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AwashBank
Nurturing Like the River



Annual Report 2017/18



አዋሽ ባንክ
AwashBank
Nurturing Like the River



The Bank that
NURTURES
Your Life!



ANNUAL REPORT FOR FINANCIAL YEAR ENDED JUNE 30, 2018

VISION

"To be the First
Choice World Class
Bank"

MISSION

"To provide
innovative,
competitive
and diversified
banking services
accessible to
the society with
qualified and
dedicated staff in
a profitable and
socially responsible
manner."

CORE VALUES

A- Accessibility

W- Wisdom

A-Accountability

S- Socially Responsible

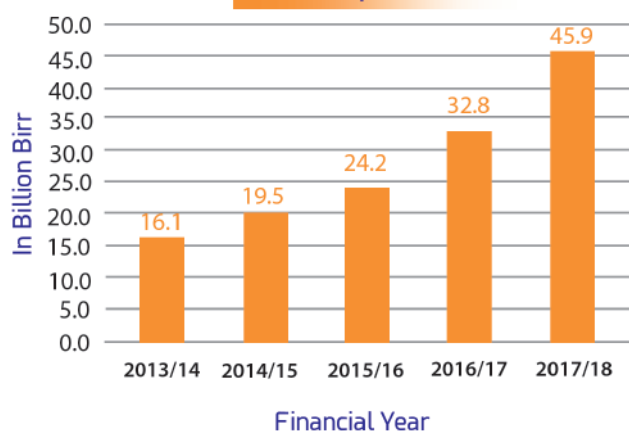
H- Honesty

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Highlights of Major Performances, 2017/18

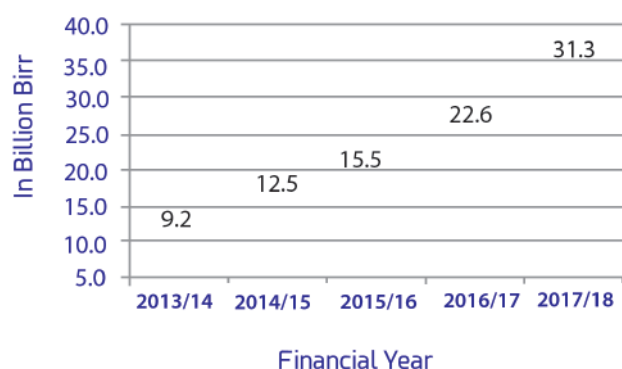
Total Deposit



Total Income



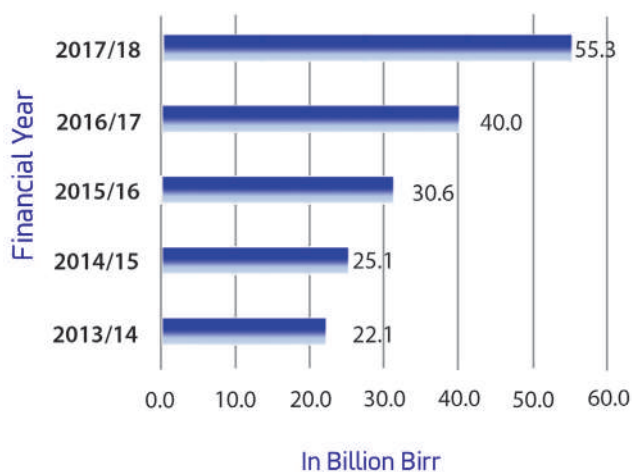
LOANS & ADVANCES



Profit before Tax & Provisions



Total Asset



Earnings per Share (per 1000 Birr)



RESPONDING TO CHANGING LIFE



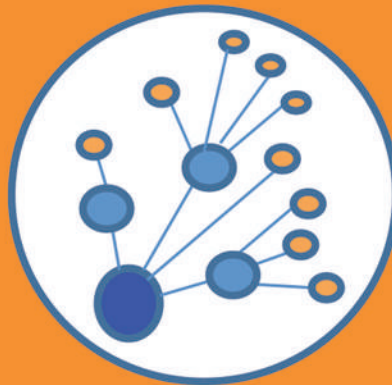
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AwashBank
Nurturing Like the River



