



... the most Convenient & Accessible Bank for Money Transfer Services

























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The Strongest and the Most Preferred Bank of the People!



ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

Vision

"To be the strongest and most preferred Bank of the People"

Mission

"To provide modern, efficient, competitive, diversified and profitable banking services at domestic and international banking levels, to a continuously growing number of customers in a socially responsible manner."

CORE VALUES

- Dynamism
- Professionalism
- Excellence
- Integrity
- Accountability
- Impartiality
- Team Spirit
- Social Responsiveness

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THE BOARD OF DIRECTORS



Wole Gurmu Chairman



Amsalu Bizuneh V/ Chairman



Asegedech W/Mariam
Director



Beniam Terfa Director



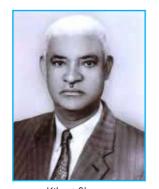
Elias Bedada Director



Fanta Tesgera (Dr.) Director



Girma Borishie Director



Kibret Shuma Director



Kidist Duguma Director



Yared Abera Director



Yidnekachew Ayele Director

FROM THE CHAIRMAN'S DESK



Wole Gurmu Chairman, Board of Directors

First of all, let me point out that it is an honor and indeed a source of pleasure for me to present to you, honorable shareholders and other stakeholders, this mandatory and customary annual report on behalf of the Board of Directors and on my own.

It is said that the greatest privilege and satisfaction which a fond parent may experience in his life is to witness his child born, come to young manhood and take his place, strong and vigorous, in the society in which he grows. Awash International Bank S.C. (AIB) is like that type of a promising child. To the satisfaction and pride of those visionary and illuminary founders as well as the current broad masses of shareholders, the Bank has successfully upheld the vision, mission and values originally set for it. Despite the prevalence of a variety of formidable challenges in the banking sector, AIB is still strong and striding forward in a dignified manner, holding high the illuminary torch of the original generation as one can observe that from its annual performances so far in general and from the 2012/13 financial year in particular. AIB has exceptionally registered glittering victories on all operation fronts not to lose its rightful place in the national banking industry. In fact, AIB is once again on the forefront as ever before.

Some of the major achievements of the year are:-

- the successful launching of the second strategic plan;
- the absolute completion of the construction works of our Ghimbi building and the near completion of the Agaro building;

- the revision of the Bank's structural organization and salary scale;
- the production and revision of a number of operational policies and manuals;
- the gigantic growth of the paid-up capital, crossing the one-billion mark;
- the rapid expansion of the branches network, making its total branches 115;
- the introduction of ATMs and the successful launching of the card payment system;
- the unprecedented growth of hard currency earned to contribute significantly to the revenues of the Bank;
- the huge sum of deposits mobilized and loans and advances disbursed; and
- the impressive gross profit registered.

One may add to the list the monumental increase of the value of our assets to reach about Birr 18 billion. (The statistics of these landmarks can be seen in the statement of the President as well as in the annual report chapter of the publication). It is also important to point out here that AIB has been registering successes at increasing rates since its inception in general and during the last three years in particular. This is, perhaps, what makes AIB a unique bank, striving to be the most accessible and preferred bank in Ethiopia.

Victories have their own causes and reasons. In our case, we attribute our successes to the far-sighted vision of the Bank; devoted corporate governance; high quality leadership and management; high ethical standards and risk management as well as the support of the owners; the cooperation of the public at large and the close guidance of the National Bank of Ethiopia (NBE). Obviously, all of them deserve a very high gratitude at this junction.

The all-out endeavors to gear the Bank to its long-term goal will obviously have to continue with increased determination and dedication. Accordingly, decisive measures will have to be taken during the current financial year, particularly in critical areas such as creating more assets; increasing the strength and improving the efficiency of the Bank; expediting computerization projects; further penetrating the market; attracting and maintaining the best manpower; reducing costs; and increasing profits.

This publication is devoted to the performances of the Bank during the year under review. In addition to the financial reports, it attempts to point out the major challenges faced and outline success stories. At the same time, it beams light on our planned engagements during the current financial year. You are, therefore, kindly invited to go through the contents of the publication in order to enhance your perception about the Bank.

Wishing you all the best!!

Wole Gurmu Chairman, Board of Directors AIB (S.C)

PICTORIAL PRESENTATION OF SHAREHOLDERS MEETING AND BOARD OF DIRECTORS





17th Ordinary Annual General Meeting of Shareholders, November 17, 2012



Board of Directors, 2012/13



EXECUTIVE MANAGEMENT



Tsehay Shiferaw President



Bacha Gina V/P, Credit & Finance Mgt.



Dereje Zebene V/P, Banking Operations



Yohannes Merga V/P, Corporate Services Mgt.



Desalegn Tolera

Director, Credit Management

Directorate



Fekadu Shigute
Director, Trade Services Directorate



Gezahegn Dugassa Director, Banking Product & Technology Innovation Directorate



Tadesse Gemeda

Director, Branch Affairs Directorate



Teklu Wodajo Director, HR Directorate



Tilahun Geleta Director, Support Services Directorate

ANNUAL REPORT 2012/2013



Abebe Deressa Manager, Planning, Research & Dev't Dept.



Alemayehu Kinfe Manager, Treasury Dept.



Belihu Duressa Manager, General & Technical Services Dept.



Habtamu Abera Adviser to the President



Henok Tessema Manager, Addis Ababa Area Branches



Kinfemichael W/Tensae Manager, Control Dept.



Lemessa Soboka Manager, Outlying Area Branches



Makeda Oumer Manager, Finance Department



Matheos Bayisa (Dr.) Manager, MIS Dept.



Takele Arega A/Manager, Legal Service Dept.



Temesgen Busha A/Chief Officer, Compliance & Risk Mgt Dept.



Zewdu Shiferaw A/ Manager, Engineering Services Department



PRESIDENT'S STATEMENT



Tsehay Shiferaw President

On behalf of the Management of Awash International Bank S.C. and on my own behalf, I feel honored to highlight the operational performance of the Bank for the year ended June 30, 2013.

The environment in which AIB operated during financial year 2012/13 was characterized by both opportunities and challenges. Gradual recovery of the world economy and high growth of the Ethiopian economy over the past ten years in a row, among others, presented a good opportunity for the domestic banking business in general and for AIB in particular. On the other hand, slowdown of exports due to a fall in international price of primary products and particularly the price of coffee; stiff competition among domestic banks in mobilization of deposits and generation of foreign exchange; shortage of suitable rental offices for opening new branches were among the major challenges facing AIB.

Despite the challenges, AIB demonstrated its resilience once again and registered a robust performance in 2012/13. Total deposits, including margins held for L/Cs, rose by Birr 3.5 billion (37 percent) compared to last year same period and reached Birr 13.1 billion by the end of June 2013. This is the highest absolute growth registered during the 18 years history of the Bank and presumably the highest amount of growth recorded among local private banks in 2012/13. This un-parallel deposit growth recorded by the Bank was mainly attributable to growth of the public confidence in our Bank, the strategies followed by AIB in terms of branch expansion and the concerted efforts made both at Head-Office and branches level to mobilize resources.

Total loans and advances also increased by Birr 2.2 billion(40 percent) and reached Birr 7.7 billion by the end of June 2013. Reflecting the jump in the magnitude of total loans and advances and slight increase in the amount of non-performing loans, provisions for doubtful loans and advances also increased in line with the National Bank of Ethiopia's provision requirements. Nevertheless, the ratio of non-performing loans of the Bank was not only far below the threshold set by the NBE but also one of the lowest figures in the industry.

The gross income of the Bank reached an all time high figure of Birr 1.4 billion, up by 28% or Birr 310 million as compared to last year same period, owing to increases in all components of income. Total expense of the Bank rose to Birr 837 million in 2012/13 from Birr 580 million in 2011/12, mainly as a result of the opening of 29 new branches in the review period, growth in the amount of interest bearing deposits, upward revision of the interest rate on time deposits, salary and benefits adjustment and steady growth in administrative and general expenses owing to inflationary pressure. The Bank was able to register an all time high profit before tax of Birr 583 million and a net profit of Birr 438 million which is 11 percent higher than last year same period.

The paid-up capital of the Bank also increased by 28 percent, from Birr 912 million as at June 30, 2012 to Birr 1.2 billion as at June 30, 2013, witnessing AlB as the strongest bank in terms of its capital base. Likewise, total assets of the Bank increased by 36 percent surging from Birr 13.1 billion in 2011/12 to Birr 17.8 billion in 2012/13. This substantial growth in the asset size of the Bank was explained by significant increase in loans and advances and NBE's bills purchase of Birr 3.1 billion by the end of June 2013.

Looking forward, although all the challenges in the banking industry are at our door step; viz. stiff competition in mobilization of resources, challenges in branch expansion, NBE bills purchase, etc., both the Management and staff of the Bank are ready more than ever to sustain AlB's competitive edge by providing a solid base that earns AlB a reputation of quality service, expertise and integrity in the banking sector.

