixed time deposits	90,059	45,471
	Interest on short term borrowings	9,325	1,563
		247,401	**144,099**

		30 June 2020 Birr'000	30 June 2019 Birr'000
7	**FEE AND COMMISSION INCOME**		
	Commission Income on CPO and FT	316	401
	Commission on letters of credit	77,881	59,605
	Commission on letter of guarantees issued	19,862	29,997
	Commission on other financial services	552	335
	Service charges	241,392	185,502
		340,003	**275,840**

		30 June 2020 Birr'000	30 June 2019 Birr'000
8	**OTHER OPERATING INCOME**		
	Penalty charge income	17,258	9,962
	Dividend earned on investment	237	1,654
	Swift charge	1,477	1,222
	Estimation and inspection fees	495	266
	Gain on foreign exchange dealings and fluctuations	212,979	76,636
	Share subscription fee	6,884	6,662
	Other income	2,242	1,360
		241,572	**97,762**

		30 June 2020 Birr'000	30 June 2019 Birr'000
9	**LOAN IMPAIRMENT CHARGE**		
	Loans and advances - charge or reversal for the year (note 15a)	(6,213)	16,350
		(6,213)	**16,350**

		30 June 2020 Birr'000	30 June 2019 Birr'000
10	**IMPAIRMENT LOSSES ON OFF AND ON BALANCE SHEET ACCOUNTS (IFRS9)**		
	IFRs Impairment on NBE Bills	(2)	20
	IFRs Impairment on Bank balance	-	31
	IFRs Impairment on LCs & Guarantees	21	(3)
	Other assets - charge for the year	1,409	1,796
		1,428	**1,844**

		30 June 2020 Birr'000	30 June 2019 Birr'000
11	**PERSONNEL EXPENSES**		
	Salaries and wages	142,185	71,835
	Staff allowances	28,774	12,843
	Pension costs – Defined contribution plan	15,103	7,683
	Pension costs - Defined benefit plans	1,852	1,002
	Other staff expenses	37,244	32,323
		225,158	125,686

		30 June 2020 Birr'000	30 June 2019 Birr'000
12	**OTHER OPERATING EXPENSES**		
	Fuel and lubricants	934	705
	Audit fees	145	145
	Directors fee	1,320	1,056
	Repairs and maintenance	4,081	2,140
	Internet, broadband and website	5,116	3,362
	Stationary, printing and office supplies	6,435	5,720
	Rental expenses	7,118	36,278
	Donations and contributions	8,330	6,186
	Entertainment	946	452
	Transport and travelling expenses	2,515	1,589
	Annual reception fees	2,592	1,612
	Advertisement and publicity	6,174	5,242
	Insurance	1,113	777
	Representation allowance	1,373	843
	Swift charges	1,068	318
	Legal and professional fees	5,343	3,186
	Bank charges	255	178
	Share commission fee	4,332	4,286
	Security expenses	2,279	3,721
	BOD Remuneration Fee	201	1,068
	Wages for non-employees	615	277
	Loss on foreign exchange dealings and fluctuations	113,884	30,634
	Sundry expenses	14,277	2,654
		190,446	**112,429**

	30 June 2020 Birr'000	30 June 2019 Birr'000
13 CURRENT INCOME TAX AND DEFERRED TAX		
13a Current income tax		
Company income tax	88,319	76,379
Prior year (over)/ under provision	-	-
Capital gains tax	-	-
Tax on foreign deposit interest	-	-
Deferred income tax/(credit) to profit or loss	(4,481)	(3,147)
Total charge to profit or loss	83,838	73,232
Tax (credit) on other comprehensive income	(448)	(423)
Total tax in statement of comprehensive income	**83,390**	**72,809**

13b Reconciliation of effective tax to statutory tax

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

	30 June 2020 Birr'000	30 June 2019 Birr'000
Profit before tax	376,243	283,947
Add: Disallowable expenses		
Entertainment	946	452
Donation	30	35
Gift	180	86
Penalty	830	70
Long service Award (Gratituty pay)	-	-
TAX Expense paid on interest income	-	-
Severance pay as per IFRS actuarial valuation estimate	1,852	1,002
Depreciation in the Right of use Asset and Interest expense on lease liability as per IFRS 16	55,872	-
Provision for loans and advances as per IFRS9	-	16,350
Provision for on and off balance sheet as per IFRS9	1,428	1,844
Depreciation and amortization for accounting purpose	19,427	10,915
Total Disallowable expenses	**80,565**	**30,754**
Less: Allowable expenses		
Depreciation for tax purposes	(22,945)	(11,726)
Provision for loans and advances as per IFRS-reversal	(6,213)	
Provision for loans and advances Allowable at 80%	(16,270)	(6,454)
Provision for other assets Allowable at 80%	(3,557)	(1,396)
Amortization of prepaid office rent	(51,781)	-
Dividend income adjustment	(237)	(1,654)
Bonus payment of the previous physical year	-	-
Establishment cost	-	-
Interest income taxed at source	(61,408)	(38,875)
Sub total	**(162,410)**	**(60,105)**
Taxable profit	**294,398**	**254,596**
Taxable profit at 30%	88,319	76,379
Income tax paid during the year	-	-
Withholding tax paid	-	-
Current tax	**88,319**	**76,379**

	30 June 2020 Birr'000	30 June 2019 Birr'000
13c Current income tax liability (Contd)		
Balance at the beginning of the year	76,379	21,603
Charge for the year:		
Education tax	-	-
Capital gains tax	-	-
Income tax expense	88,319	76,379
Prior year (over)/ under provision	-	-
WHT Notes utilized	-	-
Payment during the year	(76,379)	(21,603)
Balance at the end of the year	**88,319**	**76,379**

13d Deferred income tax

Deferred income tax assets/(liabilities) are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. Deferred tax assets/(liabilities) of Birr 2.3 million and 2.3 million for the Bank have not been recognized as at 30 June 2020 and 30 June 2019 respectively because it is not probable that future taxable profits will be available against which they can be utilized.

	30 June 2020 Birr'000	30 June 2019 Birr'000
The analysis of deferred tax assets/(liabilities) is as follows:		
To be recovered after more than 12 months	6,777	1,848
To be recovered within 12 months	-	-
	6,777	**1,848**

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 '30 June 2019 Birr'000	Credit/ (charge) to P/L Birr'000	Credit/ (charge) to equity Birr'000	30 June 2020 Birr'000
Property, plant and equipment	1,031	4,481	-	5,512
Provisions	-	-	-	-
Unrealized exchange gain	-	-	-	-
Tax losses charged to profit or loss	-	-	-	-
Post employment benefit obligation	817	-	448	1,265
Total deferred tax assets/(liabilities)	1,848	4,481	448	6,777

	30 June 2020 Birr'000	30 June 2019 Birr'000
14 CASH AND BANK BALANCES		
Cash in hand	382,216	396,609
Balance held with National Bank of Ethiopia	819,942	412,510
Deposits with local banks	59,929	335,934
Deposits with foreign banks	336,523	437,731
Gross amount	**1,598,610**	**1,582,784**

Maturity analysis	30 June 2020 Birr'000	30 June 2019 Birr'000
Current	1,338,440	1,413,744
Non-Current	260,170	169,040
	1,598,610	**1,582,784**

Included in balance held with National Bank of Ethiopia (NBE) is the cash reserve requirement of the NBE. These balances are subject to regulatory restrictions and therefore are not available for day to day operations by the Bank and have been excluded for cash flow purposes.

14a Cash and cash equivalents (contd)

Cash and cash equivalents include the following for the purposes of the statement of cash flows:

	30 June 2020 Birr'000	30 June 2019 Birr'000
Balance as above	1,598,610	1,582,784
Cash reserve held with the National Bank of Ethiopia	(260,170)	(169,040)
	1,338,440	**1,413,744**

14b Impairment allowance on Bank balance (IFRS9)

A reconciliation of the allowance for impairment losses for Bank Balance is as follows:

	30 June 2020 Birr'000	30 June 2019 Birr'000
Bank Balance at the ending of the year	1,598,610	1,582,784
(Reversal)/charge for the year	(61)	(61)
Balance at the end of the year	**1,598,549**	**1,582,723**

	30 June 2020 Birr'000	30 June 2019 Birr'000
15 LOANS AND ADVANCES TO CUSTOMERS		
Agriculture	15,931	2,578
Construction	614,539	277,647
Domestic trade and services	1,311,798	777,088
Export	1,778,444	848,687
Import	286,369	165,486
Manufacturing	304,964	266,551
Transportation	17,069	79
Individual loans	29,190	5,812
Staff loans and advances	162,748	107,742
Gross amount	**4,521,052**	**2,451,670**
Less:		
IFRS Impairment allowance (note 15a and 15b)		
stage 1	(40,808)	(41,084)
stage 2	(1,235)	(930)
stage 3	(2,246)	(8,487)
	4,476,763	**2,401,169**

Maturity analysis	30 June 2020 Birr'000	30 June 2019 Birr'000
Current	2,762,831	1,077,917
Non-Current	1,713,932	1,323,252
	4,476,763	**2,401,169**

15a Impairment allowance on loans and advances to customers as per IFRS 9 - See accounting policy in Note 2.4. (c)

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

	As at 30 June 2018 Birr'000	Charge for the year Birr'000	As at 1 July 2019 Birr'000	Charge for the year Birr'000	As at 30 June 2020 Birr'000
IFRS Impairment					
stage 1	15,840	25,244	41,084	(276)	40,808
stage 2	1,675	(745)	930	305	1,235
stage 3	16,636	(8,149)	8,487	(6,241)	2,246
Total Impairment allowance	**34,151**	**16,350**	**50,501**	**(6,212)**	**44,289**

		30 June 2020 Birr'000	30 June 2019 Birr'000
16	**INVESTMENT SECURITIES:**		
	Financial asset at Fair value through OCI (2018-Available for sale):		
	Equity Investments	47,687	35,896
		-	-
	Financial asset at Amortized cost (2018-Loans and receivables):	-	-
	Investment in National Bank of Ethiopia (NBE) bills	1,068,248	1,088,559
	Gross amount	**1,115,935**	**1,124,455**

Maturity analysis

	30 June 2020 Birr'000	30 June 2019 Birr'000
Current	12,519	396,258
Non-Current	1,103,416	728,197
	1,115,935	**1,124,455**

16a The Bank equity investment comprises

	30 June 2020 Carrying amount Birr'000	Fair value Birr'000	30 June 2019 "Carrying amount" Birr'000	Fair value Birr'000
Eth-Switch Solution Share co.	26,802	39,187	9,767	26,802
Lucy Insurance Company	6,728	6,188	6,728	6,728
ET Inclusive Finance Technology S.C.	2,366	2,312	2,366	2,366
Total	**35,896**	**47,687**	**18,861**	**35,896**

Summary on the Bank's equity Investment					
Birr'000			Birr'000		
2018 Carrying amount	2019 Fair valuation	Unrealized Gain/(Loss) due to measurement at Fair Value	2019 Carrying amount	2020 Fair valuation	Unrealized Gain/(Loss) due to measurement at Fair Value
18,861	**35,896**	**17,035**	**35,896**	**47,687**	**11,791**

The fair value of the unquoted equity securities carried at cost has been reliably estimated for the three equity Investments as at June 30, 2020.

The Bank hold equity investments in Eth-switch of 5.13% (30 June 2019: 5.55%), Lucy Insurance Share Company of 4.51% % (30 June 2019: 4.64 %) and AODAOE(ET) Inclusive Finance Technology S.C.4.88% (30 June 2019: 5.28 %).

16b Impairment allowance on NBE Bills (IFRS9)

A reconciliation of the allowance for impairment losses for NBE Bill is as follows:

	30 June 2020 Birr'000	30 June 2019 Birr'000
NBE Bill Balance at the beginning of the year	1,068,248	1,088,559
NBE Bill Balance at the beginning of the year	(53)	(55)
Balance at the end of the year	**1,068,195**	**1,088,504**

National Bank of Ethiopia (NBE) bills are classified as financial asset at amortized cost because management's intention is to hold these investments to maturity and they are not held for trading. The reconciliation section present NBE Bill at cost less impairment.

		30 June 2020 Birr'000	30 June 2019 Birr'000
17	**OTHER ASSETS**		
	Financial assets		
	Receivable from other banks	15,259	10,071
	Export bills purchased	81,303	102,632
	Sundry receivables	17,932	33,461
	Gross amount	114,494	146,164
	Less: Impairment allowance (note 17a)-(i),14b,16b	(5,351)	(3,945)
		109,143	**142,219**
	Non-financial assets		
	Prepaid staff expense	29,036	12,476
	Prepayments	77,562	132,764
	Inventory	7,535	4,192
	Assets waiting for resale	2,584	2,216
	Gross amount	**116,717**	**151,648**
	Gross amount	**225,860**	**293,867**

	30 June 2020 Birr'000	30 June 2019 Birr'000
Maturity analysis		
Current	111,727	144,435
Non-Current	114,133	149,432
	225,860	**293,867**

17a Impairment allowance on other financial assets

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

	30 June 2020 Birr'000	30 June 2019 Birr'000
Balance at the beginning of the year	(3,829)	(1,999)
(Reversal)/charge for the year (note 10)	(1,408)	(1,830)
Balance at the end of the year	**(5,237)**	**(3,829)**

For assessing impairment loss for other financial asset especially receivables, the bank used both historical ageing trend analysis and qualitative assessment.

17b Inventory

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

	30 June 2020	30 June 2019
	Birr'000	Birr'000
Cheque book	769	283
Other supplies	2,599	1,065
Stationary	4,167	2,844
	7,535	**4,192**

17c Impairment allowance on off balance sheet Accounts

I) A reconciliation of the allowance for impairment losses for LC & Financial Guarantees is as follows:

	30 June 2020	30 June 2019
	Birr'000	Birr'000
Balance at the beginning of the year	-	-
(Reversal)/charge for the year	(22)	(1)
Balance at the end of the year	**(22)**	**(1)**

	Purchased software	Developed software	Software under development	Total
	Birr'000	Birr'000	Birr'000	Birr'000
18 INTANGIBLE ASSETS				
Cost:				
As at 1 July 2019	**20,673**	**-**	**-**	**20,673**
Acquisitions	804	-	-	804
Internal development				
Transfer from property, plant and equipment				
As at 30 June 2020	**21,477**	**-**	**-**	**21,477**
Accumulated amortization and impairment losses				
As at 1 July 2019	12,055	-	-	12,055
Amortization for the year	3,533	-	-	3,533
Impairment losses				-
As at 30 June 2020	**15,588**	**-**	**-**	**15,588**
Net book value				
As at 30 June 2019	**8,618**	**-**	**-**	**8,618**
As at 30 June 2020	**5,889**	**-**	**-**	**5,889**

The Bank considers its software's (Fex Cube core banking solution, Cheque Point, and Kaspersky anti-virus) as part of intangible assets. The Bank did not have capitalized borrowing costs related to the internal development of software and software under development during the reporting years (30 June 2020 and 30 June 2019).