7,881 Staff



265 Active ATMs



366 Branches

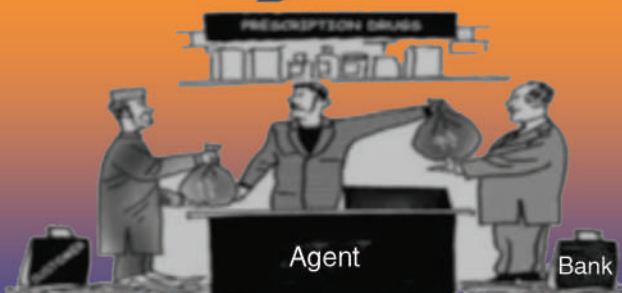


Awash Mobile
Banking Services



486 POS Terminals

አዋሽ ወኪል
Awash Agent



Agency Banking



Awash online-banking

THE BOARD OF DIRECTORS



Tabor Wami
Chairman, Board of
Directors



Antonio Carnivale (Eng)
V/Chairman, Board of
Directors



Abaynesh Bekele
Director



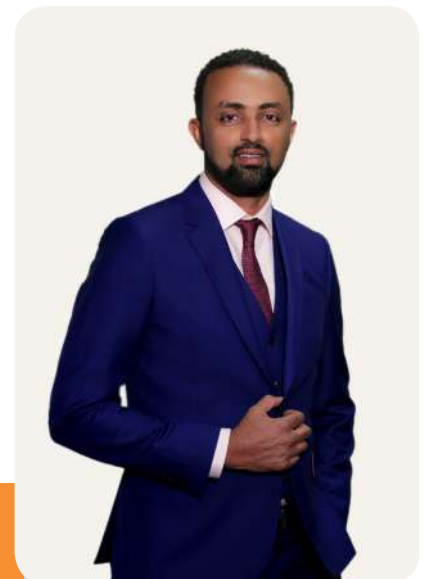
Alemu Tita
Director



Daniel Tewodros
Director



Amb. Dibaba Abdeta(Dr.)
Director



Ephrem Tesfaye
Director



Eshetu Aredo
Director



Getachew Olana
Director



Girma Guluma (Eng)
Director



Gudissa Legesse
Director

BOARD CHAIRMAN'S MESSAGE



Tabor Wami
Chairman, Board of Directors

On behalf of the Board of Directors of Awash Bank and on my own behalf, I would like to welcome you all to the 23rd AB's Shareholders Annual General Meeting of the FY 2017/18. I am also honored to congratulate our respected Shareholders, Customers and other concerned Stakeholders on your presence, continued trust, and unwavering patronage extended to the Bank all the years which enabled Awash Bank (AB) to register magnificent results in all spheres of its operations and remain the pioneer and leading private Bank over the years.

The FY 2017/18, in Ethiopia was a year in which the banking industry including Awash Bank operated in a challenging economic environment marked by a relatively higher inflation and tighter regulatory framework. Against this backdrop, Awash Bank, however, changed the challenges to opportunities and has recorded a reasonably commendable performance and unique result of its kind. Not only this, the Bank's annual performance was above the target set for the second year of the ten years Strategic Journey of "Transforming AB: Vision 2025 Project".

The 23rd Annual General Meeting of the Shareholders of Awash Bank is, therefore, historical in that it is being conducted after the Bank has passed through the challenging macroeconomic environment and performing an extraordinary result in all spheres of its operations including deposits, loans and advances, income, branch networks and above all gross profit during the year under review. The major operational activities such as deposits, loans, income and gross profit during the year grew by 40%, 38%, 44% and 49%, respectively, as compared to last year same period.

In general, the exhibited remarkable operational performances of the Bank were the result of the concerted efforts and joining hand-in-hand of the Board of Directors, the Management and the entire staff of the Bank. On top of that, the strategy and the Business Operating Model followed by the Bank has assured that the Bank is on the right track and is believed to take the Bank a step forward to attain its aspiration of becoming "One of the Top Ten East African Private Commercial Banks by the Year 2025".

As for the projects on hand, Awash Bank has registered an inspiring result in the activities of Information and Communication Technologies and the construction of own buildings. In the areas of Information and Communication Technology projects, AB is effectively leveraging on vendor related and in-house developed technology systems. Some of the under process vendor related IT projects are: the implementation of Enterprise Service Bus (ESB), the Customer Relationship Management (CRM), the Contact Center (CC), Essence Core Upgrade and IFB system, Trade Innovation (TI) Upgrade and the Procurement of Switch Solution. From the in-house

software projects, Training Management System, Job Application System, Claim Ticket Origination System, are some to be cited. Regarding the performance of the digital technologies an impressive results have been recorded with regard to the use of ATM, POS, Mobile banking and Internet banking services which would enable customers to use the Bank's services anytime anywhere.

The construction of own buildings are well underway and, among others, the inauguration of Ada'a Building (four storey) and the completion of the construction of Badessaa building (two storey) are the major milestones. From the new building projects, the commencement of the constructions of the six story Jimma building and the 12 storey Bulbula mixed use Buildings are some to be mentioned. Our Bank has also acquired a central archive at Burayu area of Oromia Regional State during the year under review.

The Human Resource Policies and Practices of the Bank focused on attracting, motivating and retaining qualified and skilled manpower. In line with this, steps were taken to improve manpower efficiency focusing on optimizing the existing resource through internal job postings, transfers and skill development initiatives. Various trainings and capacity building activities have been given emphasis and, accordingly, short term trainings were given to 5,925 staff of the Bank and 760 staff were also sponsored by the Bank to pursue further education at different levels during the year under review.

I would like to emphasize that Awash Bank is cautiously optimistic about the year ahead in spite of the continuing fierce competition amongst the banks in the banking industry of the country. The Board is fully confident on the capability, competence, qualifications and trustworthiness of the Management team and dedication of the entire employees for the attainment of the Bank's grand Vision by 2025. The Bank continues to deliver on its strategic commitments which drive operational performances and create value for its shareholders as well as the communities at large. Both the Board and the Management are assertive as ever before to combine their skills and energies and embark to register yet another new glittering success in the years to come thereby maintaining AB's leading position amongst the private Banks of the country.

At the end, on behalf of the Board, I would like to take this opportunity to express my deep sense of gratitude to all staff of the Bank including the Management team for the superb achievements registered in all operational and financial areas. I would also like to thank the National Bank of Ethiopia (NBE), AB's Shareholders, Stakeholders and the Bank's Board of Directors for their strong support and guidance for the achievement registered. Last, but not least, the Board places on record its appreciation to our valued customers, for their indispensable support, patronage and goodwill for the success of the Bank looking forward to their continuous commitment in the future also.

Finally, I look ahead to the continuation of a high level of Ethiopia's economic growth within a stable macro-economic environment and a successful operation to AB in the 2018/19 financial year and beyond.

Thank you.


