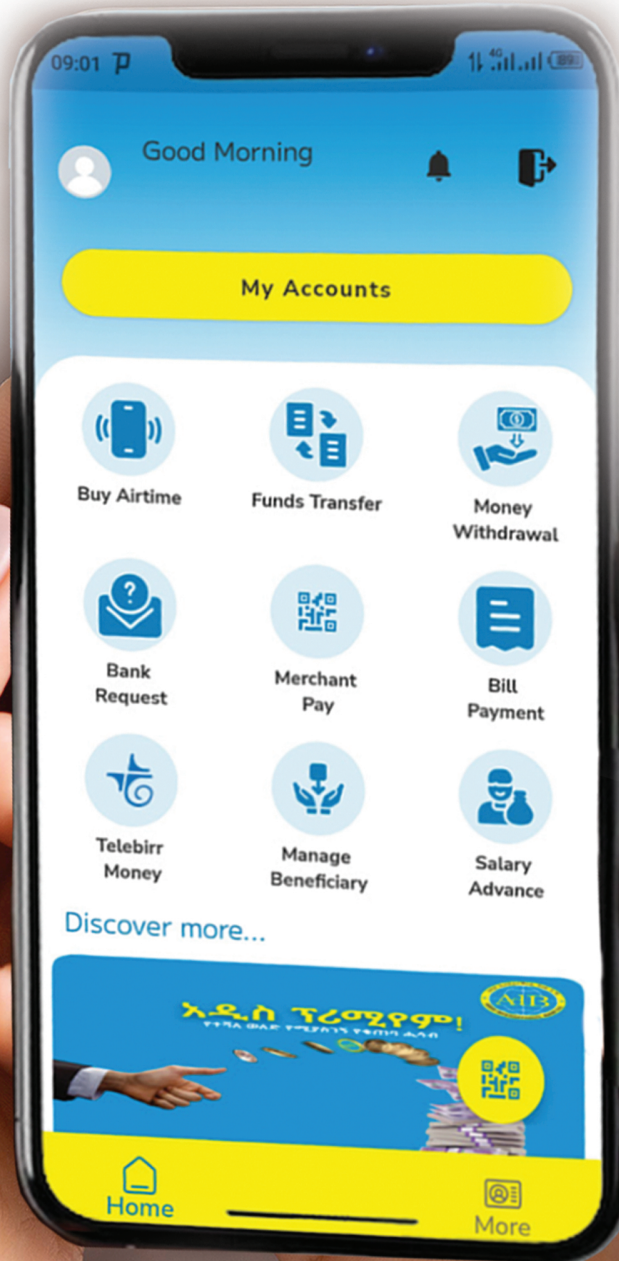




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ADDIS INTERNATIONAL BANK S.C.**

**ANNUAL REPORT
2022/23**

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ADDIS INTERNATIONAL BANK S.C.

ቀዳሚ ምርጫ!!
Your Ultimate Choice!!



VISION

To be the leading inclusive bank
in Africa.



MISSION

To provide efficient and
effective full-fledged banking services
to all income group of the society by
deploying qualified and motivated staff
and state of the art banking
technology and thereby
optimizing shareholders'
value.



VALUES

- Innovation
- Service Excellence
- Integrity
- Confidentiality
- Teamwork
- Diligence
- Socially
Responsible

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BOARD OF DIRECTORS



ATO KASSAHUN BEKELE
Board Chairman



ATO FANTAHUN BELEW
Board Vice Chairman



ATO ADUGNA JIBRIEL
Director



ATO AKLILU DELELE
Director



W/RO ALMAZ TSEGAYE
Director



ATO DAGNEW GESSESSE
Director



DR. DERESSE MERSHA
Director



ATO GETACHEW MANDEFRO
Director



ATO GIRMA TEKLU
Director



ATO MASRESHA MEKONNEN
Director



ATO TESHOME KEBEDE
Director



ATO YIMENU MEKONNEN
Director

EXECUTIVE MANAGEMENT



ATO HAILU ALEMU
President



ATO WONDWESSEN ASSEFA
Vice President Operations



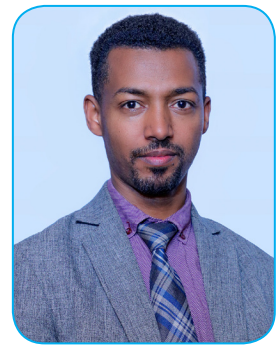
ATO BOGALE KIBRET
Executive Assistant & Board Secretary



ATO ASSEFA AMERE
A/Chief Information Officer



ATO GASHAHUN DIRIBA
A/Director Corporat Planing & Business Development Dep't



ATO GEZU AYELE
Director, Legal Service Dep't



W/RO KOKEB ASHAME
Director, International Banking Dep't



ATO SELESHI MEKONNEN
Director, Accounts & Finance Dep't



ATO SIME G/SELASSIE-
Director, HR & Facility Management Dep't



ATO SINTAYEHU GURMU
Director, Credit Dep't



ATO TEWODROS BEZUNEH
Director, Internal Audit Dep't



ATO TSEGA T/YESUS
Director Risk & Compliance Management Dep't



W/RO WONGELAWIT B/SELASSIE
A/Director, Branch Operation & E-Banking Dep't

Message from the Board Chairman

On behalf of the Board of Directors and myself, I am pleased to present the 12th Annual Report of the Board of Directors of Addis International Bank S.C. (AdIB) for the financial year ended June 30, 2023.

According to the IMF report, the prolonged conflict between Russia and Ukraine and geopolitical tension among major economies had a significant impact on global trade, which was still recovering from the pandemic. The impact of the war is being felt globally, leading to pressure on prices hindering the post-pandemic recovery, and causing food insecurity and extreme poverty in many emerging markets and developing economies.

Ethiopia's economic growth has been affected by a variety of social, economic, and political factors, as well as global economic challenges, including the impact of COVID-19, external debt, high inflation, and foreign currency shortages, as well as the war in the northern part of the country.

Due to global and domestic challenges, the banking sector has faced liquidity problems, which have led to private banks turning to short-term loans from the National bank. In addition, the slow growth of the global economy has had a significant impact on banks' foreign currency mobilization through exports and remittances. The introduction of fintech, regulatory requirements to transfer 70% of foreign currency mobilization, and purchase of treasury bonds of 20 percent on disbursement have all impacted the Banks' profits. Moreover, there is fierce competition between existing banks and new entrants.



Kassahun Bekele
Board Chairman

Despite facing various challenges, the Bank's volume of operation improved during the period under review. The Bank's total assets reached Birr 12.6 billion as of June 30, 2023, an increase of Birr 1.8 billion (17 percent) compared to last year's same period. Similarly, the Bank's total capital reached Birr 2.6 billion, an increase of Birr 408.9 million (19 percent) from last year's same period.

Both loans and advances and deposits increased to Birr 7.6 billion and Birr 9.2 billion, indicating an increase of 24 percent and 17 percent from last year's same period respectively. In addition,

the Bank also mobilized 146.7 million USD in foreign currency through exports, transfers, and cash purchases. The Bank’s profit before tax reached Birr 306.8 million. The Bank’s branch network expanded to 132 as of June 30, 2023.

The Bank is taking necessary measures to contain the non-performing loans and manage its asset quality. The Bank’s human resources are one of the main factors in its success. The Bank is currently in the process of reforming its human resource operations and introducing new human resource initiatives. The Bank maintained a conducive working environment and employed participatory management to maximize motivation and commitment from its employees. The execution of the training and development plan is going well with several training programs and participants.

The process of acquisition of the necessary software and hardware for its new core banking technology took much longer than expected. However, the process has been completed successfully and all branches including the newly opened branches have started to use the new core banking technology in September 2022. Following the implementation of the new core banking technology, the bank introduced upgraded mobile banking and internet banking services.

The acquisition of the long-awaited plot of land for the Bank’s headquarters project is still pending due to bureaucratic procedures for delivering the land. The Bank is actively working to speed up acquiring the land. Additional property purchases were made for warehouses and branches in Addis Ababa. The condominium houses for branch offices were acquired in Bulbulla and Bole Arabsa. Land

lease arrangements around the Kera area are under process to expand the Bank’s building in Addis Ababa.

The Board is monitoring the implementation of initiatives that will raise its paid-up capital to Birr 5.0 billion by June 30, 2026. As of June 30, 2023, the paid-up capital reached Birr 1.8 billion. The Bank’s shareholders have shown a commitment to their Bank in continuously strengthening the capital base of their Bank and I am confident that their commitment will continue in the future.

In conclusion, the Board is grateful to the Bank’s valued customers for their contribution to the Bank’s profitability, to shareholders, and to members of the Board of Directors for their tireless efforts in providing strong leadership. I would also like to thank the National Bank of Ethiopia for its guidance on regulatory issues and external auditors for their professional advice. Above all, I want to applaud the management and staff of the Bank for their commitment and dedication. The Bank looks forward to your continued support as it works towards creating better value for its customers, shareholders, National Bank of Ethiopia, and other stakeholders.

Kassahun Bekele
Board Chairman

Message from the President



Hailu Alemu
President

The Ethiopian economy continued to face challenges in the 2022/23 financial year due to domestic instability, the Ukraine-Russia conflict, geopolitical tensions, and global trade challenges. The main setbacks include the country's continuing political unrest in the north, a serious liquidity problem, a growing macroeconomic imbalance, a scarcity of foreign currency, and high inflation.

There was intense competition for talented human resources, mobilization of resources, and customer acquisition due to aggressive branch expansion, investments by established banks in technology and human resources, and the entry of new banks.

The Bank is continuing to respond to those challenges, maintaining its growth trend, and improving its capacity to meet future challenges. Beginning in September 2022, the Bank implemented a new core banking technology, followed by the replacement of its mobile banking and Internet banking technology with modern solutions. The Bank is currently working on several initiatives, including rebranding and human resources initiatives that will be implemented soon.

The Bank's total assets stood at Birr 12.6 billion as of 30 June 2023, an increase of Birr 1.8 billion (17 percent) compared to last year's same period. Similarly, outstanding loans and advances were Birr 7.6 billion, an increase of 24 percent compared to last year's same period. The total deposit of the Bank, including the margin held for letters of credit, was Birr 9.2 billion. It grew by 17 percent compared to last year's same period. Paid-up capital and total capital also increased by 26 percent and 19 percent to reach Birr 1.8 billion and Birr 2.6 billion, respectively. During the financial year 2022/23, the Bank's profit before tax was Birr 306.8 million.

The Bank opened 20 additional branches during the financial year 2022/23, bringing the total number of branches to 132. Two of these branches are in Addis Ababa, and eighteen are in regional towns. During the financial year 2022/23, the Bank delivered a range of training programs to its employees to help them enhance their technical, managerial, and professional skills at all levels. During the review period, the staff strength reached 1,170 employees, including 1,092 permanent

employees and 78 contract employees. It increased by 116 employees, compared to the same period of last year.

Finally, I would like to take this opportunity to thank our valued customers for their continuing loyalty and for providing us with the opportunity.

I would thank the Board of Directors for their engagement, guidance, and support. Our shareholders, for their unwavering support, and above all, our employees for their passion and dedication to improve the bank's performance in the face of current challenges.

I want all our employees to be committed to their bank to overcome current and future obstacles and continue to strive for our goals and objectives.

My appreciation also goes to the National Bank of Ethiopia, for their support and guidance and all other stakeholders for their continued support and cooperation.



Hailu Alemu

President

DIRECTORS' REPORT

The Board of Directors of Addis International Bank S.C is pleased to present the annual report for the financial year ended June 30, 2023, to the shareholders. The report is divided into two parts: Highlights of the major performance of the Bank and the External Auditor Report.

1. OPERATIONAL PERFORMANCE

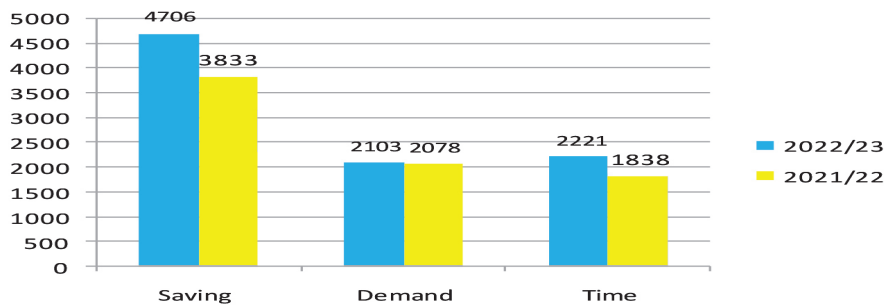
During the financial year 2022/23, a number of domestic and global challenges impacted the economy. The country's political instability, high inflation, foreign currency shortages, regulatory requirements to surrender 70 percent of mobilized foreign

currency, purchase of a treasury bond of 20 percent on loan disbursements, and purchase of DBE bond one percent of outstanding loans and advances, liquidity problems, entry of a number of banks leading to fierce competition, war in Ukraine and geopolitical tensions are all major factors affecting the banking industry. In spite of these difficult situations, the Bank has shown progress in certain areas of its operations.

1.1. DEPOSIT MOBILIZATION

The Bank's total deposits, including margin held on letters of credit, reached Birr 9.2 billion as of June 30, 2023, an increase of 17 percent from last year's same period.

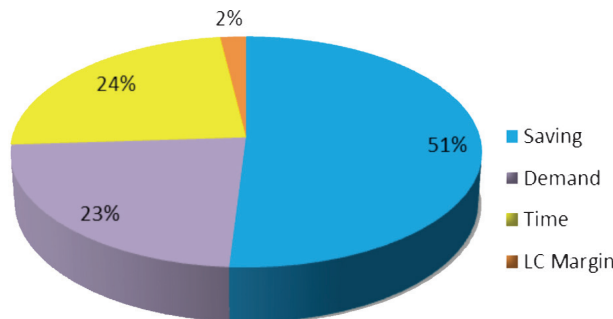
Chart 1: Growth in Deposits by type (in millions of Birr)



By category, the highest deposits growth was registered in savings deposits, with an increase of Birr 872 million (23 percent), followed by time deposits with a growth of Birr 383 million (21 percent). The number of deposit account holders reached 495,775 at the end of June 2023, depicting an increase of 129,476 (35 percent).

The savings deposit accounted for 51 percent of the total deposits, followed by time deposit, 24 percent, and demand deposit, 23 percent, while the remaining 2 percent was held in deposits as letter of credit margin.

Chart 2- Composition of Deposits



1.2. LOANS AND ADVANCES

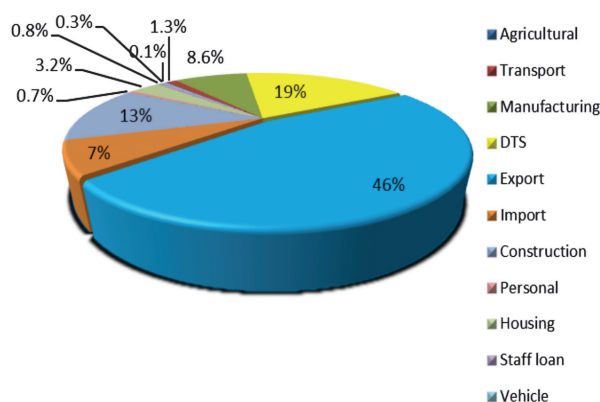
At the end of the financial year 2022/23, the Bank’s total outstanding loans and advances reached Birr 7.6 billion, an increase of Birr 1.5 billion (24 percent) compared to the previous year’s balance of Birr 6.1 billion.

Table 1: Growth in Loans and Advances by Economic Sector (in millions of Birr)

Economic Sector	June,2023	June,2022	Growth (%)
Agricultural	7.6	3.1	146
Transport	98.3	63.2	56
Manufacturing	650.5	516.2	26
DTS	1,435.1	1,161.3	24
Export	3,470.2	2,854.5	22
Import	553.2	379.3	46
Construction	977.2	906	8
Personal	52.8	29.4	80
Housing	241.7	155.8	55
Staff loan	62.9	39.6	59
Vehicle	29.1	20.2	44
Total	7,578.70	6,128.50	24

Chart 3 below shows that out of the bank’s total outstanding loans and advances, Birr 3.5 billion (46 percent) went to the export sector followed by domestic trade and services Birr 1.4 billion (19 percent), construction Birr 977 million (13 percent) manufacturing Birr 651 million (8.6 percent), and Import Birr 553 million (7 percent). Housing, transport, agriculture and personal loans accounted for the remaining balances.

Chart 3: Sectorial Classification of Loans and Advances



At the end of the financial year 2022/23, the Bank managed to maintain the ratio of non-performing loans to total principal outstanding loans and advances at 2.5 percent which was below the National Bank threshold of five percent.

1.3. INTERNATIONAL BANKING OPERATION

Global and domestic economic conditions, geopolitical conditions, and regulatory requirements have a significant impact on resource mobilization and allocation. However, the Bank’s income generated from foreign operations remained a significant source of income. The income from international banking operations reached Birr 428.2 million, a decrease of Birr 111.2

million (21 percent) compared to last year’s same period.

This was due to regulatory requirements of surrendering 70 percent of the mobilized foreign currency, i.e. 92.6 million USD, to the National Bank of Ethiopia, the continued impact of the COVID-19 pandemic, the global economic slowdown, and the widening of parallel market exchange rates.

On the other hand, the Bank has maintained its correspondent banking relationships with

eleven reputable foreign banks and eight money transfer agents: - Western Union, Money Gram, Dahabshiil, Trans-Fast, Ria, X-PRESS Money, World Remit, and Exchange4Free.

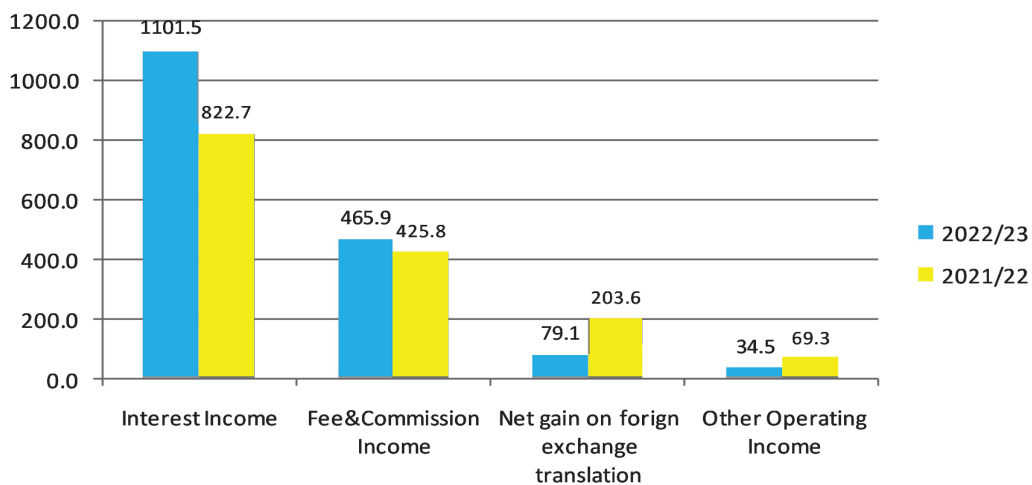


2. FINANCIAL PERFORMANCE

2.1. INCOME

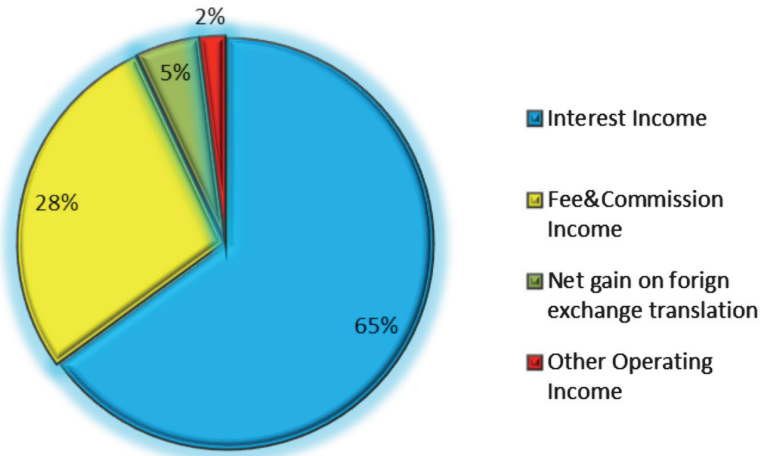
The total income of the Bank at the end of financial year 2022/23 was Birr 1.7 billion, an increase of Birr 159.6 million (10 percent) compared to last year same period. This was due to an increase in interest income and commission and service charges.

Chart 4: Growth of income by type (in millions of birr)



In terms of sources of income contributions, interest income contributed 65 percent of the total income, while commission and fee income contributed 28 percent. The remaining income is contributed by foreign currency dealings and other income. The distribution of bank income by source is shown in the chart below.

Chart 5: Composition of Income by Category



2.2. EXPENSE

The total expenses of the Bank for the financial year 2022/23 were Birr 1.4 billion, an increase of Birr 325.7 million (31 percent) compared to last year same period. In terms of types of expenses, the largest share went to interest expenses 38 percent, followed by salaries and benefits expenses 35 percent, general and administrative expenses 24 percent, and depreciation and amortization expenses 3 percent. The increase in expenses was mainly due to the increase in number of branches and the rising office rent.

Chart 6: Expense by Type 2022/23 (in millions of Birr)

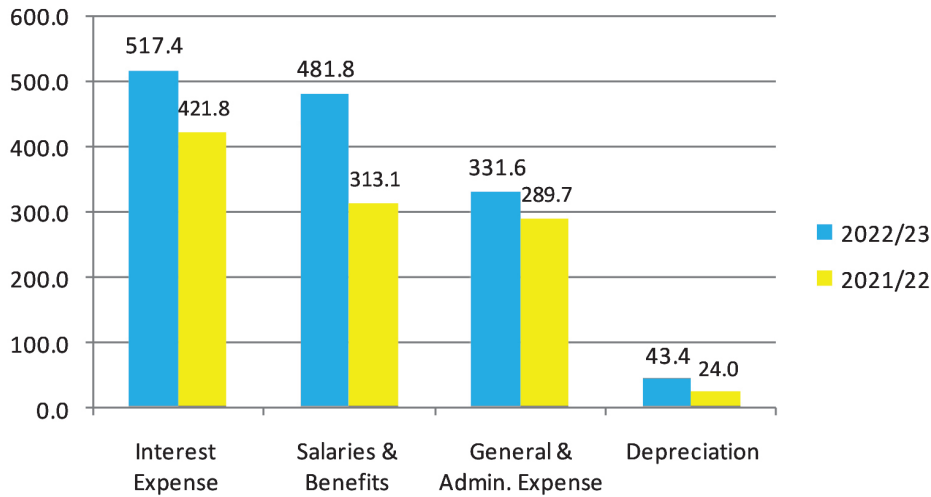
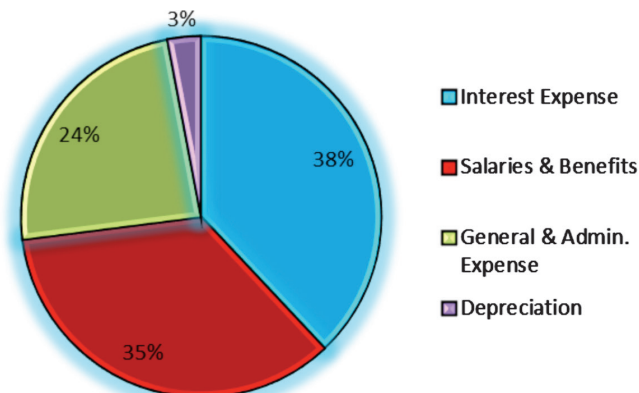


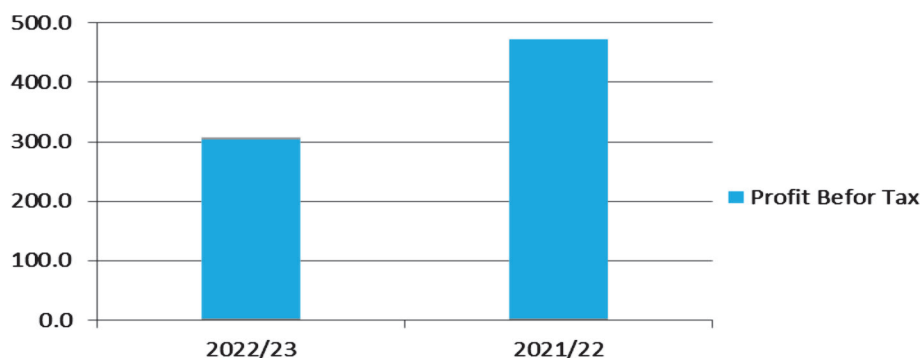
Chart 7: Composition of Expense by Type



2.3. PROFIT

The Bank registered a profit before tax of Birr 306.8 million. It decreased from last year's same period by Birr 166.1 million (35 percent). The net profit after tax was Birr 223.5 million, showing a decrease of Birr 121.4 million (35 percent) compared to the last year's same period. This was mainly because the increase in expenses was higher than the increase in income due to surrender of 70 percent of the foreign currency mobilized to NBE, as well as the acquisition of treasury bonds, 20 percent loan disbursements, DBE bond one percent of outstanding loans and advances and economic downturn, among other things, caused the income growth to be lower than expected.