	Office and other equipment	Motor vehicles	Furniture and fittings	Computer and accessories	Total
	Birr'000	Birr'000	Birr'000	Birr'000	Birr'000
19 PROPERTY, PLANT AND EQUIPMENT					
Cost:					
As at 1 July 2019	**16,369**	**54,420**	**20,158**	**20,636**	**111,583**
Additions	14,250	14,982	16,061	36,320	81,613
Disposals	(413)	-	(235)	(248)	(896)
Reclassification	-	-	-	-	-
PPE Loss due to fire Damage	(103)	-	(198)	(85)	(386)
As at 30 June 2020	**30,103**	**69,402**	**35,786**	**56,623**	**191,914**
Accumulated depreciation					
As at 1 July 2019	**7,363**	**12,788**	**5,167**	**11,497**	**36,815**
Charge for the year	2,350	5,665	2,568	5,311	15,894
Disposals	(331)	-	(84)	(194)	(609)
PPE Loss due to fire Damage	(92)	-	(95)	(68)	(255)
As at 30 June 2020	**9,290**	**18,453**	**7,556**	**16,546**	**51,845**
Net book value					
As at 30 June 2019	**9,006**	**41,632**	**14,991**	**9,139**	**74,768**
As at 30 June 2020	**20,813**	**50,949**	**28,230**	**40,077**	**140,069**

20 RIGHT OF USE ASSETS AND FINANCIAL LEASE OBLIGATION

The Bank Leases a number of asset including Buildings office use. Information regarding leases for which the Bank as a Lessee has been presented below:

i. Right of Use Assets:

	Building Birr'000	**Total Birr'000**
Cost		
Balance at 01 July 2019:		
Reclassified from Prepaid Rent to ROUA (Existing contracts_PP)	119,743	**119,743**
Right of Use Asset to be recognized on Day one-01 July 2019 (Existing contracts_LL)	4,781	**4,781**
Reclassified from Prepaid Rent for additional (New Contracts_PP)	167,578	**167,578**
Additional Right of Use Asset during the period (New Contracts_PP)	-	**-**
Balance at 30 June 2020	**292,102**	**292,102**
Depreciation:		
Balance as at 01 July 2019	-	-
Additions during the period	49,427	**49,427**
Balance at 30 June 2020	**49,427**	**49,427**
Net Carrying Value	**242,675**	**242,675**

ii. Finance Lease Obligation:

	Building Birr'000	Total Birr'000
Cost		
Balance at 01 July 2019:		
Lease Liability to be recognized on Day one-01 July 2019	4,489	4,489
Additional Lease liability during the period	78,201	78,201
Lease Liability payment made during the period from Prepaid Rent	(13,041)	(13,041)
Balance at 30 June 2020	**69,649**	**69,649**
Interest		
Balance as at 01 July 2019	-	-
Additions during the period	6,445	6,445
Balance at 30 June 2020	**6,445**	**6,445**
Net Carrying Value	**76,094**	**76,094**

The Bank recognizes lease liability at the present value of the lease payments that are not paid at that date. Bank uses incremental borrowing rate that is based on the weighted average cost of deposits across the years. The rates to compute present values of buildings lease liabilities as at 30 June 2020 was 13.85%.

Bank leases for its office space and branches. The Building leases typically run for a period between 1 and 10 years with majorities of contracts running for 5 years.

	30 June 2020 Birr'000	30 June 2019 Birr'000
21 DEPOSITS FROM CUSTOMERS		
Demand deposits	1,325,931	1,135,170
Savings deposits	2,583,681	1,741,011
Special savings deposits	223,200	190,428
Fixed time deposits	1,156,481	456,831
	5,289,293	**3,523,440**

22 BORROWINGS	30 June 2020 Birr'000	30 June 2019 Birr'000
Short term borrowings	27	16
	27	16

22a Reconciliation of bank borrowings

A reconciliation of the changes in borrowings is as follows:

	30 June 2020 Birr'000	30 June 2019 Birr'000
Balance at the beginning of the year	16	25,000
Proceeds from borrowings	9,352	1,579
Repayment of borrowings	(9,341)	(26,563)
Balance at the end of the year	**27**	**16**

23 OTHER LIABILITIES

Financial liabilities	30 June 2020 Birr'000	30 June 2019 Birr'000
Account payable special	516,646	486,565
C.P.O's and certified cheques issued	23,788	23,103
Blocked account	1,223	623
Margin on letters of credit	298,517	300,622
Old drafts and payments out	1,936	1,288
MTS And TTS Payable	9,794	3,445
Exchange commission payable To NBE	13,128	11,604
Audit fee	145	145
Board of Directors fee	1,650	1,320
Dividend payable	16,115	11,044
	882,942	**839,759**

23 OTHER LIABILITIES (CONTD)

Non-financial liabilities	30 June 2020 Birr'000	30 June 2019 Birr'000
Defined contribution liabilities	2,317	1,047
Accrual for leave liability	8,838	8,058
Provision for bonus payment	21,152	17,084
Stamp duty charges	2,643	586
Other tax payable	7,622	2,947
Deferred revenue	13,386	16,665
Withholding tax and Valued added tax payables	155	1,092
Financial guarantee & LCs impairment-(Off Balance sheet)	22	1
	56,135	47,480
Gross amount	**939,077**	**887,239**

Maturity analysis	30 June 2020 Birr'000	30 June 2019 Birr'000
Current	914,343	871,598
Non-Current	24,734	15,641
	939,077	**887,239**

		30 June 2020	30 June 2019
		Birr'000	Birr'000
24	**RETIREMENT BENEFIT OBLIGATIONS**		
	Defined benefits liabilities:		
	– Employee benefit plan (note 24a)	9,529	6,184
	Liability in the statement of financial position	**9,529**	**6,184**
	Income statement charge included in personnel expenses:		
	– Employee benefit plan (note 24a)	1,993	1,197
	Total defined benefit expenses	**1,993**	**1,197**
	Remeasurements for:		
	– Employee benefit plan (note 24a)	(1,045)	(987)
		(1,045)	**(987)**

24a Retirement benefit obligations

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

	30 June 2020	30 June 2019
Maturity analysis	Birr'000	Birr'000
Current	-	-
Non-Current	9,529	6,184
	9,529	**6,184**

The employee benefit plan is made up of two (2) unfunded schemes which are severance benefits that are paid on voluntary withdrawal and retirement gratuity paid on retirement. These plans have been aggregated in determining the retirement benefit obligation as the inherent risks applicable to these plans have been assessed not to be materially different.

The key financial assumptions are the discount rate and the rate of salary increases. The provision for gratuity was based on an independent actuarial valuation performed by QED Actuaries & Consultants (Pty) Ltd using the projected unit credit method.

The Bank does not maintain any assets for the schemes but ensures that it has sufficient funds for the obligations as they crystallise.

(i) Severance gratuity benefit

The severance benefits are based on statutory severance benefits in Ethiopia. The statutory severance benefits are set out in Labour Proclamation No. 1156/2019. This benefit is summarised below:

Clause 39 (1) (h) of the Labour Proclamation sets out that any worker who has completed their probation and who is not eligible for pension is entitled to a severance benefit:

h) Where he has given service to the employer for a minimum of five years' service and his contract of employment is terminated because of sickness or death or his contract of employment is terminated on his own initiative provided that he has no contractual obligation relating to training to render service to the employer

Clause 40 of the Labour Proclamation sets out the amount of the benefit, as follows:

The benefit applicable would be:

- thirty times the average daily wages of their last week of service for the first year of service, with part-years pro-rata, plus
- ten times the average daily wages of their last week of service for each completed year of service after the first.

To a maximum of one years' wages payable to the member.Where the Company closes or reduces its work force, an additional multiple of sixty times the average daily wages of their last week of service is payable.

Bank Paid Benefits

The bank valued severance benefits payable on death or resignation after a minimum of 5 years'service only for all employees, as it has been confirmed that this is applied by the Bank. Furthermore, one months' salary is divided by 30 to get the daily salary applied in the severance benefit calculation."

(ii) Retirement gratuity scheme

Age 60 for all employeesis the normal retirement age.

Under this scheme, employees who reach the retirement age are paid a fixed amount of Birr 10,000.

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and other comprehensive income and in the statement of financial position for the respective plans:

		30 June 2020	30 June 2019
		Birr'000	Birr'000
A	**Liability recognised in the financial position**	**9,529**	**6,184**

		30 June 2020	30 June 2019
B	**Amount recognised in the profit or loss**	Birr'000	Birr'000
	Current service cost	1,173	657
	Interest cost	820	540
		1,993	**1,197**

24a Retirement benefit obligations

	30 June 2020	30 June 2019
C Amount recognised in other comprehensive income:	Birr'000	Birr'000
Remeasurement (gains)/losses arising from changes in demographic assumptions	1,651	**(445)**
Remeasurement (gains)/losses arising from changes in the financial assumptions	(3,144)	(965)
	(1,493)	**(1,410)**
Deferred tax (liability)/asset on remeasurement gain or loss	448	**423**
	(1,045)	**(987)**

D Changes in the present value of the defined benefit obligation

	30 June 2020	30 June 2019
	Birr'000	Birr'000
At the beginning of the year	6,184	3,772
Current service cost	1,173	657
Interest cost	820	540
Remeasurement (gains)/losses arising from changes in demographic assumptions	(1,651)	445
Remeasurement (gains)/losses arising from changes in the financial assumptions	3,144	965
Benefits paid	(141)	(195)
At the end of the year	**9,529**	**6,184**

24a Retirement benefit obligations (Contd)

E The principal assumptions used in determining defined benefit obligations

	30 June 2020 Birr'000	30 June 2019 Birr'000
Discount rate(p.a)	14.20%	11.25%
Inflation rate(p.a)	10.00%	10.00%
Long term salary increases(p.a)	12.00%	12.00%
Net pre-retirement rate	1.96%	-0.67%

(i) Discount rate

IAS19 requires that the discount rate be set based on the yields of appropriate term high quality corporate bonds. If no deep market in such bonds is available, accounting standards require that the yield on government bonds of appropriate term be applied in the setting of this assumption.

In Ethiopia, there is neither a deep market in corporate nor government bonds. There have been auctions of short-term treasury bills since 2019, although we note that the longest dated treasury bill is only 180 days. This is significantly shorter than the duration of the liabilities.

For previous valuations we have used the yields derived from the zero-coupon government bond yield curves in Kenya, as published by the Nairobi Stock Exchange. Since the previous valuation, Kenya's sovereign credit rating has been downgraded, meaning that theoretically there should be a country risk premium between instruments in Kenya and Ethiopia to compensate investors for the additional risk now present in Kenya.

QED Actuaries & Consultants (Pty) Ltd have obtained the country risk premia for Kenya and Ethiopia from Damodaran Online, which is a widely used source for relative risk premia. The relative country risk premia for Kenya and Ethiopia (relative to the USA) are as follows:

Ethiopia Country Risk Premium	Kenya Country Risk Premium	Difference
4.44%	5.43%	-0.99%

In addition to the sovereign rating differential between Kenya and Ethiopia, we would expect the yields on instruments in these countries to reflect the difference in expected inflation between these countries too.

The International Monetary Fund ("IMF") has published country reports for both countries in April 2020, to consider general economic conditions in each country, which include future projections of inflation (allowing for some impact of the current Covid-19 pandemic). The actual and projected inflation rates from these reports are as follows:

Country	Description	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	Average from 2020-2024
Ethiopia	CPI (period ave)	14.50	12.60	19.40	11.10	8.10	8.00	8.00	8.80
Ethiopia	CPI (period end)	16.80	15.30	18.10	9.40	8.00	8.00	8.00	8.35
Kenya	CPI (period ave)	4.30	5.70	5.00	5.00	5.00	5.00	5.00	5.00
Kenya	CPI (period end)	4.20	3.40	3.30	4.30	4.70	4.90	5.00	4.73
Defferentiall	CPI (period ave)	10.20	6.90	14.40	3.10	3.10	3.00	3.00	3.80
Defferentia	CPI (period end)	12.60	11.90	14.80	3.30	3.30	3.10	3.00	3.63

From the table above it can be seen that the inflation differential between Kenya and Ethiopia is expected to be around 6.1% for 2020, but tending towards 3.00% in the longer term. The average over the projection period from 2020 to 2024 is 3.8%.

Combining the country risk premium, the future longer term inflation differential and the yields on Kenyan government bonds results in a set of discount rates which are based on Kenyan bonds but adjusted to allow for the relative differences in risk and inflation between the two countries. The resulting discount rate was rounded to the nearest 0.1%.

(ii) Inflation rate

It is noted that inflation in Ethiopia has been volatile in recent years leading up to the valuation dates, ranging from 7% to 23% per annum. In addition, there are no index-linked government bonds or securities which could provide a market-based indication of future inflation.

In order to determine an estimate of long-term future inflation, we have considered historical inflation, projections made by the IMF and we consider a country risk premium approach to countries where market-determined projections are available.

Based on data provided by the IMF , inflation over the last 3 years has exceeded the 10% target cap of government, although the latest IMF projections (updated in April 2020) still show inflation returning to below 10% in the medium term. Therefore , a long-term future inflation rate of 10% per annum is assumed, which is consistent with the previous valuation(long-term maximum target of 10% p.a as at 30 June 2019).

(iii) Long term Salary increases

Future salary increases are usually linked with a long-term future inflation assumption, plus a margin in respect of merit or promotional increases. In the long term, salary will increase by 2% higher than the assumed long-term inflation rate on average, as previously advised by the Bank.

(iv) Mortality rate

The mortality rates published in the Demographic and Health Survey ("DHS") 2016 report compiled by the CSA was applied to 5 year age bands between the ages of 15 and 49. For ages over 47, mortality rate was assumed to be in line with the SA85/90 ultimate standard South African mortality tables published by the Actuarial Society of South Africa ("ASSA"), since the rates in these tables are similar to the DHS female mortality rate at age 47.

No explicit additional assumptions on costs or mortality due to AIDS was made in the valuation. Theoretically, increased mortality rates would reduce the employer's liability.