To this end, the Bank's Five-year Strategic Plan, 2012/13 to 2016/17, is already under implementation, providing another landmark towards realization of the Bank's vision and fundamental values in the years ahead. For the realization of its vision of becoming the strongest and most preferred Bank of the people, foundation banking technology projects such as CORE banking, installation of additional ATMs and POS terminals, provision of mobile and internet banking and construction of own buildings in various parts of the country are well under way while some of them are expected to be completed shortly. I believe that the existing Management and staff of the Bank have the capacity to continually defy all the challenges while at the same time leading AIB into the future and delivering an un-parallel banking service to its customers and high value returns to all shareholders.

Finally, let me seize this opportunity to express my sincere appreciation to AlB's esteemed customers for their confidence in our Bank, Board of Directors for their unreserved support and wise leadership, and the National Bank of Ethiopia for its close supervision and constant support. AlB's Management and staff, who are the core strength behind our success, also deserve my special recognition for all their relentless efforts without which we could not have achieved so much.

Thank you!!



PICTORIAL PRESENTATION OF MANAGEMENT MEETINGS







Annual Management I

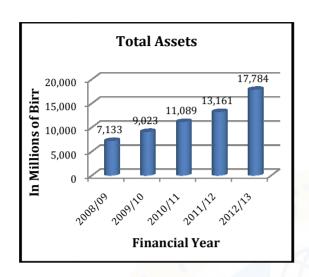


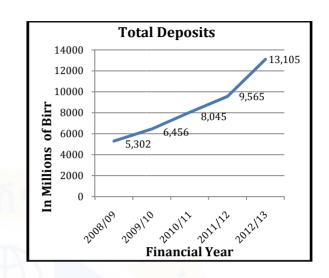
Awards to Best Performing Branches of the Financial Year 2012/13

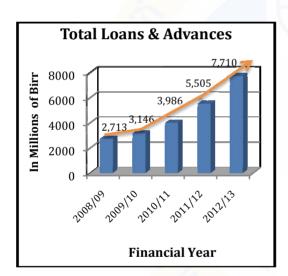


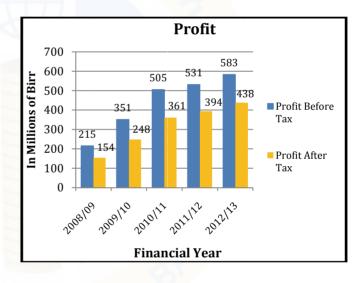
Awards to Best Branch manager of the Financial Year 2012/13

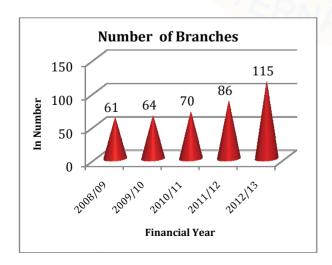
Highlights of Major Developments

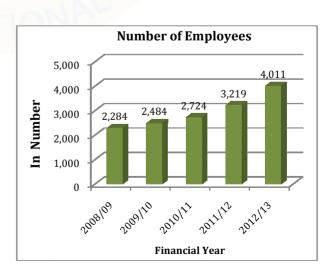












REPORT OF THE BOARD OF DIRECTORS

The Board of Directors of Awash International Bank S.C. (AIB) has the pleasure and honor to present to the 18th Ordinary Annual General Meeting of Shareholders the Annual Report together with the audited financial statements of the Bank for the financial year ended June 30, 2013.

1. Financial Performance

AlB registered another set of impressive results during the financial year ended June 30, 2013. Total deposits of the Bank surged remarkably by 37 percent. Likewise, total income of the Bank grew by 28 percent to reach more than Birr 1.4 billion and profit before tax rose to an all time high of Birr 583 million.

1.1 Income

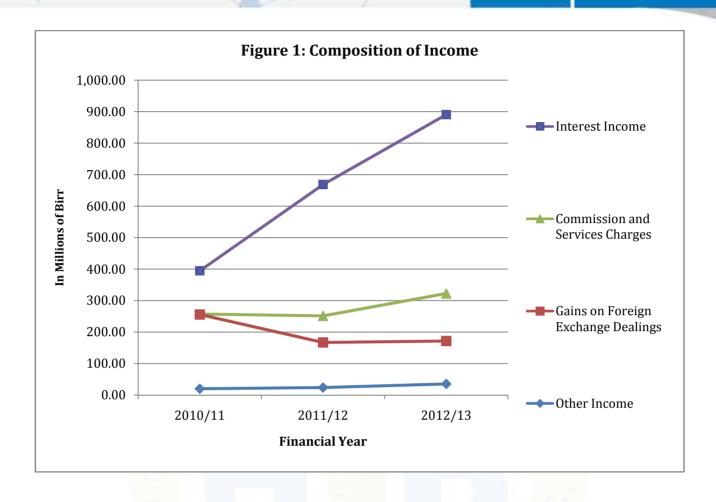
Total income of the Bank showed significant improvement, jumping from Birr 927.5 million in 2010/11 to Birr 1.1 billion in 2011/12 and further to Birr 1.4 billion in 2012/13, largely driven by increases in interest income and commissions and service charges. Interest income rose by 33.1 percent and reached Birr 890.2 million by the end of the financial year 2012/13 from Birr 668.7 million in 2011/12, reflecting the surge in loans and advances. Similarly, income from commission and service charges increased by 28.4 percent vis-à-vis last year, owing to the growing business volume of the Bank.

Looking at the composition of income, interest income accounted for the lion's share of the Bank's income (62.7 percent), followed by commissions and services charges (22.7 percent), gains on foreign exchange dealings (12.1 percent) and other income (2.5 percent).

Table 1: Composition of Income

(In '000 Birr)

Description	2010/11	2011/12	2012/13	Percentage Change	
	А	В	С	D=C/A	E=C/B
Interest Income	394,708.7	668,692.9	890,192.1	125.5	33.1
Commission and Services Charges	257,139.1	251,323.8	322,727.2	25.5	28.4
Gains on Foreign Exchange Dealings	255,682.5	166,912.0	171,464.0	-32.9	2.7
Other Income	20,019.3	23,802.1	35,317.9	76.4	48.4
Total Income	927,549.6	1,110,730.8	1,419,701.2	53.1	27.8



1.2 Expenses

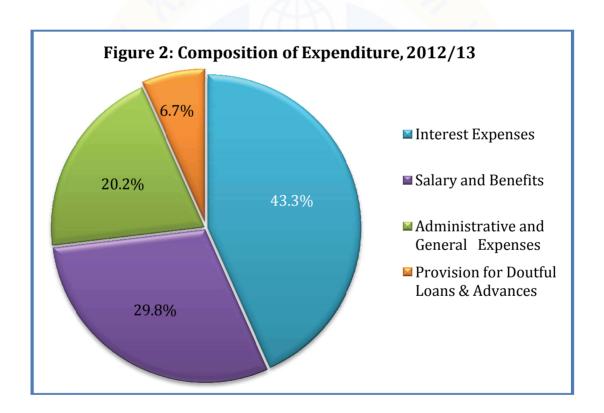
Total expenses of the Bank stood at Birr 836.7 million in 2012/13 from Birr 580.1 million in 2011/12, due to increase in all components of expenses. Interest expense increased by 27.3 percent to Birr 362.7 million in 2012/13, compared with the preceding year, mirroring the growth in the volume of interest bearing deposits, namely saving and time deposits. Salary and benefit expenses increased by 64.6 percent owing to recruitment of qualified personnel both for vacant posts and newly opened branches, and salary and benefit adjustments, in view of the need to reduce the staff turnover and enhance the motivation of the staff and thereby their productivity. The increase in administrative and general expenses was partly explained by growth in the volume of banking services, particularly those associated with the expansion of branch networks and partly by general rise in prices of goods and services.

Interest expenses continued to be a major component of the Bank's total expenses, accounting for 43.3 percent of total expenses. Other major elements of total expenses were salaries and benefits (29.8 percent), administrative and general expenses (20.2 percent), and provision for doubtful loans and advances (6.7 percent).