Figure 8: Profit before tax (in millions of Birr)



As a result, the Bank's returns on assets (ROA) and return on equity (ROE) were 1.9 percent and 9.4 percent, respectively, which were lower than the last year same period. The Bank's earnings per share (EPS) also stood at Birr 129.

2.4. ASSET

The Bank's total assets reached Birr 12.6 billion at the end of the financial year 2022/23, a growth of Birr 1.8 billion (17 percent) compared to the last year's same period. Net loans and advances accounted for 59 percent of the Bank's assets, followed by liquid assets

at 17 percent, while the remaining assets contributed 24 percent.

2.5. CAPITAL

The Bank's total capital, including legal reserve, reached Birr 2.6 billion at the end of the financial year 2022/23, registering an increase of Birr 408.9 million (19 percent) compared to last year same period. Similarly, its paid-up capital reached Birr 1.8 billion, showing an increase of Birr 381.8 million (26 percent) compared to last year same period. The number of shareholders reached 15,367 as at June 30, 2023 showing a growth of 9 percent compared to last year same period.

Table 2: Composition of Capital in millions of Birr

Description	As at June 30,2023	As at June 30,2022	Growth (%)
Total Capital	2,582.1	2,173.1	19
Paid -up capital	1,825.4	1,443.5	26
Number of Share Holders	15,367	14,077	9

3. HUMAN RESOURCE DEVELOPMENT

As of June 30, 2023, the total number of employees of the Bank was 1170, of which 1092 were permanent employees and the remaining 78 were contract employees. During the review period, the Bank's total number of employees increased by 116 compared to last year 976 employees. During the review period, an additional 364 employees joined the Bank, while 248 employees left due to better opportunities and personal reasons. In addition, the Bank spent Birr 13.6 million on training 2,269 participants in support of the development of its staff's skills and competencies.

4. INFORMATION TECHNOLOGY DEVELOPMENT

Cognizant of the importance of technology for the provision of convenient end-to-end customer service and enhancing efficiency, the Bank has deployed various kinds of information technologies. In this regard, the Bank has implemented the Oracle Flex Cube core banking system starting from September 2022. All branches and relevant head office units are currently using the system.

To keep up with the dynamic business environment and the changing needs of customers, the Bank identified value-added technology services and gradually deployed them, including convenient mobile banking services as well as internet banking services for corporate customers and individuals. The Bank is also working on digitizing Equb and Edir payments. Additionally, the acquisition, and deployment of the web application firewall was completed.

5. BRANCH EXPANSION

During the year under review, the Bank opened 20 additional branches increasing the total number of its branches to 132. Out of these additional branches, two were opened in Addis Ababa, and eighteen were opened in the regional towns. The branches opened in Addis Ababa were Bole Arabsa and Bulbula Mariam. While Finote Selam, Meki, Debre Tabor, Gondar Maraki, Chagni, Agaro, Bonga, Halaba, Gombora, Woliso, Nigus T/haimanot, Dukem, Mogele, Aletawondo, Adet, Mota, Deke Sefer, and Gish Abay branches were opened in regional towns.

In addition to this, to improve resource mobilization, the Bank introduced a new resource mobilization unit and three new districts: Central Ethiopia, Southern Ethiopia, and Northern Ethiopia

6. CORPORATE SOCIAL RESPONSIBILITY

During the period under consideration, the Bank spent more than Birr 7.2 million on

donations and contributions and worked closely with various stakeholders in the areas of humanitarian and community activities. One of the Bank's major donations is to the conflict-affected Northern Region, which had an impact on the lives and livelihoods of millions.

7. THE WAY FORWARD

Socioeconomic disruptions and political instabilities at the global level as well as at the country level, entry of new banks, and liquidity problems, are expected to have a significant impact on our operations in the coming year. Regulatory requirements are likely to become increasingly necessitating additional commitments. Overcoming these challenges requires the coordinated and relentless efforts of stakeholders. Going forward, the Bank's priorities include aggressive resource mobilization, expanding branches, digitizing the Bank's services, meeting minimum paid-up capital requirements, and improving customer experience across both physical and digital touchpoints, human resource development, and execution of ongoing initiatives, including HR and branding. There is a need to introduce complementary IT products and services and the completion of ongoing land acquisition for the construction of the Bank's headquarters from the Addis Ababa City Government.

8. RECOMMENDATION ON THE APPROPRIATION OF PROFIT

The Board of Directors of the Bank recommends to the General Assembly of Shareholders that Birr 172.5 million net profits after tax and legal reserves be paid as dividends. The Board of Directors also requests the esteemed shareholders to plough back their dividends by purchasing additional shares to strengthen the capital of the Bank and comply with the regulatory requirement of the NBE.

9. VOTE OF THANKS

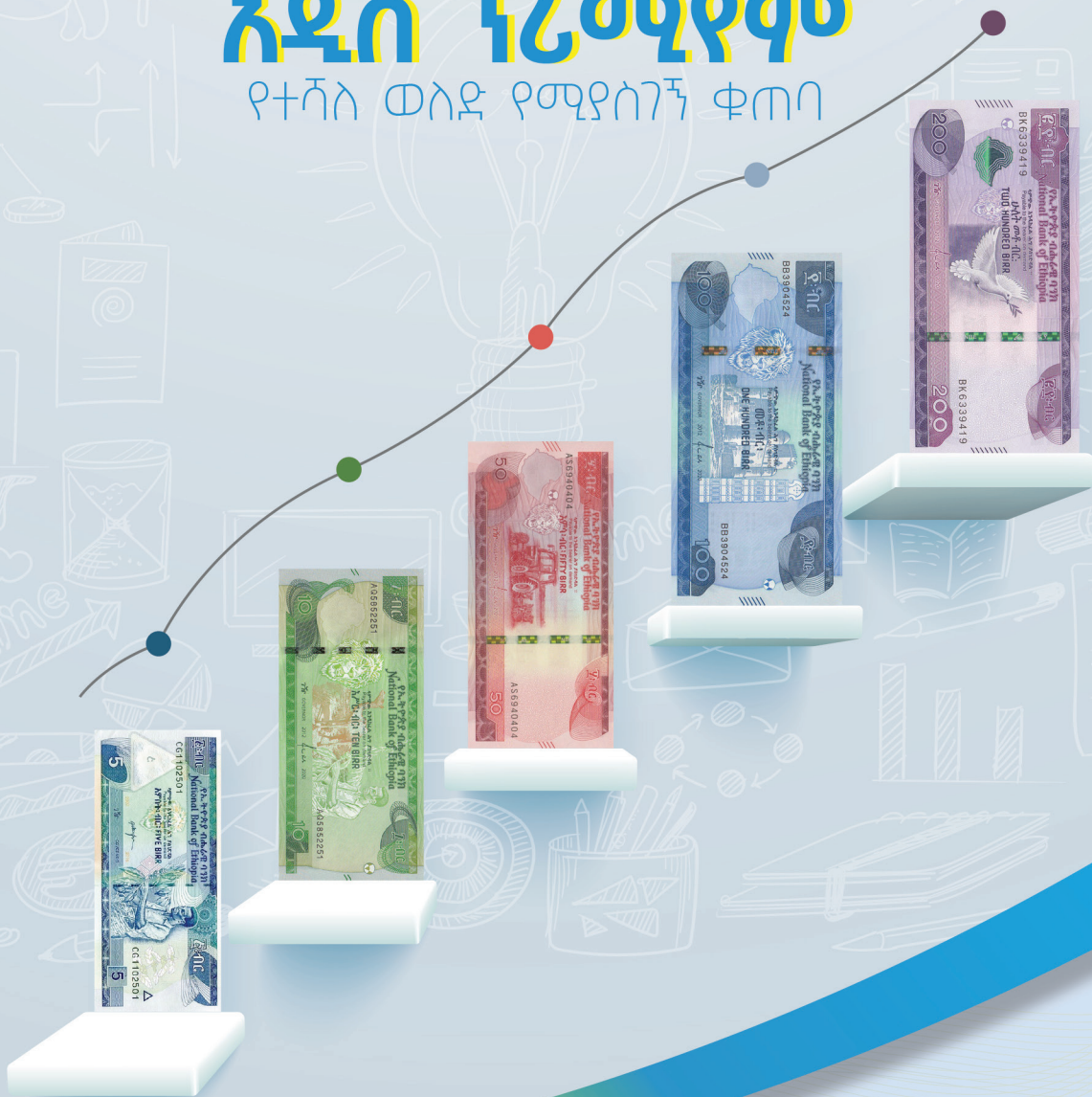
The Board of Directors of the Bank would like to extend its appreciation to the shareholders of the Bank, customers, National Bank of Ethiopia, management, and employees for their contribution to the success of the Bank.



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ADDIS INTERNATIONAL BANK S.C.

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ቀደሚ ምርጫ!!

Your Ultimate Choice!!

Your Ultimate Choice!!

TEL: +251 115 549 774/ +251 115 570 526



AUDITORS'

R E P O R T

**Addis International Bank Share Company
Directors, professional advisers and registered office
For the year ended 30 June 2023**

Directors (as of June 30, 2023)

Ato Kassahun Bekele	Chairman	Dec 03,2016
Ato Fantahun Belew	V/Chairman	Nov 11,2019
W/ro Almaz Tsegaye	Non-Executive Director	May 29,2017
Ato Getachew Mandefro	Non-Executive Director	May 29,2017
Ato Masresha Mekonnen	Non-Executive Director	May 29,2017
Ato Teshome Kebede	Non-Executive Director	Nov 11,2019
Dr. Deresse Mersha	Non-Executive Director	Nov 11,2019
Ato Dagnew Gessesse	Non-Executive Director	Nov 11,2019
Ato Aklilu Delele	Non-Executive Director	Dec 10,2022
Ato Girma Teklu	Non-Executive Director	Dec 10,2022
Ato Audgna Jibriel	Non-Executive Director	Dec 10,2022
Ato Yimenu Mekonnen	Non-Executive Director	Dec 10,2022

Executive Management (as of June 30, 2023)

Ato Hailu Alemu	President	Oct 11,2010
Ato Wondossen Assefa	Vice President Operation	Nov 22,2018
Ato Bogale Kibret	Executive Assistant and Board Secretary	Oct 25,2013
Ato Gashahun Deriba	A/Director, Corporate Planning and Bus. Devt	May 25,2023
Ato Assefa Amere	A/Chief Information Officer (A/CIO)	Sep 30,2021
W/ro Kokeb Ashame	Director, International Banking Department	Dec 04,2010
Ato Seleshi Mekonnen	Director, Accounts and Finance	Dec 11,2010
Ato Sime G/selassie	Director, HR & Facility Management	Jan 14,2011
Ato Sintayehu Gurumu	Director, Credit Dep't	April 16,2019
W/ro Wongelawit B/silassie	A/Director,Branch operation and E- Banking	Sep 29,2022
Ato Tewodros Bezuneh	Director, Internal Audit	Jan 29,2020
Ato Tsega T/ Yesus	Director, Risk & compliance Management service	Feb 08,2011
Ato Gezu Ayele	Director, Legal service	Feb 15,2018

Independent Auditor

TAY Authorized Accountants and Auditors
Addis Ababa
Ethiopia

Corporate Office

Zequala Complex Building
Jomo Kenyatta Street,
Addis Ababa,
Ethiopia

Company Secretary

Ato Bogale Kibret
Zequala Complex Building
Jomo Kenyatta Street,
Addis Ababa,
Ethiopia

Principal Bankers

Mashreq Bank PSC
EBI SA Groupe Ecobank
Bank of Beirut S.A.L
Bank of Africa Mer Rouge
KCB Bank Kenya Limited
Banca Popolare Di Sondrio
CAC International Bank
Bank of Beruit (UK) LTD
ODDO Bank



Addis International Bank Share Company
Report of the directors
For the year ended 30 June 2023

The directors submit their report together with the financial statements for the period ended 30 June 2023, to the members of Addis International Bank Share Company ("Addis bank or the Bank"). This report discloses the financial performance and state of affairs of the Bank.

Incorporation and address

Addis International Bank Share Company was incorporated in Ethiopia in 2011 as a Share Company. The Bank was established by diversified groups of shareholders, Cooperatives, Micro Finance Institutions (MFIs), Iddirs, other business organisations and individual citizens. The majority shareholders are mainly low and middle income citizens.

Principal activities

The principal activities of the Bank is to provide financial services to international trade businesses, manufacturing and services.

Results and dividends

The Bank's results for the year ended 30 June 2023 are set out on page 25 . The profit for the year has been transferred to retained earnings. The summarised results are presented below.

	30 June 2023	30 June 2022
	Birr'000	Birr'000
Total Operating Income	1,154,407	1,093,700
Profit before income tax	306,756	472,845
Income tax expense	(83,281)	(127,986)
Profit for the year	223,475	344,859
Other Comprehensive income/(loss) net of taxes	69,893	72,596
Total comprehensive income/ (loss) for the year	293,368	417,456
Earnings per share	12.91	28.24

Directors

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



 Ato Bogale Kibret
 Executive Assistant and Board Secretary
 Addis Ababa, Ethiopia



Addis International Bank Share Company
Report of the directors
For the year ended 30 June 2023

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

The Bank's president is responsible for the preparation and fair presentation of these financial statements in conformity with accounting principles generally accepted in Ethiopia and in the manner required by FDRE Commercial Code of Ethiopia of 2013 E.C., and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Bank is required keep such records as are necessary to:

- a) exhibit clearly and correctly the state of its affairs;
- b) explain its transactions and financial position; and
- c) enable the National Bank of Ethiopia 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 Bank's president accepts responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards, Banking Business Proclamation, FDRE Commercial code of 2013 E.C. and the relevant Directives issued by the National Bank of Ethiopia.

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

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

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

Signed on behalf of the Directors by:



 Kassahun Bekele
 Chairman of Board of Directors





 Hailu Alemu
 President

Approved and Signed on this date of 30 September 2023





TAY
Authorized Accountants and Auditors
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INDEPENDENT AUDITOR’S REPORT ON THE FINANCIAL STATEMENTS OF ADDIS INTERNATIONAL BANK S.C.

TO - THE SHAREHOLDERS OF ADDIS INTERNATIONAL BANK S.C.

Opinion

We have audited the financial statements of Addis International Bank S.C., which comprise the statement of financial position as at 30 June 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows and the notes to the financial statements for the year then ended, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly in all material respects, the financial position of Addis International Bank S.C. as at 30 June 2023 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

We have no comments to make on the report of the Board of directors of the bank in so far as it relates to these financial statements, pursuant to Proclamation No. 1243/2021 Article 348 of the Commercial Code of Ethiopia, and recommend the approval of the accompanied financial statements by the shareholders of Addis International Bank S.C.

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 International Ethics Standards Board for Accountants’ code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Ethiopia, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report.

A member of Kreston International | A global network of independent accounting firms

Ethio-China Friendship Street, Wengelawit Tadesse Building 1st Floor
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 Fax: (011) 442 1338 - e-mail: info@tayauditing.com - www.tayauditing.com - P.O. Box 1335 - Addis Ababa, Ethiopia

Information Other than the Financial Statements and Auditor’s Report Thereon

Proclamation No. 1243/2021 of the Commercial Code of Ethiopia, Articles 348 and 349 requires us to submit to the general meeting our written comments on the report of the board of directors.

Those charged with governance of the bank are responsible for the report of the board of directors, which comprises financial and non-financial performance of the bank for the period, but does not include the financial statements and our auditor’s report thereon.

Our opinion on the financial statements does not cover the directors’ report and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the directors’ report identified above and, in doing so, consider whether the report is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. We have obtained the directors’ report before the date of this auditor’s report.

If, based on the work we have performed on the directors’ report, we conclude that there is a material misstatement of this report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management and those Charged with Governance for the Financial Statements

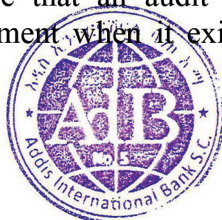
Those charged with governance of the bank are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), and for such internal control as management determines is necessary to enable the preparation of the Company’s report that is free from material misstatement, whether due to fraud or error.

In preparing the financial statements, those charged with governance of the bank 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 management either intends to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company’s financial reporting process.

Auditor’s Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the company’s report as a whole is 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.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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



From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statement of the current period and are

therefore, the key audit matters. We describe these, matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other legal and regulatory requirements

Proclamation No. 1243/2021 of the Commercial Code of Ethiopia, Article 349, No. 3 requires us to comment on the proposal for distribution of profits submitted by the directors of the bank.

The board of directors of the bank in its report has proposed a total of birr 172.5 million to be distributed to shareholders as dividends.

We have no reservation on the proposal so long as this amount does not exceed the net profit after tax and legal reserve for the period.

The engagement partner on the audit resulting in this independent auditor’s report is Mr Tesfa Tadesse, MSc, FCCA.


TAY Authorized
Accountants & Auditors



Addis Ababa
20 November 2023



Addis International Bank Share Company
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2023

	Notes	30 June 2023 Birr'000	30 June 2022 Birr'000
Interest income	5	1,101,511	822,682
Interest expense	6	(517,405)	(421,758)
Net interest income		584,106	400,924
Fee and commission income	7	465,855	425,833
Fee and commission expense	7	(9,179)	(5,956)
Net fees and commission income		456,675	419,877
Net gain on foreign exchange translation	10	79,088	203,622
Other operating income	8	34,538	69,276
Total operating income		1,154,407	1,093,700
Loan impairment charge	9	(11,141)	(62,121)
Other impairment charges	9	(3,414)	(128)
Net operating income		1,139,851	1,031,451
Personnel expenses	11	(481,820)	(313,104)
Interest expense on Lease Liability		(896)	(2,117)
Amortisation of intangible assets	18	(12,004)	(2,699)
Depreciation of investment property	19	(42)	(42)
Depreciation of property, plant and equipment	20	(31,346)	(21,234)
Other operating expenses	12	(304,885)	(217,698)
Audit fees		(403)	(353)
Directors emolument		(1,700)	(1,360)
Profit before income tax		306,756	472,845
Income tax expense	13	(83,281)	(127,986)
Profit for the year		223,475	344,859
Other comprehensive income (OCI) net on income tax	23		
<i>Items that will not be subsequently reclassified into profit or loss:</i>			
Remeasurement loss on defined benefits obligations		(5,937)	(2,638)
Gain/ Loss on revaluation of Equity investments		105,784	106,347
Deferred tax (liability)/asset on remeasurement gain or loss		(29,954)	(31,113)
		69,893	72,596
Total comprehensive income for the period		293,368	417,456
Basic & diluted earnings per share of 1000 par value (%)	26	12.91	28.24

The notes are an integral part of these financial statements.



Addis International Bank Share Company
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2023

	Notes	30 June 2023 Birr'000	30 June 2022 Birr'000
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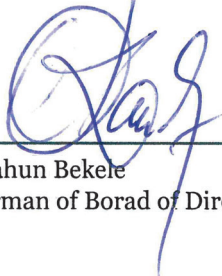


Addis International Bank Share Company
Statement of financial position
As at 30 June, 2023

	Notes	2023 Birr'000	2022 Birr'000
ASSETS			
Cash and bank balances	14	2,161,271	2,234,709
Loans and advances to customers	15	7,465,322	6,026,104
Investment securities:			
- Investment in Equity held through OCI	16a	312,106	195,500
- Investment in security designated at amortiz	16a	759,857	705,929
Other assets	17	1,251,544	1,277,077
Right of use asset	17	133,683	50,672
Intangible assets	18	70,863	10,901
Investment property	19	1,760	1,801
Property, plant and equipment	20	361,216	198,836
Deferred tax assets	13	-	-
Non-current asset held for sale - Cost	16b	86,774	86,774
Total assets		12,604,396	10,788,305
LIABILITIES			
Deposits from customers	21	9,029,529	7,749,071
Other liabilities	22	722,303	590,764
Lease Liability	22	56,266	53,946
Defined benefit obligation	23	36,212	23,646
Provisions	24	21,798	25,907
Current income tax liabilities	13	68,535	128,793
Deferred income tax liabilities	13	87,697	43,033
Total liabilities		10,022,339	8,615,160
EQUITY			
Share capital	25	1,825,361	1,443,544
Share premium	25	-	-
Retained earnings	27	172,500	266,274
Other comprehensive income	28	161,107	91,214
Legal reserve	29	410,074	354,205
Regulatory risk reserve	30	13,015	17,909
Total equity		2,582,057	2,173,145
Total equity and liabilities		12,604,396	10,788,305


The notes are an integral part of these financial statements.

The financial statements were approved and authorised for issue by the Board of Directors on September 30, 2023 and were signed on its behalf by



 Kassahun Bekele
 Chairman of Borad of Directors





 Hailu Alemu
 President

Addis International Bank Share Company
Statement of changes in equity
For the year ended 30 June 2023

		Share Share premium capital	Retained earnings	Other compreh ensive income	Legal reserve	Regulato ry risk reserve	Total
Note	Birr'000	Birr'000	Birr'000	Birr'000	Birr'000	Birr'000	Birr'000
As at 30 June 2022	1,443,544	-	266,274	91,214	354,205	17,909	2,173,145
As at 1 July 2022	1,443,544	-	266,274	91,214	354,205	17,909	2,173,145
Prior period adjustment			-				
Additional shares issued	381,817	-	-				381,817
Amount capitalised	-	-	-				-
Shares held for resale			-				-
Profit for the year	27		223,475				223,475
Other comprehensive Re-measurement gain/loss (net of tax)	23		-	69,893			69,893
Total comprehensive income for the year			223,475	69,893	-		293,368
Transfer to legal reserve	29		(55,869)		55,869		-
Transfer to regulatory risk reserve	30		4,894			(4,894)	-
Dividend paid			(266,274)				(266,274)
As at 30 June 2023	1,825,361	-	172,500	161,107	410,074	13,015	2,582,057



The notes are an integral part of these financial statements.



Addis International Bank Share Company
Statement of cash flows
For the year ended 30 June 2023

	Notes	30 June 2023 Birr'000	30 June 2022 Birr'000
Cash flows from operating activities			
Cash generated from operations	31	(311,507)	(4,591)
Interest received		1,066,430	802,061
Interest paid		(517,405)	(421,758)
Benefit paid		(2,312)	(823)
Tax paid		(128,830)	(97,199)
Net cash inflow from operating activities		106,375	277,690
Cash flows from investing activities			
Purchase of investment securities	16a	(18,851)	177,158
Purchase of intangible assets	18	(71,965)	(82,512)
Purchase of investment equity		(10,822)	(29,371)
Purchase of property, plant and equipment	20	(193,726)	(97,321)
Net cash outflow from investing activities		(295,364)	(32,046)
Cash flows from financing activities			
Balance held with NBE	14	(50,000)	(210,000)
Proceeds from issues of shares	25	381,817	336,015
Dividend paid		(266,274)	(202,587)
Net cash inflow from financing activities		65,543	(76,572)
Net increase in cash and cash equivalents		(123,446)	169,072
Cash and cash equivalents at the beginning of the year	14	1,704,801	1,535,729
Foreign exchange (losses)/ gains on cash and cash		-	-
Cash and cash equivalents at the end of the year	14	1,581,355	1,704,801



The notes are an integral part of these financial statements.

Addis International Bank Share Company
Notes to the financial statements
For the year ended 30 June 2023

1 General information

Addis International Bank SC ("Addis Bank or the Bank") is a private commercial Bank domiciled in Ethiopia. The Bank was established on 31, January 2011 in accordance with the provisions of FDRE Commercial code of Ethiopia of 2013 E.C. and the Licensing and Supervision of Banking Business Proclamation No. 84/1994. The Bank registered office is at:

Zequala Complex Building
 Jomo Kenyatta Street,
 Addis Ababa,
 Ethiopia

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

2 Summary of significant accounting policies

2.1 Introduction to summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.2 Basis of preparation

The financial statements for the year ended 30 June 2023 have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). Additional information required by National regulations is included where appropriate.