EXECUTIVE MANAGEMENT



Tsehay Shiferaw
Chief Executive Officer



Yohannes Merga
Chief Information
Officer



Tadesse Gameda
Chief, Whole Sale
Banking Officer



Henock Tessema
Chief, Retail & SME
Banking Officer



Tilahun Geleta
Chief, Finance & Support
Services Officer

EXECUTIVE MANAGEMENT (Cont'd)



Abebe Deressa
D/Chief, Strategy
Implementation Officer



Dessalegn Tolera
D/Chief, Credit Analysis
& Portfolio Mgt. Officer



Teklu Wodajo
D/Chief, Human Resource
Management Officer



Beyene Dekeba
Director, IT Infrastructure
& Service Mgt. Directorate



Berhanu Balcha
Director, Finance and
Treasury Directorate



Dereje Getachew
Director, Trade Services
Directorate

EXECUTIVE MANAGEMENT (Cont'd)



Ebisa Deribie
Director, Marketing &
Communication Directorate



Ephrem Bogale
Director, Credit Analysis and
Appraisal Directorate



Gacho Warra
A/Director, Enterprise
Risk and Compliance Mgt
Directorate



Hailu Meskela
Director, Learning and
Development Directorate



Hailu W/Gebriel
Executive Assistant
to the CEO



Lamessa Soboka
Director, Corporate
Banking Directorate

EXECUTIVE MANAGEMENT (Cont'd)



Makeda Oumer
Director, Internal Audit
Directorate



Muluneh Aboye
Director, SME Banking
Directorate



Netsanet W/Kidan
Director, Business Banking
Directorate



Takele Arega
Director, Legal Services
Directorate



Temesgen Busha
Director, Strategy and
Corporate Transformation
Directorate



Temesgen Workineh
Director, Shared Services
Directorate

EXECUTIVE MANAGEMENT (Cont'd)



Wendimagegnehu Birhanu
Director, Talent Acquisition
& On Boarding Directorate



Yonas Kumera
Board Secretary



Yordanos Mekonnen
Director, Portfolio
Management Directorate



Zebene Kaba
Director, Personal
Banking Directorate

CHIEF EXECUTIVE OFFICER'S STATEMENT



Tsehay Shiferaw
Chief Executive Officer

It is with great pleasure and honor that I present to you the financial and operational performance of our Bank for the year ended June 30, 2018.

I feel proud to announce to all respected Shareholders, Board of Directors, members of Management and the entire staff, valued customers and all other stakeholders that our Bank has registered an unparalleled operational performance in the history of private banks.

Banks were challenged in the year just ended with a big demand-supply gap of foreign currencies to address the ever-growing requests of importers, fierce competition for resource mobilization, various tight regulatory requirements like the credit ceiling and 30% foreign currency surrender requirements. The devaluation of the Birr has escalated the budgeted expense items as a result of which it was practically challenging to honor commitments for purchase of goods and services.

In spite of the above challenges, I would like to take this opportune moment to reaffirm to all concerned stakeholders that the performance of the Bank for the year ended June 30, 2018 was remarkable by all standards.

In line with the newly adopted International Financial Reporting Standards, the Bank's profit before tax stood at Birr 1.96 billion from Birr 1.31 billion of last year same period; i.e. Br. 650 million or 49.4% growth from the preceding year. This is an exceptional performance in the history of our Bank as well as in the private banking industry.

The paid-up capital of the Bank reached Birr 2.94 billion from Birr 2.64 billion of last year same period; that is, an increment of Birr 298 million or 11% and earnings per share (EPS) has shown commendable increment from 388 in 2017 to 543 in 2018 for a par value of Birr 1,000.

With regard to expenses incurred during the year, as a result of upward revision of the minimum interest rate on deposits by the National Bank of Ethiopia, rising cost of operations due to inflation and the overall enhanced operation of the Bank, total expense has surged from Birr 2.44 billion in 2016/17 to Birr 3.44 billion in 2017/18. Of the total expense items, interest expense; personnel expense; depreciation and impairment of property, plant and equipment took the highest share in their order.

Deposit is the core in all banking operations and with a relentless effort of all, the deposit of the Bank grew by Birr 12.96 billion or 40% as compared to last year same period and it is the highest deposit figure ever registered in the private banking industry. As at June 30, 2018, the total deposit of the Bank reached Br. 45.75 billion.

Total asset significantly increased from Birr 40.0 billion to Birr 55.3 billion and this was a 38.2% growth in one year mainly as a result of a significant increase in loans and advances by Birr 8.65 billion or 38.6% and purchase of NBE's bills, which stood at Birr 8.5 billion vis-à-vis Birr 6.99 billion of last year same period.

As at end of June 2018, the Bank's NPLs ratio stood at 1% and this was far below the supervisory body's maximum threshold of 5%. As far as the branch network is concerned, as at June 30, 2018, the total number of branches of the Bank was 366.

In general, it is worthy to mention here that:-

1. With a successful achievement of the plan set for this financial year, we are very confident that the grand vision of uplifting our Bank to a level of One of the Top Ten Private Banks in East Africa by 2025 is likely attainable,
2. In an effort to further enhance the profitability and fortify the asset base, our Bank is continuing purchasing shares in profitable business ventures and constructing and/or purchasing own buildings/warehouse in city as well as outlying regions,
3. The process of upgrading the existing Core Banking System, acquiring and implementing Customer Relationship Management (CRM) and Contact Center Solutions, as well as implementing bank-wide Cultural Transformation Initiatives are well underway and finally,
4. As the saying "Charity sees the need, not the cause" goes, our Bank has, as always, lived up to its noble deed of discharging its corporate social responsibility this year also to the victims of social upheavals in some parts of our country.

At this juncture, I would like to extend my special gratitude to our esteemed customers for working with us as well as the strong Management team and the hard working staff for the exceptional achievement recorded. I believe that with our strong unity of purpose, Awash will further stand vibrantly visible in the years to come.

Finally, I would like to thank all Shareholders of the Bank, Board of Directors, the Federal and Regional Governments and in particular the National Bank of Ethiopia for all necessary support given to us to enable us achieve our corporate objectives.

God bless you all!

PICTORIAL PRESENTATION OF SHAREHOLDERS MEETING



Partial View of the 22nd Ordinary Shareholders Meeting, November 25, 2017



Board of Directors in Group

PICTORIAL PRESENTATION OF MANAGEMENT MEETING, 2017/18



Partial View of Management Meeting, 2017/18



Awarded Best Performing Branches Picture with the Board of Directors & Executive Management, 2017/18

Board of Directors' Report

The Board of Directors of Awash Bank feels privileged to present to the 23rd Annual General Meeting of Shareholders of Awash Bank the Annual Report and the Audited financial statements of the Bank for the Financial Year ended June 30, 2018. All financial information presented in this report were prepared in accordance with the International Financial Reporting Standards (IFRS).