Table 2: Composition of Expenses

(In '000 Birr)

	Financial Year			D		
Description	2010/11	2011/12	2012/13	Percentage Change		
	А	В	С	D=C/A	E=C/B	
Interest Expenses	209,473.1	284,935.1	362,656.9	73.1	27.3	
Salary and Benefits	121,146.8	150,262.0	248,934.6	105.5	64.7	
Administrative and General Expenses	86,647.2	133,685.6	169,172.2	95.2	26.5	
Provision for Doubtful Loans & Advances	5,213.0	11,248.8	55,919.0	972.7	397.1	
Total Expenses	422,480.1	580,131.5	836,682.7	98.04	44.2	



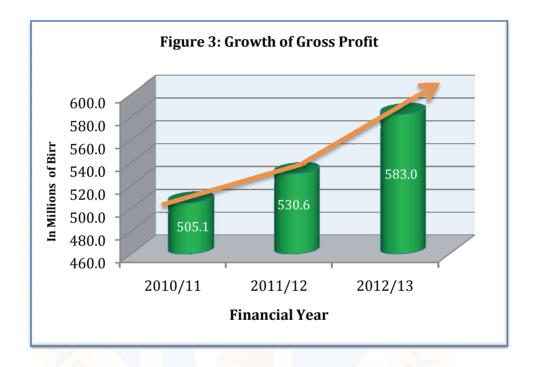
1.3 Profit

The Bank registered an all time high profit before tax of Birr 583 million in 2012/13, indicating an increase of Birr 52.4 million or 9.9 percent over the preceding year. Similarly, the Bank's net profit after tax was increased by 11.2 percent and reached Birr 438.6 million. The business acumen portrayed by the Bank has positioned it as one of the best performing private bank in the country. Earnings per share stood at Birr 456 in 2012/13 from Birr 469 in 2011/12, due to a significant increase (28.3 percent growth) in the paid-up capital of the Bank.

Table 3: Gross profit

(In '000 Birr)

, , , , , , , , , , , , , , , , ,					
		Financial Year	Demonstrate Change		
Description	2010/11	2011/12	2012/13	Percentage Change	
	А	В	С	D=C/A	E=C/B
Total Income	927,549.6	1,110,730.8	1,419,701.2	53.1	27.8
Total Expenses	422,480.1	580,131.5	836,682.7	98.2	44.2
Gross Profit	505,069.5	530,599.3	583,018.5	15.4	9.9



1.4 Proposal on Dividend

Out of the total appropriatable profit of Birr 328,406,478 (three hundred twenty eight million four hundred six thousand and four hundred seventy eight), the Board of Directors of AlB recommends that Birr 16,420,324 (sixteen million four hundred twenty thousand three hundred twenty four) be retained and a dividend of Birr 311,986,154 (three hundred eleven million nine hundred eighty six thousand one hundred fifty four) be paid to shareholders in cash or used for purchasing the Bank's shares, depending upon the choice of the shareholders.

1.5 Balance Sheet

1.5.1 Assets

The total assets of the Bank expanded markedly to Birr 17.8 billion as at June 30, 2013, up by 35.5 percent from Birr 13.1 billion a year ago. The expansion in the asset size of the Bank was largely associated with significant increases in loans and advances and purchase of NBE bills. Indeed, NBE

bills purchase rose to Birr 3.1 billion by the end of June, 2013 from Birr 2.5 billion in the same period of last year. It amounted to over 25 and 40 percent of the total deposits and loans & advances of the Bank, respectively.

1.5.2 Capital

The paid-up capital of the Bank reached Birr 1.2 billion as at June 30, 2013 showing an increase of Birr 258.1 million (28.3 percent) over the same period of the previous financial year. The recorded paid-up capital has already exceeded the minimum amount of paid-up capital requirement of Birr 500 million that all banks are required to raise in mid-2016, as set by the National Bank of Ethiopia. Following the decision of the 12th Extraordinary General Meeting of AlB's Shareholders on November 17, 2012 to raise the paid-up capital of the Bank to Birr 1.5 billion within two years, the paid-up capital of AlB will exceed the minimum legal requirement by three fold. This clearly indicates that AlB is one of the strongest private banks in terms of capital.

2. Operational Performance

2.1 Mobilization of Deposits

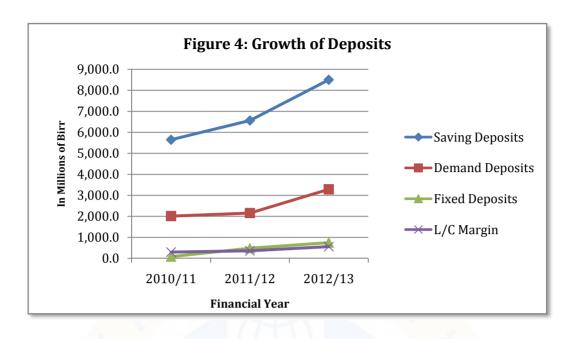
Spurred by growing public confidence in the Bank, wide spread distribution of branch networks and relentless efforts made both at Head Office and branch levels, the total deposits of the Bank, including margins held on letters of credit, grew by Birr 3.54 billion (37 percent) compared with the same period of the previous year and reached Birr 13.1 billion by the end of June 2013. This is a commendable achievement given stiff competition among commercial banks in mobilization of deposits.

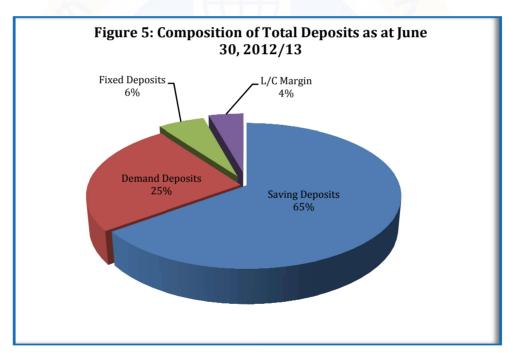
Financial year 2012/13 witnessed significant increase in all types of deposits. In terms of composition of deposits, saving deposits accounted for the major portion (64.9 percent), followed by demand deposits (25.1 percent), time deposits (5.7 percent) and margins held on letters of credit (4.3 percent).

Table 4: Deposits, By Type

(In '000 Birr)

		Percentage Change				
Description	2010/11	2011/12	11/12 2012/13 Percentage		e Change	
	А	В	С	D=C/A	E=C/B	
Saving deposits	5,647,594.7	6,565,012.1	8,505,559.9	50.6	29.6	
Demand deposits	2,014,009.0	2,158,287.9	3,289,689.1	63.3	52.4	
Fixed deposits	82,177.6	481,057.7	749,959.6	812.6	55.9	
L/C Margin	300,754.2	360,182.4	559,587.9	86.1	55.4	
Total Deposits	8,044,535.5	9,564,540.1	13,104,796.5	62.90	37.01	





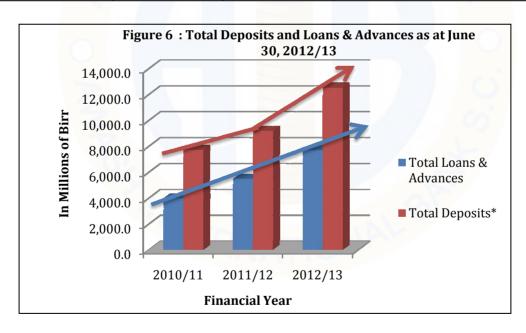
2.2 Loans and Advances

The total loans and advances extended to different sectors of the economy rose to Birr 7.7 billion by end of June 2013, up by 40 percent or Birr 2.2 billion compared to the preceding year's level of Birr 5.5 billion. This was largely associated with favorable economic environment that boosted credit demand for expansion of existing business activities and new investment ventures. The Bank's loan/deposit ratio rose to 62 percent from 60 percent in the previous year, indicating the effort made to allocate scarce resources to most income generating assets.

Table 5: Loans and Advances by Economic Sectors

In '000 Birr

Description	2010/11	2011/12	2012/13	Percentage Change	
	А	В	С	D=C/A	E=C/B
Agriculture	86,397.2	132,826.6	74,393.3	-13.9	-44.0
Manufacturing	229,582.1	382,578.4	795,802.8	246.6	108.0
Domestic Trade and Services	1,053,297.9	1,518,538.9	1,930,782.0	83.3	27.1
Import	565,694.8	819,497.7	1,253,759.3	121.6	53.0
Export	839,614.4	979,019.4	1,244,427.4	48.2	27.1
Building and Construction	744,251.2	1,170,710.9	1,718,573.3	130.9	46.8
Transport	284,637.0	362,018.4	442,179.4	55.3	22.1
Others	182,990.3	139420.1	250,080.8	36.7	79.4
Total	3,986,464.9	5,504,610.4	7,709,998.3	93.40	40.06



* Excludes L/C Margin held

Out of the total outstanding loans and advances, international trade (import & export) took the lion share (32.3 percent), followed by domestic trade & services (25 percent), building and construction (22.2 percent), and manufacturing (10.3 percent). The remaining 10 percent was accounted by transport, agriculture and personal loans.

Some of the Investments / Businesses Financed by AIB



Derba MIDROC Cement PLC







Coffee Processing Plant



East Africa Bottling-Coca Cola

2.3 International Banking Services

Income generated from international banking services increased by 19 percent and reached Birr 469.8 million in 2012/13 compared with the previous year. It accounted for about 33 percent of the total income of the Bank.