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

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

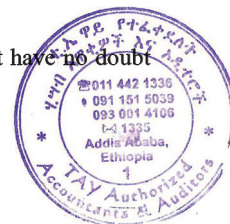
All values are rounded to the nearest thousand, except when otherwise indicated. The financial statements are presented in thousands of Ethiopian Birr (Birr' 000).

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

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Notes.

2.2.1 Going concern

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



Addis International Bank Share Company
Notes to the financial statements
For the year ended 30 June 2023

2.2.2 Changes in accounting policies and disclosures

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

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 30 June 2021, and have not been applied in preparing these financial statements. None of these is expected to have a significant effect on the financial statements of the Bank, except the following set out below:

b. Changes in accounting policies
IFRS 9 Financial Instruments

IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement. The requirements of IFRS 9 represent a significant change from IAS 39. The new standard brings fundamental changes to the accounting for financial assets and to certain aspects of the accounting for financial liabilities.

As a result of the adoption of IFRS 9, the Bank has adopted consequential amendments to IAS 1 Presentation of Financial Statements, which require separate presentation in the statement of profit or loss and OCI of interest revenue calculated using the effective interest method. Previously, the Bank disclosed this amount in the notes to the financial statements.

Additionally, the Bank has adopted consequential amendments to IFRS 7 Financial Instruments: Disclosures that are applied to disclosures about 2018, but have not been applied to the comparative information.

The key changes to the Bank’s accounting policies resulting from its adoption of IFRS 9 are summarised below. The full impact of adopting the standard is set out in Notes.

2.3 Financial assets and financial liabilities

2.3.1 Policy applicable from 1 July 2018

a. Recognition and initial measurement

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

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



Addis International Bank Share Company
Notes to the financial statements
For the year ended 30 June 2023

b. Classification and subsequent measurement
i) Financial assets

On initial recognition, a financial asset shall be classified either as measured at amortised cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL). The Bank shall measure a financial asset at amortised 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 amortised 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 amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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 realising 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 realised.



Addis International Bank Share Company
Notes to the financial statements
For the year ended 30 June 2023

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 amortised cost or FVTPL.

A financial guarantee is an undertaking/commitment that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified party fails to meet its obligation when due in accordance with the contractual terms.

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



Addis International Bank Share Company
Notes to the financial statements
For the year ended 30 June 2023

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 recognise loss allowances for expected credit losses (ECL) on the following financial instruments that are not measured at FVTPL:

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

No impairment loss shall be recognised on equity investments.

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

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

Loss allowances for lease receivables shall always be measured at an amount equal to lifetime ECL.

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

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

i) Measurement of ECL

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

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



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For the year ended 30 June 2023

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 derecognised and ECL are measured as follows:

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

iii) Credit-impaired financial assets

At each reporting date, the Bank shall assess whether financial assets carried at amortised 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 reorganisation; 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-impaired 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.



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

v) Write-off

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

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

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

vi) Non-integral financial guarantee contracts

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

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

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

d. Derecognition

i) Financial assets

The Bank shall derecognise 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.



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

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

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

ii) Financial liabilities

The Bank shall derecognise 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 derecognised and a new financial asset shall be recognised at fair value plus any eligible transaction costs. Any fees received as part of the modification shall be accounted for as follows:

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

If cash flows are modified when the borrower is in financial difficulties, then the objective of the modification is usually to maximise 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 amortised cost or FVOCI does not result in derecognition of the financial asset, then the Bank shall first recalculate the gross carrying amount of the financial asset using the original effective interest rate of the asset and recognises 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 amortised 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 derecognise a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms shall be recognised at fair value. The difference between the carrying amount of the financial liability derecognised and consideration paid is recognised in profit or loss. Consideration paid shall include non-financial assets transferred, if any, and the assumption of liabilities, including the new modified financial liability.



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

i) Loans and receivables

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

The Bank did not directly calculate the effective interest rate as it requires system modifications to handle the enormous data of individual borrowers. However, as a temporary work-around, the contractual rate was used while the loan related fees were deferred to be amortized for the loan life time. It is found out that there is no material differences between the contract rate and EIR.

The Bank's loans and receivables comprise of loans and advances to customers and investment on National Bank Bills.



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For the year ended 30 June 2023

i) Financial assets carried at amortised cost

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

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

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

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

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

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

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

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

d. De-recognition

The Bank derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Bank is recognized as a separate asset or liability.



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The Bank derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

On derecognition of a financial asset, the difference between the carrying amount of the asset and the sum of (i) the consideration received and (ii) any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

The Bank enters into transactions whereby it transfers assets recognized on its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets or a portion of them. If all or substantially all risks and rewards are retained, then the transferred assets are not derecognized from the statement of financial position. Transfers of assets with retention of all or substantially all risks and rewards include repurchase transactions.

e. Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. Income and expenses are presented on a net basis only when permitted under IFRSs, or for gains and losses arising from a group of similar transactions such as in the Bank’s trading activity.

f. Fair value of financial assets and financial liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, in the principal, or in its absence, the most advantageous market to which the Bank has access at that date.

g. Amortized cost measurement

The amortized cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount recognized and the maturity amount, minus any reduction for impairment.

2.4 Net interest income

2.4.1 IFRS 12

a. Effective interest rate and amortised cost

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

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



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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. Amortised cost and gross carrying amount

The ‘amortised 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 amortisation 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 amortised 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 amortised 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 amortised 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 amortised 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 amortised 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.



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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.

2.5 Cash and cash equivalents

Cash and cash equivalents' include notes and coins on hand, unrestricted balances held with national 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 amortised cost in the statement of financial position.

2.6 Net trading income

Net trading income' comprises gains less losses related to trading assets and liabilities, and includes all fair value changes, interest, dividends and foreign exchange differences.

2.7 Foreign currency translation

a) Functional and presentation currency

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

b) Transactions and balances

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

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

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

2.8 Dividend income

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



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For the year ended 30 June 2023

2.9 Foreign exchange revaluation gains or losses

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

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

2.10 Property, plant and equipment

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

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

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

Asset class	Depreciation rate (years)	Residual value (%)
Buildings	50	5%
Motor vehicles	10	5%
Furniture & fittings	10	1%
Computer equipment	7	1%
Office equipment	Short lived- 5 Medium lived- 10 Long lived- 20	1% 1% 1%



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

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

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



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2.11 Intangible assets

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

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life.

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

Amortisation is calculated using the straight-line method to write down the cost of intangible assets to their residual values over their estimated useful lives, as follow:

Intangible assets class	Useful lives (years)
Computer software	6

2.12 Investment property

Transfers from property, plant and equipment relates to buildings recognised under property, plant and equipment which are held to earn rental income and fall under the Bank's definition of an investment property.

Property that is held by the Bank to earn rental income or for capital appreciation, or both, and is not occupied by the Bank, are classified as investment properties.

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

Investment properties are measured initially at cost, including transaction costs. The Bank has opted to subsequently carry investment property at cost and disclose fair value. Fair value of investment property is the price that would be received from sale of the asset in an orderly transaction, without deduction of any transaction costs. Fair value of the Bank's investment property is determined by the Bank's staff who have recent experience in the location and category of the investment property being valued. Professional valuers were not involved.

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

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

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



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Earned rental income is recorded in profit or loss for the year within (other operating income). Gains and losses resulting from changes in the fair value of investment property are recorded in profit or loss for the year and presented separately.

Investment properties are derecognised when they have been disposed.

2.13 Impairment of non-financial assets

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

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

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

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Bank estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised.

The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the income statement.



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2.14 Other assets

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

(a) Prepayments

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

(b) Other receivables

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

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

2.15 Fair value measurement

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

- Disclosures for valuation methods, significant estimates and assumptions Note 4.14.3
- Quantitative disclosures of fair value measurement hierarchy Note 4.14.5
- Financial instruments (including those carried at amortised cost) Note 4.14.2

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

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

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

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



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

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

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

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

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

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

2.16 Employee benefits

(a) Wages, salaries and annual leave

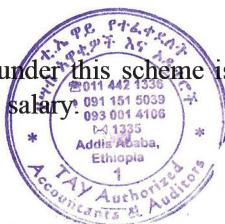
Wages, salaries, bonuses, other contributions, paid annual leave and sick leave are accrued in the year in which the associated services are rendered by employees of the Bank.

(b) Defined contribution plan

The Bank operates two defined contribution plans;

i) pension scheme in line with the provisions of Ethiopian pension of private organisation employees proclamation 715/2011. Funding under the scheme is 7% and 11% by employees and the Bank respectively;

ii) provident fund contribution, funding under this scheme is 7% and 13% by employees and the Bank respectively based on the employees' salary.



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2.17 Provisions

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

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

2.18 Share capital

Incremental costs directly attributable to the issue of new shares or options or to the acquisition of a business are shown in equity as a deduction, net of tax, from the proceeds. The excess of the issue price over the par value is recorded in the share premium reserve.

2.19 Treasury stock

Where the Bank purchase its equity instruments, the consideration paid, including any directly attributable incremental external costs, net of income taxes, is deducted from equity until the equity instruments are reissued, disposed of or cancelled. Where such shares are subsequently disposed of or reissued, any consideration received is included in equity.

2.20 Earnings per share

The Bank presents basic and diluted earnings per share (EPS) for its ordinary shares. Basic EPS 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.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and weighted average number of ordinary shares outstanding for the efforts of all diluted potential ordinary shares.

2.21 Leases

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

Bank as a lessee

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

Bank as a lessor

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



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2.22 Dividend

Dividends are recorded in equity in the period in which they are declared. Any dividends declared after the end of the reporting period and before the financial statements are authorised for issue, are disclosed in the subsequent events note. The statutory accounting reports of the Bank are the basis for profit distribution and other appropriations. Ethiopian legislation identifies the basis of distribution as the current year net profit.

Dividend distribution to the Bank’s shareholders is recognised as a liability in the Bank’s financial statements in the period in which the dividends are approved by the Bank’s shareholders.

2.23 Income taxation

(a) Current income tax

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

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

(b) Deferred tax

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

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

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

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

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



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3 Significant accounting judgements, estimates and assumptions

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

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

- Capital management
- Financial risk management and policies
- Sensitivity analyses disclosures

3.1 Judgements

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

Operating lease commitments - Bank as lessee

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

3.2 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

The Bank based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances beyond the control of the Bank. Such changes are reflected in the assumptions when they occur.

Impairment losses on loans and receivables

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

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.



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

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

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

Fair value measurement of financial instruments

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

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.

Income 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 long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.

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



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4 Financial risk management

4.1 Introduction

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

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

4.1.1 Risk management structure

The Board of Directors (The Board) is responsible for the overall risk encountered by the Bank. The Board is responsible to approve comprehensive risk management program and policies of the Bank. The Board has an oversight role on the proper implementation of the Bank’s risk management program or policies. The Board monitors proper implementation policies through various reports.

The Senior Management has the overall responsibility for the proper execution and interpretation of the risk strategy and implementing principles, frameworks, policies and limits. It is also responsible for managing risk decisions and monitoring risk levels and deliberate on reports to the Board regarding risk management issues and give timely directions.

The Risk Management Unit is responsible for implementing and maintaining risk related procedures, independently assesses and monitor the level of risk assumed by the Bank. Besides, the Risk Management Unit is responsible for monitoring compliance with risk principles, policies and limits across the Bank. It carries out an assessment of risk on periodic basis to monitor the Bank’s overall risk, including monitoring the risk of exposures against limits and the assessment of risks of new products and structured transactions. Exceptions are reported, where necessary, to the Board’s Risk Committee and the relevant actions are taken to address exceptions and any areas of weakness. The unit works closely with the Management Risk Committees to ensure that procedures are compliant with the overall framework. The unit is functionally responsible to the Board. The risk management has also reporting relationship with internal audit function. Internal audit function among others ensures the effectiveness of the risk management function periodically. Internal Audit Function discusses the results of its assessments with management, and reports its findings and recommendations to the Board Audit Committee.

ALCO (Asset & Liability Management Committee) is responsible for managing the Bank’s financial assets, financial liabilities and the overall financial structure.

4.1.2 Risk measurement and reporting systems

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

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

4.1.3 Risk mitigation

The Bank uses various risk mitigating techniques to reduce it’s risk to the level acceptable. Risk controls and mitigants, identified and approved for the Bank, are documented for existing and new processes and systems.

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



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4.2 Credit risk

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

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

4.2.1 Management of credit risk

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.

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.

4.2.2 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.

4.2.3 Credit risk exposure

i. Maximum exposure to credit risk before collateral held or credit enhancements

The Bank's maximum exposure to credit risk at 30 June 2021, 30 June 2020 and 30 June 2019 respectively, is represented by the net carrying amounts in the statement of financial position.

	30 June 2023	30 June 2022	30 June 2021
	Birr'000	Birr'000	Birr'000
Cash and bank balances	2,161,271	2,234,709	1,855,654
Loans and advances to customers	7,465,322	6,026,104	4,492,957
Investment securities:			
- Investment in Equity held through OCI	312,106	195,500	59,782
- Investment in security designated at amortized cost	759,857	705,929	862,456
Other assets	888,531	908,598	994,415
	<u>11,587,087</u>	<u>10,070,841</u>	<u>8,265,265</u>

Credit risk exposures relating to off balance sheets are as follows:

Guarantees issued and outstanding	3,757,835	2,532,209	2,532,209
Loan commitments	202,090	35,490	35,490
Letter of credit and other credit related obligations	148,788	140,835	140,835
	<u>4,108,713</u>	<u>2,708,534</u>	<u>2,708,534</u>
Total maximum exposure	<u>15,695,800</u>	<u>12,779,376</u>	<u>10,973,799</u>



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4.2.4 Statement of Prudential adjustments

Provisions under prudential guidelines are determined using the time based provisioning prescribed by the National Bank of Ethiopia (NBE) Directives No SBB/69/2018. As a result of the differences in the methodology/provision, there will be variances in the impairments allowances required under IFRS-9 and NBE requirements.

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

Provisions for loans & advances recognized in the income statement should be determined based on the requirements of IFRS. However, the IFRS provision should be compared with provisions determined under the NBE Directives and the expected impact/changes in other reserves should be treated as:-

If the Prudential provisions is greater than IFRS provisions; the excess provision resulting should be transferred from the general reserve (retained earnings) account to a "regulatory risk reserve" and

If the Prudential provisions is less than IFRS provisions; the IFRS determined provision is charged to the statement of profit & loss and other comprehensive income and the cumulative balance in the regulatory risk reserve is thereafter reversed to the general reserve(retained earnings) account

The Bank compared the provision based on NBE Directive with impairment under IFRS-9 for comparative periods and hence the bank transferred an amount of Birr 144.82 million(June 30, 2023) and Birr 16.42 million(June 30, 2022) from retain earnings to the regulatory risk reserve as the impairment balance under IFRS was less than the provision amount to be held as per NBE requirements.

	30 June 2023	30 June 2022
	Birr'000	Birr'000
Total impairment on Loans & advances based on IFRS	11,141	62,121
Total impairment on loans & advances based on NBE	6,248	45,701
Variation(Amount transferred to Regulatory Risk Reserve)	4,894	16,421

	30 June 2023	30 June 2022
	Birr'000	Birr'000
Impairment on Loans & advances based on IFRS for the period	(50,980)	53,819
Impairment on loans & advances based on NBE Requirement for the period	(39,453)	34,768
Variation(Amount transferred to Regulatory Risk Reserve)	(11,527)	19,051

Further, the Bank compared the provision for other assets based on NBE Directive with impairment for other

	30 June 2023	30 June 2022
	Birr'000	Birr'000
Total impairment on other assets based on IFRS	3,414	128
Total impairment on other assets(claims) based on NBE	0	8,543
Variation(Amount transferred to Regulatory Risk Reserve)	3,414	(8,416)

	30 June 2023	30 June 2022
	Birr'000	Birr'000
Impairment on other assets based on IFRS for the period	3,286	(8,917)
Impairment on other assets(claims) based on NBE Requirement for the period	(8,543)	8,543
Variation(Amount transferred to Regulatory Risk Reserve)	11,830	(17,460)



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As per the requirements of IFRS , banks should recognize interest income on the written down amount of the loan after the impairment loss, on an accrual basis, using the EIR for non performing loans. However, As per the requirement of NBE, such interest on non-accrual status shall be kept in the suspended interest account(off balance sheet) and shall not be reported as income. Thus the amount reported as income(net of tax) as per IFRS is transferred to regulatory risk reserve

	30 June 2023	30 June 2022
	Birr'000	Birr'000
Interest income on NPL reported per IFRS at the end of	104,333	49,205
Interest income on NPL reported per IFRS for the period	55,128	55,128
Sub Total	159,460	104,333
Profit tax paid/to be paid(30%)	47,838	31,300
Amount transferred to Regulatory Risk Reserve(Net of tax)	111,622	73,033
Total amounts transferred to Regulatory Risk Reserve	103,315	65,028

4.3 Amounts arising from ECL

i. Inputs, assumptions and techniques used for estimating impairment

See accounting policy in Note 2.3.1. (c)

ii. Significant increase in credit risk

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

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

- the remaining lifetime probability of default (PD) as at the reporting date; with
- the remaining lifetime PD for this point in time that was estimated at the time of initial recognition of the exposure (adjusted where relevant for changes in prepayment expectations).
- the Bank uses three criteria for determining whether there has been a significant increase in credit risk:
 - quantitative test based on movement in PD;
 - qualitative indicators; and
 - a backstop of 30 days past due,

iii. Credit risk grades

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

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



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a. Term loan exposures

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

b. Overdraft exposures

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

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 analysed by type of product and borrower as well as by credit risk grading. The Bank employs statistical models to analyse the data collected and generate estimates of the remaining lifetime PD of exposures and how these are expected to change as a result of the passage of time.

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 behaviour to provide evidence that its credit risk has declined sufficiently. When contractual terms of a loan have been modified, evidence that the criteria for recognising lifetime ECL are no longer met includes a history of up-to-date payment performance against the modified contractual terms.

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

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



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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 realising security (if any is held);
- the borrower is more than 90 days past due on any material credit obligation to the Bank.
- Overdrafts are considered as being past due once the customer has breached an advised limit or been advised of a limit smaller than the current amount 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 Fitch Solutions formerly known as Business Monitor International, an external and independent market intelligence and research institution. 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:



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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	INFLATION: Consumer price index, 2010 = 100, eop	EXCHANGE RATE: ETB/USD, ave	FISCAL: Total revenue, USDbn
Building & Construction and Manufacturing & Production	GDP EXPENDITURE: Exports of goods and services, USD per capita	FISCAL: Current expenditure, USDbn	DEBT: Government domestic debt, ETBbn	-	-
Export and Import	GDP EXPENDITURE: Exports of goods and services, ETBbn	GDP EXPENDITURE: Imports of goods and services, ETBbn	EXCHANGE RATE: Real effective exchange rate, index	GDP EXPENDITURE: Private final consumption, USDbn	DEBT: Total government debt, USDbn

The economic scenarios used as at 30 June 2023 included the following key indicators for Ethiopia for the years 2022 to 2024:

Macro-economic factor	2022	2023	2024
INFLATION: Consumer price index, 2010 = 100	584	763	935
GDP: GDP per capita, USD	549	567	589
GDP EXPENDITURE: Exports of goods and services, USD per capita	-	-	-
GDP EXPENDITURE: Exports of goods and services, ETBbn	382	504	606
EXCHANGE RATE: ETB/USD	52	55	58
GDP EXPENDITURE: Imports of goods and services, USDbn	15.5	16.6	17.7
FISCAL: Current expenditure, USDbn	8.2	9.5	10.5
GDP EXPENDITURE: Imports of goods and services, ETBbn	740.8	887.8	1004.9
INFLATION: Consumer price index, 2010 = 100	591	757	893
DEBT: Government domestic debt, ETBbn	1311.5	1601.2	1831.6
EXCHANGE RATE: Real effective exchange rate, index	25	15	10
GDP EXPENDITURE: Private final consumption, USDbn	74.9	87.8	99.4
STRATIFICATION: Household Spending, ETBbn	4197.6	5494.6	6584.6
FISCAL: Total revenue, USDbn	7.6	8.9	11.4
DEBT: Total government debt, USDbn	69.4	78.4	87.5

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

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 derecognised and the renegotiated loan recognised as a new loan at fair value in accordance with the accounting policy set out.

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

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



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

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

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

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

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

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

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



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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 amortised cost (on balance sheet exposures)	2023				2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
In Birr'000								
Balance at 1 July	2,915,862	74,132	171,516	3,161,510	2,321,051	79,664	116,494	2,517,209
Transfer to 12 months	643,439			643,439	594,811	-	-	594,811
Transfer to Lifetime ECL not credit impaired		(10,078)	12,048	1,970	-	(5,532)	55,022	49,490
Transfer to Lifetime ECL credit impaired				-	-	-	-	-
Net remeasurement of Loss allowance				-	-	-	-	-
Net financial assets originated or purchased				-	-	-	-	-
Financial assets derecognised				-	-	-	-	-
Balance at 30 June	3,559,301	64,053	183,564	3,806,919	2,915,862	74,132	171,516	3,161,510

Loan commitments and financial guarantee contracts (off balance sheet exposures)	2023				2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
In Birr'000								
Balance at 1 July	13,949.97			13,950	42,387.42	-	-	42,387
Transfer to 12 months	-	-	-	-	-	-	-	-
Transfer to Lifetime ECL not credit impaired	-	-	-	-	-	-	-	-
Transfer to Lifetime ECL credit impaired	-	-	-	-	-	-	-	-
Net remeasurement of Loss allowance	(8,542)			(8,542)	8,979.79	-	-	8,980
Net financial assets originated or purchased				-	917	-	-	917
Financial assets derecognised				-	(797)	-	-	(797)
Balance at 30 June	5,408	-	-	5,408	51,488	-	-	51,488



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Other financial assets	2023					2022				
	In Birr'000	Cash and balances with banks	Investment securities (debt instruments)	Emergency staff loans	Other receivables and financial assets	Total	Cash and balances with banks	Investment securities (debt instruments)	Emergency staff loans	Other receivables and financial
Balance as at 1 July	92	34	2	9,731	9,859	76	43	2	9,611	9,732
Net remeasurement of loss allowance	(7)	4	4	3,426	3,427	16	(9)	2	121	130
New financial assets originated or purchased	-	-	-	-	-	-	-	-	-	-
Balance as at 30 June	85	38	6	13,157	13,286	92	34	4	9,732	9,862

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.	2023				2022			
	In Birr'000	Loans and advances to customers at amortised cost	Investment securities (debt instruments)	Other financial assets	Total charge/(credit)	Loans and advances to customers at amortised cost	Investment securities (debt instruments)	Other financial assets
Net remeasurement of loss allowance	-	(8,542)	3,427	(5,115)	(1,516)	176	(1,816)	(3,156)
New financial assets originated or	-	-	-	-	11,162	917	-	12,079
Financial assets derecognised	-	-	-	-	(7,025)	(797)	-	(7,821)
Amounts directly written off during the year	-	-	-	-	-	-	-	-
Recoveries of amounts previously written off	-	-	-	-	-	-	-	-
Total	-	(8,542)	3,427	(5,115)	2,621	296	(1,816)	1,101



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4.4.1 Credit quality analysis

The following table sets out information about the credit quality of financial assets measured at amortised cost, FVOCI debt investments (2021). 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 2.3.1

In Birr'000	2023				2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Loans and advances to customers at amortised cost								
Stage 1 – Pass	6,833,730	-	-	6,833,730	5,450,154	-	-	5,450,154
Stage 2 – Special	-	64,053	-	64,053	-	105,572	-	105,572
Stage 3 - Non	-	-	236,621	236,621	-	-	225,473	225,473
Total gross exposure	6,833,730	64,053	236,621	7,134,405	5,450,154	105,572	225,473	5,781,199
Loss allowance	(21,113)	(401)	(91,855)	(113,369)	(26,252)	(818)	(75,159)	(102,229)
Net carrying amount	6,812,616	63,653	144,767	7,021,036	5,423,902	104,754	150,313	5,678,970

In Birr'000	2023				2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Off balance sheet items								
Stage 1 – Pass	13,949.97	-	-	13,950	42,387.42	-	-	42,387
Stage 2 – Special mention	-	-	-	-	-	-	-	-
Stage 3 - Non performing	-	-	-	-	-	-	-	-
Total gross exposure	13,950	-	-	13,950	42,387	-	-	42,387
Loss allowance	(1)	-	-	(1)	(9)	-	-	(9)
Net carrying amount	13,949	-	-	13,949	42,378	-	-	42,378

In Birr'000	2023			2022		
	Gross exposure	Loss allowance	Net carrying amount	Gross exposure	Loss allowance	Net carrying amount
Other financial assets						
Cash and balances with banks	1,703,281	(85)	1,703,196	1,510,044	(76)	1,509,969
Investment securities (debt instruments)	759,895	(38)	759,857	862,532	(43)	862,488
Other receivables and financial assets	175,317	(13,157)	162,160	153,992	(9,611)	144,381
Emergency staff loans	72,637	(6)	72,631	33,666	(2)	33,664
Totals	2,711,130	(13,286)	2,697,844	2,560,234	(9,731)	2,550,503



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4.5 Credit concentrations

The Bank monitors concentrations of credit risk by sector, location and purpose. An analysis of concentrations of credit risk at 30 June 2023, 30 June 2022 and 1 July 2021. The Bank concentrates all its financial assets in Ethiopia.