Financial year 2017/18 was a challenging year for the Ethiopian economy in general and the banking sector in particular, due to a multitude of such as double digit inflation, foreign currency shortage and stringent regulatory requirements that set credit ceilings on the non-export non-manufacturing sectors and introduction of surrender requirements of 30 percent of the foreign currency earned to the National Bank of Ethiopia.

Despite the headwinds, Awash Bank has registered outstanding performances that further strengthened its leading position among private banks operating in the country and guaranteed a sustainable return to shareholders. The robust operational and financial results demonstrate Awash Bank's resilience to challenges through prompt scanning of the environment and implementation of a solid strategy that turns challenges into opportunities.

1 Operational Performances

Review of the operational performances of the Bank with respect to resource mobilization, provision of credit services and expansion of asset sizes reveal that Awash Bank is the fastest growing private bank that more than doubled its operations within the last four years.

1.1 Mobilization of Deposits

During Financial Year 2017/18, the Bank has intensified its deposit mobilization efforts by implementing different acquisition strategies and offering different kinds of deposit products to a wide range of customers, including high net worth individuals, private institutions, NGOs, churches and corporate customers. As a result, total deposits of the Bank, including Letter of Credit Margin and Interest Free Banking (IFB), rose to Birr 45.9 billion, depicting a growth of Birr 13.01 billion (40%) as compared with the same period of last year.

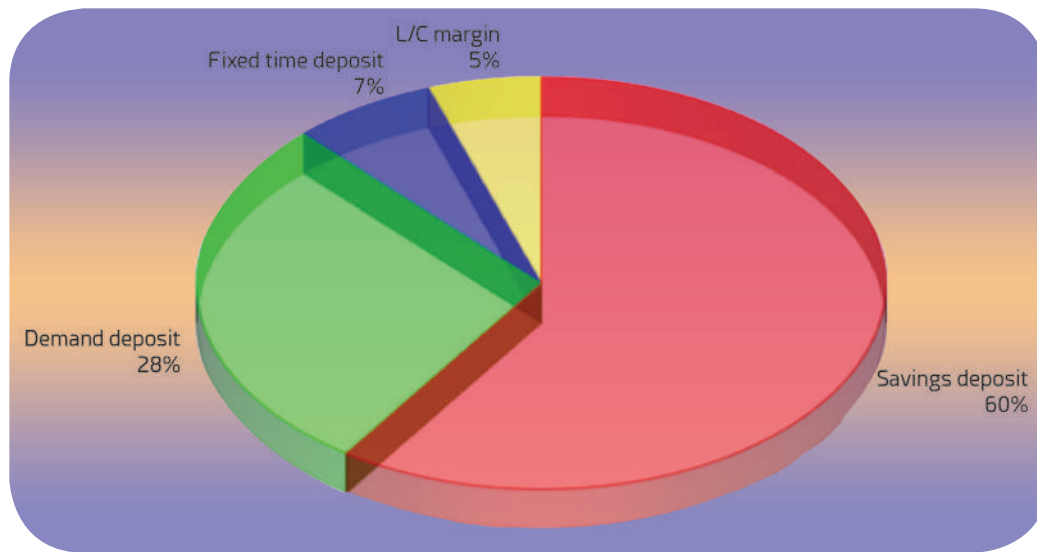
The deposit growth rate registered by Awash Bank by far exceeds the average growth rate recorded by all private banks, reflecting the Bank's long track record in winning the hearts and minds of customers, supported by strong brand of Awash Bank.

The funding mix, excluding margin held for letter of credit, focused on low cost & sustainable sources of funding, in which saving and demand deposits altogether accounted for over 90 percent of the total deposits.

Table 1: Deposit by Type (In Millions of Birr)

Descriptions	Financial Year			Growth			
	2015/16	2016/17	2017/18	Absolute	%	Absolute	%
	A	B	C	B-A	B/A	C-B	C/B
Savings deposits	14,944	20,142	27,336	5,198	35	7,194	36
Demand deposits	5,742	8,242	12,993	2,500	44	4,751	58
Fixed time deposits	2,250	2,316	3,122	66	3	806	35
L/C Margin	1,404	2,193	2,455	789	56	262	12
Total deposits	24,340	32,893	45,906	8,553	35	13,013	40

Figure 1: Deposit Structure as at June 30, 2018



1.2 Loans and Advances

Awash Bank continued to play a very key important intermediation role in the Ethiopian economy through mobilization of resources and allocation of these resources to different economic sectors. The total outstanding loans and advances of the Bank markedly rose to Birr 31.3 billion by the end of June 2018, up by Birr 8.7 billion (38%) over the preceding corresponding period, amidst the credit ceiling imposed on non-export non-manufacturing sectors by the National Bank of Ethiopia (NBE).

The recorded growth rate was largely attributable to the strategy of the Bank to allocate resources to the sectors that are waived from the credit cap, namely to the export and manufacturing sectors. Indeed, the share of the export sector rose to 22.7 percent in 2017/18 from 18.6% a year ago. Similarly, credit to the manufacturing sector stood at 10.7 percent of the total loans and advances from 8 percent a year ago. On the other hand, loans and advances to the domestic trade and services slowed down to 26.5 percent compared with 31.3 percent in 2016/17, mirroring the vivid impact of the government credit ceiling policy on the non-export non-manufacturing sectors.