Notwithstanding the decline in international price of coffee, the foreign exchange earnings of the Bank from exports improved substantially owing to the special attention given to the export sector.

Similarly, foreign exchange earnings from international money transfer services showed significant improvements due to widening of the number of international money transfer agents working with AIB and the number of branches providing international money transfer services.

Currently, the Bank is working with ten international money transfer agencies; namely Western Union, ExpressMoney, MoneyGram, Ria, Dahabshiil, EzRemit, Moneytrans, Asgori, Trans-Fast and Alante (MFI).

International Money Transfer Agents Working with AIB





















2.4 Provision of Safe Deposit Boxes

AlB continued to provide safe deposit box service facilities for safe keeping of valuable possessions, such as gold, jewelry and important documents at its Head Quarter Building. Registration of prominent customers who wish to lease safe deposit boxes has already been started at AlB's Adama Branch (Adama town). In the future, Lekka Branch (Nekemte town) of AlB will provide similar services.

2.5 Branch Expansion

Financial year 2012/13 was a historic expansion in terms of branch network. Accordingly, the Bank opened 29 new branches (21 in Addis Ababa and eight outside Addis Ababa) during the period under review, raising the total number of its branches to 115 by end of June 2013 from 86 branches last year same period. AlB continued to be the leading private bank in terms of branch network, thereby enabling more people to have access to the Bank's products and services and increasing the customer base of the Bank.

Lists of Newly Opened Branches

City Branches

- Airport
- Alem Bank Akababi
- > 18 Mazoria
- Bole Medihanealem
- Bole Michael
- Bulgaria Mazoria
- Dessie Ber

- Genet Hotel Akababi
- Kara Road
- Kebena
- ▶ Lebu
- Megenagna Adebabay
- Mehal Gofa
- Mekanisa Abo

- Mexico
- Quas Meda
- Saris
- Saris Addisu Sefer
- Shalla Akababi
- > Sheger
- Signal

Outlying Branches

- Ada'a (Bishoftu Town)
- Bakko
- Bosset (Adama Town)
- Dembi Dollo
- Gambela
- Jibruk (Mekelle Town)
- Kechema (Adama Town)
- Yabello



Some of the Pictorial Highlights of Colourful Inaugurations of Newly Opened Branches in 2012/13



Partial view of the Bakko Branch Opening Ceremony



Partial view of Jibruk Branch(2nd branch in Mekele town) Opening Ceremony



Partial view of Gambella Branch Opening Ceremony

3. Organizational Developments

3.1 Card Banking

Financial year 2012/13 marked the full scale provision of Automatic Teller Machines (ATM) services to AIB customers through Premier Switch Solutions S.C., a company jointly established by Awash International Bank S.C, Nib International Bank S.C and United Bank S.C,

In addition to the existing 60 ATM machines jointly operated by the three banks, AIB is in the process of acquiring 100 ATM machines and 400 POS terminals on its own so as to increase its outreach both in and outside Addis Ababa in an effort to improve its service delivery.

3.2 Banking Technology

A project aimed at replacing the existing CORE banking system (Bank master) with a new one is well underway though the implementation of the project has lagged behind the original schedule due to change of management and owners at MISYS International Banking System, a company contracted with AIB to implement the project. The implementation of the new CORE banking system would provide opportunities for installation of Bank Fusion Universal Banking (BFUB) Core Banking System (CBS), Trade Innovation (TI) plus (for Trade Finance Services), Internet Banking Solution, Data Warehousing Application, Anti Money Laundering (AML) Solutions, Non-Interest banking Window, etc.

Meanwhile, in order to further support the implementation of the CORE banking system, Awash International Bank S.C. has signed an agreement with IBM and Tri-Continental Ltd Company of UK for the procurement of IBM Power Servers, Blade Servers, Storage devices, Software components and other services including training and post-delivery support services for five years. Indeed, AIB has already procured all the required hardware and software components as per the agreement.

In order to improve accessibility and convenience to its customers, the Bank continued to interconnect its branches through on-line banking services. Accordingly, the total number of online branches using the existing CORE Banking application rose to 85 by the end of the financial year, of which 66 branches are city branches and 19 are outlying branches. This enables the Bank's customers to have access to their accounts through any one of the interconnected AIB branches.





Signing Ceremony with IBM and Tri-Continental Itd



3.3 Construction of Own Buildings

Awash International Bank S.C, as the first private bank to build its own Head Quarters building at the hub of Ethiopian financial center in Addis Ababa, also continued to construct and inaugurate own buildings in different parts of the country. Accordingly, the Bank inaugurated the four storey Ghimbi Building on May 18,2013 in a colorful manner in the presence of government officials, members of the Board of Directors, management and invited guests and residents of Ghimbi town.

The on-going construction of a G+4 storey building at Agaro town is expected to be completed before the end of 2013, while the construction of 2 basements +G+10 storey building of Balcha Aba Nefso complex is well underway.

The construction of seven storey Bulbula Building in Addis Ababa, in front of St. Joseph Church and six storey complex building in Hawassa town is expected to commence in 2013/14 as the architectural design work and construction work permit was approved by respective town municipalities and bid for civil work construction was floated.



Partial view of Ghimbi Building Inauguration Ceremony, 2012/13

Pictorial Presentation of AIB's Buildings











Pictorial Presentation of AIB's Buildings (Cont'd)





Harar Building



Jimma Building



Bedesa Building









Design of Future AIB's Hawassa Bldg

3.4 Human Resources Development

The total staff strength of the Bank stood at 4,011 by the end of June 2013, from 3,219 a year ago, largely due to recruitments for newly opened branches and key vacant posts at Head Office. Indeed, during the review period, the Bank made an effort to recruit and maintain qualified staff through salary scale adjustments, implementation of comprehensive benefit packages and creation of attractive working environment.

AlB believes that a well trained manpower is a distinct competitive edge for sustainable business performance. Hence, the Bank is creating an enabling environment for learning and development, where employees can acquire the required knowledge, skills and attitudes to create value, both for themselves and the Bank. In this regard, short-term tailor-made trainings were offered to 954 employees of the Bank, while 570 employees were allowed to pursue further education at various levels in various educational institutions.



Partial view of Staff Training

4. Looking Ahead

Guided by clear vision, mission, values, goals and strategies outlined in the Second Five-years Strategic Plan of the Bank and spurred by the forecasted robust growth in domestic economy and modest recovery in global output and trade, Awash International Bank S.C will continue to prove its resilience against the competitive banking environment in Ethiopia by sustaining its satisfactory performance during the year ahead. The Bank will continue to perform well in line with its vision of becoming "The Strongest and Most Preferred Bank of the People". In 2013/14, special focus will, thus, be given to the following areas:-

- I. Enhancement of customer services through expanding service delivery channels, such as branch network, installation of ATM and POS terminals and provision of internet, mobile and agent banking services;
- II. Strengthening the resource mobilization efforts of the Bank through different strategies, including introduction of new deposit products that will retain existing customers and attract new ones;
- III. Improving internal capacity and productivity of the Bank through recruitment and maintenance of qualified staff, on-job and off-job training, application of IT driven processes and effective resource utilization mechanisms;
- IV. Improving the risk identification, measurement and control system of the Bank;
- V. Completion of the G+4 Agaro Building, speeding-up the construction of a G+10 Balcha Abanefso Building and start-up of the construction of Bulbula and Hawassa buildings; and
- VI. Ensuring sustainable earnings for shareholders.

Auditors' Report



የሂሣብ ምርማራ አገልግሎት ኮርፖሬሽን AUDIT SERVICES CORPORATION

ア.**ツ.**&. P.O.Box }5720 nah Tel. } 551 52 22 የፋትስ ቀ. Fax No. } 551 30 83

አዲስ አበባ ADDIS ABABA

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF AWASH INTERNATIONAL BANK SHARE COMPANY

We have audited the accompanying financial statements of Awash International Bank Share Company, which comprise the balance sheet as at 30 June 2013, and the profit and loss account, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by-management, as well as evaluating the overall presentation of the financial statements.

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INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF AWASH INTERNATIONAL BANK SHARE COMPANY (continued)

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

Opinion

In our opinion the financial statements present fairly in all material respects, the financial position of Awash International Bank Share Company as at 30 June 2013 and its financial performance and its cash flows for the year then ended in accordance with generally accepted accounting principles and the requirements of the Commercial Code of Ethiopia of 1960.

Report on Other Legal Requirements

In accordance with the Commercial Code of Ethiopia of 1960,

Article 375 (1) we have no comments to make on the report of the Board of Directors; and

Article 375 (2) we recommend approval of the financial statements.