	Males	Females
20	0.00306	0.00223
25	0.00303	0.00228
30	0.00355	0.00314
35	0.00405	0.00279
40	0.00515	0.00319
45	0.0045	0.00428
50	0.00628	0.00628
55	0.00979	0.00979
60	0.01536	0.01536

(v) Withdrawals from service

Generic resignation rates that assume that fewer employees resign as they get older has been applied. The resignation rates decrease by 2.5% for each age from 15% at age 20 (and below) to 0% at age 50. No specific allowance for retrenchments were made in the valuation assumptions as the Bank is not aware or specifically planning on such action in the near future.

(vi) Duration

The duration of the liabilities, on which the assumptions have been set, was calculated to be 7 years on the current valuation assumptions and data.

F Quantitative sensitivity analysis for significant assumption

The sensitivity of the main results to changes in the principal assumptions rate have been calculated. The changes in the 30 June 2020 Defined Benefit Obligation are reflected below

		30 June 2020	
		Base DBO	DBO on changed assumptions
Sensitivity	% change	ETB '000	ETB '000
Discount rate + 1%	-5.7%	9,529	8989
Discount rate - 1%	6.1%	9,529	10107
Salary increase + 1%	6.1%	9,529	10113
Salary increase - 1%	-5.8%	9,529	8974

The sensitivity of the main results to changes in the assumed salary escalation rates and the discount rate have been calculated based on the duration of the liabilities. The changes in the 30 June 2019 Defined Benefit Obligation and the Current Service Cost are reflected below:

	30 June 2019	
	DBO impact	cost impact
Sensitivity	ETB '000	ETB '000
Discount rate + 1%	5 ,772	1095
Discount rate - 1%	6 ,630	1257
Salary increase + 1%	6 ,623	1256
Salary increase - 1%	5 ,771	1094

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

The projected benefit payments for the next 5 years have been estimated as follows:

	30 June 2020	30 June 2019
	Birr'000	Birr'000
Within the next 12 months (next annual reporting period)		518
Year ending 30 June 2021	1,256	688
Year ending 30 June 2022	1,202	961
Year ending 30 June 2023	1,535	1,219
Year ending 30 June 2024	1,919	1,484
Year ending 30 June 2025	2,860	-
Total projected benefit payments over 5 years	**8,772**	**4,870**

G Risk exposure

Through its post-employment benefit schemes, the Bank is exposed to a number of risks. The most significant of which are detailed below:

(i) Liquidity risk

The defined liabilities are unfunded and as a result, there is a risk of the Bank not having the required cash flow to fund future defined benefit obligations as they fall due.

(ii) Life expectancy

The majority of the plans' obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the schemes' liabilities. This is particularly significant, where inflationary increases result in higher sensitivity to changes in life expectancy.

	30 June 2020	30 June 2019
	Birr'000	Birr'000
25 SHARE CAPITAL		
Authorised:		
Ordinary shares of Birr 1,000 each	1,000,000	1,000,000
Issued and fully paid:		
Ordinary shares of Birr 1,000 each	**986,000**	**721,860**

The authorised share capital of the Bank is Birr 1 Billion comprising 1,000,000 ordinary shares at par value of Birr 1,000 each. The total subscribed shares at the balance sheet date is Birr 994,652,000 (June 2019: Birr 871,203,000) out of which Birr 985,999,651 (June 2019: Birr 721,859,985) is fully paid.

26 EARNINGS PER SHARE

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

	30 June 2020	30 June 2019
	Birr'000	Birr'000
Profit attributable to shareholders	292,405	210,715
Adjusted Profit attributable to shareholders	292,405	210,715
Weighted average number of ordinary shares in issue	844	653
Basic & diluted earnings per share (Birr)	**347**	**323**

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. There were no potentially dilutive shares at the reporting date (30 June 2020:nil, 30 June 2019: nil), hence the basic and diluted loss per share have the same value.

	30 June 2020 Birr'000	30 June 2019 Birr'000
27 OTHER EQUITY/TREASURY SHARES/		
At the beginning of the year	6,348	6,068
Acquisition of shares by the Bank	66.00	280
Resale of shares		
At the end of the year	**6,414**	**6,348**

Treasury shares are shares in Debub Global Bank that are held by foreign nationals of Ethiopian origin for which the National Bank of Ethiopia issued guideline No. FIS/01/2016 for the relinquishment of those shares. No gain or loss is recognised in equity for the sale or purchase of these shares.

28 OTHER RESERVES

Defined Benefit Plan	30 June 2020 Birr'000	30 June 2019 Birr'000
At the beginning of the year	(1,904)	(917)
Re-measurement gains on defined benefit plans (net of tax) - (Note 23)	(1,045)	(987)
At the end of the year	**(2,949)**	**(1,904)**

Fair value reserve	30 June 2020 Birr'000	30 June 2019 Birr'000
At the beginning of the year	17,172	-
FV through OCI Financial assets(2018-AFS)-Unrealized gain arising from measurement at fair value	-	1,104
FV through OCI Financial assets- Unrealized gains /loss from measurement at fair value	11,791	16,068
At the end of the year	**28,963**	**17,172**
Total Other Reserve	**26,014**	**15,268**

The fair value reserve arises from marking to market of investment securities classified under FVTOCI (2018-AFS) category. The reserves are recognized in income statement once the underlying asset has been derecognized.

This amount is not available for distribution.

	30 June 2020 Birr'000	30 June 2019 Birr'000
29 RETAINED EARNINGS		
At the beginning of the year	149,587	48,002
Adjustment of impairment allowance of 2018 as Per IFRS9	-	(7,129)
Adjustment related to variation between NBE provisions and IFRS Impairment	(11,048)	-
Dividend paid	(149,587)	(48,002)
Transfer to legal reserve	(73,101)	(52,679)
Profit/ (loss) for the year	292,405	210,715
Directors Allowances'	(1,650)	(1,320)
At the end of the year	**206,606**	**149,587**

	30 June 2020 Birr'000	30 June 2019 Birr'000
30 LEGAL RESERVE		
At the beginning of the year	113,884	61,205
Transfer from profit or loss	73,101	52,679
At the end of the year	**186,985**	**113,884**

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.

31 RISK REGULATORY RESERVE

	30 June 2020 Birr'000	30 June 2019 Birr'000
At the beginning of the year	-	-
Transfer to Risk Regulatory Reserve	11,048	-
Total Risk Regulatory Reserve	**11,048**	**-**

32 CASH GENERATED FROM OPERATING ACTIVITIES

	Notes	30 June 2020 Birr'000	30 June 2019 Birr'000
Profit before tax		**376,243**	**283,947**
Adjustments for non-cash items:			
Depreciation of property, plant and equipment	19	15,894	7,497
Amortisation of intangible assets	18	3,533	3,418
Depreciation of Right of use assets	20(i)	49,427	-
Interest expense on lease liability	20(ii)	6,445	-
Gain/(Loss) on disposal of property, plant and equipment	19	131	-
Impairment Loss(reversal) on loans and advance	9	(6,213)	16,350
Impairment Loss on other Financial assets(On/ Off Balance sheet Account)	17	1,428	1,844
Retirement benefit obligations	24	1,993	1,197
Gain/(Loss) on equity investment at FV through OCI	30	11,791	17,172
Changes in working capital:			
-Decrease/ (Increase) in loans and advances	15	(2,069,382)	(870,834)
-Decrease/ (Increase) in restricted deposits	14	(91,130)	(62,500)
-Decrease/ (Increase) in Right of use assets	20(i)	(292,102)	
-Decrease/ (Increase) in other assets	17	66,601	(171,001)
-Increase/ (Decrease) in lease liabilities	20(ii)	82,690	
-Increase/ (Decrease) in other liabilities	23	51,817	514,337
		(1,790,834)	**(258,573)**

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

	30 June 2020 Birr'000	30 June 2019 Birr'000
Proceeds on disposal	-	-
Net book value of property, plant and equipment disposed (Note 19)	-	-
Gain/(loss) on sale of property, plant and equipment	-	-

33 RELATED PARTY TRANSACTIONS

The Licensing & Supervision of Banking Business Directive No SBB/53/2012 of the National Bank of Ethiopia defined a related party as a shareholder, a director, a chief executive officer, or a senior officer of a commercial Bank and/or their spouse or relation in the first degree of consanguinity or affinity; and a partnership, a common enterprise, a private limited company, a share company, a joint venture, a corporation, or any other business in which officers of the Bank and/or their spouse or relation in the first degree of consanguinity or affinity of the officers of the Bank has business interest as shareholder, director, chief executive officer, senior officer, owner or partner . The directive stipulates that the identification of related parties shall be the responsibility of the Bank.

33a Transactions with related parties

The balance with related parties complies with the limitations on loans and advances stipulated in the directive. The aggregate sum of loans or advances extended to one related party at any one time should not exceed 15% of the total capital of the Bank. The breakdown of the outstanding loan balance to related parties as at 30 June 2020 is as follows:

	Relationship	30 June 2020 ETB'000	30 June 2019 ETB'000
	Key management personnel		
Loans and advances	Board of Directors	**3,720**	**4,099**
	Executive Management	**136,587**	**10,909**

33b 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 2020.

According to Licensing & Supervision of Banking Business Directive No SBB/67/2018 of the National Bank of Ethiopia, annual board compensation shall not exceed Birr 150,000 and monthly allowance shall not exceed Birr 10,000 effective August 29, 2018.This directive indicates that no Bank shall pay financial or otherwise remuneration or benefits other than the stated.

Annual Board remuneration is determined and approved at the Annual General meeting of the shareholders of the Bank. The Bank records the remuneration only in the year in which it is decided and approved for payment by the General Meeting, rather than accruing it every year. During the year the Bank paid remuneration of Birr 150,000 to each director on account of year 2020; and a monthly allowance of Birr 10,000 to each director throughout the year. The total amount paid is as follows:

	30 June 2020 Birr'000	30 June 2019 Birr'000
Directors' remuneration:		
Total Monthly Allowances	1,320	1,056
Board of directors remuneration	1,650	1,320
	2,970	**2,376**

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

34 DIRECTORS AND EMPLOYEES

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

	30 June 2020	30 June 2019
Managerial	117	76
Clerical	502	354
Non-Clerical	841	302
	1,460	**732**

35 CONTINGENT LIABILITIES

35a Claims and litigation

As per the lawyer's Internal Memo dated August 22, 2020; the Bank is a party to ten pending civil suits instituted by the Bank. The maximum exposure of the Bank to these legal cases as at 30 June 2020 is Birr 20.82 million .(The probabilities of most cases outcome are favourable to the Bank) (30 June 2019: Birr 10.8 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.

35b Guarantees and letters of credit

In the ordinary course of business, the Bank conducts business involving guarantees and acceptances, and performance bonds. These facilities are offset by corresponding obligations of third parties. At the year end, the contingencies were as follows:

	30 June 2020	30 June 2019
	Birr'000	Birr'000
Letters of guarantee and performance bonds	494,052	1,072,195
Letters of credit	749,178	542,515
	1,243,230	**1,614,710**

The table above discloses the nominal principal amounts of guarantees and other contingent liabilities. It also reflects the Bank's maximum exposure under a large number of individual guarantee undertakings. Nominal principal amounts represent the amounts at risk, should contracts be fully drawn upon and clients default.

Letters of guarantee are issued by the Bank, on behalf of customers, to guarantee payment or performance by customers to third parties. The Bank will only be required to meet these obligations in the event of default by the customers. The Bank holds collateral, letters of undertaking or other security in respect of the guarantee issued. As a significant portion of guarantees is expected to expire without being drawn upon, the total of these nominal principal amounts is not representative of future liquidity requirements.

Letters of credit commit the Bank to make payments to third parties, on production of documents, and the amounts are subsequently reimbursed by customers.

36 COMMITMENTS

36a Loan Commitments:

The Bank did not have approved but not disbursed loan commitments as at 30 June 2020 (30 June 2019: nil).

36b Other Commitments:

The Bank did not have other commitments as at 30 June 2020 (30 June 2019: nil).

37 OPERATING LEASE COMMITMENTS - BANK AS LESSEE

The Bank leases various properties under non-cancellable operating lease agreements. The lease terms are commonly between two 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 2019
	Birr'000
No later than 1 year	3,809
Later than 1 year and no later than 2 years	19,539
Later than 2 years but not later than 5 years	103,180
Later than 5 years but not later than 10 years	-
Total	**126,528**

38 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 2020 and on the profit for the period ended on that date, which have not been adequately provided for or disclosed.

39 IFRS 16 LEASES IMPACT ON FINANCIAL STATEMENTS

On transition to IFRS 16, the Bank recognised additional right-of-use assets, and additional lease liabilities, recognising the difference in retained earnings. The impact on transition is summarised below:

1 July 2019	ETB In Birr'000
Reclassified from Prepaid Rent to Right of Use Asset	119,743
Right of Use Asset to be recognized on Day one-01 July 2019	4,489
– Recognition exemption for leases of low-value assets	-
– Recognition exemption for leases with less than 12 months of lease term at transition	(6,784)
– Extension options reasonably certain to be exercised	-
Total Right of Use Assets	**117,448**

When measuring lease liabilities for leases that were classified as operating leases, the Bank discounted lease payments using its incremental borrowing rate at 1 July 2019. The weighted-average rate applied is 13.85%.