Table 2: Loans and Advances including IFB Financing by Economic Sectors (In Millions of Birr)

Descriptions	Financial Year			Percentage Change	
	2015/16	2016/17	2017/18		
	A	B	C	B/A	C/B
Domestic Trade and Services	4,616	7,091	8,302	54	17
Export	3,046	4,214	7,096	38	68
Building and Construction	2,313	3,639	5,561	57	53
Import	2,135	3,232	3,362	51	4
Manufacturing	1,669	1,819	3,337	9	83
Transport	945	1,527	1,904	62	25
Agriculture	143	110	122	(23)	11
Others	682	1,014	1,620	49	60
Total	15,549	22,646	31,304	46	38

Some of the Investments (Businesses) Financed by Awash Bank



German Commercial Center (Adama)

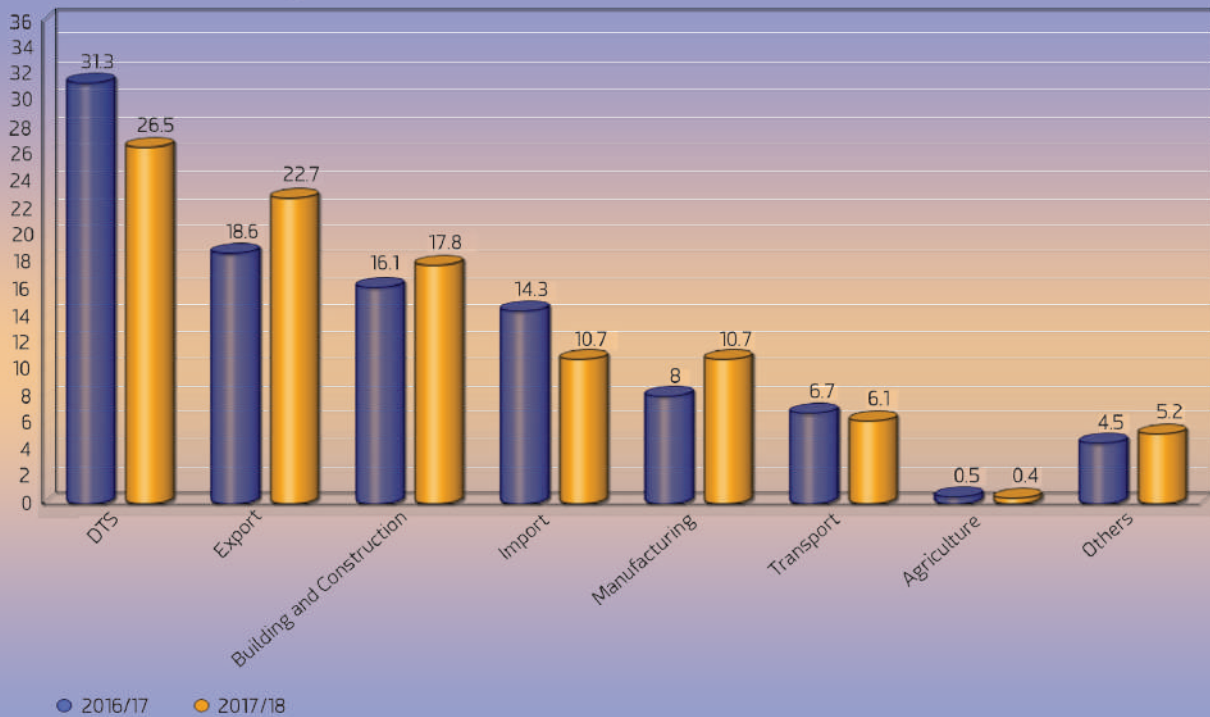


Adama Gimb Gebeya bldg (Adama)



Horizon Addis Tyre

Figure 2: Sectoral Distribution of Loans & Advances (In Percent)



1.3 International Banking Services

Generation of foreign exchange earnings from exports, inward remittances, SWIFT and purchase of foreign currencies were one of the highly competitive areas among the banks operating in Ethiopia. As for generation of foreign exchange earnings from exports, Awash Bank has devised and implemented different strategies that enabled the Bank to markedly increase its earnings from export proceeds, amidst stagnant export earnings recorded by the country.

With an intent to boost generation of foreign currency from inward remittances and purchase, the Bank continued to maintain its strong partnership with the world's leading payment processing companies and card operators. Meanwhile, the Bank also rolled over the previous incentive mechanism through the lottery program and conducted the 3rd and the 4th round lottery prize awards. During financial year 2017/18, additional partnership agreement was also signed with PayPal, an internationally renowned money transfer agent.

Lottery Winners

Congratulations



Partial View of the 3rd Round Lottery Award Ceremony



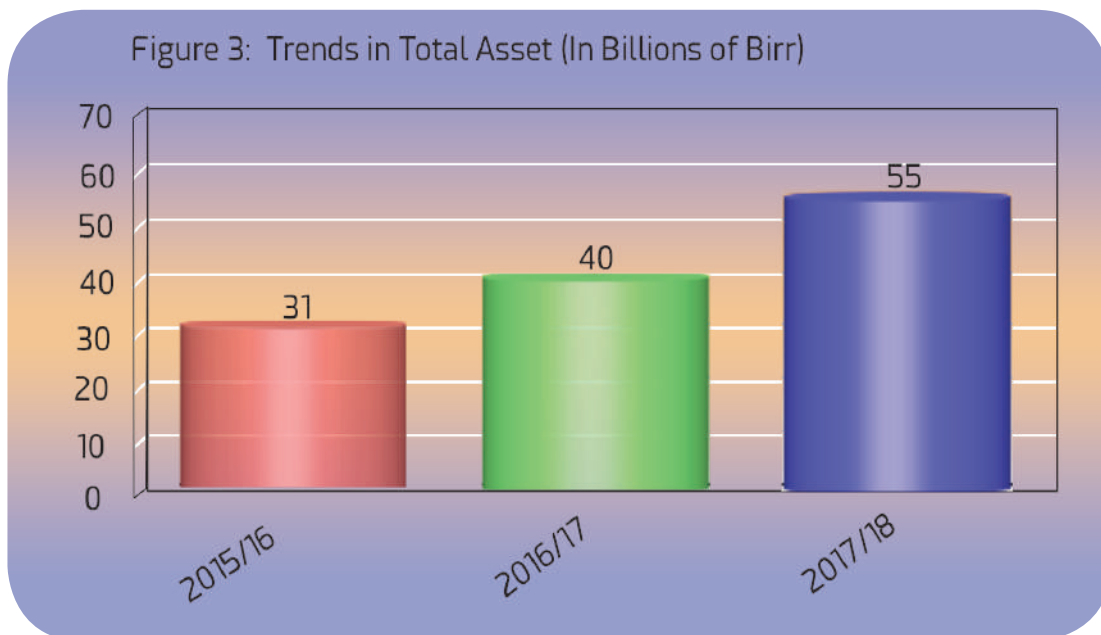
Partial View of the 4th Round Lottery Award Ceremony