Audit Services Corporation
Auditors of

audit services corporation

Awash International Bank Share Company

Addis Ababa 11 October 2013



AWASH INTERNATIONAL BANK SHARE COMPANY PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 2013

•	Notes	2013 Ethiopian Birr	2012 Ethiopian Birr
INTEREST INCOME	3	890,192,139	668,692,913
OTHER INCOME	4	529,509,158 1,419,701,297	442,037,947 1,110,730,860
OPERATING EXPENSES			
Interest expense	5	362,656,944	284,935,118
Salaries and benefits	6	248,934,559	150,262,045
Administrative and general expenses	7	168,999,739	133,513,105
Provision for doubtful accounts		55,919,000	11,248,798
Audit fee		172,500	172,500
		836,682,742	580,131,566
PROFIT BEFORE TAX		583,018,555	530,599,294
Income tax expense	8 (a)	144,409,918	136,176,224
PROFIT FOR THE YEAR		438,608,637	394,423,070
EARNINGS PER SHARE		<u>456</u>	469

AWASH INTERNATIONAL BANK SHARE COMPANY BALANCE SHEET AS AT 30 JUNE 2013

		2013	2012
		Ethiopian Birr	Ethiopian Birr
ASSETS	Notes		
Cash on hand and Bank Balances with			1
National Bank of Ethiopia	9	1,707,951,396	1,559,121,564
Deposits with Local Banks		28,999,981	71,539,550
Deposits with Foreign Banks		1,684,672,125	1,304,721,124
,		3,421,623,502	2,935,382,238
Treasury Bills	10	150,000,000	225,000,000
National Bank of Ethiopia bills	11	3,145,808,000	2,484,718,000
National Bank of Ethiopia fixed deposit	12	544,498,000	
Loans and Advances	13	7,532,303,953	5,355,718,376
Investments	14	62,250,300	47,107,907
Property and equipment	15	476,272,074	327,065,885
Other Assets	16	746,799,724	561,691,035
Customers' liablity for Commercial			
letters of credit		1,704,371,217	1,188,533,118
		17,783,926,770	13,125,216,559
EQUITY AND LIABILITIES			
LIABILITIES			
Customer deposits		12,545,208,622	0.204.357.666
Margins held on letters of credit		559,587,918	9,204,357,666
Other Liabilities	17	764,130,127	360,182,440
Current tax liabilities	8(d)	144,409,918	585,335,980 136,176,224
Bank's Liability for commercial letters	0(0)	144,409,910	130,170,224
of credit		1,704,371,217	1,188,533,118
		15,717,707,802	11,474,585,428
CAPITAL AND RESERVES		10,717,707,002	11,474,363,426
CAPITAL			
CHILI			
Authorized Birr 3,000,000,000			
Issued and fully paid			
1,170,381 shares at Birr 1,000 each		1,170,381,418	912,253,280
LEGAL RESERVE	18	512,357,316	402,705,157
RETAINED EARNINGS	19	55,073,756	40,305,391
PROFIT FOR THE YEAR	.,	328,406,478	295,367,303
TOTAL EQUITY		2,066,218,968	1,650,631,131
TOTAL EQUITY AND LIABILITIES			
TOTAL EQUIT AND DIABILITIES		17,783,926,770	_13,125,216,559

The finanancial statements on pages 3 to 18 were approved and authorized for issue by the Board of Directors on 11 October, 2013 and were signed on its behalf by

Manager, Finance Department

President

Chairman, Board of Directors

AWASH INTERNATIONAL BANK SHARE COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2013

	<u>Capital</u> Ethiopian Birr	<u>Legal reserve</u> Ethiopian Birr	Retained earnings Ethiopian Birr	Profit for the year Ethiopian Birr	<u>Total</u> Ethiopian Birr
Balance at 30 June 2011	734,069,582	304,099,390	28,305,391	270,022,186	1,336,496,549
Increase in capital	178,183,698				178,183,698
Transfer to retained earnings			12,000,000	(12,000,000)	-
Dividend declared				(258,022,186)	(258,022,186)
Profit for the year				394,423,070	394,423,070
Directors' allowance				(450,000)	(450,000)
Transfer to legal reserve		98,605,767		(98.605.767)	· .
Balance at 30 June 2012	912,253,280	402,705,157	40,305,391	295,367,303	1,650,631,131
Increase in capital	258,128,138				258,128,138
Transfer to retained earnings			14,768,365	(14,768,365)	
				(280,598,938)	(280,598,938)
				438,608,637	438,608,637
Directors' allowance				(550,000)	(550,000)
Transfer to legal reserve	1/1	109,652,159		(109.652,159)	-
Balance at 30 June 2013	1,170,381,418	512,357,316	55,073,756	328,406,478	2,066,218,968

AWASH INTERNATIONAL BANK SHARE COMPANY STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2013

	2013 Ethiopian Birr	2012 Ethiopian Birr
CASH FLOWS FROM OPERATING ACTIVITIES	Ethiopian Diri	2
Profit for the year	438,608,637	393,973,070
Adjustments for		
Income tax expense recognized in profit or loss	144,409,918	136,176,224
Gain on foreign exchange recognized in profit or loss	(171,463,997)	(166,911,986)
Domestic interest recognized in profit or loss	(100,249,747)	(73,584,357)
Investment income recognized in profit or loss	(3,441,811)	(4,284,386)
Provision for doubtful accounts	28,802,297	4,258,798
Depreciation and amortization of non-current assets	47,893,198	37,372,090
	384,558,495	326,999,453
Movements in operating assets	1/2	
Decrease in cash reserve with		
National Bank of Ethiopia	290,000,000	210,000,000
Increase in other assets	(185,108,689)	(196,391,730)
Increase in loans and advances	(2,205,387,874)	(1,518,145,600)
Increase in customer deposits	3,340,850,956	1,460,576,409
Increase in margins held on letters of credit	199,405,478	59,428,216
Increase (decrease) in other liabilities	178,694,147	(10,344,669)
Cash generated from operations	2,003,012,513	332,122,079
Gain on foreign exchange received	171,463,997	166,911,986
Directors' allowance paid	(450,000)	(450,000) (144,439,993)
Income tax paid	(136,176,224)	354,144,072
Net cash generated by operating activities	2,037,850,286	554,144,072
CASH FLOWS FROM INVESTING ACTIVITIES		CO
Domestic deposit interest received	100,249,747	73,584,357
Dividends received	3,441,811	4,284,386
Payments for property, plant and equipment	(197,099,387)	(107,010,648)
Payments for National Bank of Ethiopia bills	(661,090,000)	(895,504,000)
Payment for National Bank of Ethiopia fixed deposit	(544,498,000)	-
Payments for investments	(15,142,393)	(32,983,698)
Net cash used in investing activities	(1,314,138,222)	(957,629,603)
MAIN		
CASH FLOWS FROM FINANCING ACTIVITIES	250 120 120	170 102 607
Issue of shares	258,128,138	178,183,697
Dividend paid	(280,598,938)	(252,416,629) (74,232,932)
Net cash generated from financing activities	(22,470,800)	(74,232,932)
Increase in cash and cash equivalents	701,241,264	(677,718,463)
Cash and cash equivalents at the beginning of the year	2,240,382,238	2,918,100,701
Cash and cash equivalents at the end of the year	2,941,623,502	2,240,382,238
	Active to the second se	
Cash and cash equivalents comprise		
Cash on hand and bank balances with	1,077,951,396	
Deposits and balances due from banking institutions	1,713,672,106	
Treasury bills	150,000,000	225,000,000
	2,941,623,502	2,240,382,238

1. COMPANY INFORMATION

Awash International Bank Share Company was formed in Ethiopia in August 1994 with the main objective of serving as a commercial bank.

The Bank's head office is located in Addis Ababa and it has 115 branches throughout Ethiopia.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

These financial statements have been prepared in accordance with generally accepted accounting principles and in the manner required by the Commercial Code of Ethiopia of 1960.

b) Basis of preparation

The financial statements have been prepared on a historical cost basis, except for the measurement of impaired assets at their recoverable amounts. The principal accounting policies are set out below.

c) Interest income

Interest income is generally recognized in the period in which it is earned. Interest on non-performing loans is recognized on receipt.

d) Interest expense

Interest expense is recognized on an accrual basis in the period when it is due to customers.

e) Other income

Other income is recognized when significant risks and rewards of ownership are transferred to the recipient and the amounts of revenue can be measured reliably.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

f) Taxation

Income tax expense represents the tax currently payable.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit reported in the profit and loss account because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Bank's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

g) Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. They are initially measured at fair value.

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the asset have been affected.

h) Treasury bills

Treasury bills are stated at their face value.

i) National Bank of Ethiopia bills

Bills are stated at the origin I amounts invested.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

j) Provision for doubtful debts

The provision for doubtful debts is calculated at the following rates based on pastdue loans and interest, less net recoverable values, as is directed by the National Bank of Ethiopia.