Operating lease commitments at 01 July 2019 as disclosed under IAS 17 in the Bank's financial statements	ETB In Birr'000
Discounted using the incremental borrowing rate at 1 July 2019	4,489
Finance lease liabilities recognised as at 01 July 2019	**4,489**

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Debub Global Bank

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የተከበራችሁ የባንካችን ባለአክሲዮኖች፣ የቦርድ አባላት፣ የባንኩ አመራር አባላት፣ ውድ ደንበኞቻችንና ሰራተኞች የ2019/20 አመታዊ ሪፖርት የባንኩን የዳይሬክተሮች ቦርድ በመወከል ሳቀርብ ከፍ ያለ ደስታ ይሰማኛል፡፡

ያሳለፍነው የበጀት ዓመት የኮቪድ-19 ወረርሽኝ ተጽእኖ ጥላ ያጠላበትና የማምረት ሂደቶችን፣ የሰዎችን እንቅስቃሴና የአቅርቦት ሰንሰለትን የገደበ ቢሆንም ባንካችን ባሳየው ቁርጠኝነትና ያለውን የፋይናንስ አቅምና የሰው ሀይል አቀናጅቶ መጠቀም በመቻሉ ስኬታማ የስራ ዓመትን ማሳለፍ ተችሏል፡፡ በመሆኑም በአስቸጋሪ ጊዜ ውስጥ እንኳን ለደንበኞቻችን ያለንን አጋርነት ያሳየንበት እንዲሁም ካለፉት ዓመታት በተሸለ በሁሉም መስኮች ለመፈፀም ቃል የገባናቸውን ስራዎች በከፍተኛ ትጋት የፈፀምንበትና አመርቂ ውጤት ያስመዘገብንበት ዓመት ነበር፡፡

ከዚህም በተጨማሪ በተጠና መንገድ በሀገራችን እና በከተማችን ቁልፍ በሚባሉ አካባቢዎች ላይ በርካታ ቅርንጫፎችን የከፈትንበት እንዲሁም ለባንካችን አገልግሎት ወሳኝ የሆነውን ዲጅታል መሰረተ-ልማት ተግባራዊ ለማድረግ በርካታ ስራዎችን ያከናወንበት አመት ሆኖ አልፏል፡፡

ከዚህ ጋር ተያይዞም ተጨማሪ 15 የኤቲኤም ማሽኖችን በቅርንጫፎቻችን ላይ በማስቀመጥ የኤቲኤም ቁጥሮችን ያበራክትን ሲሆን በፖስ የሚደረጉ ግብይቶችን ለማስጀመርም ማሽኖቹ ተገዝተው የሙከራ ስራዎች ተከናውነዋል፡፡ ቴክኖሎጂን የማስፋፋት ዕቅዳችን አካል የሆኑት የሞባይልና የኢንተርኔት ባንኪንግ አገልግሎቶችም የቅድመ ትግበራ ደረጃ ላይ ይገኛሉ፡፡

የደንበኞቻችን ጥያቄዎች ላይ በመመስረት ተጨማሪ አገልግሎቶችን በማቅረብ የደንበኞቻችንን ፍላጎት ለማሟላት ያላሰለሰ ጥረት በማድረግ ላይ የምንገኝ ሲሆን በቀጣይም በአገልግሎት አሰጣጣችን ላይ ተጨማሪ እሴት ሊፈጥሩ የሚችሉ እንደ ወለድ አልባ የባንክ አገልግሎቶችን ለመስጠት ጥናቱ ተጠናቆ ለኢትዮጵያ ብሄራዊ ባንክ የቀረበ ሲሆን ከማዕከላዊ ባንኩ ፈቃድ እንዳገኘን ወደ ትግበራ የምንሸጋገር ይሆናል፡፡

ባንካችን የራሱ ዋና መ/ቤት ህንጻ እንዲኖረው ለማድረግ ቃል በገባነው መሰረት ለዋና መ/ቤት ግንባታ የሚሆን የባንካችንን ደረጃ የሚመጥን መሬት ከአዲስ አበባ ከተማ አስተዳደር ለመረከብ አሁንም ክትትል እያደረግን በመጠባበቅ ላይ የምንገኝ ሲሆን የግንባታ ስራችንን ጀምረን እስከምናጠናቅቅ ድረስ እንደመሸጋገሪያ የሚያገለግል ህንፃ ለመግዛትም በሂደት ላይ እንገኛለን፡፡

በገንዘብ ነክ መለኪያዎች ባንካችን ዘንድሮም አመርቂ ሊባል የሚችል ውጤት አስመዝግቧል፡፡ በዚህም መሰረት ባንካችን በዓመቱ የሂሳብ መዝጊያ ላይ ከታክስ በፊት ብር 376 ሚሊዮን የተጣራ ትርፍ ያስመዘገበ ሲሆን ይህም ካለፈው አመት ትርፍ ጋር ሲነፃፀር የ33 በመቶ እድገት አስመዝግቧል፡፡ በሀብት አሰባሰብና አጠቃቀም ረገድም ባንካችን አመርቂ ውጤት ያስመዘገበ ሲሆን ከአምናው ውጤት ጋር ሲነጻጸር በተቀማጭ ሂሳብ 50 በመቶ፣ በብድርና አድቫንስ ደግሞ የ87 በመቶ ብልጫ በማስመዝገብ በቅደም ተከተል ብር 5.3 ቢሊዮን እና ብር 4.5 ቢሊዮን ላይ እንዲቀመጡ አስችሏል፡፡ ይህ ስኬት የውጭ ምንዛሬ ሀብትን በማሰባሰብ ረገድም የተደገመ ሲሆን የጠቅላላ ሀብትና የጠቅላላ ካፒታል እድገትም ከአምና ተመሳሳይ ወቅት ጋር ሲነጻጸር በቅደም ተከተል የ42 በመቶና የ50 በመቶ እድገት አስመዝግቧል፡፡

ያልተገመቱና ያልታሰቡ ከባቢያዊ ክስተቶች በተለይም እንደ ኮቪድ-19 ያሉ ወረርሽኞች ተጽዕኗቸው ሊቀጥል እንደሚችል ቢጠበቅም መንግስት እያከናወናቸው የሚገኙ ፋይናንስ ነክ ለውጦች እና ልዩ ልዩ ድጋፎች ለባንካችን የተሸለ ዕድል ሊፈጥሩ እንደሚችሉ እሙን ነው፡፡ እነዚህን ድጋፎች በመንተራስ የባንካችንን ዕድገት ቀጣይነት የሚያረጋግጡ በርካታ ስራዎችን ለማከናወንም አቅደናል፡፡

በባንክ ኢንዱስትሪው ውስጥ ተፎካካሪ ሆኖ ለመቀጠል፣ የባንካችንን የካፒታል አቅም ከፍ በማድረግ እንዲሁም የባለድርሻ አካላትን እምነት እንዳገኘን ለመቀጠል ካፒታል የማሰባሰብ ሂደቱ በሰፊው እንዲቀጥል ማድረግ የባንኩ ተቀዳሚ ተግባር ሆኖ ይቀጥላል፡፡ ባለፉት አመታት ያስመዘገብናቸው ውጤቶችና ለባለአክሲዮኖች ያከፋፈልነው ማራኪ የትርፍ ድርሻ ይህንን እቅዳችንን ለመፈጸም መደላድል እንደሚሆነን እምነታችን ነው፡

የባንካችን ያለፉ ስኬቶች፣ አሁን የሚገኝበት አቅምና ወደፊት ሊያሳካ ያሰባቸው ትልሞች ድምር ውጤት የሩቅ ራእዩን ማሳካት እንደሆነ እየሄድንበት ያለነው መንገድ አመላካች ነው፡፡ በእዚህ ጉዟችን ላይ ተግዳሮት ሊሆኑ የሚችሉ ሁኔታዎች ሊያጋጥሙ እንደሚችሉ ብናውቅም በቁርጠኝነት፣ በትጋት እና በጥበብ ከሰራን ከእኛ ሊበልጡ አይችሉምና የወደፊት ግባችንን እንደምናሳካ ጥርጥር የለኝም፡፡

በመጨረሻም ይህ አመርቂ ውጤት እውን እንዲሆን የባንኩ ባለ አክሲዮኖች፣ የቦርድ አባላት፣ የባንኩ ስራ አመራር አባላትና ሰራተኞች፣ የኢትዮጵያ ብሔራዊ ባንክ፣ የፋይናንስ ደህንነት ማዕከል ከሁሉም በላይ ውድ ደንበኞቻችን ላበረከታችሁት ከፍተኛ አስተዋጽኦ በራሴና በባንኩ የዲሬክተሮች ቦርድ ስም ምስጋናዬን አቀርባለሁ፡፡

አመሰግናለሁ

ኑረዲን አወል
የዳይሬክተሮች ቦርድ ሰብሳቢ

የፕሬዝደንት መልዕክት

ውድ ባለአክሲዮኖች፣

ከሁሉ አስቀድሜ የደቡብ ግሎባል ባንክ አስደናቂ እድገት የተመዘገበበትን የ2019/20 ሪፖርት ሳቀርብ ታላቅ ኩራት ይሰማኛል፡፡ ይህ ታላቅ ውጤት እንዲመዘገብ ከፍተኛውን ድርሻ ለተወጡት የባንኩ የዲሬክተሮች ቦርድ አባላት፣ ለስራ አመራር አባላት እና ለመላው ሰራተኞቻችን ያለኝን ምስጋና በእዚሁ አጋጣሚ መግለጽ እፈልጋለሁ፡፡

ባሳለፍነው በጀት ዓመት የዓለማችን ኢኮኖሚ በኮቪድ-19 ወረርሽኝ ተጽዕኖ ስር የቆየ ሲሆን በአገራችን ላይም ተመሳሳይ ተጽዕኖ አሳርፏል፡፡

በዚህ ሁሉ ተግዳሮት መካከል በመንግስት በኩል ልዩ ትኩረት ተሰጥቶት ተግባራዊ የተደረገው አገር በቀል የኢኮኖሚ ለውጥ እንዲሁም በመንግስት በኩል የበሽታውን ተጽእኖ ለመቋቋም የተወሰዱት ርምጃዎች በተለይ በወጪ ንግድ ላይ ተፈጥሮ የነበረው መቀዛቀዝ በፍጥነት እንዲያንሰራራ በማስቻላቸው ተጽእኖው ሳይበረታ ወደ ንግድ እንቅስቃሴ መመለስ ተችሏል፡፡

የኮቪድ-19 ተጽእኖ፣ ከሌሎች ፈታኝ ሁኔታዎች ጋር ለምሳሌም ለብድር የሚውል ገንዘብ እጥረት፣ ኢንዱስትሪው ውስጥ የሰፈነው የተጠናከረ ፉክክርና በየጊዜው እየናሩ ከመጡት የስራ ማስኬጃ ወጪዎች ጋር ተዳምሮ የባንክ ስራ ዘርፍ አስቸጋሪ ሁኔታ ውስጥ እንዲገባ አድርጎት ነበር፡፡

ርዕሰ ጉዳያችን በሆነው በጀት ዓመት ከላይ በተጠቀሱት ችግሮች ውስጥ ያለፍን ቢሆንም ከፍላጎት አንጻርና ከህዝባችን ብዛት አንጻር ብዙ ያልተዳረሰው የባንክ ስራ በተጠናቀቀው የበጀት አመት እድገት በማሳየቱ እንዲሁም መንግስት ለዘርፉ እየሰጠ ያለው ትኩረትና ድጋፍ ችግሮችን ተቋቁመን የተሻለ ስራ እንድንሰራ አስችለውናል፡፡

የባንካችን የዘንድሮ አመርቂ እድገትም ከእዚህ በፊት ባስመዘገብናቸው ውጤቶች እምነት በማግኘትና ለወደፊት ለማሳካት በዘረጋናቸው ግልጽና ሰፊ እቅዶች ላይ እምነታችንን ጥለን፣ ያለንን ሀብትና የሰው አቅም በአግባቡና አሳታፊ በሆነ መልኩ ስራ ላይ በማዋላችን፣ የእድገትና የስኬት ዋና አመላካች በሆኑ መለኪያዎች ውጤታማ መሆን ችለናል፣ ለወደፊትም በተሻለ ስኬት እንድንጓዝ የሚያስችሉንን መሠረቶች ዘርግተናል፡፡

የስኬት አመላካች ከሆኑት መመዘኛዎች አንዱ በሆነው የትርፋማነት መለኪያ የባንካችን ትርፍ ያደገ ሲሆን በ2019/20 የበጀት ዓመት ከታክስ በፊት የብር 376 ሚሊዮን ትርፍ ማስመዝገብ ችለናል፡፡ ይህ ውጤትም ከአምናው የትርፍ መጠን ጋር ሲነጻጸር የብር 92 ሚሊዮን ጭማሬ በማሳየት ከፍ ያለ በአክሲዮን ላይ የተገኘ ትርፍን (Earning per Share) ለባለአክሲዮኖቻችን እንድናቀርብ አስችሎናል፡፡ ይህ አካሄድም የኢንቨስተሮችን እምነት እንድናገኝና የተከፈለ ካፒታላችንን ወደ ሁለት ቢሊዮን ብር ለማሳደግ የምናደርገውን ጥረት በአጭር ጊዜ ውስጥ እንድናሳካ መንገዱን ያመቻችልናል ብለን እናምናለን፡፡

ባንካችን መልካም ውጤት ካስመዘገበባቸው ስራዎች ውስጥ የሚጠቀሰው ሌላው ክንውን ደግሞ ለደንበኞቻችን ተደራሽ ለመሆን ቅርንጫፎቻችንን የከፈትንበት አካሄድ ነው፡፡ ይህ ቅርንጫፍ የማስፋፋት ሂደት ከተጠናከረ ክትትልና ድጋፍ የማድረግ፣ እንዲሁም ሀብትን በአግባቡ ለመጠቀም ከተከተልነው መንገድ ጋር ተዳምሮ፣ ባንካችን ስራ ከጀመረበት ጊዜ አንስቶ ከተሰበሰበው ተቀማጭ ገንዘብ ግማሽ ያህል የሚሆነውን በተጠናቀቀው በጀት አመት ማሳካት ችሏል፡፡ በውጭ ምንዛሬ ግኝት በኩልም በባንኩ ታሪክ ከፍተኛ የሚባለውን ሀብት ማሳባሰብ የቻልን ሲሆን በሀብት አጠቃቀም በኩልም የተሳካ ስራ ስለማከናወናችን ከአምናው በጀት አመት የ86 በመቶ ብልጫ ያለው የብድር አቅርቦት ማመቻቸታችን ጉልህ ማሳያ ነው፡፡

በአመቱ የተመዘገበውን አመርቂ ውጤት ለማሳካት በሶስት እንቅስቃሴዎች ላይ ልዩ ትኩረት ተደርጎ ተሰርቷል፡፡ እነሱም ተበታትነው የሚገኙ ሀብቶችን ማሰባሰብ፣ የቴክኖሎጂ አቅምን ማጎልበትና የሰው ሀብት ጥራት ላይ መስራት ነበሩ፡፡ በሀብት ማሳበሳብና በአግባቡ መጠቀም ረገድ፣ የአገልግሎት ማቅረቢያ መንገዶችን ማብዛትና ምቹ ማድረግ፣ እንዲሁም አዳዲስ አገልግሎቶችን ለደንበኞች ማቅረብ ተጠቃሽ ናቸው፡፡ የባንካችንን ስራ በቴክኖሎጂ የተደገፈ እንዲሆን በማድረግ ረገድ፣ እንደ ከዚህ በፊቱ በሪፖርት አመቱም ለዘርፉ ትኩረት ተሰጥቶ የተሰራበት ሲሆን፣ ከፍተኛ በጀት ተመድቦ የውስጥ ስራን ከማቀላጠፍም ይሁን ደንበኞች የሚገባቸውን የዲጅታል አገልግሎት ከማቅረብ አንጻር ብዙ ስራዎች ተከናውነዋል፡፡ የባንክ ኢንዱስትሪው የሚፈልገውንም ሆነ የባንካችን እድገት የሚጠይቀውን እውቀትና ክህሎት ይዞ ለመገኘት፣ የባንኩን የእለት ተእለት ስራ በአግባቡ ለመከወንና ጥራት ያለው አገልግሎት ለማቅረብ፣ በሰው ሀብት ግንባታ ላይ ከፍተኛ ስራዎች የተከናወኑበት አመት ሆኖ አልፏል፡፡