1.4 Total Assets

Awash Bank has shown an outstanding performance with regard to asset growth. The asset size of the Bank has more than doubled and reached Birr 55 billion as at end of June 2018, from Birr 25 billion three years ago (as at end of June 2015). During financial year 2017/18 alone, it grew by Birr 15 billion (38 percent) from Birr 40 billion at the end of June 30, 2017.

The observed significant expansion in the asset size of the Bank was largely driven by substantial increases in loans and advances to customers and by purchase of NBE bills. The later stood at Birr 8.5 billion by the end of financial year 2017/18 from Birr 7 billion at the end of June 2017.



1.5 Capital

The total capital position of the Bank stood at Birr 6.5 billion as at June 30, 2018, up by Birr 1 billion (20 percent) compared with the same period of last year. The paid-up capital of the Bank, which amounted to Birr 2.9 billion, was slightly lower than the Birr 3 billion threshold to be reached by the end of June 2018. This threshold was decided by the 13th Extra-ordinary General Meeting of the Shareholders held on November 22, 2014.

The paid-up capital of the Bank exceeds the existing statutory minimum requirements of Birr 500 million by almost six fold; and it is well above the Birr 2 billion minimum paid-up capital banks are expected to raise by end of June 2020.

As usual, the Shareholders of Awash Bank are very vigilant and willing to take proactive measures that will enhance the competitiveness of their Bank at the global level and further enhance the operational and investment activities of their Bank. Accordingly, the Shareholders of Awash Bank in their 14th Extra-ordinary meeting held on November 25, 2017, decided to raise the paid-up capital of the Bank to Birr six billion until end of June 2021.

2. Financial Performance

Awash Bank has posted a strong set of financial results in 2017/18. Awash Bank has retained its prime numero uno position among private Banks operating in Ethiopia in terms of financial performances, supported by its strong brand as an epitome of trust across the country.

2.1. Income

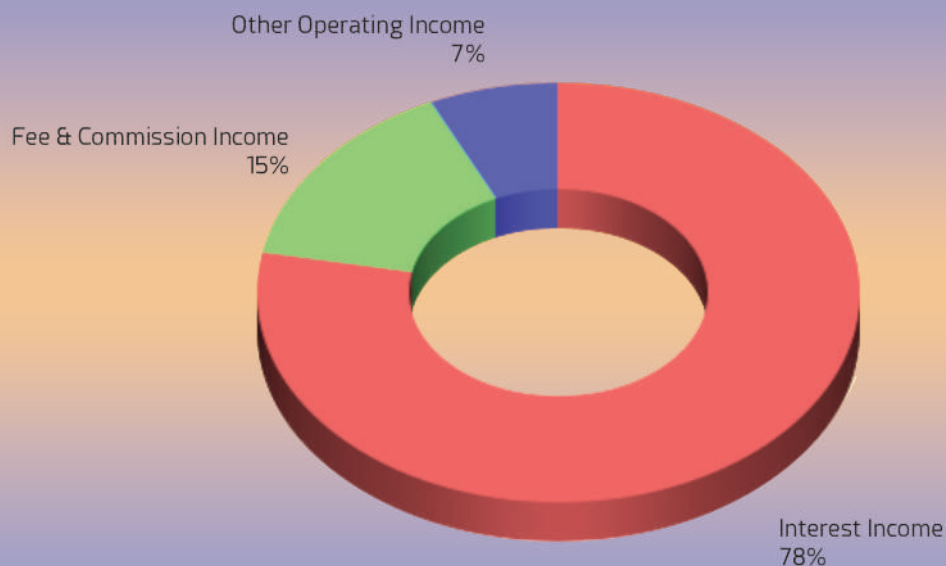
The total income of the Bank grew by Birr 1.7 billion (44 percent) to Birr 5.4 billion in 2017/18 from Birr 3.8 billion in the preceding year, driven by a surge in all components of income.

Interest income continued to be the main source of income, accounting for 78 percent of the total income; followed by income from fees & commission (15 percent) and other operating income including share of profit from associate (7 percent).

Table 3: Components of Income (In Millions of Birr)

Descriptions	Financial Year		Percentage Change
	2016/17	2017/18	
	A	B	
Interest Income	2,794	4,202	50
Fees & Commission Income	614	830	35
Other Operating Income	349	376	8
Total Income	3,758	5,408	44

Figure 4: Income Composition as at June 30, 2018



2.2 Expenses

Total expenses of the Bank stood at Birr 3.4 billion during financial year 2017/18, up by Birr 1 billion (41 percent) compared with the previous year's level of Birr 2.4 billion. More than half of the increase in total expenses (over Birr 565 million) was caused by a surge in interest expenses. This, in turn, reflects the increase in the volume of interest bearing deposits and the impact of the upward revision of the minimum interest rate on deposits from 5 percent to 7 percent by the National Bank of Ethiopia.

Personnel expenses rose by Birr 338 million (38%) and reached Birr 1.2 billion, largely reflecting the Bank's attempt to attract, retain and motivate talented staff that will clearly understand the vision of the Bank and implement the strategies derived thereof.