Days past due	Sub-categories	%
Less than 30 days	Pass	1
Between 31 and 90 days	Special mention	3
Between 91 and 180 days	Substandard loans	20
Between 181and 360 days	Doubtful loans	50
More than 360 days	Loss loans	100

k) Investments

Investments are stated at cost. Income is recognized only to the extent that distributions are received from net profits that have arisen subsequent to the date of acquisition.

Tangible assets

(i) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation. Depreciation is charged in accordance with Income Tax Proclamation 286/2002, on the straight-line basis for buildings and on the written down value for other assets, at the following rates per annum.

	%
Buildings	5
Computer and accessories	25
Other asset;	20
Motor vehicles	
Furniture fittings and equipment	

(ii) Construction work in progress

Construction work in progress is included under property, plant and equipment and comprises costs incurred on ongoing capital works. These costs include material, transport and labour.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

m) Leases

Finance leases, which transfer to the Bank substantially all the risks and rewards incidental to ownership of the leased item, are capitalized at the inception of the lease at cost.

Leasehold land is presented as property, plant and equipment on the balance sheet and is stated at cost less accumulated amortization. The costs are amortized over 20 years together with the building erected on a specific site.

n) Leave accrual

Employees' entitlements to annual leave are recognized when they accrue to employees. A provision is made for the estimated liability for annual leave at the reporting date.

o) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash at banks in current and deposit accounts and short term, highly liquid investments with maturity periods of three months or less. For the purpose of the cash flow statement, cash and cash equivalents consist of cash on hand and at banks net of short-term finances.

p) Translation of foreign currencies

Transactions in foreign currencies during the year are translated into Ethiopian Birr at the exchange rate ruling at the date of the transaction. Foreign currency monetary assets and liabilities are translated at the exchange rates ruling at the balance sheet date. Resultant exchange differences are recognized in profit or loss for the year. Non-monetary assets and liabilities denominated in foreign currency are recorded at the exchange rate ruling at the date of the transaction.



		2013 Ethiopian Birr	2012 Ethiopian Birr
3	INTEREST INCOME		
	Domestic trade and services	213,920,094	169,227,425
	Building and construction	180,556,829	124,635,035
	Import	128,028,826	93,218,976
	Export	112,918,890	86,326,814
	Interest on bills	100,249,747	73,584,357
	Manufacturing	65,574,802	44,778,853
	Transport	52,832,610	43,458,058
	Agriculture	14,604,396	18,446,641
	Non-performing loans	11,613,872	5,890,601
	Personal loans	6,450,261	4,841,767
	Dividend on investment	3,441,812	4,284,386
		890,192,139	668,692,913
1	OTHER INCOME		
	Commissions and services	322,727,219	251,323,832
	Gain on foreign exchange	171,463,997	166,911,986
	Telephone and SWIFT	12,529,259	11,437,125
	Rent	1,601,427	1,949,435
	Compensation received from contractors	1,242,380	2,916,603
	Bad debts collected	384,129	2,693
	Gain on disposal of acquired property	37,986	1,853,085
	Commitment charges		150,925
	Miscellaneous	19,522,761	5,492,263
		529,509,158	442,037,947
5	INTEREST EXPENSE		
	Contamond domesite	320,786,595	264,581,666
	Customers' deposits	40,491,963	18,707,376
	Interest on fund received Deposits from other banks	1,378,386	

6 SALARIES AND ALLOWANCES

Clerical staff salaries	134,602,831	83,761,277
Non-clerical staff salaries	27,203,520	17,012,642
Fuel, transport and representation allowances	21,652,221	13,778,161
Provident fund and pension contributions	19,451,468	11,262,870
Bonus	15,267,414	10,021,642
Other allowances and benefits	8,841,363	3,656,228
Severance and leave pay	6,474,292	532,803
Cash indemnity allowances	4,857,446	3,741,569
Uniforms	2,820,793	1,353,206
Staff insurance	2,581,885	1,700,684
Medical	2,463,142	826,951
Overtime	1,410,887	1,085,185
Training and education	1,307,297	1,528,827
	248,934,559	150,262,045

7 ADMINISTRATIVE AND GENERAL EXPENSES

Depreciation	47,893,197	36,859,147
Rent	45,165,514	34,897,172
Stationery and office supplies	14,497,125	14,075,574
Communications	9,730,108	9,357,597
Consultants fees	8,724,540	2,743,133
Transportation, distribution and travel allowances	8,686,725	5,573,835
Advertisements and publicity	7,889,555	5,249,410
Repairs and maintenance	6,118,073	5,940,420
Conferences and meetings	5,532,507	4,366,274
Insurance	5,360,609	3,917,642
Wages	2,111,581	1,168,985
Fuel and lubricants	1,943,414	1,578,202
Utilities	1,818,502	1,572,109
Entertainment	1,768,373	2,266,423
Bank charges	851,828	640,972
Taxes	724,193	373,889
Donations and contributions	68,000	164,311
Bad debts written off	-	430,074
Miscellaneous	115,895	2,337,936
	168,999,739	133,513,105

8 TAXATION

(a) Profit and loss account - Income tax expension	(a)	Profit and	loss account -	Income tax	expense
----------------------------------------------------	-----	------------	----------------	------------	---------

	144,409,918	136,176,224
Tax on foreign deposit interest	54,825	102,779
year at 30%	144,355,093	136,073,445
Current taxation based on the adjusted profit for the		

(b) Tax expense computation

Net profit before taxation Add: Disallowed expenses	583,018,555	530,599,294
Entertainment	1,768,373	2,266,423
Penalty	33,137	10,000
	1,801,510	2,276,423
Landa San Carlotte		, B
Less: Income taxed at source or exempt		
Domestic deposit interest	99,098,098	71,473,629
Foreign deposit interest	1,096,513	2,055,578
Dividends	3,441,811	4,284,386
Provision written off	=	1,483,974
	103,636,422	79,297,567
Towalds and Ca		65
Taxable profit	481,183,642	453,578,150
Income tax at 30%	144,355,093	136,073,445
Tax on foreign deposit interest	54,825	102,779
Tax expense	144,409,918	136,176,224

(c) Reconciliation of tax expense to the expected tax based on accounting profit

Tax expense	144,409,918	136,176,224	
Tax at the applicable rate of 30% Tax effect of expenses not deductible for tax purposes Tax effect of income taxed at source or exempt	174,905,567 540,453 (31,036,102)	159,179,788 682,927 (23,686,491)	
Net profit before taxation	583,018,555	530,599,294	

TAXATION (continued)

(d) Balance sheet - Tax payable

At the beginning of the year
Paid during the year
Current year tax payable

136,176,224
(136, 176, 224)
144,409,918
144,409,918

144,439,993	
(144,439,993)
136,176,224	
136,176,224	

(e) Current tax rate

The current tax rate is 30%.

CASH ON HAND AND BANK BALANCES

Cash on hand
Balances with National Bank of Ethiopia
Reserve account
Payment and settlement account

605,149,871	422,053,137
630,000,000 472,801,525 1,707,951,396	920,000,000 <u>217,068,427</u> 1,559,121,564

20,000,000 17,068,427 59,121,564

The reserve account is non-interest bearing and is computed at 5% (2012 - 10%) of the net deposits as prescribed by the National Bank' directives. These funds are not available to finance the Bank's day to day operations.

10 TREASURY BILLS

28-day treasury bills

1	=0		'n	Λ	Ω	n	n
	50	,.,	w	U.	w	v	U

225,000,000

11 NATIONAL BANK OF ETHIOP!A BILLS

Unsecured bills bearing interest at the rate of 3% per annum and maturing five years after issue.

Maturing within
three years
four years
five years

1,589,214,000 895,504,000 661,090,000 3,145,808,000

1,589,214,000 895,504,000 2,484,718,000

12 NATIONAL BANK OF ETHIOPIA FIXED DEPOSIT

Fixed deposit bearing interest at the rate of 3% per annum. The deposit and interest are payable in March 2016. Repayment before the maturity date is solely at the discretion of the National Bank and any accrued interest would be forfeited.

13 LOANS AND ADVANCES

Domestic trade and services	1,930,781,988	1,518,538,881
Building and construction	1,718,573,269	1,170,710,943
Import	1,253,759,318	819,497,654
Export	1,244,427,432	979,019,426
Manufacturing	795,802,761	382,578,403
Transport	442,179,351	362,018,378
Agriculture	74,393,338	132,826,612
Nonperforming loans and advances	186,185,115	98,041,858
Personal loans	63,895,678	41,378,221
	7,709,998,250	5,504,610,376
Less: Provision for doubtful loans and advances	177,694,297	148,892,000
	7,532,303,953	5,355,718,376

Loans and advances on which interest had been suspended amounted to Birr 186,185,115 (2012 - Birr 98,041,858). Interest relating to these loans and not recognized amounted to Birr 35,635,738 (2012 - Birr 23,989,146).