ይህ የባንካችን እድገት ፍጥነቱን ጨምሮና ሚዛኑን ጠብቆ መቀጠል እንዳለበት የሁላችንም ጽኑ እምነት ነው፡፡ የፋይናንስ አቅማችን መጎልበት ይኖርበታል፤ የአገልግሎት መስጫ መንገዶቻችንን ማስፋፋት ይጠበቅብናል፤ አዳዲስ አገልግሎቶችና አሰራሮችን ማስተዋወቅ ባህላችን ሆኖ መቀጠል ይኖርበታል፤ የባንኩ መለያ የሆኑ አሰራሮች ተለይተው ትኩረት እንዲያገኙ መደረግም ይኖርበታል፡፡ ከሁሉም በላይ ደግሞ በውስጥ ሀይላችን የመተማመን ባህላችንና ይህንንም ለማሳደግ የሚሰጠው ትኩረት ተጠናክሮ መቀጠል ይገባዋል፡፡ የእነዚህ ጥረቶች ድምር ባንካችን የሰነቀውን ራእይ ለማሳካት እርሾ ሆኖ እንደሚያገለግል እናምናለን፡፡

በመጨረሻም ባንኩን ወደሚገባው ከፍታ እየወሰዳችሁ ያላችሁ የስራ አመራር አባላትና ሰራተኞች ላሳያችሁት ትጋትና ተነሳሽነት ያለኝን አድናቆት ስገልጽላችሁ በከፍተኛ ኩራት ነው፡፡ የባንኩ የዲሬክተሮች ቦርድ አባላት አስቸጋሪ በነበረው ወቅት ለሰጣችሁት ብልህነትና ቁርጠኝነት የተሞላበት የስራ አቅጣጫ በስራ አመራር አባላት ስም ምስጋናዬን አቀርባለሁ፡፡የኢትዮጵያ ብሔራዊ ባንክ በሁሉም ዘርፍ ላደረገልን ክትትልና ድጋፍም ምሳጋናዬ የላቀ ነው፡፡ ከሁሉም በላይ በባንካችን ላይ እምነት ጥላችሁ ከእኛ ጋር መስራትን ምርጫ ላደረጋችሁ ደንበኞቻችን ከፍ ያለ ምስጋናዬን እያቀረብኩ የእናንተን ፍላጎት የተከተሉ አሰራሮችንና አገልገሎቶችን ለማቅረብ ተግተን እንደምንሰራ አረጋግጥላችኋለሁ፡፡

አመሰግናለሁ፡፡

ተስፋዬ ቦሩ (ዶ/ር)

ፕሬዚደንት

የዲሬክተሮች ቦርድ ሪፖርት

የደቡብ ግሎባል ባንክ የዲሬክተሮች ቦርድ ይህን ዓመታዊ የዲሬክተሮች ሪፖርት ለባለአክሲዮኖቹ፣ ለደንበኞቹ፣ ለአጋሮቹ እና ለባለድርሻ አካላት ሁሉ ሲያቀርብ በደስታ ነው። እ.ኤ.አ ጁን 30 ቀን 2020 በተጠናቀቀው በጀት ዓመት የባንኩ ኦዲት የተደረገ የሂሳብ መግለጫ፣ አበይት የስራ አፈጻጸም እና መጻኢ የትኩረት አቅጣጫዎች በዚህ ሪፖርት ተካተዋል።

የሰው ሃብት

ደቡብ ግሎባል ባንክ በእውቀት የታነጹ፣ ከፍተኛ ክህሎት ያላቸውና መልካም ስነ-ምግባር የተጎናጸፉ ሰራተኞችን ማሰባሰብ፣ ማሳደግና በጥንቃቄ መያዝ ትኩረት ከሚሰጥባቸው የስራ ዘርፎች አንደኛው ሲሆን ከዚህ ጋር ተያይዞም ባሳለፍነው የበጀት አመት ሁሉን አቀፍ የሆነ የሰው ሃብት ስራዎችን አከናውኗል፡ ፡ ይህ ስራ በተለይም የባንኩን እድገትና የቅርንጫፎች መስፋፋት ተከትሎ በመቶዎች ለሚቆጠሩ ሰራተኞች የስራ እድል የፈጠረ ሲሆን፣ እ.ኤ.አ ሰኔ 30 ቀን 2020 ዓ.ም በተጠናቀቀው የበጀት አመት የባንኩ ሰራተኞች ቁጥር 1477 የደረሰ ሲሆን ካለፈው የበጀት አመት ጋር ሲነጻጸር በ562 ሰራተኞች ብልጫ አሳይቷል። ከተጠቀሰው የሰራተኛ ቁጥር 99% ወይም 1460 የሚሆኑት ቋሚ ሰራተኞች ሲሆኑ ቀሪው 1% ደግሞ በሰራተኛ አገናኝ ኤጀንሲ በኩል የተቀጠሩ ናቸው።

የባንኩ ስኬት በዋናነት ከሰራተኞቹ የሚመነጭ በመሆኑ በተጠናቀቀው የሒሳብ ዓመት በተለያዩ ዘርፎች በርካታ ሥልጠናዎችን ለማመቻቸት ተችሏል። በአኃዝ ሲቀመጥ 26 ዓይነት ስልጠናዎች ለ1,453 ሰራተኞች ተሰጥቷል። እነዚህ ስልጠናዎች በባንኩ የውስጥ ኃይል፣ በአገር ውስጥና አለምአቀፍ አሰልጣኞች በኩል ተሰጥተዋል፡

የደንበኞች አገልግሎት

ደቡብ ግሎባል ባንክ በቅርንጫፎች ማስፋፋት፣ በቴክኖሎጂና ፈጠራ የታከለባቸው አገልግሎቶች ላይ ልዩ ትኩረት ማድረጉ የደንበኛን አገልግሎት ከማዘመን አኳያ ከፍተኛ ሚና በመጫወት ላይ ይገኛል። ይህ አመለካከትም ባንኩ ለደንበኞች የሚሰጠው የተለየ አገልግሎት የእለት ተእለት የኑሮ ዘይቤ እንጂ በሁኔታዎች የሚቀያየር አለመሆኑን ማመላከቻ መንገድ ነው።

ከዚህ እምነትም በመነሳት ደቡብ ግሎባል ባንክ ለደንበኞች ጥያቄ ፈጣን ምላሽ የሚሰጥ፣ እሴት የሚጨምርና ምቾትን የሚያጎናጽፍ የደንበኞች አገልግሎት ስርአት ለመዘርጋት ልዩ ትኩረት መስጠቱን አጥብቆ ይቀጥላል።

ባንካችን ለደንበኞቹ ተደራሽነቱን ለማረጋገጥና እርኪ አገልግሎት ለማጎናጸፍ የሚያስችለውን በርካታ እንቅስቃሴዎችን ያደረገ ሲሆን በተጠናቀቀው በጀት ዓመት ካከናወናቸው ተጠቃሽ የአገልግሎት ተደራሽነት ማስፋፊያ ስራዎች መካከል የቅርንጫፍ ማስፋፊያ እንዲሁም የኤሌክትሮኒክ ባንክ አገልግሎቶች ይገኙበታል።።

የቅርንጫፍ ማስፋፊያ

የባንኩ ቅርንጫፎች ከባንክ አገልግሎት ተጠቃሚው ከሰፊው ሕብረተሰብ ጋር የሚያገናኙ ድልድዮች ከመሆናቸው በላይ የባንኩን የአገልግሎት ጥራት ደረጃ ልኬት የሚወስኑ እንዲሁም የባንኩን ሁለንተናዊ ገጽታ የሚያንጸባርቁ መሆናቸው ታምኖበት ቅርንጫፎችን ለማስፋፋት የሚያስችል ልዩ አቅጣጫ ተቀይሶ ሰፊ ስራ ተይዟል። እ.ኤ.አ ጁን 30 ቀን 2020 በተጠናቀቀው የበጀት አመት 30 አዳዲስ ቅርንጫፎች ተከፍተው የባንካችንን ቅርንጫፎች ብዛት 82 አድርሰውታል።

ሁልጊዜም እንደምናደርገው እነዚህ ቅርንጫፎች ሲከፈቱ ለአገልግሎት ተስማሚ መሆናቸው በተረጋገጡ አካባቢዎች የተከፈቱ ከመሆናቸውም በላይ በማራኪ አደረጃጀት ስለተዋቀሩ ለደንበኞች እርካታን የሚሰጡ ናቸው። ከተከፈቱት 30 ቅርንጫፎች ውስጥ 19 ቅርንጫፎች በአዲስአበባ ውስጥ የተከፈቱ ሲሆን ቀሪዎቹ 11 ቅርንጫፎች በክልል ከተሞች የተከፈቱ ናቸው።

ባንኩ የቅርንጫፍ ማስፋፋት ስራውን አጠናክሮ ለመቀጠል የሚያስችል ፍኖተ ካርታ አዘጋጅቶ በተለያዩ የአገሪቱ አካባቢዎች ተጨማሪ 30 ቅርንጫፎችን ከፍቶ ተደራሽነቱን ለማስፋፋት ዝግጅቱን አጠናቋል። ከእነዚህ መካከል ቀበና፣ ሃያአራት፣ ላምበረት፣ አየር ጤና፣ ሀዋሳ አዲሱ ገበያ፣ ሚዛን፣ ጃክሮስ፣ አራት ኪሎ፣ አቃቂ፣ቦሌ፣ ፒያሳ፣ ሃዋሳ መናኽሪያ እና ዳዬ የመሳሰሉት የሚጠቀሱ ሲሆን ከእነዚህ ውስጥ ስምንት ቅርንጫፎች ተከፍተው አገልግሎት መስጠት ጀምረዋል።

ፕሪሚየም ቅርንጫፎች

ጥራት ያለው አገልግሎት ደንበኞችን ማእከል ማድረግ እንዳለበት ደቡብ ግሎባል ባንክ አጥብቆ ያምናል።ይህንን እምነት ተግባራዊ ካደርግንባቸው የስራ እንቅስቃሴዎችችን ውስጥ ለደንበኞቻችን የተለየ አገልግሎት የምንሰጥባቸው የፕሪሚየም ቅርንጫፎቻችን ተጠቃሽ ናቸው። ልዩ ድባብን ለመፍጠርና የማዝናናት መንፈስን እንዲፈጥሩ ተደርገው የተደራጁት እነዚህ ቅርንጫፎች የነጻ ዋይፋይ አገልግሎት፣የመሰብሰቢያ አዳራሽ እና ሻይ ቡና ለመገባበዝ የሚያስችሉ ሲሆኑ፣ በዚህ መልክ ተደራጅተው ስራ ከጀመሩት የቦሌ መድኃኒዓለም፣ ለቡ እና ስታዲየም ቅርንጫፎች በተጨማሪ፣ የቦሌና የቸርቺል (ፒያሳ) ቅርንጫፎቻችንም በባለሙያ በታገዘ የኢንቴሪየር ዲዛይን በመደራጀት ላይ ይገኛሉ።

ዲጅታል ባንኪንግ

በቅርንጫፍ ተወስኖ ይሰጥ የነበረውን አገልግሎት በዲጅታል አገልግሎት ለማጠናከር ምቾትና እርካታ የሚያጎናጽፉ ዘመናዊ የባንክ አገልግሎቶችን ለማስጀመር ደቡብ ግሎባል ባንክ አመርቂ ስራ እየሰራ ይገኛል።

የካርድ ባንክ አገልግሎት

ባንኩ በአገር አቀፍ ደረጃ በኢትዮ ፔይ በኩል የካርድ ባንኪንግ አገልግሎት በመጠቀም በአገር ውስጥ በሚገኙ በሁሉም የሌሎች ባንኮች የATM ማሽኖች ላይ መጠቀም በሚያስችል አሰራር አገልግሎት መስጠቱን ቀጥሏል። ማሽኖቻችን ቁጥርም ከ150 በመቶ በላይ እድገት ያሳዩ ሲሆን በዚህ የክፍያ አሰራር ቴክኖሎጂ 14,122 ተጠቃሚዎችን ማፍራት ተችሏል። በኤቲኤም ማሽኖቻችን ብቻ ከብር 92.6 ሚሊዮን በላይ የገንዘብ ልውውጥ ሲከናወን ይህም ካለፈው ዓመት ጋር ሲነጻጸር የ29 በመቶ ዕድገት አሳይቷል። ተጨማሪ 15 ኤ.ቲ.ኤም ማሽኖች ተተክለው የደቡብ ATM ካርድን በመጠቀም በኢትዮ ፔይ ስርአት አገልግሎት የሚሰጡ ማሽኖቻችን ቁጥር 25 ማድረስ ተችሏል። ከዚሁ ጋር በተያያዘ ደቡብ ግሎባል ባንክ ከታዋቂ የዓለም አቀፍ የካርድ ክፍያ ተቋማት ጋር ስራ ለመጀመር ድርድሩን አጠንክሮ የቀጠለ ሲሆን የPOS (ፖስ) አገልግሎት ለማስጀመርም የአስር ማሽኖች ግዢ ተከናውኖ አገልግሎት የሚሰጡባቸውን ተቋማት የማፈላለግ ስራ በማከናወን ላይ ይገኛል።

ሞባይልና ኢንተርኔት ባንኪንግ

ደቡብ ግሎባል የሞባይል እና ኢንተርኔት ባንክ አገልግሎት ለመስጠት የሚያስችለውን ቅድመ ዝግጅት አጠናቆ በቅርቡ ወደ ስራ የሚገባበትን ሁኔታ አመቻችቷል። የእነዚህ አገልግሎቶች አስፈላጊነት በተለይ ከኮቪድ-19 መከሰት በኋላ በጣም አስፈላጊ ሆኖ በመገኘቱ ሞባይል ስልክና ኢንተርኔትን የመሳሰሉ ዲጅታል ፕላትፎርሞችን መጠቀም የሚያስችል ስራ በመፋጠን ላይ ይገኛል።

ሞባይል ዋሌትና ኤጀንሲ ባንኪንግ

የባንኩ ኦምኒቻነል ባንኪንግ አካል የሆኑት ሞባይል ዋሌትና የውክልና ባንክ አገልግሎቶች በሚቀጥለው የበጀት አመት ለማስጀመር ቅድመ ዝግጆቶች በመጠናቀቅ ላይ ይገኛሉ።