	Public enterprise Birr'000	Private Birr'000	Others Birr'000	Total Birr'000
30 June 2023				
Cash and bank	1,071,803	633,535	456,017	2,161,356
Loans and advances to customers		7,465,322	-	7,465,322
Investment securities:				-
- Available for sale		312,106		312,106
- Loans and receivables	759,857			759,857
Other assets	636,005		252,526	888,531
Loan commitments				
	2,467,665	8,410,964	708,544	11,587,173
30 June 2022				
Cash and bank balances	1,059,246	782,813	392,742	2,234,801
Loans and advances to customers		6,026,104	-	6,026,104
Investment securities:				-
- Available for sale		195,500		195,500
- Loans and receivables	705,929			705,929
Other assets	711,066		197,533	908,598
Loan commitments				
	2,476,241	7,004,418	590,275	10,070,933
1 July 2021				
Cash and bank balances	488,688	1,020,727	346,315	1,855,730
Loans and advances to customers		4,492,957	-	4,492,957
Investment securities:				-
- Available for sale		59,782		59,782
- Loans and receivables	862,456			862,456
Other assets	249,787		744,628	994,415
	1,600,931	5,573,466	1,090,943	8,265,340



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4.6 Nature of security in respect of loans and advance to customers

	against real estate	Merchandise	Plant and machinery	Motor vehicles	Others	Total
	Birr'000	Birr'000	Birr'000	Birr'000	Birr'000	Birr'000
30 June 2023						
Agriculture	154,364	-	-	-	2,000	156,364
Transport	164,855	-	-	-	-	164,855
Manufacturing	1,107,012	-	39,617	22,358	141,832	1,310,819
Construction	1,973,050	-	12,377	121,002	42,772	2,149,201
Domestic trade and serv	3,004,256	-	50,736	110,004	145,758	3,310,754
Import	526,275	-	-	2,759	146,034	675,068
Export	1,461,268	-	11,030	3,712	1,545,481	3,021,491
Personal	-	-	-	-	24,918	24,918
Housing	216,259	-	-	6,200	-	222,459
Staff loans	-	-	-	-	-	-
	8,607,339	-	113,760	266,035	2,048,795	11,035,929
	Secured against real estate	Merchandise	Plant and machinery	Motor vehicles	Others	Total
	Birr'000	Birr'000	Birr'000	Birr'000	Birr'000	Birr'000
30 June 2022						
Agriculture	154,364	-	-	-	2,000	156,364
Transport	164,855	-	-	-	-	164,855
Manufacturing	1,107,012	-	39,617	22,358	141,832	1,310,819
Construction	1,973,050	-	12,377	121,002	42,772	2,149,201
Domestic Trade and Ser	3,004,256	-	50,736	110,004	145,758	3,310,754
Import	526,275	-	-	2,759	146,034	675,068
Export	1,461,268	-	11,030	3,712	1,545,481	3,021,491
Personal	-	-	-	-	24,918	24,918
Housing	216,259	-	-	6,200	-	222,459
Staff loans	-	-	-	-	-	-
	8,607,339	-	113,760	266,035	2,048,795	11,035,929
	Secured against real estate	Merchandise	Plant and machinery	Motor vehicles	Others	Total
	Birr'000	Birr'000	Birr'000	Birr'000	Birr'000	Birr'000
1 July 2021						
Agriculture	154,364	-	-	-	2,000	156,364
Transport	164,855	-	-	-	-	164,855
Manufacturing	1,107,012	-	39,617	22,358	141,832	1,310,819
Construction	1,973,050	-	12,377	121,002	42,772	2,149,201
Domestic Trade and Ser	3,004,256	-	50,736	110,004	145,758	3,310,754
Import	526,275	-	-	2,759	146,034	675,068
Export	1,461,268	-	11,030	3,712	1,545,481	3,021,491
Personal	-	-	-	-	24,918	24,918
Housing	216,259	-	-	6,200	-	222,459
Staff loans	-	-	-	-	-	-
	8,607,339	-	113,760	266,035	2,048,795	11,035,929



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4.7 Collateral held and their financial effect

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

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

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

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

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

4.8 Liquidity risk

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

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

4.8.1 Management of liquidity risk

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

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

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

4.9 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.

	0 - 30 days	31 - 90 days	91 - 180 days	181 - 365 days	Over 1 year	Total
	Birr'000	Birr'000	Birr'000	Birr'000	Birr'000	Birr'000
30 June 2023						
Deposits from customer	1,956,398	1,655,414	1,805,906	1,504,921	2,106,890	9,029,529
Debt securities issued						-
Other liabilities	22,780	176,179	400,952	59,415	62,575	722,303
Total financial	1,979,178	1,831,592	2,206,858	1,564,336	2,169,465	9,751,832
	0 - 30 days	31 - 90 days	91 - 180 days	181 - 365 days	Over 1 year	Total
	Birr'000	Birr'000	Birr'000	Birr'000	Birr'000	Birr'000
30 June 2022						
Deposits from customer	1,008,352	1,352,664	1,264,261	1,593,787	982,082	7,749,071
Other liabilities	9,821	-	68,251	-	618,304	644,710



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Total financial liabilities	1,018,173	1,352,664	1,332,512	1,593,787	1,600,386	8,393,780
	0 - 30 days	31 - 90 days	91 - 180 days	1 - 365 days	Over 1 year	Total
1 July 2021	Birr'000	Birr'000	Birr'000	Birr'000	Birr'000	Birr'000
Deposits from customer	1,008,352	1,352,664	1,264,261	1,593,787	982,082	6,281,414
Other liabilities	9,821	-	68,251	-	618,304	818,787
Total financial	1,018,173	1,352,664	1,332,512	1,593,787	1,600,386	7,100,201

4.10 Market risk

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

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

4.11 Management of market risk

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

4.12 Management of market risk

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

(i) Interest rate risk

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

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

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

30 June 2023	Fixed	interest bearing	Total
	Birr'000	Birr'000	Birr'000
Assets			
Cash and bank balances	2,161,271	-	2,161,271
Loans and advances to customers	7,465,322	-	7,465,322
Investment securities	759,857	312,106	1,071,963
Other assets	636,005	265,683	901,688
Total	10,386,450	312,106	10,698,556
Liabilities			
Deposits from customers	9,029,529	-	9,029,529
Other liabilities	-	586,973	586,973
Total	9,029,529	586,973	9,616,502
30 June 2022		Non-interest bearing	Total
	Fixed	Birr'000	Birr'000
Assets			
Cash and bank balances	2,234,709	-	2,234,709
Loans and advances to customers	6,026,104	-	6,026,104
Investment securities	705,929	195,500	901,429
Other assets	711,066	207,264	918,330
Total	8,966,743	195,500	9,162,243



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Liabilities			
Deposits from customers	7,749,071	-	7,749,071
Other liabilities	-	512,192	512,192
Total	7,749,071	512,192	8,261,263

01 July 2021		Fixed	interest bearing	Total
		Birr'000	Birr'000	Birr'000
Assets				
Cash and bank balances	1,855,654	-	-	1,855,654
Loans and advances to customers	4,492,957	-	-	4,492,957
Investment securities	862,456	59,782	-	922,239
Other assets	249,787	754,239	-	1,004,026
Total	7,211,067	59,782	-	7,270,850

Liabilities			
Deposits from customers	6,281,414	-	6,281,414
Other liabilities	-	729,391	729,391
Total	6,281,414	729,391	7,010,805

(ii) **Foreign exchange risk**

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

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

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

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

	30 June 2023	30 June 2022	30 June 2021
	Birr'000	Birr'000	Birr'000
Foreign currency denominated balances			
Cash and bank balance USD	383,228	538,866	823,119
Euro	54,775	62,153	34,892
GBP	665	356	341
	438,668	601,375	858,352
Deposits from customers USD	12,287	12,085	21,785
Euro	3,521	511	665
GBP	693	925	934
	16,501	13,521	23,384
Total	455,169	614,896	881,736



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:

	Carrying amount	increase in basis point	decrease in basis point
	Birr'000	Birr'000	Birr'000
30 June 2023			
USD	383,228	38,323	(38,323)
Euro	54,775	5,477	(5,477)
GBP	665	67	(67)
	438,668	43,867	(43,867)



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	Carrying amount Birr'000	increase in basis point Birr'000	decrease in basis point Birr'000
30 June 2022			
USD	538,866	53,887	(53,887)
Euro	62,153	6,215	(6,215)
GBP	356	36	(36)
	<u>601,375</u>	<u>60,137</u>	<u>(60,137)</u>
	Carrying amount Birr'000	increase in basis point Birr'000	decrease in basis point Birr'000
1 July 2021			
USD	823,119	82,312	(82,312)
Euro	34,892	3,489	(3,489)
GBP	341	34	(34)
	<u>858,352</u>	<u>85,835</u>	<u>(85,835)</u>

4.13 Capital management

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

4.13.1 Capital adequacy ratio

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

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

Capital includes share capital, share premium, retained earnings, legal reserve and other reserves to be approved by the National Bank of

The capital adequacy ratio is the quotient of the capital base of the Bank and the Bank's risk weighted asset base. The Bank's capital includes issued and fully paid share capital, legal reserves and other reserves to be approved by the National Bank of Ethiopia. However, any balance, should be netted off against the total risk weighted assets.:



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	30 June 2023	30 June 2022	30 June 2021	
	Birr'000	Birr'000	Birr'000	
Capital				
Share capital	1,825,361	1,443,544	1,107,529	
Share premium	-	-	-	
Retained earnings	172,500	266,274	193,796	
Legal reserves	410,074	354,205	267,990	
	<u>2,407,935</u>	<u>2,064,023</u>	<u>1,569,315</u>	
Risk weighted assets				
Risk weighted balance for on-balance sheet items				%
Claims on other banks maturing within 12 months	126,708	156,563	204,146	20
Loans and advances to customers	7,465,322	6,026,104	4,492,957	100
Investment securities				
- Investment in Equity held through OCI	312,106	195,500	59,782	100
- Investment in security designated at amortized cost	759,857	705,929	862,456	100
Other assets	1,251,544	1,253,278	1,301,496	100
Intangible assets	70,863	85,373	5,547	100
Property, plant and equipment	361,216	198,836	121,711	100
Credit equivalents for off-balance sheet items				
Guarantees issued and outstanding	1,878,918	1,266,105	1,266,105	50
Loan commitment	101,045	17,745	17,745	50
Letter of credit and other credit related obligations	140,835	140,835	140,835	100
	<u>12,468,414</u>	<u>10,046,268</u>	<u>8,472,780</u>	
Risk-weighted Capital Adequacy Ratio (CAR)	19%	21%	19%	
Minimum required capital Adequacy Ratio	8%	8%	8%	
Excess	11%	13%	11%	

4.14 Fair value of financial and non financial instruments

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

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

4.14.1 Valuation models

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

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

- Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active, or other valuation technique in which all significant inputs are directly or indirectly observable from market data. In conclusion, this category is for valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs). This category includes all assets and liabilities for which the valuation technique includes inputs not based on observable date and the unobservable inputs have a significant effect on the asset or liability's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.



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4.14.2 Financial instruments not measured at fair value

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

	30 June 2023		30 June 2022		30 June 2021	
	Carrying amount Birr'000	Fair value Birr'000	Carrying amount Birr'000	Fair value Birr'000	Carrying amount Birr'000	Fair value Birr'000
Financial assets						
Cash and bank balances	2,161,271	2,161,271	2,234,709	2,234,709	1,855,654	1,855,654
Loans and advances to customers	7,465,322	7,465,322	6,026,104	6,026,104	4,492,957	4,492,957
Investment securities	1,071,963	1,071,963	901,429	901,429	922,239	922,239
Other assets	1,251,544	1,251,544	1,253,278	1,253,278	1,301,496	1,301,496
Total	10,698,556	10,698,556	9,162,243	9,162,243	7,270,850	7,270,850
Financial liabilities						
Deposits from customer	9,029,529	9,029,529	7,749,071	7,749,071	6,281,414	6,281,414
Other liabilities	722,303	722,303	644,710	644,710	818,787	818,787
Total	9,751,832	9,751,832	8,393,780	8,393,780	7,100,201	7,100,201

4.14.3 Fair value methods and assumptions

Loans and advances to customers

Loans and advances to customers are carried at amortised 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.

Investment securities

The NBE bills are carried at amortised cost using the Effective Interest Rate (EIR) method. This means the amortised cost is determined as the fair value of the NBE bills at inception plus interest accrued using the EIR.

4.14.4 Valuation technique using significant unobservable inputs – Level 3

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

4.14.5 Transfers between the fair value hierarchy categories

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

4.15 Offsetting financial assets and financial liabilities

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



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	30 June 2023	30 June 2022
	Birr'000	Birr'000
5 Interest income		
Loans and advances to customers	1,014,107	750,325
Investment securities	15,029	10,463
Cash and cash equivalents	26,770	17,234
Treasury Bills	45,605	44,660
	1,101,511	822,682
	30 June 2023	30 June 2022
	Birr'000	Birr'000
6 Interest expense		
Savings deposits	232,023	185,472
Fixed time deposits	256,096	220,139
Short and Long term borrowings	29,287	16,147
	517,405	421,758
	30 June 2023	30 June 2022
	Birr'000	Birr'000
7 Net fees and commission income		
Fee and commission income		
Letter of gaurantee	119,398	74,732
Service charge	225,366	223,882
Letters of credit	109,387	122,810
Cash against document (CAD)	9,333	2,846
Cash payment orders	370	238
Automated teller machine	1,750	1,266
Other services	251	59
	465,855	425,833
Fee and commission expense		
Cash collections	(9,179)	(5,956)
Net fees and commission income	456,675	419,877
	30 June 2023	30 June 2022
	Birr'000	Birr'000
8 Other operating income		
Rental income from investment property	1,997	978
Dividend income	10,561	3,108
Other income	21,979	65,190
	34,538	69,276
	30 June 2023	30 June 2022
	Birr'000	Birr'000
9 Impairment charge		
Loans and Advance - charge for the year (note 15a)	11,141	62,121
Other imparment charges	3,414	128
	14,555	62,249



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	30 June 2023	30 June 2022
	Birr'000	Birr'000
10 Net gain on foreign exchange		
Gain on foreign exchange	104,356	217,892
Loss on foreign exchange	(25,269)	(14,270)
	<u>79,088</u>	<u>203,622</u>
	30 June 2023	30 June 2022
	Birr'000	Birr'000
11 Personnel expenses		
Short term employee benefit		
Wages and salaries	302,743	196,796
Bonus	22,581	23,678
Staff allowances	68,587	34,395
Leave pay	17,982	9,900
Defined contribution plan:		
Pension costs	30,923	19,065
Provident fund contribution	243	1,095
Defined benefit plan: severance pay	8,941	5,204
Others		
Overtime	16	-
Training and education	15,691	10,605
Other staff expenses	14,113	12,365
	<u>481,820</u>	<u>313,104</u>
	30 June 2023	30 June 2022
	Birr'000	Birr'000
12 Other operating expenses		
Rental expenses	107,267	93,300
Security and janitorial expenses	107,551	64,967
Communication	5,174	5,110
Stationery and office supplies	13,955	8,822
Insurance premium	2,081	1,757
Business travel and transportation	5,395	2,704
Inauguration	9	-
Fuel and lubricants	2,247	1,061
Other expenses	11,772	8,486
Conference and meeting	3,117	2,569
Repairs and maintenance	10,780	6,638
Utilities	2,349	1,781
Wages for non-employees	366	247
Bank charges	2,770	2,146
Advertisement	14,706	13,001
Transportation of currency	175	182
Postage	304	162
Legal fees	84	19
Donations	7,245	4,621
Entertainment	328	126
Loss on Disposal of fixed assets	7,210	-
	<u>304,885</u>	<u>217,698</u>



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	30 June 2023	30 June 2022
	Birr'000	Birr'000
13 Company income and deferred tax		
13a Current income tax		
Company income tax	68,571	128,793
Prior year (over)/ under provision		
Capital gains tax	-	-
Tax on foreign deposit interest		
Deferred income tax/(credit) to profit or loss	14,709	(808)
Total charge to profit or loss	83,281	127,986
Tax (credit) on other comprehensive income	29,954	31,113
Total tax in statement of comprehensive income	113,235	159,099

13f 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 2023	30 June 2022
	Birr'000	Birr'000
Profit before tax	306,756	472,845
Non-deductible expenses	80,382	101,243
Deduct allowable expense	(158,566)	(144,777)
Tax calculated at statutory tax rate of 30 %	68,571	128,793

13c Current income tax liability

	30 June 2023	30 June 2022	30 June 2021
	Birr'000	Birr'000	Birr'000
Balance at the beginning of the year	128,793	97,199	61,658
Charge for the year:			
Education tax			
Capital gains tax			
Income tax expense	68,571	128,793	97,356
Prior year (over)/ under provision			
WHT Notes utilised	(37)	0	(157)
Payment during the year	(128,793)	(97,199)	(61,658)
Balance at the end of the year	68,535	128,793	97,199

13d Deferred income tax

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred tax assets of Birr (59,731, 43,033 and 12,728) for the Bank have not been recognised as at 30 June 2023, 30 June 2022 and 1 July 2021 respectively because it is not probable that future taxable profits will be available against which they can be utilised.

	30 June 2023	30 June 2022	30 June 2021
	Birr'000	Birr'000	Birr'000
The analysis of deferred tax assets/(liabilities) is as follows:			
To be recovered after more than 12 months	(87,697)	(43,033)	(12,728)
To be recovered within 12 months			
Deferred income tax liability	(87,697)	(43,033)	(12,728)



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

Deferred income tax assets/(liabilities):	At 1 July 2022	Credit/ (charge) to profit or loss	Credit/ (charge) to equity	30 June 2023
	Birr'000	Birr'000	Birr'000	Birr'000
Property, plant and equipment	(7,943)	(16,698)		(24,641)
Investments in Equity	(42,184)		(31,735)	(73,919)
Post employment benefit obligation	7,094	1,989	1,781	10,864
Total deferred tax assets/(liabilities)	(43,033)	(14,709)	(29,954)	(87,697)

Deferred income tax assets/(liabilities):	At 1 July 2021	Credit/ (charge) to profit or loss	Credit/ (charge) to equity	'30 June 2022
	Birr'000	Birr'000	Birr'000	Birr'000
Property, plant and equipment	(7,522)	(421)		(7,943)
Investments in Equity	(10,280)		(31,904)	(42,184)
Post employment benefit obligation	5,074	1,229	791	7,094
Total deferred tax assets/(liabilities)	(12,728)	808	(31,113)	(43,033)

14 Cash and bank balances	30 June 2023	30 June 2022	30 June 2021
	Birr'000	Birr'000	Birr'000
Cash on hand	456,017	392,742	346,315
Balance held with National Bank of Ethiopia	1,071,803	1,059,246	488,688
Deposits with local banks	194,867	181,438	162,376
Deposits with foreign banks	438,668	601,375	858,352
Less: Impairment Provision for Other bank Deposits	(85)	(92)	(76)
	2,161,271	2,234,709	1,855,654

Maturity analysis	30 June 2023	30 June 2022	30 June 2021
	Birr'000	Birr'000	Birr'000
Current	1,581,271	1,704,709	1,535,654
Non- current	580,000	530,000	320,000
	2,161,271	2,234,709	1,855,654

For the purpose of the cash flow statement, cash and cash equivalents comprise of cash on hand, cash at bank, short term deposit with banks. Cash and cash equivalent does not include restricted cash with NBE which is not available for use by the bank for normal day to day cash operations.

Cash and cash equivalents	30 June 2023	30 June 2022	30 June 2021
	Birr'000	Birr'000	Birr'000
Cash on hand	456,017	392,742	346,315
Deposits with local banks	194,867	181,438	162,376
Deposits with foreign banks	438,668	601,375	858,352
Balance held with National Bank of Ethiopia	491,803	529,246	168,688
	1,581,356	1,704,801	1,535,730



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	30 June 2023	30 June 2022	30 June 2021
	Birr'000	Birr'000	Birr'000
15 Loans and advances to customers			
Agriculture	7,639	3,104	4,885
Transport	98,308	63,150	23,541
Manufacturing	650,451	516,181	543,431
Construction	977,206	905,956	726,363
Domestic Trade and Services	1,435,148	1,161,254	919,649
Import	553,184	379,263	292,627
Export	3,470,201	2,854,548	1,849,762
Personal	52,779	29,370	19,350
Housing	241,741	155,751	118,310
Vehicle	29,132	20,195	5,949
Staff loans	62,906	39,564	29,197
Gross amount	7,578,695	6,128,336	4,533,067
Less: Impairment allowance (note 15a)			
- Specific impairment			
Collective impairment	(113,373)	(102,231)	(40,110)
* Staff loans are presented at fair value by taking the market interest			
Net amount	7,465,322	6,026,104	4,492,957

15a Impairment allowance on loans and advances to customers

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

	30 June 2023	30 June 2022
	Birr'000	Birr'000
Collective allowance for impairment		
Building and construction	25,311	21,686
Domestic trade and services	20,407	14,457
Export and import	13,256	13,619
Manufacturing and production	2,314	1,676
Personal loan	40	74
Staff loan	101	184
Agriculture	9,053	9,487
Overdraft	3,768	3,868
Preshipment loans	38,907	36,966
Merchandise	211	211
Emergency staff loans	4	2
	113,372.65	102,231
Impairment charge		
Loans and Advance - charge for the year	11,141	62,121
Other imparment charges	3,414	128
	14,555	62,249

Other impairment charges include off balance sheet items, revolving and other assets.



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16a Investment securities

Investment in Equity held through OCI

Equity Investments		
Fair valuation		
Equity Investments	Total	

Investment in security designated at amortized cost

National Bank of Ethiopia (NBE) bills		
Treasury bond		
DBE bond		
Treasury Bill		

Gross amount

Less:- Impairment Provision for NBE Bills

30 June 2023	30 June 2022	30 June 2021
Birr'000	Birr'000	Birr'000
65,710	54,888	25,517
246,396	140,612	34,265
312,106	195,500	59,782
-	36,105	862,500
271,478	43,675	
108,161		
380,256	626,183	
759,895	705,963	862,500
(38)	(34)	(43)
759,857	705,929	862,456

Maturity analysis

Current
 Non- current



30 June 2023	30 June 2022	30 June 2021
Birr'000	Birr'000	Birr'000
36,105	36,105	248,264
723,752	669,824	614,193
759,857	705,929	862,456



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The Bank holds equity investments in the following entities;

	30 June 2023			30 June 2022	
	Number of shares	Fair value	Percentage of ownership	Number of shares	Percentage of ownership
Ethio Life and General Insurance S	10,902	3,618	5.03%	9,211	4.89%
EthSwitch	49,008	229,533	5.21%	40,877	6.63%
Premier Switch Solution (PSS)	4,800	13,184	2.91%	4,800	3.21%
Capital Financial Excellence	1,000	61	2.85%		
Total	65,710	246,396		54,888	

* The actual share balance as of June 30,2023 is Br. 65,710. While the fair valuation of the bank's investment has increased by Br. 3,618, 229,533, 13,184 & 61 for Ethio-life and general insurance S.C., Ethswitch., Premier switch solution (PSS) and Capital Financial Excellence Center S.C. respectively compared to ADIB's share holdings. The fair valuation is significantly increased due to EthSwitch's improved performance.