14 INVESTMENTS

	Proportion of ownership		
Premier Switch Solution Share Company			
(44,996 shares of Birr 1,000 each par)	32.19	44,996,000	29,996,000
Awash Insurance Share Company			
(19,126 shares of Birr 500 each per)	11.95	9,563,200	9,563,200
Eth-Switch Solutions Share Company			
(5,030 shares of Birr 1,000 each p ir)	MALIC	5,030,000	5,030,000
Negat Mechanical Engineering Share Com	pany		
(1,100 shares of Birr 1,000 each par)	5.80	1,100,000	957,607
Finfine Printing Press Share Company			
(1,000 shares of Birr 1,000 each par)	8.52	1,000,000	1,000,000
Oromia Insurance Share Company			
(525 shares of Birr 1,000 each par)	1.80	525,000	525,000
ODA Share Company			
(361 shares of Birr 100 each par)	0.11	36,100	36,100
		62,250,300	47,107,907

15 PROPERTY, PLANT AND EQUIPMENT

		Balance at 30 June 2012	Additions Transfers	Balance at 30 June 2013
	COST OR VALUATION			
	Leasehold land	29,482,584	717,048	30,199,632
	Buildings	170,010,442	94,288,760	264,299,202
	Motor vehicles	87,067,186	14,249,160	101,316,346
	Computers and accessories	61,510,323	59,802,663	121,312,986
	Furniture, fittings and equipment	95,583,886	32,008,660	127,592,546
	Construction in progress	32,875,211	(3,966,904)	28,908,307
		476,529,632	197,099,387	673,629,019
	DEPRECIATION			
	Buildings	13,596,883	13,214,961	26,811,844
	Motor vehicles	44,633,392	11,296,617	55,930,009
	Computers and accessories	44,110,964	7,287,820	51,398,784
	Furniture, fittings and equipment	47,122,508	16,093,800	63,216,308
		149,463,747	47,893,198	197,356,945
	NET BOOK VALUE	327,065,885		476,272,074
16	OTHER ASSETS		Г	
	Staff debtors		51,633,321	19,708,539
	Prepayments		211,069,297	117,634,692
	Uncleared effects		234,611,926	176,316,337
	Acquired property		50,594,048	50,729,263
	Interest receivable		39,613,842	74,429,731
	Stationery and other supplies		31,060,529	24,031,759
	Receivable from Awash Insurance		G	48,342,774
	Other receivables		130,497,559	52,778,738
			749,080,522	563,971,833
	Less: Provision for doubtful debts		2,280,798	2,280,798
			746,799,724	561,691,035
			L	



17 OTHER LIABILITIES

C.P.O.'s and certified cheques issued	346,128,293	300,495,392
Inter-branch clearing	145,766,141	118,232,426
Exchange commission payable to		
National Bank of Ethiopia	28,102,180	25,672,816
Accrued leave	21,883,849	16,169,141
Accrued interest	18,161,256	14,849,040
Taxes	10,026,336	7,932,880
Blocked accounts	7,893,449	9,003,040
Directors' allowances	550,000	450,000
Awash Insurance Share Company advance	101 0:	5,000,000
Miscellaneous payable	185,618,623	87,531,245
	764,130,127	585,335,980

18 LEGAL RESERVE

The legal reserve is a statutory reserve to which not less than 25% of the net profits shall be transferred each year until such reserve equals the capital of the Bank and thereafter 10% of the net profit shall be transferred each year.

19 RETAINED EARNINGS

The retained earnings balance may be used as the shareholders resolve.

20 RETIREMENT BENEFIT OBLICATIONS

For some staff, the Bank makes cont butions to a provident fund to which the employer and employee make contributions of 13% and 7% of the employee's basic salary, respectively. For other staff, contributions were made a statutory defined pension fund at rates of 8% and 6% of the employee's salary.

21 COMMITMENTS

The Bank has the following commitments, not provided for in these financial statements

Birr 241,658,762 in respect of estimated cost to complete construction work in progress

Birr 15,533,014 in respect of cost of purchase of software

In accordance with a directive from the National Bank of Ethiopia, the Bank is obliged to purchase bond bills each month to the value of the equivalent of 27% of new loans and advances disbursed during that month. The bills are repayable five years from the date of issue.

22 INCORPORATION

The Bank is incorporated in Ethiopia under the Ethiopian Commercial Code of 1960 and is domiciled in Ethiopia. It is subject to the Banking Business Proclamation No. 592/2008.

23 FUNCTIONAL AND PRESENTATION CURRENCY

These financial statements are presented in Ethiopian Birr.

24 EVENTS AFTER THE REPORTING PERIOD

There are no significant events after the reporting period which should be reported in these financial statements.

25 DATE OF AUTHORIZATION

The Bank's Board of Directors authorized the issue of these financial statements on 11 October 2013.

Financial Highlight, Number of Branches and Employees

(In millions of Birr unless stated otherwise)

Particulars	2003	2004	2005	2006	2007	2008/09***	2009/10	2010/11	2011/12	2012/13
Deposits*	1,377	1,780	2,270	2,800	3,508	5,302	6,456	8,045	9,565	13,105
Loans & Advances **	833	1,149	1,545	2,464	2,529	2,713	3,146	3,986	5,505	7,710
NBE bills	0	0	0	0	0	0	0	1,589	2,485	3,146
Total Assets	1,830	2,379	2,990	3,683	4,783	7,133	9,023	11,089	13,125	17,784
Capital & Reserves	154	197	241	342	483	761	959	1,336	1,651	2,066
Profit Before Tax	22	48	63	134	179	303	351	505	531	583
Profit After Tax	17	35	45	95	127	214	248	361	394	439
Earning per share (Birr)	157	279	302	529	526	558	493	560	469	456
No.of Branches (in no.)	29	32	35	40	46	61	64	70	86	115
No. of Employees(in no.)	1,006	1,119	1,236	1,466	1,698	2,284	2,484	2,724	3,219	4011

Source: AIB's Audited Accounts

^{*}Including Margins held on L/C

^{**} Including Provisions for Doubtful Loans & Advances

^{***} The figure for 2008/09 is extrapolated from audited figures of 18months (Jan.1, 2008-Jun.30,2009)

NB: Figures from 2003-2007 are as at December 31 and 2008/09 onwards as at June 30.

Addresses of Awash International Bank City Branches

No	City Branches	Telephone No Fax Location		Location	
1	Addis Ketema	011-277 24 84 011-277 2483 Near Amede Gebeya		Near Amede Gebeya	
2	Africa Andinet	011-371 61 02	011-371 6594	G G Building (Sarbet)	
3	Africa Avenue	011-557 05 33	011-557 0536	Bole-City Plaza bldg. (near Mega Building)	
4	Airport	011- 618 0611/75	011-618 0171	Airport Akababi	
5	Alem Bank Akababi	011-369 3043/04/12/36	011-369 3018	Alem Bank	
6	Arada Giorgis	011-155 61 66	011-155 5800	Arada Giorgis	
7	Arat Killo	011-157 03 32	011-157 0335	Arat kilo (near Berhanena Selam Printing Press)	
8	Asco	011-273 02 91/ 93/94	011-273 0235/95	Welega Route Bus station	
9	Asrasemint Mazoria	011- 279 1400	011- 279 1364	Kolfe	
10	Beklobet	011-466 8575/ 465 1474	011-4166878	Near Cinema Agona	
11	Bethel	011-349 1268/13/14	011- 349 1135	Bethel Area	
12	Bole	011-618 95 22	011-662 6387	Friendship Building	
13	Bole medihanealem	011- 667-0347/51	011-667 0237	Near Ednamol- Bole	
14	Bole Michael	011-639 2022	011-639 2023	Ayer Amba (Bole Michael)	
15	Bulgaria Mazoria	011-554 00 14/59/554 03 11	011-554 0292	Bulgaria Mazoria	
16	Churchil road	011-8-96 39 16/17	011-226 2018	In front of Black Lion school	
17	Dessie Ber	011- 667 8022/44/56	011- 557 2259	Kotebe Teacher Training College Area	
18	Dil Gebeya	011-372 08 20	011-372 0839	Boren Bldg. (Bisrate Gebriel)	
19	Finfine	011-557 01 07	011-557 0113	Awash Towers- Head Office bldg.	
20	Fit ber	011-895 99 56/57	0118-95 9956	Palace Building	
21	Genet Hotel Akababi	011-5540256/43	011-554 0233	Genet Hotel	
22	Gerji	011-647 62 75	011-647 6274	Gerji	
23	Gerji Georgis	011-6394018/10/05/00	011-639 4002	Gerji Georgis	
24	Gofa Gebriel	011-467 45 65/63	011-467 4561	Gofasefer Akababi (JFK Bldg.)	
25	Gofa Sefer	011-465 36 91	011-466 3724	Kera (Gofa Mazoria)	