የወለድ አልባ የባንክ አገልግሎት

በወለድ አልባ የባንክ አገልግሎት ለመጠቀም የሚፈልጉ ደንበኞቻችንን ፍላጎት ለማሟላት ይቻል ዘንድ፣ አገልግሎቱን ለመጀመር የሚያስፈልጉ ቅድመ ዝግጅቶች ተጠናቀው የኢትዮጵያ ብሔራዊ ባንክ ፈቃድን በመጠባበቅ ላይ እንገኛለን።

የባንክ ኦፕሬሽን

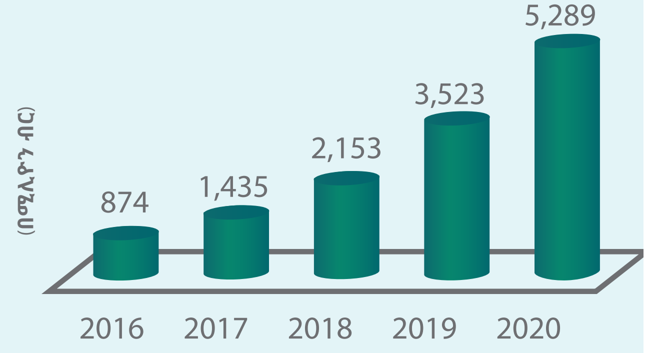
ባንኩ ደንበኛ ተኮር የአገልግሎት አቅጣጫ በመጠቀሙ በደንበኞቹ ዘንድ አመኔታን እና ተቀባይነትን በማትረፍ በተቀማጭ ገንዘብ አሰባበሰብ፣ በውጭ ምንዛሪ እና በብድር ላቅ ያለ እድገት አስመዝግቧል።

ተቀማጭ ገንዘብ

የባንኩ ተቀማጭ ገንዘብ ከአምናው ተመሳሳይ ወቅት ጋር ሲነጻጸር የ50 በመቶ ጭማሪ በማስመዝገብ አበረታች ውጤት በማምጣት በአጠቃላይ የብር 5.29 ቢሊዮን ተቀማጭ ገንዘብ ተሰብስቧል። ይህ ከፍ ያለ ተቀማጭ ገንዘብ በዋነኛነት ከቁጠባ እና ከተንቀሳቃሽ ሂሳቦች የተሰበሰበ ሲሆን 54 በመቶ የሚሆነው ከቁጠባ ሂሳብ ሲገኝ 25 በመቶ ደግሞ ከተንቀሳቃሽ ሂሳብ ተገኝቷል። ቀሪው 21 በመቶ ደግሞ በጊዜ ገደብ የቁጠባ ሂሳብ የተቀመጠ ነው።

በተመሳሳይ ሁኔታ የገንዘብ አስቀማጭ ደንበኞች ብዛት ባለፈው ዓመት ከነበረው መጠን በ52 በመቶ ከፍ ብሎ ከ203,000 በላይ መድረስ ችሏል።

ተቀማጭ ገንዘብ እ.ኤ.አ 2016-2020



የዓለም አቀፍ የባንክ አገልግሎት

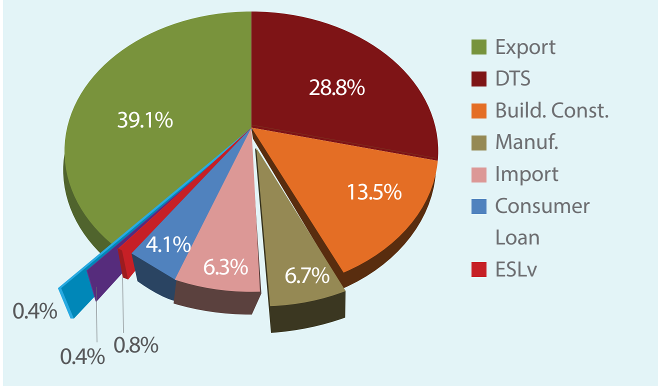
የኮቪድ-19 ወረርሽኝን መከሰት ተከትሎ ምንም እንኳን የኢኮኖሚ እንቅስቃሴው መቀዛቀዝ የታየበት ቢሆንም በዓለም አቀፍ የባንክ አገልግሎት ደቡብ ግሎባል ባንክ ከፍተኛ ውጤት በማስመዝገብ 126.6 ሚሊዮን የአሜሪካ ዶላር ገቢ ማግኘት ችሏል። ይህም ውጤት ካለፈው ዓመት ጋር ሲነጻጸር የ8 በመቶ ብልጫ አሳይቷል። ከዚህ ገቢ 86.5 በመቶ የሚያህለው የተገኘው ከወጪ ንግድ ደንበኞች ሲሆን ይህንን ውጤት ከፍ ለማድረግ ላኪዎችንና በውጭ አገራት የሚኖሩ ትውልደ ኢትዮጵያውያንን እና የተለያዩ ተቋማትን የሚያበረታቱ ኤክስፖርተርስ ሞርጌጅ ብድርና ዲያስፖራ ሞርጌጅ ብድርን የመሳሰሉ የባንክ አገልግሎቶችን በስራ ላይ ለማዋል ተችሏል። ከዚህም በተጨማሪ በውጭ አገር ገንዘቦች የመገበያየት ልምድ ባለባቸው የድንበር ከተሞች (ሁመራና ቶጎጫሌ) ቅርንጫፎችን በመክፈት የውጭ ምንዛሬ ማግኛ መንገዶችን በማስፋት ላይ እንገኛለን።

ከዚህ ስኬት ጋር ተያይዞ ሊጠቀስ የሚገባው የባንካችን አለም አቀፍ የባንክ ግንኙነት እየሰፋ የመጣ ሲሆን እስከ አሁን ከ8 ወኪል ባንኮች፣ ከ8 የገንዘብ አስተላላፊዎች እና 60 አር.ኤም.ኤ (RMA) አማካይነት የሰመረ የገንዘብ ዝውውር ማድረግ ተችሏል።

የብድር ስርጭት

ባሳለፍነው በጀት ዓመት ባንካችን በተለያዩ የኢኮኖሚ ዘርፎች ለተሰማሩ ድርጅቶችና ግለሰቦች ባለፈው አመት ካበደረው የብድር መጠን 83 በመቶ እድገት በማስመዝገብ በጠቅላላው ብር 4.5 ቢሊዮን ብድር ሰጥቷል። ባንኩ ጥንቃቄ ተሞላው የብድር አገልግሎት ለደንበኞቹ የሚያቀርብ ሲሆን የባንኩ የተበላሹ ብድሮች መጠን 0.44 በመቶ ላይ ሚገኝ ሲሆን ይህም በብሔራዊ ባንክ ከተቀመጠው የተበላሸ ብድር ተመን ጣሪያ እጅግ ዝቅ ብሎ እንዲገኝ አድርጎታል።

የብድር ስርጭት



ሪስክ አስተዳደር

ደቡብ ግሎባል ባንክ በሪስክ አስተዳደር መርሃ ግብር መሰረት የሪስክ አስተዳደር ስርዓት ዘርግቶ ሪስክን የመለየት፣ የመከታተልና የመቆጣጠር ስራ ለረዥም ጊዜ ሲሰራ ቆይቷል፡፡ ባንኩ ሁሉን አቀፍ የሪስክ አስተዳደር ስርአት ቀርጾ በኢትዮጵያ ብሔራዊ ባንክ አጸድቆና የብሔራዊ ባንክ መመሪያዎችን በትክክል ስራ ላይ በማዋል የስጋት ነክ ጉዳዮችን ማለትም የብድር አሰጣጥ፣ የገንዘብ አያያዝ፣ የውጭ ምንዛሪ እና አጠቃላይ ስራዎችን በማካተት እየሰራ ይገኛል፡፡ ከኢትዮጵያ የፋይናንስ ኢንተለጀንስ ማዕከል መስፈርት ጋር የሚጣጣም መቆጣጠሪያ በመጠቀም የገንዘብ ማጠብ /Money Laundry/ ስራን እና ለአሸባሪነት የሚውል የገንዘብ ድጋፍ /Financing of Terrorism / እንዳይፈጠር ለመቆጣጠር እንዲቻል ተደርጓል፡፡

ከላይ የተጠቀሱትን የስጋት አይነቶች ለመቆጣጠር እንዲቻል፣ የሪስክ አስተዳደር ስራ በመምሪያ ደረጃ ተዋቅሮ መምሪያውም የሚታዩ ክፍተቶችን በቀጥታ ለዲሬክተሮች ቦርድ ሪፖርት በማድረግ የዲሬክተሮች ቦርድ አባላት እና የስራ አስፈጻሚ ማኔጅመንት ባንኩን ለጉዳት የሚዳርጉ ክፍተቶችን መቆጣጠር እንዲችሉ በማድረግ ወሳኝ ሚና እየተጫወተ ሲገኝ ባንኩ በአስተማማኝ ስነ-ምህዳር ላይ እንዲሆን በማስቻል ረገድ ኃላፊነቱን እየተወጣ ይገኛል፡፡

የውስጥ ኦዲት

የባንኩ የውስጥ ኦዲት ራሱን ችሎ በመምሪያ ደረጃ በዲሬክተሮች ቦርድ ሥር የተዋቀረ ሲሆን በመርህ ላይ በመመስረት የባንኩን አሰራር ለማሻሻል ሰፊ ስራዎችን እየሰራ ይገኛል፡፡ መምሪያው በአጠቃላይ የባንኩን የሪስክ አስተዳደር፣ የውስጥ ቁጥጥር እና የአስተዳደር ስርዓት ውጤታማነት የሚያረጋግጥ ስርአት በመዘርጋት አስፈላጊውን ተግባር በማከናወን ላይ ነው፡፡

የሂሳብ ነክ ክንውን

ጠቅላላ ገቢ

እ.ኤ.አ በጁን 30 2020 የባንኩ አጠቃላይ ገቢ ብር 1,109 ሚሊዮን ሲሆን ይህም በባንኩ ታሪክ ከፍተኛው የገቢ መጠን ሆኖ ተመዝግቧል፡፡ ባለፈው አመት ከተመዘገበው ገቢ ጋር ሲነጻጸርም የ414 ሚሊዮን (60 በመቶ) ጭማሪ ታይቷል፡፡

ከተመዘገበው ጠቅላላ ገቢ 53 በመቶ የሚሆነው ወለድ ነክ ካልሆኑ የገቢ ምንጮች የተገኘ ሲሆን ከዚህም ውስጥ 31 በመቶ የሚሆነው ከአገልግሎት ክፍያና ኮሚሽን የተገኘ ሲሆን 22 በመቶ የሚሆነው ደግሞ በውጭ ምንዛሬ ምጣኔ መቀያየር ምክንያት የተገኘ ነው፡፡ ከወለድ የተሰበሰበው ገቢ ደግሞ 47 በመቶ የሚሆነውን ይሸፍናል፡፡

ጠቅላላ ወጪ

የባንኩ ጠቅላላ ወጪ በቁጥር ሲቀመጥ ብር 733 ሚሊዮን ሲሆን ይህ ወጪ የ78 በመቶ ጭማሪ አሳይቷል፡፡ የወጪ ስብጥሩን ስንመለከት የደመወዝና ጥቅማጥቅም ወጪ 30.7 በመቶ ሲሸፍኑ ዲፕሪሲየሽንና መጠባበቂያን ያካተተው ጠቅላላ ወጪ 35.6 በመቶ ወጪ ይይዛል፡፡ ቀሪው 33.7 በመቶ ደግሞ ለአስቀማጮች የወለድ ክፍያ የዋለ ነው፡፡

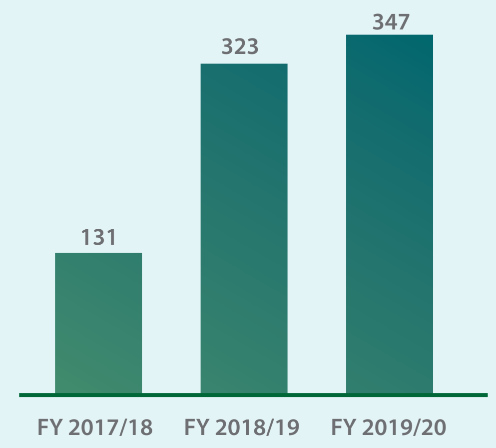
ትርፋማነት

የተጠናቀቀው የበጀት አመት በሁሉም መለኪያዎች ሊባል በሚችል መልኩ ውጤታማ የነበርንበት ነው፡፡ አገራችን ውስጥ ተከስተው የነበሩ የፓለቲካ አለመረጋጋቶች፣ የኮቪድ-19 ተጽእኖና የተቀማጭ ገንዘብ ችግር የኢንዱስትሪው ዋና ፈተኛ የነበሩ ቢሆንም፣ በበጀት አመቱ የብር 376 ሚሊዮን ትርፍ የተመዘገበ ሲሆን ባለፈው አመት ከተመዘገበው የብር 284 ሚሊዮን ትርፍ የ33 በመቶ የብር 92 ሚሊዮን ጭማሪ ማሳየት ተችሏል፡፡

በአክሲዮን የትርፍ ድርሻ

አማካይ የተከፈለ ካፒታልና የተጣራ ትርፍ መሰረት አድርጎ የሚሰላው ይህ መለኪያ በዘንድሮው የበጀት አመት 34.7 በመቶ በመመዝገብ ባለፈው አመት ከነበረው የ32.3 በመቶ የትርፍ ድርሻ የ2.4 በመቶ ብልጫ በማሳየት አመርቂ ውጤት ተመዝግቧል፡፡ ይህ ውጤትም ባንኩ ለባለአክሲዮኖች ተጨባጭ የሆነ ውጤት እያሰመጣላቸው እንደሆነ ማሳያ ነው፡፡