	30 June 2023	30 June 2022	30 June 2021
	Birr'000	Birr'000	Birr'000
16 Non-current asset held for sale - Cost			
	86,774	86,774	171,755
	86,774	86,774	171,755

The non-current asset held for sale class of accounts comprises repossessed collaterals. Since no indicator of impairment is seen, impairment charges are not deducted.

	30 June 2023	30 June 2022	30 June 2021
	Birr'000	Birr'000	Birr'000
17 Other assets			
Right of use asset	133,683	50,672	41,489
17a Financial assets			
Un-cleared effects local and foreign	636,005	660,393	247,347
Credit and debit cards receivables	4,781	1,342	3,437
Other account receivables	260,902	205,922	750,802
Gross amount	901,688	867,657	1,001,586
Less: Impairment Provision for Receivables	(13,157)	(9,731)	(9,611)
	888,531	857,926	991,975
Non-financial assets			
Prepaid rent	180,068	211,972	172,143
Prepayments for branch under establishment	24,717	37,030	25,370
Prepaid staff expense	89,268	63,315	38,440
Shares awaiting resale	-	-	8,608
Stock of consumables (note 17b)	29,952	12,970	8,063
Prepayments for services	20,940	19,392	15,407
Software Project	18,069	74,472	-
Withholding tax recoverable	-	-	-
	363,013	419,151	268,032
Gross amount	1,251,544	1,277,077	1,260,007



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<i>Maturity analysis</i>	30 June 2023 Birr'000	30 June 2022 Birr'000	30 June 2021 Birr'000
Current	1,251,544	1,253,278	1,301,496
Non- current			
	<u>1,251,544</u>	<u>1,253,278</u>	<u>1,301,496</u>

17h Stock of consumables

A breakdown of stock of consumables included within other assets is as follows:

	30 June 2023 Birr'000	30 June 2022 Birr'000	30 June 2021 Birr'000
Supplies stock account	26,643	10,351	6,831
Others	3,309	2,620	1,232
	<u>29,952</u>	<u>12,970</u>	<u>8,063</u>
			Net book value
	Cost Amortisation	Cost Amortisation	Cost Amortisation
	Birr'000	Birr'000	Birr'000

18 Intangible Assets

As at 1 July 2021	24,907	19,360	5,547
Additions/(amortisation)	8,040	2,699	5,342
As at 30 June 2022	<u>32,947</u>	<u>22,059</u>	<u>10,888</u>
Disposal		(14,460)	
Additions/(amortisation)	57,519	12,004	59,974
As at 30 June 2023	<u>90,466</u>	<u>19,603</u>	<u>70,863</u>

The Bank's intangible assets consist of computer softwares. There is a significant increase in intangible asset due to the bank has purchased new (FLEXCUBE) system and changed it's old (Omni) system. The old system has impaired and cleared from the books of accounts of the bank. Amortisation is included as part of 'other operating expenses'.

19 Investment property

Cost:

At the beginning of the year

Investment property

At the end of the year

Accumulated depreciation:

At the beginning of the year

Charge for the year

At the end of the year

Net book value

At the beginning of the year

At the end of the year

	30 June 2023 Birr'000	30 June 2022 Birr'000	30 June 2021 Birr'000
At the beginning of the year	2,194	2,194	2,194
Investment property	-	-	-
At the end of the year	<u>2,194</u>	<u>2,194</u>	<u>2,194</u>
Accumulated depreciation:			
At the beginning of the year	393	351	309
Charge for the year	42	42	42
At the end of the year	<u>434</u>	<u>393</u>	<u>351</u>
Net book value			
At the beginning of the year	1,801	1,843	1,885
At the end of the year	<u>1,760</u>	<u>1,801</u>	<u>1,843</u>



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19a Amounts recognised in profit or loss for investment properties

	Notes	30 June	30 June
		2023	2022
		Birr'000	Birr'000
Rental income (note 8)		1,997	978
Direct operating expenses from property that generated rental income		-	-
		1,997	978

19b Fair value measurement of the Bank's investment properties

The Bank's investment property is measured at cost. These properties include those held for rental purposes. There are currently no restrictions on the realisability of these properties.

Investment property is initially measured at cost including transaction costs and subsequently measured at depreciated cost (less any accumulated impairment losses). Depreciation is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives of 50 years. The fair value of investment properties has been disclosed as required.

The fair value of the Bank's investment property as at the reporting date and has been arrived at by in-house engineers qualified estate surveyors and valuers. These valuers have appropriate qualifications and recent experience in the valuation of properties in the relevant locations. The fair value was determined based on the replacement cost concept which approximates the estimated amount for which a property should exchange on the date of valuation between knowledgeable willing parties in an arm's length transaction after proper marketing, prudently and without compulsion. This implies a market comparable approach that reflects the recent transaction prices for similar properties). In estimating the fair value of the properties, the highest and best use of the properties is their current use. There has been no change to the valuation technique during the year.

19c Fair value hierarchy

Details of the Bank's investment properties and information about the fair value hierarchy are as

30 June 2023	Carrying amount	Level 1	Level 2	Level 3
	Birr'000	Birr'000	Birr'000	Birr'000
Investment properties	1,760		6,686	

30 June 2022	Carrying amount	Level 1	Level 2	Level 3
	Birr'000	Birr'000	Birr'000	Birr'000
Investment properties	1,801		5,327	

1 July 2021	Carrying amount	Level 1	Level 2	Level 3
	Birr'000	Birr'000	Birr'000	Birr'000
Investment properties	1,843		4,550	-



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	Buildings Birr'000	Motor vehicles Birr'000	Office equipment Birr'000	Furniture and fittings Birr'000	Computer equipment Birr'000	Total Birr'000
20 Property, plant and equipment						
Cost						
As at 1 July 2021	24,558	44,457	52,937	36,994	72,651	231,596
Additions	45,820	2,022	19,267	16,160	14,053	97,321
As at 30 June 2022	70,377	46,479	72,204	53,153	86,704	328,917
As at 1 July 2022	70,377	46,479	72,204	53,153	86,704	328,917
Additions	23,248	60,539	30,756	25,790	53,192	193,525
Disposals	-	-	-	-	-	-
As at 30 June 2023	93,626	107,018	102,959	78,944	139,896	522,442
Accumulated depreciation						
As at 1 July 2021	1,500	23,048	26,611	16,580	42,144	109,885
Charge for the year	538	3,904	6,090	3,468	7,233	21,234
Disposals	-	-	(348)	(129)	(561)	(1,038)
As at 30 June 2022	2,039	26,953	32,354	19,920	48,816	130,081
As at 1 July 2022	2,039	26,953	32,354	19,920	48,816	130,081
Charge for the year	1,545	5,077	8,340	5,510	10,875	31,346
Disposals	-	-	-	(201)	-	(201)
As at 30 June 2023	3,584	32,030	40,694	25,228	59,691	161,226
Net book value						
As at 1 July 2021	23,057	21,408	26,325	20,414	30,506	121,711
As at 30 June 2022	68,339	19,526	39,850	33,234	37,888	198,836
As at 30 June 2023	90,042	74,988	62,266	53,715	80,205	361,216

	2023 Birr'000	2022 Birr'000	2021 Birr'000
21 Deposits from customers			
Demand deposits	2,103,062	2,077,853	1,122,710
Savings deposits	4,198,960	3,296,824	2,650,302
Special savings	506,665	536,328	537,515
Time deposits	2,220,843	1,838,065	1,970,887
	9,029,529	7,749,071	6,281,414

Maturity analysis

	2023 Birr'000	2022 Birr'000	2021 Birr'000
Current	5,196,377	3,915,919	3,093,597
Non-current	3,833,152	3,833,152	3,187,817
	9,029,529	7,749,071	6,281,414



Addis International Bank Share Company*Notes to the financial statements***IFRS financial statements**

	2023	2022	2021
	Birr'000	Birr'000	Birr'000
22 Other liabilities			
Financial liabilities			
Letter of credit margin payables	176,179	102,527	301,939
Cash against document (CAD) margin payables	59,415	75,026	82,534
Banking instruments payables	36,026	41,611	32,796
Exchange commission payable	9,131	16,857	15,705
Accrued expenses	35,709	16,714	26,304
Dividend payable	-1	4,372	74,440
SME Credit Facility DBE	270,515	255,084	177,153
Short - Term Borrowings	-	-	18,520
	586,973	512,192	729,391
Non-financial liabilities			
Defined contribution plan	3,904	2,557	1,648
Stamp duty payable	1,529	2,218	501
Withholdings Tax Payable	1,625	12,348	6,149
Value Added Tax (VAT)	921		
Employee tax payable	9,574	5,890	2,986
Unearned income	59,105	39,369	25,875
Other payables	58,671	16,189	8,767
	135,329	78,572	45,925
Gross amount	722,303	590,764	775,316
Maturity analysis	2023	2022	2021
	Birr'000	Birr'000	Birr'000
Current	662,133	572,017	764,901
Non- current	60,170	18,747	10,415
	722,303	590,764	775,316
Lease Liability	2023	2022	2021
	Birr'000	Birr'000	Birr'000
	56,266	53,946	43,471

**23 Retirement benefit obligations**

The Bank operates an unfunded severance pay plan for its staff which is governed by Labour Law No. 377/03 article 39 & 40 and its subsequent labour amendment No. 494/06 new provisions in sub article (1) of 39. The final pay-out is determined by reference to current benefit's level (monthly salary) and number of years in service and is calculated as 1 month salary for the first year in employment plus 1/3 of monthly salary for each subsequent in employment to a maximum of 12 months final monthly salary.

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

	30 June	30 June	30 June
	Birr'000	Birr'000	Birr'000
A Liability recognised in the financial position			
Severance pay	36,212	23,646	16,912



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Notes to the financial statements
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B Amount recognised in the profit or loss	2023	2022
	Birr'000	Birr'000
Current service cost	3,043	2,256
Past service cost	-	-
Interest cost	5,898	2,663
	<u>8,941</u>	<u>4,919</u>

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

C Amount recognised in other comprehensive income:	2023	2022
	Birr'000	Birr'000
Remeasurement gains on economic assumptions	(425)	658
Remeasurement loss on experience	(5,512)	(3,296)
Remeasurement Gain/loss on Equity investments	105,784	106,347
	<u>99,847</u>	<u>103,709</u>

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

	2023	2022
	Birr'000	Birr'000
At the beginning of the year	23,646	16,912
Current service cost	3,043	2,256
Past service cost	-	-
Interest cost	5,898	2,663
losses	5,937	2,638
Benefits paid	(2,312)	(823)
year	<u>36,212</u>	<u>23,646</u>



The significant actuarial assumptions were as follows:

i) Financial Assumption Long term Average

	2023	2022	2021
	Birr'000	Birr'000	Birr'000
Discount rate (p.a)	20.30%	23.10%	14.50%
Long term salary increase(p.a)	17.10%	19.30%	12.00%

ii) Mortality in Service

The rate of mortality assumed for employees are those according to the Demographic and Health Survey (“DHS”) 2016 report. The DHS report provides male and female mortality rates for 5 year age bands from age 15 to age 49. Since the rates are provided in 5 year bands, the rate provided per band were applied as the mortality rate for the age in the middle of each band, and interpolated linearly for rates in between these ages.

For ages over 47, mortality 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.

These rates combined are approximately summarized as follows:



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Age	Mortality rate	
	Male	Female
20	30.6%	22.3%
25	30.3%	22.8%
30	35.5%	31.4%
35	40.5%	27.9%
40	51.5%	31.9%
45	45%	42.8%
50	62.8%	62.8%
55	97.9%	97.9%
60	153.6%	153.6%

iii) Withdrawal from Service

The withdrawal rates are believed to be reasonably representative of the Ethiopian experience. The valuation assumed the Company's resignation rates as follow.

Age	Resignation rates per annum
20	0.0%
25	27.4%
30	25.9%
35	20.4%
40	9.3%
45	19.5%
50+	3.7%

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

	Impact on defined benefit obligation				
	30 June 2023		30 June 2022		
	Change in assumption	Impact of an increase Birr'000	Impact of a decrease Birr'000	Impact of an increase Birr'000	Impact of a decrease Birr'000
Discount rate	0.1%	34,783	37,714	22,739	24,598
Long term salary increase rate	0.1%	37,742	34,733	24,621	22,703

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.

24 Provisions

Balance at the beginning	
Payment during the year	
Additional provisions for bonus payments	
Other provisions	
Balance at the end	



	30 June Birr'000	30 June Birr'000	30 June Birr'000
	25,889	23,884	15,049
	(25,889)	(23,884)	(15,049)
	21,790	25,889	23,884
	8	17	17
	21,798	25,907	23,901



Addis International Bank Share Company*Notes to the financial statements***IFRS financial statements**

	30 June 2023	30 June 2022	30 June 2021
	Birr'000	Birr'000	Birr'000
25 Ordinary share capital			
Authorised:			
5,000,000 ordinary shares of Birr 1000 each	5,000,000	5,000,000	1,500,000
Issued and fully paid:			
Ordinary shares of Birr 1000 each	1,825,361	1,443,544	1,107,529
Share premium	-	-	-

Total subscribed shares at the balance sheet date was Birr 1,847,712 out of which Birr 1,825,361 was paid.

Share premium represents the excess of contributions received over the nominal value of shares issued.

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 2023	30 June 2022
	Birr'000	Birr'000
Profit attributable to shareholders	223,475	344,859
Weighted average number of ordinary shares in issue	1,731,108	1,221,014
Basic & diluted earnings per share (Birr)	12.91	28.24

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 2023 nil, 30 June 2022 nil, 30 June 2021: nil, 1 July 2020: nil), hence the basic and diluted loss per share have the same value.

	30 June 2023	30 June 2022
	Birr'000	Birr'000
27 Retained earnings		
At the beginning of the year	266,274	185,005
Profit for the year	223,475	344,859
Dividend paid	(266,274)	(193,796)
Transfer to legal reserve	(55,869)	(86,215)
Transfer to regulatory reserve	4,894	16,421
At the end of the year	172,500	266,274
28 Other comprehensive income		
At the beginning of the year	91,214	18,617
Remeasurement loss on retirement benefits obligations	(4,156)	(1,847)
Remeasurement Gain/loss on Equity investments	74,049	74,443
At the end of the year	161,107	91,214



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	30 June 2023	30 June 2022
	Birr'000	Birr'000
29 Legal reserve		
At the beginning of the year	354,205	267,990
Transfer from profit or loss	55,869	86,215
At the end of the year	410,074	354,205

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.

	30 June 2023	30 June 2022
	Birr'000	Birr'000
30 Regulatory risk reserve		
At the beginning of the year	17,909	34,329
Transfer from retained earnings	-4,894	-16,421
At the end of the year	13,015	17,909

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

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

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



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		30 June 2023	30 June 2022
	Notes	Birr'000	Birr'000
31 Cash generated from operating activities			
Profit before tax		306,756	472,845
Adjustments for non- cash items:			
Adjustment for impairment			
Depreciation of property, plant and equipment	20	31,346	21,234
Depreciation of investment property	19	42	42
Amortisation of intangible assets	18	12,004	2,699
Impairment on loans and advances to customers	15	11,141	62,121
Net interest income		(584,106)	(400,924)
Income statement charge on defined benefit obligations	11	8,941	5,204
Provisions		(4,100)	2,005
other imparment charges		3,414	128
Changes in working capital:			
-Decrease/ (increase) in loans and advances to customers	15	(1,450,359)	(1,595,269)
-Decrease/ (increase) in other assets	17	22,107	48,098
-Increase/ (decrease) in deposits from customers	20	1,280,458	1,467,657
Right of use asset		(83,011)	
-Increase/ (decrease) in non current asset held for sale		-	84,981
-Increase/ (decrease) in other liabilities	22	131,539	(175,412)
Lease Liability		2,320	
		<u>(311,507)</u>	<u>(4,591)</u>

32 Related party transactions

The Bank is 23.03% owned by cooperatives, 4% by share companies, 64.69% by individuals, 3.66% by Idirs, 3.62% by Private Limited Companies and 1% by others.

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

	30 June 2023	30 June 2022	30 June 2021
	Birr'000	Birr'000	Birr'000
32a Transactions with related parties			
Loans to related parties:			
- Loans to key management personnel	23,530	14,380	8,921
- Estimated value of collateral	39,190	20,760	9,225
	<u>62,720</u>	<u>35,140</u>	<u>18,147</u>

32b Key management compensation

Key management has been determined to be the members of the Board of Directors and the Executive Management of the Bank. The compensation paid or payable to key management is shown below. There were no sales or purchase of goods and services between the Bank and key management personnel as at 30 June 2023.

	30 June 2023	30 June 2022	30 June 2021
	Birr'000	Birr'000	Birr'000
Monthly Salaries and other short-term employee benefits	1,838	1,194	755
Post-employment benefits	-	-	-
Sitting allowance	38	38	37
	<u>1,875</u>	<u>1,231</u>	<u>792</u>



Addis International Bank Share Company
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Compensation of the Bank's key management personnel includes salaries and the maximum sitting allowance per meeting for each member of the Board of Directors. The amount paid is within the limit set in accordance with NBE directive SBB 63/2016.

33 Contingent liabilities

33a Claims and litigation

The Bank is a party to numerous legal actions brought by different organizations and individuals arising from its normal business operations. The maximum exposure of the Bank to these legal cases as at 30 June 2023 is Nil (30 June 2022 is Nil, 30 June 2021: Nil, 1 July 2020: Nil). 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.

33b Guarantees and letters of credit

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

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

	30 June 2023	30 June 2022	30 June 2021
	Birr'000	Birr'000	Birr'000
Guarantees issued and outstanding	3,757,835	2,532,209	2,532,209
Letter of credit net of margin paid	148,788	140,835	140,835
	3,906,623	2,673,044	2,673,044

34 Commitments

The Bank has commitments, not provided for in these financial statements, of Birr 50,450 (30 June 2021: Birr 140,990, 30 June 2020: Birr 147,590) on loan approved but not disbursed.

35 Operating lease commitments - Bank as lessee

The Bank leases various properties under non-cancellable operating lease agreements.

The table below bridges operating lease commitments related to continuing operations to IFRS 16 lease

	30 June 2023	
	Birr'000	
Right of Use Asset	2,403,627	
Lease Liability		2,320,150
Interest Expense on Lease	895,569	
Rent Expense		979,047
Total	3,299,197	3,299,197

36 Events after reporting period

In the opinion of the Directors, there were no significant post balance sheet events which could have a material effect on the state of affairs of the Bank as at 30 June 2023 and on the profit for the period ended on that date, which have not been adequately provided for or disclosed.





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ADDIS INTERNATIONAL BANK S.C.



ደንቅነሽ

የሴቶች ቀጠባ
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በተጠናቀቀው ሂሳብ ዓመት በሩሲያ እና በዩክሬን መካከል የነበረው ግጭት እንዲሁም የጂኦፖለቲካው ግጭት በዓለም አቀፍ ንግድ እንቅስቃሴ ላይ መቀዛቀዝ አስከትሏል። በተጨማሪም ከኮቪድ-19 ወረርሽኝ እያገገመ በነበረው የዓለም አኩረኝ እንቅስቃሴ ላይ ከባድ ተፅዕኖ አሳድሯል። ከዚህ ጋር በተያያዘም በብዙ ታዳጊ እና በማደግ ላይ ባሉ ሀገራት የዋጋ ንረትን በማባባስ ከፍተኛ ድህነት እንዲፈጠር አድርጓል።

ከላይ የተገለጹት ተግዳሮቶች በዓለም አቀፍ አኩረኝ እንቅስቃሴ ላይ መቀዛቀዝ ያስከተለ ሲሆን በሰሜን ሀገራችን ክፍል የነበረው ጦርነት ያስከተለው የአኩረኝ መቀዛቀዝ እንዲሁም በአብዛኛው የሀገሪቱ ክፍሎች የተከሰተው የፖለቲካ አለመረጋጋት ተደማምሮ በሀገራችን የአኩረኝ እንቅስቃሴ ላይ ከባድ ጫና አስከትለዋል። ከዚህ ጋር በተያያዘ ከፍተኛ የዕዳ ጫና፣ የውጭ ምንዛሬ እጥረት፣ ከፍተኛ የዋጋ ንረት እና የበጀት ጉድለት ሀገራችን ያጋጠማት ፈተናዎች ነበሩ።

በዓለማችን ብሎም በሀገራችን ያጋጠሙ ተግዳሮቶች በተዋረድ በባንክ ኢንዱስትሪ ላይ አሉታዊ ተፅዕኖ አሳድረዋል። ለአብነትም የጥሬ ገንዘብ ፍላጎት እጥረት ተጠቃሽ ሲሆን በዚህም ምክንያት ባንኮች ከብሔራዊ ባንክ የአጭር ጊዜ ብድር ላይ ጥገኛ እንዲሆኑ አድርጓል። በሌላ በኩል በዓለም አኩረኝ የተስተዋለው አዝጋሚ ዕድገት ባንኮች ከወጪ ንግድና ሃዋላ በሚያገኙት የውጭ ምንዛሬ ግኝት ላይ ከፍተኛ እጥረት አስከትሏል። በተጨማሪም በርካታ አዳዲስ ባንኮች ኢንዱስትሪውን በመቀላቀላቸው ምክንያት የቅርንጫፍ ኪራይ ዋጋ መናፈር፣ የሰው ኃይል ፍልሰት እንዲሁም የሀብት ሽሚያ አስከትሏል። ባንኮች ከሚያገኙት የውጭ ምንዛሬ 70 በመቶ ለኢትዮጵያ ብሔራዊ ባንክ እንዲሸጡ መደረጉ እና ከባንድና ግምጃ ቤት ሰነድ ግዥ ጋር የተላለፉ መመሪያዎች በሌላ በኩል በባንኮች የገቢ አሰባሰብ ላይ አሉታዊ ተጽዕኖ እንዲፈጠር አድርገዋል።

ባንኮችን በእነዚህ ፈተናዎች ውስጥ ቢያልፍም በሂሳብ ዓመቱ የነበረው አፈፃፀም ካለፈው ዓመት ተመሳሳይ ወቅት ጋር ሲነፃፀር አበረታች የሚባል ነበር። በዚህም እስከ ሰኔ 30 ቀን 2023 የባንኩ አጠቃላይ ሀብት ብር 12.6 ቢሊዮን እና አጠቃላይ ካፒታል ብር 2.6 ቢሊዮን የደረሰ ሲሆን ይህም ካለፈው ዓመት ተመሳሳይ ወቅት ጋር ሲነፃፀር በብር 1.8 ቢሊዮን (17 በመቶ) እና በብር 408.9 ሚሊዮን (19 በመቶ) በተከታታይ ዕድገት አስመዝግቧል።

ባንኮችን ለደምበኞች የሰጠው አጠቃላይ የብድር መጠን ብር 7.6 ቢሊዮን የደረሰ ሲሆን ካለፈው ዓመት ተመሳሳይ ወቅት ጋር ሲነፃፀር በ24 በመቶ ጭማሪ አሳይቷል። ባንኩ ለደምበኞች የተሰጠ ብድር ጤናማነት ለማረጋገጥ ጥንቃቄ የተሞላበት የብድር አስተዳደር ስርዓት ዘርግቶ ተግባራዊ እያደረገ ይገኛል። በዚህም ምክንያት አጠራጣሪ ብድሮች ከጠቅላላ ብድር ያላቸው ድርሻ 2.5 በመቶ የደረሰ ሲሆን ይህም የኢትዮጵያ ብሔራዊ ባንክ ካስቀመጠው የ5 በመቶ ጣሪያ አንጻር ሲታይ ዝቅተኛ ነው።

ተቀማጭ ገንዘብ በተመለከተ በሂሳብ ዓመቱ የባንኮችን ጠቅላላ ተቀማጭ በ17 በመቶ በማደግ ብር 9.2 ቢሊዮን የደረሰ ሲሆን የውጭ ምንዛሬ ግኝት ደግሞ 146.7 ሚሊዮን ዶላር ደርሷል። ባንኮችን በሂሳብ ዓመቱ ከተለያዩ ገቢዎች ብር 1.7 ቢሊዮን አግኝቷል። በዚህም ከታክስ በፊት እና በኋላ ብር 306.8 ሚሊዮን እና ብር 223.5 ሚሊዮን ትርፍ በተከታታይ አስመዝግቧል። የደምበኞች ብዛት በከፍተኛ ሁኔታ የጨመረ ሲሆን እ.ኤ.አ. እስከ ሰኔ 30 ቀን 2023 ድረስ 495,775 ደርሷል። ይህም ካለፈው ዓመት ተመሳሳይ ወቅት ጋር ሲነፃፀር የ35 በመቶ ዕድገት አሳይቷል። በተያያዘም የባንኩ የቅርንጫፎች ቁጥር 132 ደርሷል።