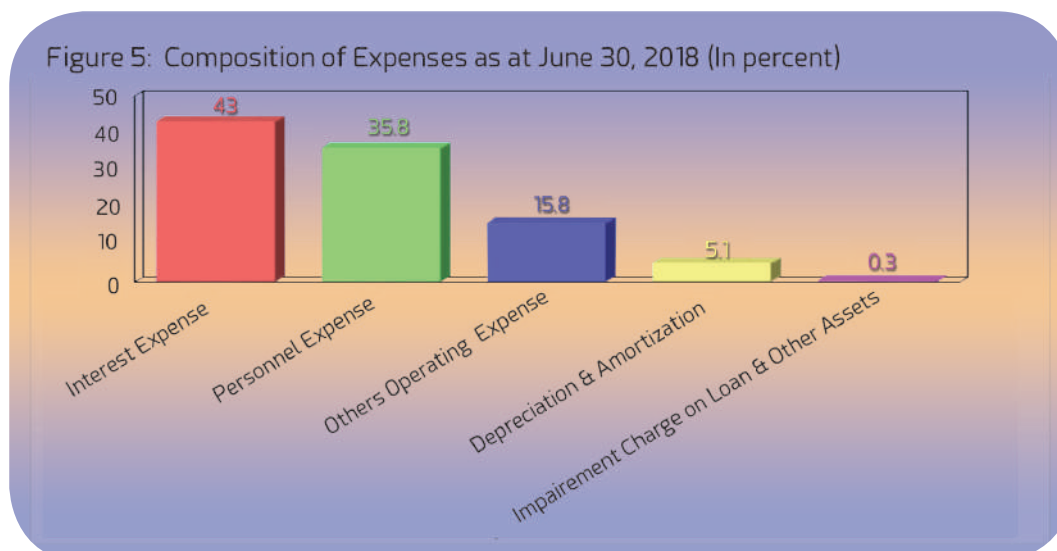
The increase in depreciation and amortization expenses largely reflects the Bank's determination to acquire property, equipment and intangible assets that will propel the future growth of the Bank.

Other operating expenses of the Bank, mainly comprising of expenses for office rent, stationery materials, professional fees, publicity and advertisement, increased by 52 percent and reached Birr 545 million, spurred by operational expansion of the Bank and a surge in inflation to double digit level.

Table 4: Composition of Expenses (In Millions of Birr)

Descriptions	Financial Year		Percentage Change
	2016/17	2017/18	
	A	B	
Interest Expense	914	1,479	62
Personnel Expense	897	1,234	38
Impairment Charge on Loan and Other Assets	118	10	(92)
Depreciation & Amortization	156	174	12
Other Operating Expense	359	545	52
Total Expense	2,444	3,443	41

Concerning the composition of expenses, interest expense accounted for the lion's share of the total expenses (43.0 percent), followed by personnel expense (35.8 percent) and other operating expense (15.8 percent). The remaining balance (5.4 percent) was accounted for by depreciation, amortization and loan & other asset impairment expenses.



2.3 Profit

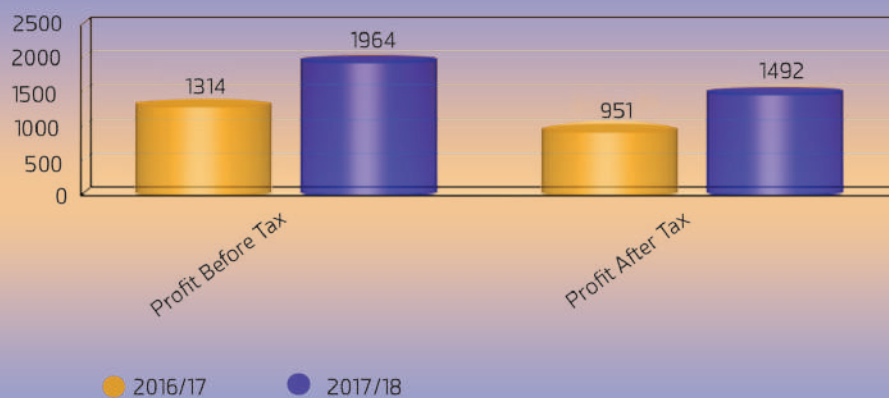
In the review period, Awash Bank maintained its position as the most profitable private bank in Ethiopia by registering an all-time high profit in the history of private banks. Accordingly, Awash Bank has recorded a remarkable profit growth of Birr 650 million (49 percent) over last year's similar period, posting a gross profit before tax of Birr 1.96 billion in 2017/18. This achievement was highly commendable against the backdrop of challenging macro-economic environment, stringent regulatory environment and stiff competition among local banks.

Similarly, the Bank's net profit after tax rose to Birr 1.49 billion in 2017/18 from Birr 951 million in 2016/17. As a result of a remarkable growth in profits as compared with a modest (Birr 289 million) growth in the paid-up capital of the Bank, earnings per share rose to 543 in 2017/18 from 388 in 2016/17 for the par value of Birr 1000.

Table 5: Profit Trends (In Millions of Birr)

Descriptions	Financial Year		Percentage Change
	2016/17	2017/18	
	A	B	
Profit Before Tax	1,314	1,964	49
Profit After Tax	951	1,492	57

Figure 6: Profit Before and After Tax (In Millions of Birr)



2.4 Proposal on Dividend Payout

The Board of Directors are of the opinion that there need to be a balance between maximizing shareholder value and ploughing back funds for future business growth. Cognizant of this fact, the Board of Directors recommends that out of the total appropriable profit of Birr 976,379,911 (Birr Nine hundred seventy six million three hundred seventy nine thousand nine hundred eleven), Birr 48,818,996 (Birr Forty eight million eight hundred eighteen thousand nine hundred ninety six) be retained and a dividend of Birr 927,560,916 (Birr Nine hundred twenty seven million five hundred sixty thousand nine hundred sixteen) be paid in cash or used for purchasing the Bank's shares, depending upon the choice of shareholders and availability of shares.