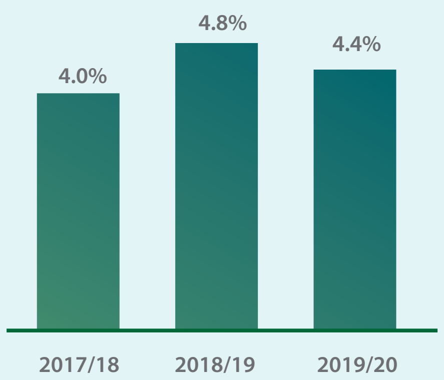
በአንድ አክሲዮን የትርፍ ድርሻ



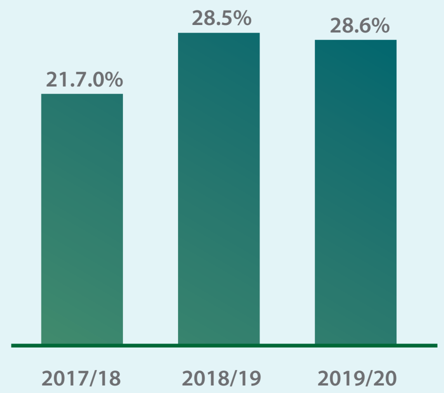
ከኢኩይቲና ከሀብት አንጻር የተገኘ ውጤት

እየተዳሰሰ ባለው የበጀት አመት፣ ሪተርን ኦን ኢኩቲ (የአጠቃላይ ካፒታልን አማካይና ከታክስ በኋላ የሚገኝ ትርፍን ታሳቢ አድርጎ የሚሰላ) 28.6 በመቶ ሲሆን ሪተርን ኦን አሴት (አጠቃላይ ሀብትንና ከታክስ በኋላ የሚገኝ ትርፍን መሰረት አድርጎ የሚሰላ) 4.4 በመቶ ሆኖ ተመዝግቧል፡፡

የሶስት አመት የሀብት ገቢ



የሶስት አመት የኢኩዩቲ ገቢ ንጽጽር



የፋይናንስ አቋም መግለጫዎች

በበጀት ዓመቱ የባንኩ ጠቅላላ ሐብት (Total Asset) ብር 7.81 ቢሊዮን የደረሰ ሲሆን ካለፈው ተመሳሳይ ወቅት ከተመዘገበው ጋር ሲነጻጸር የ42 በመቶ እድገት አሳይቷል፡፡ የተጣራ ብድርና አድቫንስ 57 በመቶ የሚሆነውን በመያዝ ቀዳሚው ሲሆን በሌላ ባንኮች የሚገኝ ተቀማጭና የብሔራዊ ባንክ ሰነዶች 16 በመቶና 14 በመቶ በመያዝ ተከታዮቹን ስፍራዎች ይዘዋል፡፡

ተመሳሳይ ወቅት የባንኩ የዕዳ መጠን ብር 6.4 በሊየን ሆኖ የተመዘገበ ሲሆን ባለፈው አመት ከተመዘገበው አንጻር የ42 በመቶ ብልጫ አሳይቷል፡፡ ከዚህም እዳ ውስጥ የደንበኞች ተቀማጭ 83 በመቶ የሚሆነውን ጠቅላላ እዳ ይዟል፡፡

በተጓዳኝ የባንኩ አጠቃላይ ካፒታል ብር 1.41 ቢሊዮን የደረሰ ሲሆን፣ ባለፈው አመት ከነበረው አኳያ ብር 416 ሚሊዮን በመጨመር የ42 በመቶ ጭማሪ አስመዝግቧል፡፡ ከአጠቃላይ ካፒታል ውስጥ የተከፈለ ካፒታል 70 በመቶ ያህሉን የያዘ ሲሆን በመጠን ሲገለጽም ብር አንድ ቢሊዮን ሆኖ ተመዝግቧል፡፡

ማህበራዊ ኃላፊነትን መወጣት

ማህበራዊ ኃላፊነትን መወጣት ከማህበረሰቡ ጋር የሚያገናኝ ወሳኝ ኹነት ሲሆን ባንኩ በዚህ ረገድ በተጠናቀቀው በጀት ዓመት በትምህርት፣ በጤና፣ በአካባቢ ጥበቃ፣ በበጎ አድራጎትና መሰል ኃላፊነቶች አበረታች ስራ ሰርቷል፡፡

የተጠናቀቀው በጀት አመት ዋና ክስተት የሆነውን የኮቪድ-19 ወረርሺኝ ከተለያዩ አካላት ጋር ሆኖ ለመከላከል በፌዴራልና በክልል ደረጃ የብር 4 ሚሊዮን ድጋፍ ያደረገ ሲሆን የደንበኞቹንና የሰራተኞቹን ደህንነት ለመጠበቅም በቂ በጀት በመመደብ አስፈላጊ የሆኑ የመከላከያ ግብአቶችን በማቅረብ ግዳጁን ተወጥቷል፡፡

ከአካባቢ ጥበቃ ጋር በተያያዘም በአዲስ አበባ ከተማ ከኢትዮጵያ ቅርስ ባላደራ ጋር በመተባበርና ሰራተኞቹን በማስተባበር በችግኝ ተከላ መርሃግብር ተሳትፏል፡፡ ከዚህ በተጨማሪም የባንኩ ሰራተኞች ከኢትዮጵያ ቀይ መስቀል ጋር በመተባበር በተለያየ ሁኔታ ውስጥ ሆነው ደም ለሚያስፈልጋቸው ወገኖች የደም ልገሳ አገልግሎት ሰጥተዋል፡፡

የባንኩ የ2020/21 አቅጣጫዎች

ተለዋዋጩ አለምአቀፋዊና አገራዊ ማክሮ ኢኮኖሚ ምን ቅርጽ እንደሚኖረው አስቀድሞ ለመናገር አዳጋች በሆነበት ሁኔታ የማህበረሰብ ጤና ቀውስ የፈጠረው ኮቪድ-19 ኢኮኖሚያዊ እንቅስቃሴውን እየተፈታተነው እንደሚቀጥል ይጠበቃል፡፡እንደሚጨምር የሚገመተው ፉክክርና ኢንዱስትሪውን የሚቀላቀሉት አዳዲስ ባንኮች ለባንካችን ተግዳሮቶች እንደሚሆኑም ይታመናል፡፡ ባንካችንም እነዚህንና መሰል ተጽእኖዎችን ከሚፈጠሩ ተስፋ ፈንጣቂ ክስተቶች ጋር በማናበብ ውስጣዊ አቅሞቹን በተገቢው ቦታ ላይ ያውላል፡፡ ከዚህም አኳያ ያልተነኩ የስራ አማራጮችን በጥናት በመዳሰስ የቅድሚያ ጥቅም ለማግኘት ጠንክሮ ይሰራል፡፡

ደቡብ ግሎባል በደንበኞች ዘንድ ተመራጭ እንዲሆን የሚያደርጉ አሰራሮችን በመተግበር ደንበኞች በቀጥታ እንዲሁም በመረጃ መረብ ቴክኖሎጂ የባንኩን አገልግሎት የሚጠቀሙበትን፣ ለደንበኞች ልዩ ልዩ የባንክ ፍላጎቶች የሚስማሙ አገልግሎቶችን በስራ ላይ በማዋል ለደንበኞች ምቹ ሁኔታን ይፈጥራል፡፡

የባንኩን አስተማማኝ የሆነ እድገት ለማረጋገጥ፣ በቴክኖሎጂ የታገዙ ፋይናንሺያል መፍትሔዎችና ለደንበኞች አማራጭ የሚሰጡ አገልግሎቶችን ማስተዋወቅ ባንኩ ጠንክሮ ከሚሰራባቸው የትግበራ እንቅስቃሴዎች ውስጥ ይጠቀሳሉ፡፡ በተጨማሪም የባንኩን የካፒታል መሰረት ማስፋትና ማጠንከር፣ የዋና መስሪያ ቤት የሚገነባበትን ቦታ የመረከቡን ሂደት እውን ማድረግ፣ በሒደት ላይ ያለውን የሕንጻ ግዢ ማጠናቀቅ፣ የአገልግሎት ማዕከላትን ማስፋፋት፣ ተጨማሪ ፕሪሚየም ቅርንጫፎችን መክፈት፣ ጠንካራ የሆነ የስራ ባህል መፍጠር፣ የሰራተኞቹን የእውቀትና የክህሎት አቅም ማዳበር፣ እና ቀድም ሲል የተዘጋጀው ስትራቴጂክ ዕቅድ ጊዜ መጠናቀቁ የረጅም ጊዜ ስኬቶችን የሚተልም ስትራቴጅክ እቅድ በማዘጋጀት ባለአክሲዮችንና የሌሎች ባለድርሻ አካላትን እሴት እንዲጨምር ማድረግ የባንኩ የ2020/21 የትኩረት አቅጣጫዎች ሆነው ይቀጥላሉ፡፡

የዲሬክተሮች ቦርድ

ታህሳስ 2013

ደቡብ ግሎባል ባንክ
የገንዘብ ፍሰት መግለጫ
እ.ኤ.አ በሰኔ 30 ቀን 2020 ለተጠናቀቀው ዓመት

	ማስታወሻ	እ.ኤ.አ. በሰኔ 30 2020 ብር "000	እ.ኤ.አ. በሰኔ 30 2019 ብር "000
ከሥራ እንቅስቃሴዎች የታየ የጥሬ ገንዘብ ፍሰት			
ከሥራ እንቅስቃሴዎች የተገኘ ጥሬ ገንዘብ	32	(1,790,834)	(258,573)
የዳይሬክተሮች አበል	29	(1,650)	(1,320)
የተተመነ ክፍያ	24	(141)	(195)
የተከፈለ የገቢ ግብር	13	(76,379)	(21,603)
ከሥራ እንቅስቃሴዎች የተገኘ የተጣራ (ወጪ/ገቢ) የጥሬ ገንዘብ ፍሰት		(1,869,004)	(281,691)
ከመዋዕለ ንዋይ ፍሰት እንቅስቃሴዎች የተገኘ የጥሬ ገንዘብ ፍሰት			
ኢንቨስትመንት ሴኩሪቲስ ግዢ (Purchase of Investment Securities)	16	8,520	(420,425)
የማይዳሰሱ ሐብቶች ግዢ	18	(804)	(260)
የንብረት፣ የማምረቻ እና የመሳሪያዎች ግዢ	19	(81,326)	(41,197)
ከንብረት፣ ከማምረቻ እና ከመሳሪያዎች ሽያጭ ገቢ	32	-	-
ከትርፍ ክፍያ ተሰብሳቢ /Dividend Received/		-	-
የአክሲዮን ግዢዎች /Purchase of Equity Shares/	27	(66)	(280)
ከመዋዕለ ንዋይ ፍሰት እንቅስቃሴዎች የተገኘ የተጣራ የጥሬ ገንዘብ ፍሰት		(73,676)	(462,162)
ከገንዘብ ነክ እንቅስቃሴዎች የተገኘ የገንዘብ ፍሰት			
የደንበኞች ተቀማጭ ጭማሪ (ቅናሽ)	21	1,765,853	1,370,118
የሌሎች እዳዎች ጭማሪ (ቅናሽ)	22	11	(24,984)
የተሸጡ መደበኛ አክሲዮኖች	25	264,140	142,104
የሊዝ ዕዳ ክፍያ	20	(13,041)	-
ለትርፍ ክፍያ የሚከፈል	28	(149,587)	(48,002)
ከገንዘብ ነክ እንቅስቃሴዎች የተገኘ የተጣራ የገንዘብ ፍሰት		1,867,376	1,439,236
በጥሬ ገንዘብ እና የጥሬ ገንዘብ አኩያዎች የታየ ልዩነት		**(75,304)**	**695,383**
በዓመቱ መጀመሪያ ላይ የነበረ ጥሬ ገንዘብ እና የጥሬ ገንዘብ አኩያ	14	1,413,744	718,361
የውጭ ምንዛሪ ትርፍ/ኪሳራ በጥሬ ገንዘብ እና በጥሬ ገንዘብ አኩያዎች		-	-
በዓመቱ ማብቂያ ላይ የታየ የጥሬ ገንዘብ ሚዛን	**14**	**1,338,440**	**1,413,744**

ደቡብ ግሎባል ባንክ
የትርፍ ወይም ኪሳራ እና ሌሎች ገቢዎች መግለጫ
እ.ኤ.አ በሰኔ 30 ቀን 2020 ለተጠናቀቀው አመት

	ማስታወሻ	እ.ኤ.አ. በሰኔ 30 2020 ብር "000	እ.ኤ.አ. በሰኔ 30 2019 ብር "000
የወለድ ገቢ	5	521,742	321,668
የወለድ ወጪ	6	(247,401)	(144,099)
የተጣራ የወለድ ገቢ		274,341	177,569
የክፍያ እና የኮሚሽን ገቢ	7	340,003	275,840
የክፍያና የኮሚሽን ወጪ	7	-	-
የተጣራ የክፍያ እና የኮሚሽን ገቢ		340,003	275,840
ከሌሎች የአገልግሎት ክፍያ የተገኙ ገቢዎች	8	241,572	97,762
ጠቅላላ የእንቅስቃሴ (አገልግሎት) ገቢ		855,916	551,171
ለደንበኞች የተሰጡ አጠራጣሪ ብድሮች መጠባበቂያ ክፍያ	9	6,213	(16,350)
በሌሎች እንቅስቃሴዎች የመጡ አጠራጣሪ ኪሳራዎች	10	(1,428)	(1,844)
የተጣራ የእንቅስቃሴ (የአገልግሎት) ገቢ		860,701	532,977
የሰራተኞች ደመወዝ እና ጥቅማ ጥቅም ክፍያዎች	11	(225,158)	(125,686)
የማይዳሰሱ ሀብቶች የእርጅና ቅንስናሽ	18	(3,533)	(3,418)
የንብረት፣የህንፃ እና የመሳሪያዎች የእርጅና ቅንስናሽ	19	(15,894)	(7,497)
የተጠቃሚነት መብት ቅንስናሽ (Depreciation of Right of Use Assets)	20	(49,427)	-
ሌሎች የእንቅስቃሴ (የአገልግሎት) ወጪዎች	12	(190,446)	(112,429)
ትርፍ ከግብር በፊት		376,243	283,947
የገቢ ግብር ወጪ	13	(83,838)	(73,232)
ትርፍ ከግብር በኃላ		**292,405**	**210,715**
ሌሎች የተጣመሩ ገቢዎች (Other Comprehensive Income) ከገቢ ግብር በኋላ			
በትርፍና ኪሳራ መዝገብ የማይካተቱ ገቢዎች ወይም ወጪዎች (Items that will not be subsequently reclassified into profit or loss:	24	(1,493)	(1,410)
በጡረታ ጊዜ ለሰራተኞች ሊከፈል የሚችል ጥቅማጥቅም (Remeasurement gain/(loss) on retirement benefits obligations)	13	448	423
ወደፊት ሊከፈል የሚችል የትርፍ ግብር (Deferred tax (liability)/asset on remeasurement gain or loss)		(1,045)	(987)
Fair value throught OCI on Financial assets (2018-AFS)- Unrealized gain/(Loss) arising from measurement at fair value	28	11,791	16,068
		10,746	15,081
የአመቱ አጠቃላይ የተጣራ ገቢ (Total comprehensive income for the period)		**303,151**	**225,796**
(Basic & diluted earnings per share (Birr)) የአንድ አክሲዮን የትርፍ ድርሻ (EPS) (ብር)	26	**347**	**323**