No	City Branches	Telephone No	Fax	Location	
26	Gotera	011- 4670542/0114670392	011-467 0576	Gotera Akababi (infront of Wengelawit bldg.)	
27	Gullele	011-278 49 26	011-278 4927	Girmay Neway building	
28	Gurd Sholla	011-646 16 79	011-646 1231	Gurd Sholla Akababi	
29	Habte Giorgis	011-157 88 91	011-157 4546	Kelifa Building (Habte Giorgis)	
30	Hayahulet Mazoria	011-662 46 67	011-662 6587	Zurga Building	
31	Head Office	011-662 03 03	011-663 7538	Bole- infront of Fantu Supermarket	
32	Jemmo	011-348 40 07	011-348 6270	Ayer Tena (Zewditu Building)	
33	Kara Kore	011-369 3069/3046	011-369 3067	Around Repi Soap &Detergent Factory (Sebeta Road)	
34	Kara Road	011-6670260/ 89	011-667 0257	Kara Area(Kotebe)	
35	Kazanchis	011-552 09 94	011-551 9829	Supermarket (Kazanchis)	
36	Kebena	011-154 4006/08/15	011-154 4012	Kebena Akababi	
37	Kirkos	011-554 75 83	011-554 7582	Temama foke bldg. (Cambo Asmara)	
38	Kolfe	011-275 72 35	011-277 3376	Kolfe	
39	Korea Hospital	011-629 38 36	011-629 3150	Korea Hospital (Gerji)	
40	Kotebe	011-647 54 00	011-645 6274	Kotebe	
41	Lafto	011-419 64 89	011-419 6488	Assefa Building	
42	Legehar	011-553 19 48	011-551 0867	Ras Hotel	
43	Lebu	011- 651 3493, 011 859 2061/62		Lebu Area	
44	Lideta	011-554 65 72/73(0911391276)	011-554 6571	Nur Building	
45	Megenagna	011-618 27 74	011-618 2772	Matiyas Building	
46	Megenagna Adebabay	011- 667 3737/0116	011- 667 3799	Around Megenagna dildiy (Zefmesh Grand Mall)	
47	Mehal Arada	111 92 26	011-156 08 83	Piazza	
48	Mehal Gebeya	011-277 94 72	011-273 02 95	Merkato (Sobelan bldg)	
49	Mehal Gofa	011-4 6712 97/ 011-4671239	011-467 1281	Gofa Gebriel Curch Area	
50	Mekanisa Abo	011- 369 0727/28/29	011-369 0329	Near Abo Mazoria	
51	Meskel flower	011-466 93 03	011-466 9501	Meskel flower Area	
52	Merkato	011-277 16 66	011-213 7136	Addis Ababa Market Center Bldg.	

No	City Branches	Telephone No	Fax	Location
53	Mexico	011- 557 21/ 79, 557 2261/10	011- 557 2259	Around Mexico square (Sefferian compound)
54	Nifas silk	011-442 03 09	011-442 0958	Nifas silk Area
55	Piazza	011-111 94 54	011-111 2476	Piazza (Infront of Cinema Ampere)
56	Olympia	011-557 1182/90	011-557 1188	Africa Avenue (near Olympia Square)
57	Quas Meda	011-2760343/45/ 011- 2760127/ 2760366	011-276 0349	Quas Meda Area
58	Saris	011-4431272/37	0114 43 1358	Saris Akababi
59	Saris Addisu Sefer	011- 559 2255	011-440 0685	Saris Akababi
60	Sebategna	011-277 33 42	011-277 32 70	Dire Building
61	Shalla Akababi	011- 667 3820/22	011-667 3718	Atlas Hotel Area
62	Sheger	011-155 89 38/ 0111 57 00 47/63	011-158 8918	Piazza (Arada building)
63	Sidamo Tera	011-278 41 18	011-278 4117	Merkato (Bomb Tera
64	Signal	011- 667 2011/65/70/75	011- 667 2017	Signal Akababi
65	Stadium	011-515 67 46	011-550 2920	Meskel Square
66	Tekle Haimanot	011-278 93 76	011-277 2732	Leyla Building
67	Temnja yaj	011-416 27 20	011-416 2705	Hussen Building
68	Traffic Tsehfitbet Akababi	011-661 64 54	011-618 8718	Traffic Tsehfitbet Area (Hayahulet)
69	Urael	011-554 08 30	011-554 0836	Urael Church Akababi
70	World Bank	011-515 3087	011-515 0601	Bole inside World Bank Bldg.
71	Wuha Limat Akababi	011-618 12 00	011-661 1640	Wuha Limat Area



Addresses of AIB's Outlying Branches

No	Outlying branch	Telephone No	Fax	Location
1	Ada'a	(011) 433 8900/8626	(011) 433 8547	Bishoftu
2	Adama	(022)1118585/84/86/	(022)1115375	Adama
3	Agaro	(047)221 17 46	(047)221 18 41	Agaro
4	Ambo	(011)236 41 74	(011)236 56 69	Ambo
5	Arsi Negele	(046)116 01 27	(046)116 08 77	Arsi Negele
6	Assela	(022)331 27 70	(022)331 56 22	Assela
7	Assosa	(057)775 16 52	(057)775 17 41	Assosa
8	Awash Sebat Kilo	(022) 224 0274/79	022) 224 0251	Awash Sebat kilo (Afar Region)
9	Awedaye	(025)662 05 60	(025)662 05 93	Awedaye
10	Bakko	057- 665 1465/21	057-665 1494	Bakko
11	Bahir Dar	(058)220 06 71	(058)222 11 47	Bahir Dar
12	Bale robe	(022)665 17 00	(022)665 19 75	Robe
13	Batu	(046)441 22 10/11	(046) 441 22 11	Batu
14	Bedessa	(025)555 01 16	(025)555 01 69	Bedessa
15	Bekoji	(022)332 06 55	(022)332 00 80	Bekoji
16	Bishoftu	(011)433 53 82	(011)437 04 20	Bishoftu
17	Boset	(022)111 9027/28/30	(022)111 9029	Adama
18	Bule Hora	(046)443 01 21	(046)443 09 35	Bule Hora
19	Chiro	(025)551 10 21	(025)551 10 22	Chiro
20	Dembela	(022)110 06 21	(022)110 06 22	Adama
21	Dembi Dollo	(057)555 2315	(057)555 1277	Dembi Dollo
22	Dessie	(033)111 28 29	(033)111 28 39	Dessie
23	Dilla	(046)331 33 13	(046)331 41 07	Dilla
24	Dire Dawa	(025)111 40 42	(025)111 40 46	Dire Dawa
25	Dukem	(011)432 05 02	(011)432 05 23	Dukem

No	Outlying branch	Telephone No	Fax	Location
26	Gambela	(047) 551 1814/67/68	(047)5511869	Gambela
27	Ghimbi	(057)771 00 66	(057)771 10 22	Ghimbi
28	Ginir	(022)664 00 65	(022)664 04 49	Ginir
29	Gondar	(058)111 48 67	(058)111 80 44	Gondar
30	Harar	(025)667 07 45	(025)667 02 87	Harar
31	Harufa	(046)110 06 11	(046)110 05 43	Shashemene
32	Hawassa	(046)220 47 22	(046)220 47 51	Hawassa
33	Humera	(034)448 14 72	(034)448 14 71	Humera
34	Jibruk	(034)440 4552	(034)440 4579	Mekele
35	Jijiga	(025)775 25 48	(025)775 20 72	Jijiga
36	Jimma	(047)111 21 89	(047)111 94 12	Jimma
37	Kechema	(022)1118302/06/10	(022) 11118303	Adama
38	Leka	(057) 661 32 01 /02	(057)661 14 39	Nekemte
39	Mechara	(025)557 05 61	(025)557 05 63	Mechara
40	Mekele	(034)441 89 67	(034)441 89 66	Mekele
41	Mettu	(047)441 26 48	(047)441 41 65	Mettu
42	Nekemte	(057)661 70 92	(057)661 54 74	Nekemte
43	Sabean Sefer	(025)112 48 79	(025)111 21 33	Dire Dawa
44	Sebeta	(0113)38 41 01/15	(011)338 41 02	Sebeta
45	Shashemene	(046)110 65 25	(046)110 00 14	Shashemene
46	Togochale	(025)882 01 31	(025)882 02 17	Togochale
47	Weliso	(011)341 34 73	(011)341 34 72	Weliso
48	Wolayeta Sodo	(046)551 07 43	(046)551 07 06	Wolayeta Sodo
49	Yabello	(046)446 0887/0197	(046)446 0311	Yabello



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