ባንኩ ከቅጥር ጀምሮ በሥራ ላይ ላሉ ሠራተኞች ከስራቸው ጋር ተያያዥ የሆነ በጥናት ላይ የተመሠረተ ሥልጠና በመስጠት ላይ ይገኛል። በተጨማሪም የባንኩ መዋቅራዊ ጥናት አጠናቆ ተግባራዊ ለማድረግ በሂደት ላይ ነው።

በሂሳብ ዓመቱ በኢንፎርሜሽን ቴክኖሎጂ ዘርፍ በርካታ ስራዎች የተሰሩ ሲሆን አዲስ የኮር ባንኪንግ ቴክኖሎጂን ወደ ስራ ማስገባት ተችሏል። በሂደቱ ያጋጠሙ ችግሮችን በመፍታት በየደረጃው ለሚገኙ

ለሚመለከታቸው የስራ ክፍሎች እና ለሁሉም ቅርንጫፍ ሰራተኞች ስልጠና በመስጠት ከመስከረም 2015 ዓ.ም ጀምሮ ሁሉም ቅርንጫፎች በአዲሱ የኮር ባንኪንግ ቴክኖሎጂ አገልግሎት መስጠት ጀምረዋል፡፡ ባንኩ ነባሩን የሞባይል ባንኪንግና የኢንተርኔት ባንኪንግ በአዲስ ዘመናዊ የሞባይል ባንኪንግ እና የኢንተርኔት ባንኪንግ ቴክኖሎጂ በማሸጋገር ቀልጣፋና ምቹ አገልግሎቱን በመስጠት የደምበኞቹን ፍላጎት በማርካት ላይ ይገኛል፡፡

ባለፉት ዓመታት ባንኩ ከአዲስ አበባ ከተማ አስተዳደር የተፈቀደለትን የዋና መስሪያ ቤት ቦታ ለመረከብ ተደጋጋሚ ሙከራ አድርጓል፡፡ ሆኖም ግን በተለያዩ ምክንያቶች እስካሁን ድረስ መሬቱን መረከብ አልተቻለም፡፡ ባንኩ አሁንም ቦታውን ለመረከብና ሂደቱን ለማፋጠን ጥረት በማድረግ ላይ ይገኛል፡፡ ከዚህ በተጨማሪ ባንኩ በአዲስ አበባ ከተማ ለቅርንጫፍ ቢሮዎች እና ለመጋዘን አገልግሎት የሚውሉ ቤቶች ግዢ ያከናወነ ሲሆን በዚህም መሰረት ለቅርንጫፍ አገልግሎት የሚውል ቤት በቡልቡላ እና በቦሌ አራብሳ ግዢ ተፈጽሟል፡፡ በተጨማሪም በቁራ አካባቢ ለባንኩ አገልግሎት የሚውል ህንጻ በሊዝ ግዢ ለመፈጸም ከአዲስ አበባ መስተዳድር ጠይቆ ፈቃድ በመጠበቅ ላይ ይገኛል፡፡

ባንካችን እ.ኤ.አ. እስከ ሰኔ 30 ቀን 2026 ዓ.ም. ድረስ ዝቅተኛ የተከፈለ ካፒታሉን ብር 5.0 ቢሊዮን ለማድረስ የሚረዱ ስትራቴጂዎችን ተግባራዊ ያደረገ ሲሆን አፈፃፀማቸው በቦርድ በቅርበት ክትትል እየተደረገበት ይገኛል ። በዚህም በሂሳብ ዓመቱ የባንኩ የተከፈለ ካፒታል አበረታች ዕድገት በማሳየት ብር 1.8 ቢሊዮን ደርሷል ። ባንኩ የሚጠበቅበትን የተከፈለ ካፒታል እውን ለማድረግ ባለአክሲዮኖች ካፒታላቸውን እንዲያሳድጉ እንዲሁም ተቀማጭ ገንዘባቸውን ወደ ባንኩ እንዲያመጡ በዚህ አጋጣሚ ጥሪ ለማቅረብ እወዳለሁ ።

የባንኩን ካፒታል ለማሳደግ በሚቻልበት መንገድ ላይ ከባለአክሲዮኖች ጋር ተከታታይ የምክክር ስብሰባዎች እየተካሄዱ ይገኛሉ ። በውጤቱም ተስፋ ሰጪ ጅምሮች ታይተዋል ። በዚህ አጋጣሚ ሁሉም ባለአክሲዮኖች በባለቤትነት ስሜት በመነሳሳት የምትችሉትን ያህል አስተዋጽኦ እንድታደርጉ በአክብሮት እጠይቃለሁ ። ባንኩ የሚጠበቅበትን ዝቅተኛ ካፒታል ለማሳካት የሚቀረው ጊዜ አጭር በመሆኑ በቀሪ ጊዜያት ካፒታሉን ለማሟላት ሁሉም ባለአክሲዮኖች ርብርብ እንዲያደርጉ በድጋሚ ለማሳሰብ እወዳለሁ ።

ክቡራትና ክቡራን ከዚህ በመቀጠል በሂሳብ ዓመቱ የዳይሬክተሮች ቦርድ ያከናወናቸውን ዋናዎና ተግባራት እንደሚከተለው አቀርባለሁ፡፡

1. ቦርዱ በተጠናቀቀው ሂሳብ ዓመት ለአገልግሎት አሰጣጥ አጋዥ የሆኑ ፖሊሲዎችና ፕሮፖዛሎች መርምሮ አጽድቋል፡፡ እነዚህም፡፡
 - የፋይናንስ እና ሂሳብ አያያዝን የተመለከቱ ሰባት ፖሊሲዎች፤
 - የቅርንጫፍ አስተዳደር እና ኤሌክትሮኒክ ባንኪንግ ፖሊሲ፤
 - የብድር ፖሊሲ፤
 - የሰው ሀይል አስተዳደር ፖሊሲ፤
 - የዓለም አቀፍ የባንክ አገልግሎት ፖሊሲ፤
 - የውስጥ ኦዲት ፖሊሲ፤
 - የህግ አገልግሎት ፖሊሲ፤
 - የአደጋ ስጋት አስተዳደር ፖሊሲ፤
 - የቦርድ አስተዳደር መመሪያዎች፤
2. ቦርዱ የሚከተሉት ከአስተዳደር እና ኦፕሬሽን ጋር የተያያዙ ጉዳዮችን መርምሮ አጽድቋል፡፡ እነዚህም፡፡
 - የኢንፎርሜሽን ቴክኖሎጂ ፖሊሲ፤
 - የባንኩን የብድር ወለድ ማሻሻያ ፕሮፖዛል፤
 - የግዢ መመሪያ ማሻሻያዎች፤
 - የባንኩን ተቀማጭ አሰባሰብ ለማገዝ ያስችል ዘንድ ዲስትሪቭዥን ለማቋቋም የቀረበውን ፕሮፖዛል፤
3. ቦርዱ በብሔራዊ ባንክ የመልካም አስተዳደር መመሪያ መሰረት የተለያዩ ስራዎች አከናውኗል፡፡ እነዚህም፡-
 - የውጭ አዲተሮችን ሹመት አዕድቋል፤
 - 11ኛ የባለአክሲዮኖች መደበኛ ዓመታዊ ስብሰባ በተሳካ ሁኔታ እንዲጠናቀቅ ሚናውን ተወጥቷል፤
 - የሙሉ ቦርድ እና የቦርድ ኮሚቴዎች ላይ ግምገማ አድርጓል፤
 - የባንኩን አክሲዮን ሽያጭ ለመደገፍ ኮሚቴ እንዲቋቋም አድርጓል፤
 - እንዲሁም ማህበራዊ ሃላፊነትን ለመወጣት ለቀረቡ የገንዘብ ልገሳ ጥያቄዎች ምላሽ ተሰጥቷል፡፡
4. ከሐምሌ 01 ቀን 2014 ዓ.ም. እስከ ሰኔ 30 ቀን 2015 ዓ.ም. ድረስ ባሉት ጊዜያት ውስጥ የተከናወኑ ተግባራትንና ያጋጠሙ ችግሮችን ለመፍታት በብሔራዊ ባንክ መመሪያ ቁጥር 71/2019 አንቀፅ 10.6 መሠረት ተግባራዊ አድርጓል፡፡ በተጨማሪም በሩብ ዓመት፣ ግማሽ እና ዓመታዊ ሪፖርቶች በመገምገም የመፍትሔ ሃሳቦችን በመስጠት የመሪነት ሚናውን ተወጥቷል፡፡

በመጨረሻም ደምበኞቻችን ለባንኩ ስኬት ላበረከቱት አስተዋጽኦ ከፍተኛ ምስጋና አቀርባለሁ፡፡ የቦርድ አባላት ለሰጡት ጠንካራ አመራር እና ላበረከቱት አስተዋጽኦ ላመሰግናቸው እወዳለሁ፡፡ በዓመቱ ለተመዘገበው ውጤት በቁርጠኝነት ያላሰለሰ ጥረት ላደረጉት የሥራ አመራር አባላት እና ሠራተኞች ምስጋናዬን መግለጽ እፈልጋለሁ፡፡ ባለአክሲዮኖች ላደረጉት ጉልህ አስተዋጽኦ፣ ብሔራዊ ባንክ እና የውጭ አዲተሮች ላደረጉልን ድጋፍ ምስጋናዬን አቀርባለሁ፡፡

የ2022/23 በጃት ዓመት

የዳይሬክተሮች ቦርድ ሪፖርት

1. አጠቃላይ ሁኔታ

በተጠናቀቀው ሂሳብ ዓመት የሀገራችን ኢኮኖሚ በበርካታ ፈታኝ ሁኔታዎች ውስጥ ያለፈ ሲሆን በተለይም የፖለቲካ አለመረጋጋት፣ የጥሬ ገንዘብና የውጭ ምንዛሬ እጥረት እና ከፍተኛ የዋጋ ንረት ተጠቃሽ ናቸው። ይህም በባንክ ዘርፉ እንቅስቃሴ ላይ ከፍተኛ ተፅዕኖ አሳድሯል። በተጨማሪም በሂሳብ ዓመቱ በቁጥር በርካት ያሉ አዳዲስ ባንኮች ኢንዱስትሪውን ተቀላቅለዋል፤ በዚህም ምክንያት ከፍተኛ ውድድር ተፈጥሯል። እንዲሁም ባንኮች ከሚሰበሰቡት የውጭ ምንዛሬ 70 በመቶ ለብሔራዊ ባንክ እንዲሸጡ የሚያስገድደው መመሪያ በባንኮችን አፈፃፀም ላይ ከፍተኛ ተፅዕኖ አሳድሯል። እነዚህን ተግዳሮቶች ተቋቁሞ ባንኮችን በሂሳብ ዓመቱ ትርፍ ማስመዘገብ የቻለ ሲሆን ዋና ዋና የሥራ አፈፃፀም ሪፖርት እና የውጭ ኦዲተር ሪፖርት ማለትም የሀብትና ዕዳ፣ የትርፍና ኪሳራ መግለጫ እና ማብራሪያዎች እንደሚከተለው ቀርቧል፡-

1.1 ተቀማጭ ገንዘብ

እ.ኤ.አ በ2022/23 የሂሳብ ዓመት የባንኩ ጠቅላላ ተቀማጭ ገንዘብ ኤል ሲ. ማርጅንን (LC margin)

ጨምሮ በ17 በመቶ በማደግ ብር 9.2 ቢሊዮን ደርሷል። ከተሰበሰበው ተቀማጭ ገንዘብ ውስጥ 51 በመቶ የመደበኛ ቁጠባ ሂሳብ፣ 24 በመቶ የጊዜ ገደብ ተቀማጭ፣ 23 በመቶ የተንቀሳቃሽ ሂሳብ እና ቀሪው 2 በመቶ ኤል ሲ. ማርጅን ነበር።

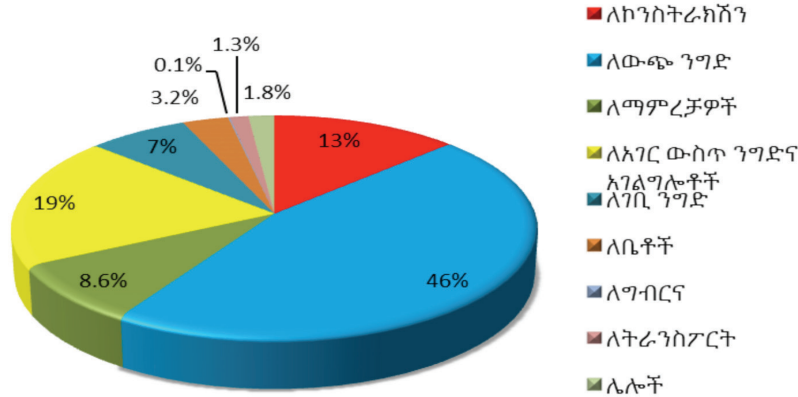
በሂሳብ ዓመቱ የመደበኛ ቁጠባ ሂሳብ በብር 873 ሚሊዮን ወይም 23 በመቶ፣ የጊዜ ገደብ ሂሳብ በብር 383 ሚሊዮን ወይም 21 በመቶ ዕድገት አሳይቷል። የባንኩ ጠቅላላ የአስቀማጮች ቁጥር 495,775 የደረሰ ሲሆን ካለፈው ዓመት ተመሳሳይ ወቅት ጋር ሲነፃፀር በ129,476 አስቀማጮች ወይም የ35 በመቶ ዕድገት አሳይቷል። ይህም የባንኩ ተደራሽነት እያደገ መምጣቱን የሚያሳይ ነው።

1.2 ብድር

እ.ኤ.አ. እስከ ሰኔ 30 ቀን 2023 ዓ.ም. ድረስ ባንኮችን ለደምበኞች የሰጠው አጠቃላይ የብድር መጠን ብር 7.6 ቢሊዮን ደርሷል። ካለፈው ዓመት ተመሳሳይ ወቅት ጋር ሲነፃፀር የብር 1.5 ቢሊዮን ወይም የ24 በመቶ ዕድገት አሳይቷል። የብድር ስርጭቱ በኢኮኖሚ ዘርፍ እንደሚከተለው ቀርቧል፡-

ተ.ቁ	የብድር ዓይነት በኢኮኖሚ ዘርፍ	በመጠን (በሚሊዮን ብር)
1	ለኮንስትራክሽን	977.2
2	ለውጭ ንግድ	3,470.2
3	ለማምረቻዎች	650.5
4	ለአገር ውስጥ ንግድና አገልግሎቶች	1,435.2
5	ለገቢ ንግድ	553.2
6	ለቤቶች	241.7
7	ለግብርና	7.6
8	ለትራንስፖርት	98.3
9	ሌሎች	144.8
ጠቅላላ ብድር		7,578.7

ሥዕላዊ መግለጫ 1: የብድር ስርጭት በኢኮኖሚ ዘርፍ በመቶኛ



የባንኩ የብድር ስርጭት በኢኮኖሚ ዘርፍ ሲታይ የውጭ ንግድ 46 በመቶ፣ የሀገር ውስጥ ንግድና አገልግሎት 19 በመቶ፣ ኮንስትራክሽን 13 በመቶ፣ ማምረቻ 8.6 በመቶ፣ የገቢ ንግድ 7 በመቶ እንዲሁም ቤቶችና ሌሎች ዘርፎች ቀሪውን ድርሻ ይዘዋል። ባንኩ በሂሳብ ዓመቱ መጨረሻ በደምበኞች እጅ ከሚገኘው ብድር ውስጥ 97.5 በመቶ ጤናማ ብድር ሲሆን የተበላሽ ብድር 2.5 በመቶ ነበር። ይህም የኢትዮጵያ ብሔራዊ ባንክ ካስቀመጠው 5.0 በመቶ መስፈርት በታች መሆኑን ያመለክታል።

1.3 የዓለም አቀፍ ባንክ አገልግሎት

በሂሳብ ዓመቱ ባንካችን ከዓለም አቀፍ የባንክ አገልግሎት ዘርፍ ብር 428.2 ሚሊዮን ገቢ ያስመዘገበ ሲሆን ይህም ባለፈው ዓመት ከተገኘው ገቢ በብር 111.2 ሚሊዮን ቅናሽ አሳይቷል። በሌላ በኩል በሂሳብ ዓመቱ የተሰበሰበው የውጭ ምንዛሬ 146.7 ሚሊዮን የአሜሪካን ዶላር ሲሆን ካለፈው ሂሳብ ዓመት ተመሳሳይ ወቅት ጋር ሲነፃፀር የ258 ሺ የአሜሪካ ዶላር ጭማሪ አሳይቷል።

የዓለም አቀፍ የሃዋላ ሥራን በተመለከተ ባንካችን ስሙጥር ከሆኑ ዓለም አቀፍ የገንዘብ አስተላላፊ ድርጅቶች ማለትም ዌስተርን ዩኒየን (Western Union)፣ መኒ ግራም (MoneyGram)፣ ደሀብሺል (Dahabshiil)፣ ኤክስፕረስ መኒ (XPress Money)፣ ሪያ (Ria)፣ ትራንስ ፋስት (Trans-fast)፣ ወርልድ ሬሚት (Worldremit) እና ኤክስፕሪድ ፎር ፍሪ (Exchange4free) ከተባሉ ተቋማት ጋር

የውል ስምምነት አድርጎ አገልግሎት በመስጠት ላይ ይገኛል። በተጨማሪም ባንካችን የዓለም አቀፍ ስዊፍት (SWIFT) አገልግሎት አባል በመሆኑ የባንኩን ስዊፍት ኮድ ABSCETAA በመጠቀም ከየትኛውም የዓለም ክፍል ገንዘብ መላክና መቀበል አስችሎታል።

2. የባንኩ የፋይናንስ ክንውን

2.1. ሀብት

እ.ኤ.አ. ሰኔ 30 ቀን 2023 በተጠናቀቀው ሂሳብ ዓመት የባንኩ ጠቅላላ ሀብት ብር 12.6 ቢሊዮን የደረሰ ሲሆን ካለፈው ዓመት ተመሳሳይ ወቅት ጋር ሲነፃፀር በብር 1.8 ቢሊዮን አድጓል። ከባንኩ ጠቅላላ ሀብት ውስጥ ለደምበኞች የተሰጠ የተጣራ ብድር 59 በመቶ፣ ጥሪ ገንዘብና በባንኮች ተቀማጭ ገንዘብ 17 በመቶ እና ሌሎች 24 በመቶ ድርሻ ይዘዋል።

2.2. ካፒታል

በሂሳብ ዓመቱ መጨረሻ የባንኩ አጠቃላይ ካፒታል ብር 2.6 ቢሊዮን ደርሷል። ይህም ካለፈው ዓመት ተመሳሳይ ወቅት ጋር ሲነፃፀር የብር 408.9 ሚሊዮን ወይም የ19 በመቶ ዕድገት አስመዘግቧል።

ከባንኩ አጠቃላይ ካፒታል ከፍተኛውን ድርሻ የሚይዘው ብር 1.8 ቢሊዮን የተከፈለ ካፒታል ሲሆን ይህም ካለፈው ዓመት ተመሳሳይ ወቅት ጋር ሲነፃፀር የ26 በመቶ ዕድገት ነበረው። በተመሳሳይ የባንኩ ባለአክሲዮኖች ቁጥርም በዓመቱ የ9 በመቶ ዕድገት በማሳየት 15,367 ደርሷል።

2.3 ገቢ

ባንካችን በበጀት ዓመቱ ብር 1.7 ቢሊዮን ገቢ ያገኘ ሲሆን ይህም ባለፈው ዓመት ከተገኘው የገቢ መጠን ጋር ሲነፃፀር በ10 በመቶ ወይም በብር 159.6 ሚሊዮን ዕድገት አሳይቷል። የተለያዩ የገቢ ምንጮች ድርሻ በሰንጠረዥ 2 እንደሚከተለው ቀርቧል።

ሠንጠረዥ 2: የ2022/23 ሂሳብ ዓመት የገቢ ዝርዝር

ተ.ቁ.	የገቢ አይነት	መጠን (በሚሊዮን ብር)	በመቶኛ
1	ከብድር የተገኘ ወለድ	1101.5	65
2	ከክፍያና ከኮሚሽን	465.9	28
3	ከውጭ ምንዛሬ ግብይት	79.1	5
4	ከሌሎች የስራ ገቢዎች	34.5	2
ጠቅላላ		1,681	100.0

2.4 ወጪ

በሂሳብ ዓመቱ የባንኩ ጠቅላላ ወጪ ብር 1.4 ቢሊዮን የደረሰ ሲሆን ካለፈው ዓመት ተመሳሳይ ወቅት ጋር ሲነፃፀር በ31 በመቶ ወይም በብር 325.7 ሚሊዮን ጨምሯል። ለባንኩ ወጪ መጨመር ዋና ዋና ምክንያቶች የነበሩት የወለድ ወጪ ማደግ፣ የተጨማሪ ሠራተኞች ቅጥር፣ የቅርንጫፎች የቢሮ ኪራይ እና የቢሮ ዕቃዎች ዋጋዎች በከፍተኛ ሁኔታ መጨመር በዋናነት የሚጠቀሱ ናቸው። ዋና ዋና ወጪዎች በሠንጠረዥ 3 ላይ እንደሚከተለው ቀርበዋል።

ሠንጠረዥ 3: የ2022/23 ሂሳብ ዓመት የወጪ ዝርዝር

ተ.ቁ.	የወጪ አይነት	መጠን (በሚሊዮን ብር)	በመቶኛ
1	ለወለድ ወጪ	517.4	38
2	ለሰራተኞች ደመወዝ እና ጥቅማጥቅም ወጪ	481.8	35
3	ለአስተዳደራዊ ወጪዎች	331.6	24
4	ለእርጅና ቅንስናሽ ወጪ	43.4	3
ጠቅላላ		1,374.2	100.0

2.5 ትርፍ

በሂሳብ ዓመቱ ከታክስ በፊት እና በኋላ የተገኘው ትርፍ በቅደም ተከተል ብር 306.8 ሚሊዮንና ብር 223.5 ሚሊዮን የደረሰ ሲሆን ካለፈው ዓመት ተመሳሳይ ወቅት ጋር ሲነፃፀር በቅደም ተከተል በብር 166.1 ሚሊዮን እና በብር 121.4 ሚሊዮን ወይም የ35 በመቶ ቅናሽ አሳይቷል። በመሆኑም እያንዳንዱ አክሲዮን ያስገኘው ትርፍ ብር 129 ወይም 12.9 በመቶ ደርሷል። ምንም እንኳን

የባንኩ ገቢ ዕድገት ቢያስመዘግብም የባንኩ ወጪ ዕድገት ከገቢው ከፍ ያለ ስለነበር የተመዘገበው ትርፍ ካለፈው ዓመት ጋር ሲነፃፀር ዝቅ ያለ ሲሆን ችሏል። በተጨማሪም ባንኮች ከሚሰበሰቡት የውጭ ምንዛሬ 70 በመቶውን ለኢትዮጵያ ብሔራዊ ባንክ እንዲሸጡ መደረጉ፣ የቦንድና የግምጃ ቤት ሰነድ ግዢ እንዲሁም በአጠቃላይ በሀገር አቀፍና በዓለም አቀፍ ደረጃ የነበረው የኢኮኖሚ መቀዛቀዝ የባንኩ ገቢ እንደሚጠበቀው እንዳያድግ ከፍተኛ ተፅዕኖ አሳድሯል።

3. የቅርንጫፍ ማስፋፋት ሥራ

በተጠናቀቀው ሂሳብ ዓመት ሆኖ ተጨማሪ ቅርንጫፎች ተከፍተው አገልግሎት መስጠት ጀምረዋል። በዚህም መሰረት የቅርንጫፎች ብዛት አንድ መቶ ሰላሳ ሁለት ደርሷል። ከተከፈቱት ሆኖ ቅርንጫፎች ውስጥ ሁለት ቅርንጫፎች በአዲስ አበባ እንዲሁም አስራ ስምንቱ ደግሞ በክልል ከተሞች የሚገኙ ናቸው።