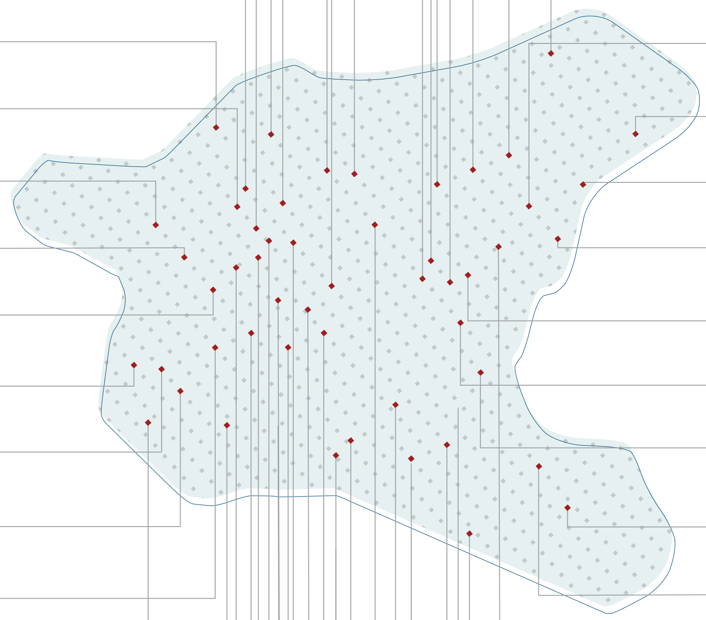
ደቡብ ግሎባል ባንክ
የሀብትና ዕዳ መግለጫ
እ.ኤ.አ በሰኔ 30 ቀን 2020 ለተጠናቀቀው ዓመት

	ማስታወሻ	እ.ኤ.አ. በሰኔ 30 2020 ብር "000	እ.ኤ.አ. በሰኔ 30 2019 ብር "000
ሐብቶች			
በባንክና በእጅ የሚገኝ ጥሬ ገንዘብ	14	1,598,610	1,582,784
የደንበኞች ብድር እና ቅድመ ክፍያ	15	4,476,763	2,401,169
የአክስዮን ኢንቨስትመንት፡			-
ለሽያጭ የተዘጋጀ አክሲዮን	4.2, 16	47,687	35,896
የብሔራዊ ባንክ ቢል ኢንቨስትመንት	16	1,068,248	1,088,559
ሌሎች ሀብቶች	17	225,860	293,867
የተጠቃሚነት መብት (Right of Use Assets)	20	242,675	-
የማይዳሰሱ ሐብቶች	18	5,889	8,618
ቋሚ ንብረት እና መሳሪያ	19	140,069	74,768
ወደፊት የሚታሰብ የትርፍ ግብር (Deferred tax Asset)	13	6,777	1,848
ጠቅላላ ሐብት		**7,812,578**	**5,487,509**
እዳዎች			
የደንበኞች ተቀማጭ ሂሳብ	21	5,289,293	3,523,440
ብድር	22	27	16
የዚህ አመት ተከፋይ የገቢ ግብር	13	88,319	76,379
ሊዝ	20	76,094	-
ሌሎች እዳዎች	23	939,077	887,239
ለሰራተኞች የአገልግሎት ጥቅም መጠባበቂያ (Retirement benefit obligations)	24	9,529	6,184
የተቀመጠ የግብር ኃላፊነት (Deferred tax Liabilities)	13	-	-
ጠቅላላ ኃላፊነት		**6,402,339**	**4,493,258**
የተጣራ ሐብት			
የተከፈለ አክሲዮን ካፒታል	25	986,000	721,860
ሌሎች ድርሻዎች /Treasury shares/	27	(6,414)	(6,348)
ሌሎች መጠባበቂያዎች	28	26,014	15,268
ያልተከፋፈለ ትርፍ	29	206,606	149,587
ህጋዊ መጠባበቂያ	30	186,985	113,884
የሪስክ መጠባበቂያ	31	11,048	-
ጠቅላላ የተጣራ ሐብት		**1,410,239**	**994,251**
ጠቅላላ የተጣራ ሐብት እና ኃላፊነት		**7,812,578**	**5,487,509**

DEBUB GLOBAL BANK

Addis Ababa Branches

Atikilt Tera Branch 0111-26-69-00
Stadium Branch 011-5-58-12-98/73/31
Teklehaymanot Branch 011-273-39-53/37-54
Military Tera Branch 0112-73-35-30/31
Shiromeda Branch 0111-54-00-66/95
Dubai-TeraBranch 011-2-73-21-39/65
Sidamo-Tera Branch 0112-73-42-32/23
Addisu Gebeya Branch 0111-26-54-44/43
Autobus Tera Branch 0112-73-55-28
Kolfe Branch 0112-73-99-91/97-62
Gulele Branch 0112-73-73-71/79-89
Lideta Branch 0115-57-40-44/54-80
Alem Bank Branch 0113 -69-39-58
Bethel Branch 011-3-69-67-55/56
Jemo Branch 011-4-71-39-34/3588
Mekanisa Branch 0113 69 19 38/39
Lebu Branch 0114-62-53-39/31
Gofa Branch 011-4-70-48-70/71
Beklobet Branch 0114-67-40-68
Mesalemya Branch 011-2-78-87-11
Meskel Flower Branch 0114-70-23-66/18-72
Firash Tera 0112-31-00-08/47
Kera-Sarbet 0116-69-19-67/68
CMC Michael 0116-67-15-26/28
Bisrate Gebriel 0113-69-26-46/0545
Gotera 0115-50-56-78 / 0115-51-57-77
Kebena 0111-54-47-20/21



Atlas Branch 0116-67-25-87
Shalla Branch 0116-89-42-74/76
Kazanchis Branch 0115-57-95-46/47
Bole Medhaniyalem Branch 0116-68-64-52
Hayahulet Branch 011-668-40-33/42 78
Megenagna Branch 0116-68-68-73/63 12
Wessen Branch 0116-68-09-61
Gerji Branch 011-639-46-31/96
Ayat Branch 0116-39-10-03/18-23
Summit Branch 011-667-89-86
Yerer Branch 011-6-67-57-82/58-24
Adey Abeba Stadium Branch 0116-35-83-96
Bole Michael Branch 0116-39-27-76/34-67
Bole Bulbula Branch 0114-71-44-83/42-99
Kality Branch 011-4-71-60-09
Kality Gebriel Branch 0114-71-77-53/18
Hana Maryam Branch 0114-71-10-40/15-71
Saris Branch 0114-43-14 -05
Lafto Branch 0114-71-18-77/78
Senga Tera Branch 0115-57-46-82/57-04
Nifas Silk Branch 0114-70-91-08/09
Haya Arat 0116-59-37-46/47
Lamberet 0116-73-40-82/83
Ayer Tena 0113-69-37-41/42
Arat Kilo 0115-33-61-80/81
Jakros 0116-73-37-13/80
Akaki 0114-71-53-57/50-28

DEBUB GLOBAL BANK
Regional Branches

Dembela Branch
022-1-12-07-33/022-2-11-65-25

Hawassa Branch
046-2-20-05-97/46 73

Adama Branch
022-1-11-84-71 / 022-1-11-84-72

Bishoftu Branch
0114 30 12 81/82

Gondar Branch
058-211-09-72/15/55 / 046-225-20-29

Humera Branch
0342 48 63 10/11

BahirDar Branch
0583 20 66 15/64 19

Alem Gena Branch
0113 67 94 19/92 91

Wolayta Branch
046-551-41-53 /046-5-51-41-65

Jimma Branch
0472-11-10-93/94

Wolkite Branch
011-3-30-02-25/24 / 011-3-30-02-28

Furi Branch
0113 67 96 34/94 79

Doyogena Branch
046-244-0339 /046-2-44-03-31

Hossaena Branch
0465-55-08-00

Butajira Branch
0461 45 35 93/77 83

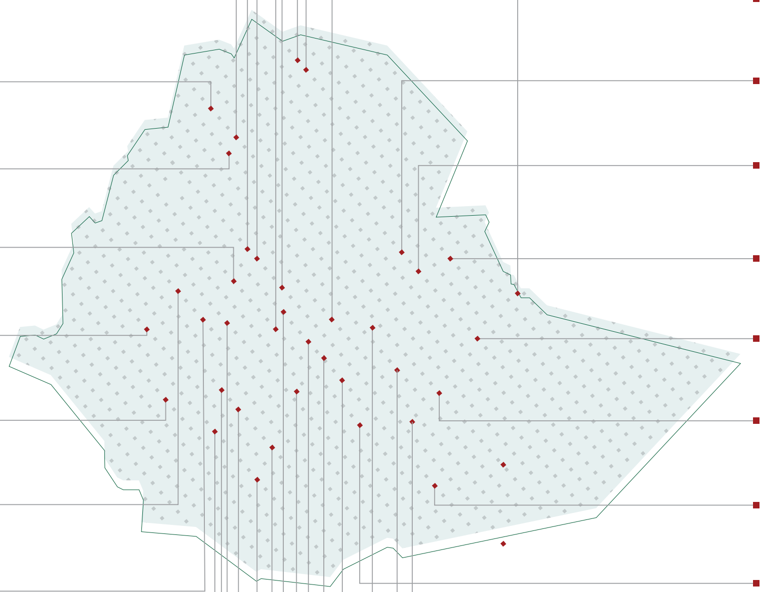
Menaherya (Hossana) Branch
0461 45 35 93/77 83

Arba Minch Branch
0116-67-25-87

Burayu
0112 62 51 97/ 55 42

Debrebirhan
0116 37 51 95/65 37

Woliso
0113 66 46 32/45 96



Mekele Branch
034 -241-53-87/ 034-241-52-93

Adi Haki Branch
034 240 43 23/42 56

Shashemene Branch
046-211-00-75/77 / 046-211-00-72

Togo Wuchale Branch
0258-82-04-26

Dire Dewa Branch
025 4 11 55 36

Harar Branch
0254-66-40-59/64-29

Jigjiga Branch
0252-78-36-63/67-31

Chuko Branch
046-227-01-69/03 24 /046-227-04-09

AletaWondo Branch
046-224-12-88 /11 79

Yirgachefe Branch
046-332-05-79 /046-3-32-05-70

Dilla Branch
046-3-31-00-19/12 / 046-3-31-01-54

Yirgalem Branch
046-225-20-39 /046-225-20-29

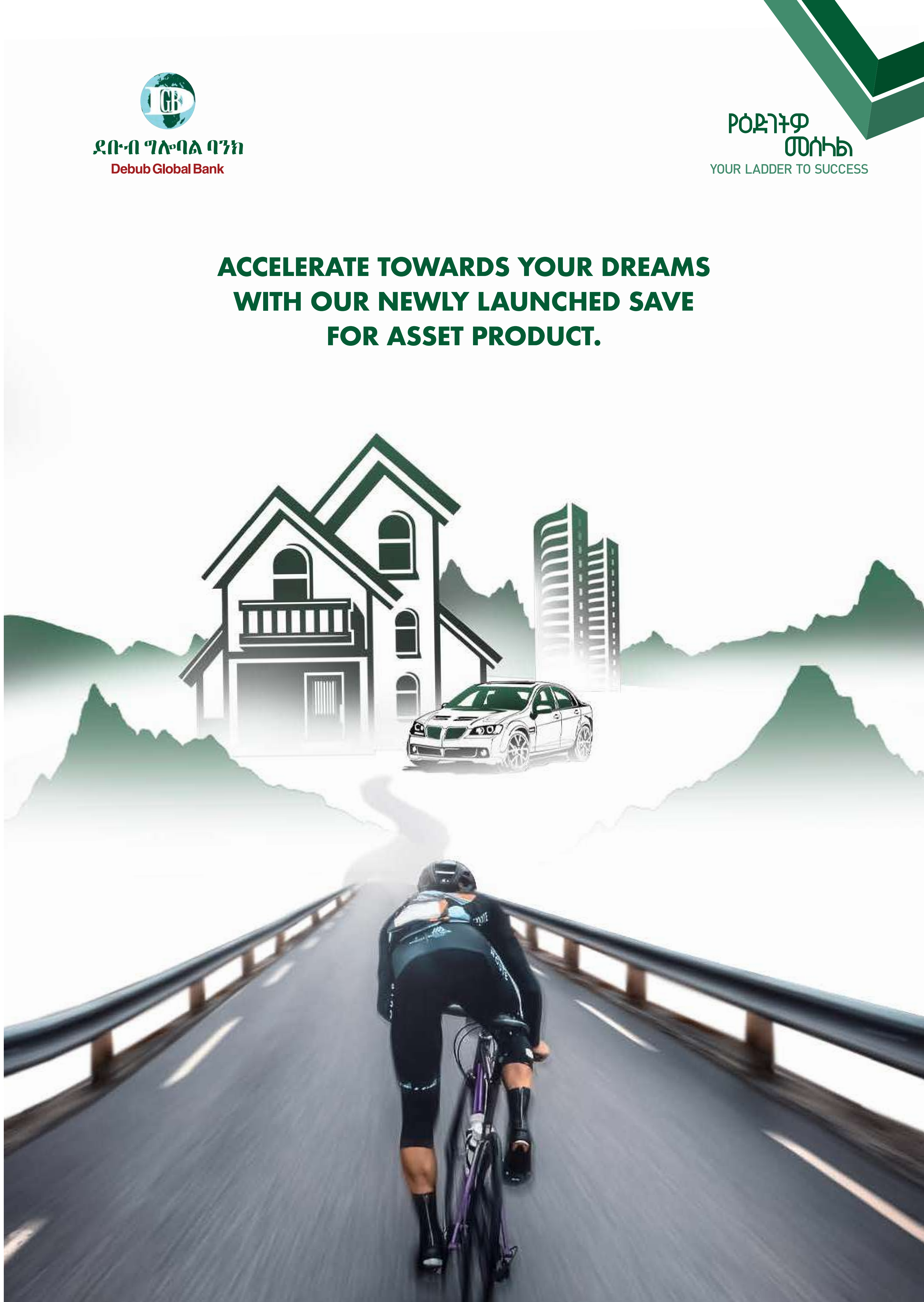
Hawassa Tabor Branch
046-212-25-21/57 55

Worabe Branch
046-7-71-01-17/18 / 046-7-71-01-05

Durame Branch
046-554-02-35/0334

Hawassa Addisu Gebeya
0462 12 95 26/23 78

Mizan
0471 35 79 23/50 72



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