4. የሰው ሀይል

እ.ኤ.አ. ሰኔ 30 ቀን 2023 ዓ.ም. የባንኩ ጠቅላላ ቋሚ እና ኮንትራት ሠራተኞች ቁጥር 1092 እና 78 የደረሰ ሲሆን የባንኩ ጥበቃና የዕዳት አገልግሎትን ሳያካትት አጠቃላይ የሠራተኞች ቁጥር 1070 ደርሷል። በተጨማሪ በተጠናቀቀው ሂሳብ ዓመት የባንኩን ሠራተኞች ክህሎት ለማሳደግ ልዩ ልዩ ሙያዊ ስልጠናዎች ተሰጥተዋል። በሂሳብ አመቱ ለ2,269 ተሳታፊዎች ስልጠና የተሰጠ ሲሆን ለዚህም ብር 13.6 ሚሊዮን ወጪ ተደርጓል።

5. ኢንፎርሜሽን ቴክኖሎጂ

ባንካችን የደምበኞቹን ፍላጎት ለማሟላትና በኢንዱስትሪው ውስጥ ያለውን ተወዳዳሪነት ለማሳደግ ዘመኑ ያፈራውን የቴክኖሎጂ አማራጮች ተግባራዊ እያደረገ ይገኛል። በዚህም መሠረት ዘመናዊ የኮር ባንኪንግ ቴክኖሎጂ እ.ኤ.አ ከመስከረም 2022 ዓ.ም ጀምሮ ተግባራዊ አድርጓል። ከዚህ በተጨማሪም ምቹ የሆነ የሞባይል ባንኪንግ አገልግሎት ለደምበኞች ተደራሽ ማድረግ ተችሏል። የባንኩ ኮር ባንኪንግ ከኢትዮ ቴሌኮም ቴሌ ብር እንዲሁም ከፌዴራል የሰነዶች ማረጋገጫ ምዝገባ ኤጀንሲ ጋር የማስተሳሰር ስራ ተሰርቷል። የኢንተርኔት ባንኪንግ አገልግሎት ተግባራዊ ለማድረግ እንዲሁም የዕድርና ዕቁብ ክፍያዎች በዲጂታል ሲስተም ለማድረግ ስራዎች ተጠናቀዋል።

6. ማህበራዊ ኃላፊነትን መወጣት

እ.ኤ.አ. በ2022/23 ዓ.ም. ባንካችን ድጋፍ ለሚያስፈልጋቸው በጎ አድራጎት ድርጅቶች፣ የማህበረሰብ ክፍሎች እና ሀገራዊ መርሐ-ግብሮች ላይ ማህበራዊ ኃላፊነትን ለመወጣት ተሳትፎ ያደረገ ሲሆን ለዚህ ዓላማ ብር 7.2 ሚሊዮን ወጪ ተደርጓል። ለአብነትም በሰሜኑ የሃገራችን ክፍል ካለው አለመረጋጋት ጋር ተያይዞ ጉዳት ለደረሰባቸው ወገኖች የተደረገው ድጋፍ ተጠቃሽ ነው።

7. የወደፊት ተግባራት

በተጠናቀቀው ሂሳብ ዓመት በዓለም አቀፍ ደረጃ እና ሀገር አቀፍ ደረጃ የነበረው የኢኮኖሚና የፖለቲካ አለመረጋጋት ያጋጠሙ ዋና ዋና ተግዳሮቶች ሲሆኑ የአዳዲስ ባንኮች የባንክ ኢንዱስትሪውን መቀላቀል፣ የጥሬ ገንዘብ እና የውጭ ምንዛሬ እጥረት እንዲሁም በብሔራዊ ባንክ ከውጭ ምንዛሬ ጋር በተያያዘ የወጡ መመሪያዎች በባንኩ አፈፃፀም ላይም አሉታዊ ተፅዕኖ ፈጥረዋል። ነገር ግን የነበሩ ተግዳሮቶችን ተቋቁሞ ትርፍ ማስመዘገብ ችሏል። በቀጣይም በተቀማጭ ገንዘብ፣ በካፒታል እና ትርፋማነት ማሳደግ ላይ ትኩረት ተሰጥቶ ይሰራባቸዋል።

በመጨረሻም የደምበኞችን ቁጥር ማሳደግ፣ የደምበኞች አገልግሎት አሰጣጥ እና እርካታን ከፍ ማድረግ፣ የሰው ሀይል ልማት ላይ በትኩረት መስራት፣ የባንኩን ካፒታል በከፍተኛ ሁኔታ ማሳደግ፣ የቅርንጫፍ ሥርጭትን መጨመር፣ የባንኩን ንግድ ስምና መለያ እና የባንኩ የመዋቅር ጥናት ማሻሻያዎች በማጠናቀቅ ተግባራዊ ማድረግ እንዲሁም የዋና መስሪያ ቤት የሕንፃ ግንባታ ቦታ ከአዲስ አበባ መስተዳደር መረከብ እና የግንባታ ስራ ለመጀመር የሚያስችሉ ስራዎችን ማከናወን በአጠቃላይ የባንካችንን የአምስት ዓመት ስትራቴጂክ ዕቅድ ማስፈፀም ትኩረት የሚሰጠው ተግባር ነው።

8. የባንኩን ትርፍ አደላደል በተመለከተ የቀረበ የውሳኔ ሀሳብ

እ.ኤ.አ. ሰኔ 30 ቀን 2023 በተጠናቀቀው ሂሳብ ዓመት ባንካችን ያስመዘገበው የተጣራ ትርፍ መጠባበቂያ ሂሳብ ከተቀነሰ በኋላ ብር 172.5 ሚሊዮን ለትርፍ ክፍፍል ይውላል። የባንኩን ካፒታል የበለጠ ለማሳደግ ባለአክሲዮኖች ያገኛችሁትን ትርፍ በፈቃደኝነት ተጨማሪ የአክሲዮን መግዣ እንዲውል እንድትወስኑ የዳይሬክተሮች ቦርድ በትህትና ይጠይቃል።

9. ምስጋና

በመጨረሻም በዳይሬክተሮች ቦርድ እና በራሴ ስም ድጋፍ ላደረገልን ለብሔራዊ ባንክ፣ የባንኩን ካፒታል ለማሳደግ አስተዋፅኦ ላደረጉ ባለአክሲዮኖች እና በእኛ ላይ አመኔታ ጥለው አብረውን ለሚሰሩ ደምበኞች ሁሉ ይህን አጋጣሚ በመጠቀም ያለኝን አድናቆትና ምስጋና እገልጻለሁ። በተጨማሪም ለዳይሬክተሮች ቦርድ አባላት፣ ለሥራ አመራሩ እና ለሁሉም የባንኩ ሠራተኞች ያጋጠሙን ተግዳሮቶችን ተቋቁመው ላስመዘገቡት ወጤት ምስጋና እያቀረብኩ በቀጣይ የተሻለ አፈፃፀም ለማስመዘገብ ጠንክሮ መስራት እንደሚገባ በዚህ አጋጣሚ መልዕክቴን አስተላልፋለሁ።



TAY

Authorized Accountants and Auditors
ቲ.ኤ.ዋ.ይ. የተፈቀደዳቸው የሂሳብ አዋቂዎች እና አዲተሮች

ለአዲስ ኢንተርናሽናል ባንክ አ.ማ. ባለአክሲዮኖች የቀረበ የገለልተኛ አዲተሮች ሪፖርት

አስተያየት

እ.ኤ.አ ጁን 30 ቀን 2023 ለተጠናቀቀው የሂሳብ ዓመት በአዲስ ኢንተርናሽናል ባንክ አክሲዮን ማህበር የተዘጋጁ የሂሳብ መግለጫዎችን ማለትም የሀብትና እዳ መግለጫ፣ የትርፍ ወይም ኪሳራ መግለጫ፣ የባለአክሲዮኖች ካፒታል ለውጥ መግለጫ፣ የገንዘብ ፍጡራት መግለጫ እና የባንኩን የሂሳብ አሰራር መርሆች ማጠቃለያ እና ሌሎች ከሂሳብ መግለጫዎቹ ጋር ተዛማጅ የሆኑ ማብራሪያዎችን መርምረናል።

በእኛ አስተያየት የሂሳብ መግለጫዎቹ አጠቃላይ ተቀባይነት ባላቸው የሂሳብ አያያዝ መርሆች መሰረት እ.ኤ.አ ጁን 30 ቀን 2023 የነበረውን የባንኩን የሂሳብ አቋምና በዚያው እለት በተጠናቀቀው የሂሳብ ዘመን የተገኘውን አጠቃላይ ውጤት፣ የባለአክሲዮኖች የካፒታል ለውጥ፣ እና በዓመቱ የነበረውን የጥሬ ገንዘብ ፍጡራት የዓለምአቀፍ የሒሳብ መዝገብ አያያዝ መመዘኛዎች ቦርድ (አይ/ኤ/ኤስ/ቢ) ባወጣቸው ዓለምአቀፍ የፋይናንስ ሪፖርት መመዘኛዎች (አይ/ኤ/ኤ/ኤስ) መሠረት በትክክልና በተገቢው ሁኔታ ያሳያሉ።

የዳይሬክቶሮች ቦርድ ሪፖርትን በሚመለከት በአዋጅ ቁጥር 1243/2021 በወጣው የንግድ ህግ አንቀጽ 349 መሰረት በእኛ በኩል የምንሰጠው የልዩነት አስተያየት የሌለን መሆኑን እየገለፅን የባለአክሲዮኖች ጠቅላላ ጉባኤ የቀረበውን የሂሳብ መግለጫ ሪፖርት እንዲያፀድቅ እንጠይቃለን።

የአስተያየታችን መሠረት

የኦዲት ስራችንን ያከናወንነው በዓለምአቀፍ የኦዲት መመዘኛዎች (አይ/ኤስ/ኤ) መሠረት ሲሆን በእነዚህ መመዘኛዎች ወስጥ የእኛ ኃላፊነት “የኦዲተሮች ኃላፊነት” በተሰኘው አንቀጽ ሥር ይበልጥ ተብራርቷል። በተጨማሪም የኦዲት ስራችንን ስናከናውን የዓለምአቀፍ የስነምግባር መመዘኛዎች ቦርድ፣ የፕሮፌሽናል አካውንታቶች የስነምግባር ደንብ (አይ/ኤ/ኤስ/ቢ/ኤ ኮድ) እንዲሁም በኢትዮጵያ ውስጥ የሂሳብ መግለጫዎችን አዲት ስለማድረግ እና ተያያዥ የሆኑ የስነምግባር መመዘኛዎችን፣ መሠረት አድርገን እንዲሁም ከከባንያው ገለልተኛነታችንን በመጠበቅ ሁሉንም ስነምግባራዊ ኃላፊነቶቻችንን አሟልተናል። በኛ እምነት የሰበሰብናቸው የኦዲት ማስረጃዎች አስተያየታችንን ለመስጠት በሚያስችል ሁኔታ በቂ እና ተገቢ ናቸው እንላለን።

ቁልፍ የኦዲት ጉዳዮች

ቁልፍ የኦዲት ጉዳዮች የሚባሉት ለእኛ ሙያዊ ውሳኔ እንዲሁም ለሂሳብ መግለጫዎች አዲት እጅግ ዋጋ ያላቸው ጉዳዮች ሲሆኑ እነዚህ ቁልፍ የኦዲት ጉዳዮች በአጠቃላይ አዲታችን ውስጥ የተዳሰሱ ሆነው የኛም አስተያየት በእነዚህ ላይ የተመሠረተ ቢሆንም ስለእነዚህ ጉዳዮች ግን ብዙህ ሪፖርት ውስጥ የተለየ አስተያየት አልሰጠንም።

ከሂሳብ መግለጫዎቹና ከገለልተኛ የኦዲት ሪፖርት በተጨማሪ ስለቀረቡ ሌሎች መረጃዎች

በአዋጅ ቁጥር 1243/2021 በተሻሻለው የንግድ ህግ አንቀጽ 348 እና 349 ገለልተኛ አዲተሮች በዳይሬክቶሮች ቦርድ ተዘጋጅቶ የቀረበውን አመታዊ ሪፖርት በሚመለከት፣ በባለአክሲዮኖች ጠቅላላ ጉባኤ ላይ ፡ በጽሁፍ አስተያየታቸውን እንዲሰጡ ያላል።

የዳይሬክቶሮች ቦርድ ሪፖርትን በሚመለከት ባንኩን በበላይነት የሚመሩት ሀላፊነት ነው። የዳይሬክቶሮች ሪፖርት ባንኩ በሂሳብ ዘመኑ ያሳካውን ፋይናንሺያልና ፋይናንሺያል ያልሆኑ ክንፍኔዎችን የያዘ ሲሆን ነገር ግን ሪፖርቱ የሂሳብ መግለጫዎችንና የኛን የኦዲት ሪፖርት አይጨምርም። የዳይሬክቶሮችን ሪፖርት ይህንን የኦዲት ክፈረምንበት ቀን አስቀድመን ተቀብለን አንብበናል።

በሂሳብ መግለጫዎቹ ላይ የሰጠው የኦዲት አስተያየታችን የዳይሬክቶሮች ቦርድ ሪፖርትን አያጠቃልልም። በተጨማሪም በዳይሬክቶሮች ቦርድ ሪፖርት ላይ የሰጠውም ሆነ የምንሰጠው የሚረጋገጫ አስተያየት አይኖረንም።

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የሂሳብ መግለጫዎቹ ላይ ካከናወነው የአዲት ስራችን ጋር በተያያዘ ፡ የኛ ሃላፊነት የነበረው የዳይሬክተሮችን ሪፖርት አንብቦ ሪፖርቱ ከሂሳብ መግለጫዎቹ ወይም በአዲት ስራችን ወቅት ካገኘው ግንዛቤ ወይም በሌላ አንጻር የጎላ ልዩነት ያለው መሆኑን መገምገም ነው።

ነገር ግን የዳይሬክተሮች ቦርድ ሪፖርት የጎላ ግድፈት ያለው መሆኑን የሚያረጋግጥ ድምዳሜ ላይ ከደረሰን ይህንኑ ግድፈት ሪፖርት የማድረግ ሀላፊነት አለብን። በዚህ ረገድ ሪፖርት የምናደርገው የልዩነት አስተያየት የለንም።

በሂሳብ መግለጫዎቹ አዘገጃጀት የሥራ አመራሮች ኃላፊነት

የባንኩ የሥራ አመራሮች ከዓለምአቀፍ የሂሳብ መዝገብ አያያዝ መመዘኛዎች ቦርድ በተሰጠው የዓለምአቀፍ የፋይናንስ ሪፖርት መመዘኛዎች መሠረት የሂሳብ መግለጫዎችን የማዘጋጀት እና በትክክል የማቅረብ ሃላፊነት ያለባቸው ሲሆን፤ ይህም በሥራ አመራሩ በሚዘረጋ የውስጥ ቁጥጥር የሂሳብ መግለጫዎቹ ከመጭበርበርም ሆነ ከስህተት የጠሩ መሆናቸውን ማረጋገጥን ይጨምራል።

የሂሳብ መግለጫዎችን ዝግጅት በተመለከተ፤ ሥራ አመራሮች የኩባንያውን ቀጣይነት በመገምገም፤ የኩባንያው የሂሳብ መዘጋጃውም ይህንኑ ቀጣይነት በሚያሳይ መንገድ መዘጋጀታቸውን የማረጋገጥ ኃላፊነት አለባቸው።

የሂሳብ መግለጫዎች አዲትን በሚመለከት የአዲተር ኃላፊነት

የእኛ ኃላፊነት የኩባንያውን የሂሳብ መግለጫ በአጠቃላይ በማጭበርበርም ሆነ በስህተት ከሚመጣ ከይዘት መዘጋጀት የጸዳ ስለመሆኑ አሳማኝ ማረጋገጫ ማግኘት፤ እንዲሁም የእኛን አስተያየት ጨምሮ የአዲተር ሪፖርት መስጠት ነው። በአይ/ኤስ/ኤም መሠረት የተሠራ አዲት ከፍተኛ የሆነ ማረጋገጫ ቢሰጥም መዘጋጀትን ሁሉ ያገኛል ማለት አይደለም። መዘጋጀት የሚከሰቱት በማጭበርበር ወይም በስህተት ሊሆን ይችላል።

የአዲት ምርመራው በአይ/ኤስ/ኤም መሠረት ሲከናወን፤ በአዲት ተግባሩ ውስጥ ሁሉ መያዊ ውሳኔዎችን እየተጠቀምን መያዊ ጥርጣሬዎችንም ተጠቅመናል። ደግሞም፡

- ከመጭበርበርም ሆነ ከስህተት የመጣ የገንዘብ ነክ መግለጫዎች መሠረታዊ መዘጋጀት ስለመኖሩ አደጋዎችን ለይተን በመዳሰስ፤ ለእነዚህ አደጋዎች ምላሽ የሚሆን አካሄድ ቀርጸን አዲት ያደረግን ሲሆን፤ ለአስተያየታችን መሠረት የሚሆን ተገቢ የሆነ መግለጫ የሚያስገኝ በቂ የሆነ የአዲት ማስረጃ ነበረን። ማጭበርበር ሲፈጸም መመሳጠር፤ ማታለያ መጠቀም፤ ሆን ብሎ ማጉደል፤ የተሳሳተ አመዘጋገብ ወይም የውስጥ ቁጥጥርን መጣስ ሊኖርበት የሚችል በመሆኑ፤ አደጋው ከስህተት ይልቅ በማጭበርበር የሚከሰት የይዘት መዘጋጀት ሳይታይ ሊታለፍ መቻሉ ነው።
- ተገቢ የሆኑ አዲት አካሄዶችን ለመቅረጽ ሲባል ከአዲቱ ጋር ተዛማጅ የሆኑ የውስጥ ቁጥጥር ግንዛቤ ያገኘን ቢሆንም፤ ይህ ግን የኩባንያውን የውስጥ ቁጥጥር ውጤታማነትን በሚመለከት አስተያየት ለማንጸባረቅ አይደለም።
- ጥቅም ላይ የዋሉን የሂሳብ መዝገብ አያያዝ ፖሊሲዎች ተገቢነት እንዲሁም የሂሳብ መዝገብ አያያዝ ግምቶች አሳማኝነት እና ተዛማጅ የሆኑ በሥራ አመራሮች የተሰጡ መግለጫዎችን መመዘን፤
- የንግድ ሥራውን ሒደት የሂሳብ መዝገብ አያያዝ አካል አድርጎ ሥራ አመራሩ መጠቀሙ ተገቢ ስለመሆኑ፤ በቀረቡልን የአዲት ማስረጃዎች ላይ፤ ከአስተያየቱ ወይም ሁኔታዎቹ ጋር ተያያዥ የሆነ መግለጫ መስጠት ነገር ኖሮ ባንኩ በቀጣይነት የንግድ ሥራውን እያከናወነ ለማጠቃለያ ጥር ያል ያሳይ ሆኖ ስለመሆናቸው ድምዳሜ ላይ ለመድረስ ነው። መሠረታዊ የሆነ ያል ስለ ከደመደምን፤ ለማመልከቱ የሂሳብ መግለጫ ይዘቶች በእኛ የአዲተር ሪፖርት እዲደረግበት ማድረግ ወይም ምናልባት ይህን መግለጫ መስጠት ብቻ ተያይዞችን ማስተካከል ይጠበቅብናል። ወደፊት የሚያጋጥሙ ሁኔታዎች



ወይም ክስተቶች ታሳቢ ሳይደረጉ የእኛ ድምዳሜዎች መሠረታቸውን የሚያደርጉት የኦዲት ሪፖርት እስከተዘጋጀበት ዕለት ድረስ በተገኙት የኦዲት ማስረጃዎች ላይ ነው።

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

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

በተጨማሪም፣ ተዛማጅ የሆኑ ስለገለልተኝነት የተቀመጡ የስነምግባር ቅድመ-ሁኔታዎችን በማጠናቀር ስናቀርብ፣ ገለልተኛነታችንን የሚያስርዱ ማረጋገጫዎችን እና ሌሎች ጉዳዮችን እንዲሁም አስፈላጊ ሆኖ ሲገኙ መከላከያዎቻችንን የማየትና የመመርመር ህጋዊ መብት ለተሰጣቸው አካላት እናሳውቃለን፤

ከባንያውን የማስተዳደር ኃላፊነት ላላቸው አካላት ከምናሳውቀው የኦዲት ጉዳዮች ውስጥ፣ በነባራዊው የኦዲት ስራችን ወቅት እጅግ ላቅ ያለ ተጽኖ ያላቸው ጉዳዮችን በመወሰን የኦዲቱ ቁልፍ ጉዳይ እናደርጋለን። እነዚህንም ቁልፍ የኦዲት ጉዳዮች በሪፖርታችን ውስጥ የምንገልጽ ሆኖ ነገር

ግን በሕግ ወይም በመመሪያዎች እነዚህን ቁልፍ ጉዳዮች ይፋ ማድረግ የሚከለክል እስካልሆነ ድረስና፣ በተወሰኑ ሁኔታዎች አንድንገልጽ ካልተደነገገበቀ፣ ጉዳዮቹን ይፋ ማድረግ ከሚያስገኘው ጥቅም ይልቅ ጉዳቱ የሚያመዘን ይሆናል ብለን ካመንን መታወቅ የለባቸውም ብለን እንወስናለን።

ሌሎች በሕግ የሚጠበቁብን ሪፖርት የማቅረብ ሁኔታዎች

በአዋጅ ቁጥር 1243/2021 በተሻሻለው የንግድ ህግ አንቀጽ 349 ቁጥር 3 ላይ ገለልተኛ ኦዲተሮች የዳይሬክቶሮች ቦርድ የዘመኑን ትርፍ ክፍፍል በተመለከተ ባቀረበው ሃሳብ ላይ አስተያየት እንድንሰጥ ያዛል።

የባንኩ የዳይሬክቶሮች ቦርድ በአመታዊ ሪፖርታቸው ብር 172.5 ሚሊዮን ለባለ አክሲዮኖች እንዲከፋፈል ሃሳብ አቅርቧል። በኛ በኩል ለትርፍ ክፍፍል የተመደበው ገንዘብ ባንኩ በሂሳብ ዘመኑ ከትርፍ ግብርና ሕጋዊው መጠባበቂያ ከተቀነሰ በሕዋላ ከተመዘገበው የተጣራ ትርፍ እስካልበለጠ ድረስ የታቀደው ሃሳብ የለንም።

ይህን ኦዲት በበላይነት የመራው ከፍተኛ ባለሙያ ላቶ ተስፋ ታደሰ ነው።

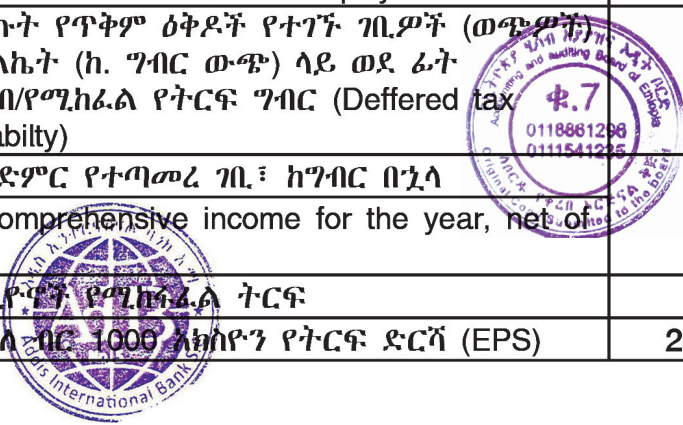
ቲ. ኤ. ዋይ የተፈቀደላቸው የሒሳብ አዋቂዎች እና ኦዲተሮች



አዲስ ኢንተርናሽናል ባንክ አ.ማ

የትርፍ ወይም ኪሳራ እና ሌሎች የተጣመሩ ገቢዎች መግለጫ
 እ.ኤ.አ ጁን 30 2023 ለተጠናቀቀው የሂሳብ ዘመን

		በጁን 30፣ 2023	በጁን 30፣ 2022
	ማስታወሻ	ብር “000	ብር “000
የወለድ ገቢ	5	1,101,511	822,682
የወለድ ወጪ	6	-517,405	-421,758
የተጣራ የወለድ ገቢ		584,106	400,924
የክፍያ እና የኮሚሽን ገቢ	7	465,855	425,833
የክፍያ እና የኮሚሽን ወጪ	7	-9,179	-5,956
የተጣራ የክፍያ እና የኮሚሽን ገቢ		456,675	419,877
ከውጭ ምንዛሪ ግብይት ላይ የተገኘ የተጣራ ገቢ	10	79,088	203,622
ከሌሎች የአገልግሎት ክፍያ የተገኙ ገቢዎች	8	34,538	69,276
ጠቅላላ የእንቅስቃሴ (አገልግሎት) ገቢ		1,154,407	1,093,700
ለደንበኞች የተሰጡ አጠራጣሪ ብድሮች መጠባበቂያ ክፍያ	9	-11,141	-62,121
ለሌሎች መጠባበቂያ ክፍያ	9	-3,414	-128
የተጣራ የእንቅስቃሴ(አገልግሎት) ገቢ		1,139,851	1,031,451
የሠራተኞች ደመወዝ እና ጥቅማ ጥቅም ክፍያዎች	11	-481,820	-313,104
የሲ.ዝ እዳ ላይ ወለድ ወጪ		-896	-2,117
የማይዳሰሱ ሐብቶች የእርጅና ቅንስናሽ	18	-12,004	-2,699
የኢንቨስትመንት ንብረቶች የእርጅና ቅንስናሽ	19	-42	-42
ቋሚ ንብረት እና የመሣሪያዎች የእርጅና ቅንስናሽ	20	-31,346	-21,234
ለሌሎች ወጪዎች	12	-304,885	-217,698
የሒሳብ ምርምራ አገልግሎት ክፍያ		-403	-353
የዳይሬክተሮች አበል		-1,700	-1,360
ትርፍ ከግብር በፊት		306,756	472,845
የገቢ ግብር	13	-83,281	-127,986
ትርፍ ከግብር በኋላ		223,475	344,859
ሌሎች የተጣመሩ ወጪዎች (Other Comprehensive Income) ከግብር በፊት	23		
በተቀመጡት የጥቅም ዕቅዶች የተገኙ ገቢዎች (ወጭዎች) ድጋሚ ልኬት (ከ ግብር ውጭ)			
Re-measurement gains/(loss) on defined benefit plans (net of tax)		-5,937	-2,638
በአክሲዮን ኢንቨስትመንት ላይ የጥቅም ዕቅዶች የተገኙ ገቢዎች (ወጭዎች) ድጋሚ ልኬት (ከ ግብር ውጭ)		-	-
Gain/ Loss on revaluation of Equity investments		105,784	106,347
በተቀመጡት የጥቅም ዕቅዶች የተገኙ ገቢዎች (ወጭዎች) ድጋሚ ልኬት (ከ ግብር ውጭ) ላይ ወደ ፊት የሚሰበሰብ/የሚከፈል የትርፍ ግብር (Deferred tax Asset/liability)		-29,954	-31,113
የዓመቱ ድምር የተጣመረ ገቢ፣ ከግብር በኋላ		69,893	72,596
(Total comprehensive income for the year, net of tax)		69,893	72,596
ለባለአክሲዮኖች የሚከፈል ትርፍ		293,368	417,456
የአንድ ባለቤቱ 1000 አክሲዮን የትርፍ ድርሻ (EPS)	26	12.91	28



አዲስ ኢንተርናሽናል ባንክ አ.ማ
የሀብትና ዕዳ መግለጫ
እ.ኤ.አ ጁን 30 2023

	ማስታወሻ	በጁን 30፣	በጁን 30፣
		2023	2022
		ብር “000	ብር “000
ሐብቶች			
በባንክና በእጅ የሚገኝ ጥሬ ገንዘብ	14	2,161,271	2,234,709
የደንበኞች ብድር እና ቅድመ ክፍያ (የተጣራ)	15	7,465,322	6,026,104
የአክሲዮን ኢንቨስትመንት	16a	312,106	195,500
የብሔራዊ ባንክ ቢል ኢንቨስትመንት	16a	759,857	705,929
ሌሎች ሐብቶች	17	1,251,544	1,277,077
የንብረት የመጠቀም መብት	17	133,683	50,672
የኢንቨስትመንት ንብረት - ህንጻ	19	70,863	10,901
የማይዳሰሱ ሐብቶች	18	1,760	1,801
ቋሚ ንብረት እና መሣሪያ (የተጣራ)	20	361,216	198,836
ለሽያጭ የተዘጋጀ የማይንቀሳቀስ ሐብት	16b	86,774	86,774
ጠቅላላ ሐብት		12,604,396	10,788,305
ዕዳዎች			
የደንበኞች ተቀማጭ ሂሳብ	21	9,029,529	7,749,071
ሌሎች እዳዎች	22	722,303	590,764
የሊዝ ተክፋይ	22	56,266	53,946
ለሰራተኞች የወደፊት ጥቅማጥቅ ክፍያ መጠባበቅያ	23	36,212	23,646
ሌሎች እዳዎች መጠባበቂያ	24	21,798	25,907
የዚህ አመት ተክፋይ የገቢ ግብር	13	68,535	128,793
ወደፊት የሚከፈል የትርፍ ግብር (Deffered tax liability)	13	87,697	43,033
ጠቅላላ ዕዳ		10,022,339	8,615,160
የተጣራ ሐብት			
የተከፈለ አክሲዮን ካፒታል	25	1,825,361	1,443,544
ተጨማሪ የአክሲዮን ክፍያ (Share)	25	-	-
ያልተከፈለ ትርፍ	27	172,500	266,274
የሌሎች የተጣመሩ ገቢዎች /ወጭዎች (Other Comprehensive Income)	28	161,107	91,214
ሕጋዊ መጠባበቂያ	29	410,074	354,205
ሌሎች መጠባበቂያዎች	30	13,015	17,909
ጠቅላላ የተጣራ ሐብት		2,582,057	2,173,145
ጠቅላላ የተጣራ ሐብት እና ዕዳ		12,604,396	10,788,305

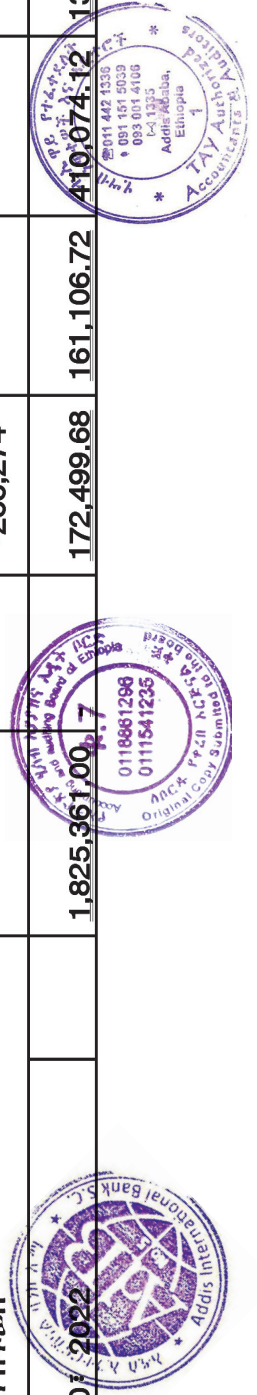
የሂሳብ መግለጫዎቹ እ.ኤ.አ ኖቬምበር 17 2023 በባንኩ የዳይሬክተሮች ቦርድ ጸድቀዋል፡

አቶ ካሳሁን በቀለ
 የዳይሬክተሮች ቦርድ ልቀጭንበር



አዲስ አበባ ሲቲ ባንክ አ.ማ የባለአክሲዮኖች ካፒታል ለውጥ መግለጫ፤ እ.ኤ.አ. በጁን 30፣ 2023 ለተጠናቀቀው የሂሳብ ዘመን

	የተከፈለ የአክሲዮን ካፒታል	ተጨማሪ የአክሲዮን ክፍያ (Share premium)	ያልተከፈሉ ትርፍ	ሌሎች የተጠመሩ ገቢዎች	ሕጋዊ መጠባበቂያ	በብሔራዊ ባንክ መሰረት የተያዘ መጠባበቂያ	ድምር
	ብር'000	ብር'000	ብር'000	ብር'001	ብር'000	ብር'000	ብር'000
እ.ኤ.አ. ጁን 1፣ 2022	1,443,544		266,274	91,214	354,205	17,909	
የቀደመ አመት ሂሳብ ማስተካከያ			-				
ተጨማሪ አክሲዮን ሽያጭ	381,817						381,817.00
ከትርፍ ድርሻ የዞረ							
ለሽያጭ የተዘጋጀ							
የዘመኑ ትርፍ	-	-	223,475				223,475.45
ሌሎች የተጠመሩ ገቢዎች							
በተቀመጡት የጥቅም ዕቅዶች የተገኙ ገቢዎች (ወጭዎች) ድጋሚ ልኬት (ከጠቅላላ ሌሎች የተጠመሩ ገቢዎች ወደሕጋዊ መጠባበቂያ የተላለፈ				69,892.92			69,892.92
ወደሌሎች የሪሲክ መጠባበቂያዎች የተላለፈ			-55,869		55,869		
የትርፍ ድርሻ የተከፋፈለ			4,894			4893.51419	
እ.ኤ.አ. ጁን 30፣ 2022	1,825,361.00	7	172,499.68	161,106.72	410,074.12	13,014.99	2,582,056.51



አዲስ ኢንተርናሽናል ባንክ አ.ማ

የገንዘብ ፍላጎት መግለጫ

እ. ኤ. አ. በጁን 30፣ 2023 ለተጠናቀቀው የሂሳብ ዓመት

	ማጣቀሻ	በጁን 30፣ 2023 ብር “000	በጁን 30፣ 2022 ብር “000
ከሥራ እንቅስቃሴዎች የታየ የጥሬ ገንዘብ ፍላጎት			
ከሥራ እንቅስቃሴዎች የተገኘ የጥሬ ገንዘብ ፍላጎት	31	-311,507	-4,591
በዓመት ውስጥ የተሰበሰበ ወለድ		1,066,430	802,061
በዓመት ውስጥ የተከፈለ ወለድ		-517,405	-421,758
የተከፈለ ጥቅማጥቅም		-2,312	-823
የተከፈለ የትርፍ ግብር		-128,830	-97,199
ከሥራ እንቅስቃሴዎች የተገኘ የተጣራ የጥሬ ገንዘብ ፍላጎት		106,375	277,690
ከመዋዕለንግዳ ፍላጎት እንቅስቃሴዎች የተገኘ የጥሬ ገንዘብ ፍላጎት			
የቋሚ ንብረቶች ግብር	20	-18,851	177,158
የብሔራዊ ባንክ ቢል ኢንቨስትመንት (ጭማሪ)ቅናሽ	16	-71,965	-82,512
የማይዳሰሱ ንብረቶች ግብር	18	-10,822	-29,371
ለኢንቨስትመንት ነክ ንብረቶች ግብር		-193,726	-97,321
ከመዋዕለ ንግድ ፍላጎት እንቅስቃሴዎች የተገኘ የተጣራ የጥሬ ገንዘብ ፍላጎት		-295,364	-32,046
ከገንዘብ ነክ እንቅስቃሴዎች የተገኘ የገንዘብ ፍላጎት			
የተሸጡ መደበኛ አክሲዮኖች	25	-50,000	-210,000
የተከፋፈሉ ድርሻዎች		381,817	336,015
ብብሔራዊ ባንክ ያለ ገንዘብ	14	-266,274	-202,587
ከገንዘብ ነክ እንቅስቃሴዎች የተገኘ የተጣራ የገንዘብ ፍላጎት		65,543	-76,572
በጥሬ ገንዘብ እና የጥሬ ገንዘብ እኩያዎች የታየ ልዩነት		-123,446	169,072
በዓመቱ መጀመሪያ ላይ የነበረ ጥሬ ገንዘብ እና የጥሬ ገንዘብ እኩያ	14	1,704,801	1,535,729
በዓመቱ ማብቂያ ላይ የታየ የጥሬ ገንዘብ ሚዛን	14	1,581,355	1,704,801



ADDIS INTERNATIONAL BANK S.C. CITY BRANCHES

S.NO	BRANCH	TELEPHONE NUMBER	FAX	P.O.BOX
1	Main	011 5570501/ 011 5570502	011 5549775	2455
2	Bole	011 5570691/ 011 5570570	011 5570574	2455
3	Sebategna	011 2760955/ 011 2761717	011 2780510	2455
4	Megenagna	011 6189369/ 011 6189371	011 6189429	2455
5	Mehal Merkato	011 2784945/ 011 2784471	011 2784972	2455
6	Mekanissa	011 3210120/ 011 3210080	011 3210199	2455
7	Sefereselam	011 2750033/ 011 2750333	011 2750022	2455
8	Somale Tera	011 1264020/ 011 1264023	011 1264024	2455
9	Saris	011 4707018/ 011 4707048	011 4707031	2455
10	Arat killo	011 1558619/ 011 1117788	011 1580575	2455
11	Gandi	011 5580528/ 011 5580532	011 5580504	2455
12	Stadium	011 5508057/011 5545691	011 5538887	2455
13	Bole Medhanialem	011 6670386 /011 6670381	011 6670390	2455
14	Gurdsholla	011 6676832 /011 6676829	011 6676870	2455
15	Lamberet	011 6452555 /011 6676867	011 6676867	2455
16	Nifas Silk	011 4707525		2455
17	Dubai Tera	011 2732342 /011 2732319		2455
18	Lideta	011 5576882 /011 5576845	011 5576785	2455
19	Yerer Goro	011 6677055 /011 6676981	011 6677052	2455
20	Mexico	011 5573154 /011 5573217	011 5573212	2455
21	Akaki	011 4716337 /011 4716395	011 4716354	2455
22	Addisu Gebeya	011 1268393 /011 1268388	011 1268424	2455
23	Ayat Adebabay	011 6390403 /011 6390400	011 6390394	2455
24	Meskel Flower	011 4702405 /011 4701353	011 4702509	2455
25	Addisu Mikael	011 2734657 /011 2734654	011 2734643	2455
26	Kera	011 4702499 /011 4701298	011 4702646	2455
27	Gerji	011 6394349 /011 6395822	011 6394867	2455
28	Kality	011 4715210 /011 4715150	011 4716850	2455
29	Gerji Mebrat Hail	011 6676285 /011 6676308	011 6676038	2455
30	Goma Tera	011 2316071 /011 2316005	011 2789084	2455
31	Beklo Bet	011 4704028 /011 4705119	011 4704028	2455
32	Africa Avenue	011 6161614 /011 6160018	011 6160777	2455
33	Gulele	011 2737609 /011 2737767		2455
34	Bole Michael	011 6392913/ 011 6393670	011 6393408	2455
35	Meriloqe	011 6676331/011 6676143	011 6676255	2455
36	Merab Merkato	0112733106/0112733107	0112733105	2455
37	Senga Tera	011 5574178/ 011 5575138	011 5574159	2455
38	Bethel	011 3697159/ 011 3697829	011 3697283	2455
39	Ayertena	011 3694432/ 011 3694435	011 369 44 34	2455
40	Adey Abeba Stadium	0116 35 82 73/0116 35 82 23	011 6358273	2455
41	Akaki Gebeya	0114 715247/ 0114 715418		2455
42	Urael	0115 578098/ 0115 577916	0115 578849	2455
43	Kebena	0111 545564/ 0111 543100	0111 544236	2455
44	Tewodros Adebabay	0111 263698/ 0111 262083	0111 262154	2455
45	Shola Gebeya	0116 589908/ 0116 588144	0116 588826	2455
46	Figa	0116 683248/ 0116 661226	0116 661729	2455
47	Kotebe	0116 734026/ 0116 733904	0116 676002	2455
48	Yeka	0116 683522/ 0116 660107	0116 683275	2455
49	Hana Mariam	0114 711425/ 0114 711427	0114 711429	2455
50	Shiro Meda	0111 545876/ 0111 545878	0111 545879	2455
51	Wollo Sefer	0115 574279/ 0115 575698	0115 574799	2455
52	Piassa	0111 265471/ 0111 265474	0111 265475	2455
53	Lebu Mebrat	0114 711217/ 0114 711216	0114 711219	2455
54	Lafto	0114 711497/0114 711499	0114 711495	2455
55	Jemo	0114 625995/ 0114 625613	0114 625705	2455
56	Ehil Berenda	0112 735370/ 0112 734712	0112 735178	2455
57	Kolfe Atena Tera	0112 73 9657/ 0112 739829	0112 739778	2455
58	Bulbula	0114 714418/0114 714860	0114 714334	2455
59	wuha limat	0114 71 43 34/ 0114 71 4418		2455
60	Bisrate Gabriel	0113 69 25 76 /011 3 69 2576		2455
61	Teklehaymanot	0118 27 60 04/ 0118 88 6242		2455
62	Gotera	0114 709371/0114 709214	0114 709335	2455
63	Lem hayahulet	0118 27 60 16/ 0118 27 60 34		2455
64	Gofa	0114 70 21 44/ 0114 70 27 25		
65	Kality Gabriel	0 11 4 72 06 46 /0 11 4 72 05 14		
66	Karalo	0 11 8 55 38 65 / 0 11 8 55 38		
67	Balderas	011 6 66 22 83 / 0116687986		
68	Bulbula Mariam			
69	Bole Arabsa	0116 124415/ 0116 124423		
70	Summit 72			
71	Hayahulet Mazoria			

Outlying Branches

S.NO	BRANCH	TELEPHONE NUMBER	FAX	P.O.BOX
1	Furi	011 3679199 /011 3679188		
2	Hawassa	046 2208076 /046 2205075		
3	Adama	022 1112306 /022 1112301		
4	Mekelle	034 4415527 /034 4408175		
5	Gonder	058 1110237 /058 1115503		
6	Shashemene	046 2115053 /046 2115040		
7	Dilla	046 3313532 /046 3313673		
8	Metema	058 8269011		
9	Bahirdar	058 2206850 /058 2206860		
10	Hossana	046 1780152 /046 1780153		
11	Dessie	033 3110091 /033 3110070		
12	Fasiledes	058 2110226 /058 2110223		
13	Alem Gena	011 3801093 /011 3801048		
14	Alamura	046 2129230 /046 2128336		
15	Assella	022 2381785 /022 2383632		
16	Dire Dawa	025 4113944 /025 4114418		
17	Bishoftu	011 4302218 /011 4308495		
18	Debre Markos	058 1785045 /058 1789539		
19	Dembela	022 2117947 /022 2119050		
20	Tana	058 3206202 /058 3206203		
21	Debre Birhan	011 6376894/011 637 60 31		
22	Welayta Sodo	0461809517/0461803360		
23	Shire	034 2445927/034 2442508		
24	Jigjiga	025 2784841/ 025 2789089		
25	Arbaminch	046 1817074		
26	Jimma	0472117451/0472117024		
27	Balerobe	022 2448162/022 2442336		
28	Hummera	034 2485094/ 034 2488639		
29	Enkodo (Mekelle 2nd)	034 2419344/ 034 24115617		
30	Injibara	058 2271623/ 058 2271537		
31	Mizan Aman	047 1350191/ 047 1359869		
32	Sabian (Diredawa 2nd)	025 4117068/ 025 4119042		
33	Mugad (Dessie 2nd)	033 3125231/ 033 3125232		
34	Gion (Bahirdar 3rd)	058 3208690/ 058 3205876		
35	Kombolcha	033 3 51 09 68/033 3 51 72 09		
36	Wolkite	0113 65 82 36/0113 65 83 38		
37	Abaymado	0 58 3 21 72 90/0 58 3 21 05 43		
38	Boset	022 2 12 87 73/022 2 12 83 72		
39	Sebeta	011 3 66 24 15/0 11 3 66 24 43		
40	Arerti	022 2 23 07 56 /022 2 23 07 54		
41	Tebassie	011 8 72 23 00/011 8 72 22 98		
42	Hawassa Menaheria	011 46 2 12 07 25 /46 2 12 09 65		
43	Modjo	022 2367032 /022 2236938		
44	Zenbaba	058 3209574/ 058 3209761		
45	Bure	058 7741756/ 058 7741644		
46	Finoteselam	058 7752367/ 058 7750247		
47	Maraki	058 2110820		
48	Debre Tabor	058 2110820/ 058 2110820		
49	Meki	022 1182051/ 022 1181743		
50	Chagni	058 2252763		
51	Agaro	047 2214666/ 047 2212507		
52	Gombora	046 1782618/ 046 1786426		
53	Halaba	046 5562304/ 046 5562181		
54	Bonga	047 3312723/ 047 33112692		
55	Halaba Kulito	047 3312723/ 047 33112692		
56	Gombora	046 1786106		
57	Woliso	011 3663967 /011 36639 21		
58	Nigus Teklehaimanot	058 1780374 /058 1780289		
59	Dukem	011 4321219 /011 4321498		
60	Zenbaba	058 3209574/058 3209761		
61	Bure	058 7741756/058 7 741644		
62	Finoteselam	058 7752367/058 77 0247		
63	Maraki	058 2110820		
64	Debre Tabor	058 2110820 /058 2110820		

Outlying Branches

S.NO	BRANCH	TELEPHONE NUMBER	FAX	P.O.BOX
65	Meki	022 1182 51 /022 1181743		
66	Chagni	058 225 27 63		
67	Agaro	047 2212507 /047 2214666		
68	Bonga	047 3312723 /047 3312692		
69	Halaba Kulito	046 5562181/ 046 5562304		
70	Gombora	046 1786106		
71	Woliso	011 3663967/ 011 3663921		
72	Nigus Teklehaimanot	058 1780374/ 058 1780289		
73	Dukem	011 4 321219/0114 321498		
74	Mogle	011 366 22 36/011 366 29 58		
75	Aleta Wondo	046 2 242213 /046 2 242015		
76	Adet	058 3381325		
77	Mott	058 5546951		
78	Dekie Sefer	058 3201708		
79	Gish Abay	058 3203541 /058 3206201		
80	Bekoji	022 3321577		

ATM LOCATION

1	Main Branch	Jomo Kenyatta St. Zequala Complex Bldg.
2	Bole Medanialem Branch	Bole Medanialem Church
3	Gandhi Branch	Around AA stadium , in front of Ethiopian Red Cross society
4	Mexico Branch	Chamber of commerce
5	Mekanissa Branch	Around Mekanissa condominium
6	Arat Kilo Branch	In front of Addis Ababa University Science Faculty
7	Sebategna Branch	Around Sebategna, shell fuel station
8	Gurd sholla Branch	Around Gurd sholla (former EEPCO)
9	Somale Tera Branch	Around somale tera T/H aymanot H ospital
10	Bahir Dar Branch	Bahir Dar around Fasil Pharmacy, keb 04
11	Mekelle Branch	Around Djibrouk, Kedamay weyane market center
12	Gondar Branch	Piazza, AdIB Fasiledes branch
13	Dessie Branch	In front of Bus station
14	Adama Branch	Adama Nur Building
15	Ayat Adebabay Branch	Ayat Adebabay, in front of Hill bottom recreation center
16	Gerji Mebrat hail Branch	Gerji mebrathail near Totot Restaurant
17	Gerji Branch	Gerji near Korea H ospital
18	Meskel flower Branch	Meskel flower in front of nazra H otel
19	Addisu Gebeya Branch	NOC gas station
20	Beklobet Branch	In front of Global H otel
21	Lamberet Branch	Around Ararat H otel, in front of Bus station
22	Gullele Branch	Around Medhanialem school
23	Dilla Branch	Ethiopian Insurance Building
24	Alamura (Hawassa town) Branch	Addisu Gebeya
25	Debre markos	Total Ethiopia Gas station
26	Diredawa Branch	Ashewa, Afeteysa
27	Hossana Branch	Around Bus station
28	Bishoftu Branch	In front of Bus station
29	Debre Birhan	In front of sheway H otel
30	Megenagna	Around Lem hotel gedam mariam bldg
31	Stadium	On the Ground Of Betezata Bldg
32	Yereroro	On the Roundabout of YererGoro
33	Bolemichael	Bole Michael Area
34	Kera	Beside kera Mosque
35	Bahir dar	Around Melat Café
36	Sengatera	Sengatera Condominium
37	Adey abeba stadium	On the road to bole from 22 in front of new stadium
38	Hawassa	Arab Sefer
39	Alem Gena	Kenteri taxi station, sitina bldg
40	Asella	On the Road of Town Administration
41	Wolayta Sodo	Merkato, In front of Yemisrach H otel
42	Shire	In front of Kalema H otel, Bereket Belay bldg
43	Arbaminch	Beside Sikela bus station
44	Jimma	On the Ground Of City View H otel

ቀዳሚ ምርጫ !!
Your Ultimate Choice !!

Head Office

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