3. Progress in Strategy Implementation and Capacity Building Activities

3.1 Progress in Strategy Implementation

Strategy implementation is an important task in strategy management process that translates the strategy into action throughout the organization. Of course, financial year 2017/18 is the second year of the implementation of the ten-years strategic road map of the Bank under the theme "Transforming AIB: Vision 2025". In this context, during the review period, Awash Bank has performed the following major activities: -

- Prepared, approved and monitored Annual Business Plan and Budget of the Bank aligned to the 10 years' strategic plan;
- Assigned strategy related activities to different functional units of the Bank and performed accordingly;
- Put in place customers at the heart of its business activities through allocating relationship managers to corporate, business, SME and personal customers;
- Aggressively expanded the customer base of the Bank;
- Designed, developed and implemented new products and services tailored to different segments of customers (e.g Interest Free Banking, specialized financial products and services for foreign currency earners, big depositors and their employees);
- Opened new branches with the new interior design and branding manual; and
- Undertook various initiatives that will improve the Performance Management System of the Bank and institute high performance culture, establish Contact Center and Customer Relationship Management Solution, among others.

In short, since the launching of the transformation road map two years ago, Awash Bank has recorded an outstanding performances in all areas of banking activities. Awash Bank is moving in line with the basic milestones set out in Vision 2025, reaffirming the fact that the Bank is operating in the right direction to attain its grand vision of becoming **"One of Top Ten Private Commercial Banks in East Africa by 2025"**.

3.2 Human Resource Developments

In line with the Bank's policy to attract and retain talented employees that contribute to the attainment of its objectives, Awash Bank has managed to recruit 1,350 new employees during financial year 2017/18.

Development of employees' capabilities and potential is one of the focus areas of the Bank. In this regard, the Bank has allocated over Birr 25 million budget during FY 2017/18 and provided trainings to 5,925 employees and financial assistance to 760 employees pursuing their further education at higher institutions.

The total staff strength of the Bank reached 7,881 by the end of June 30, 2018 from 6,772 employees during the same period of last year, presumably making Awash Bank one of the largest employers among private banks.

3.3 Service Delivery Channels

Awash Bank always strives to deliver value to its customers in the most convenient way possible with the objective of enabling them to conduct banking transactions anytime, anywhere. To this end, Awash Bank has offered different touchpoints.

Traditional touchpoints, namely, branches are the main service channel used by the Bank as a mechanism of taking banking services to areas within customers' reach. During the review period, the Bank expanded its footprints by opening 50 new branches across the country, thereby raising its total branch networks to 366 as at June 30, 2018 from 316 branches as at June 30, 2017.

The major non-traditional service delivery channels include, among others, ATMs, POS terminals, mobile banking and internet banking. These non-traditional touchpoints offer 24 hour convenient access to banking services. The number of debit card, mobile banking and internet banking users have increased substantially during financial year 2017/18, indicating the flourishing of demand for digital banking services in the country.

Lists of Newly Opened Branches during the Financial Year 2017/18

1	Aba Sena	27	Koka
2	Burka Wayu	28	Lalibela
3	Alamura	29	Mekanisa Kore Adebabay
4	Arerti	30	Melka Sheno
5	Asco Addis Sefer	31	Merawi
6	Bichena	32	Metema Yohannes
7	Boke	33	Mota
8	Bote	34	Muger
9	Buambua Wuha	35	Oda Buluk
10	Chelenko	36	Rwanda Embassy Akababi
11	Dangila	37	Sansusi
12	Deder	38	Sekota
13	Dejasmach Balcha Safo	39	Semera
14	Derartu Adebabay	40	Shenen Gibe
15	ECA	41	Sheno
16	Finote Selam	42	Shera Tera
17	Gambela Newland	43	Sibu Sire
18	Gelan	44	Tosa
19	Gelemso	45	Tulu Ejersa
20	Gida Ayana	46	Were Jarso
21	Global Akababi	47	Weserbi
22	Grawa	48	Wondo Besha
23	Jawi	49	Woreta
24	Jemo Michael	50	Yayu
25	Kara Mazoria		
26	Ketena Hulet		

3.4 Information Technology

As a Bank with a deep-rooted culture for excellence and poised to respond to the dynamic need of its customers, Awash Bank has continued to deliver its promise of deploying the right Technology with a committed work force to shape the future of the Digital economy and embrace the opportunity to be a disruptive force for change.

As in always, Awash is pioneering organizational transformation in the industry and witnessing trajectory growth with a bold and well-articulated vision of becoming among the top ten Private Banks in East Africa.

The notable achievements made during the Financial Year 2017/18, include:-

- Vendors have been selected for the implementation of Customer Relationship Management (CRM) and Contact Center (CC) solutions which enable the Bank to nurture relationships with customers and prospects to drive sales and sustain long-term relationships and profitability.
- The Bank has also launched a major Core Banking Solution upgrade and peripheral systems enhancement projects. The upgrade facilitates the Bank's offering of full-fledged 24/7 banking operations across all branches and Head Office, in addition to overall performance enhancement and Digital Banking support. A world class Sharia-compliant Interest Free Banking and IFRS solutions which will be subsequently implemented adding several features that will contribute to expanding the banking capabilities.
- Successfully deployed in-house solutions including Lottery systems, Job Application Systems, Training Management Systems, Employee Management Systems and Payroll Management Systems which has saved huge licensing cost of software.
- New Customer facing electronic bill payment systems (digital solutions) is launched on top of the existing mobile USSD and mobile wallet services allowing customers to pay bills by transferring money from their account to the billers account. Features offered with Awash Bank's electronic bill payment systems includes the ability to pay airlines ticket, school fee and DSTV payments. Because of strategic advantage and inexpensive methods of paying bills, Awash Bank is in the best position to serve customers with leading edge bill payment services with utility companies and telecom providers, as and when the companies are ready.

3.5 Adoption of International Financial Reporting Standard (IFRS)

In line with the financial reporting Proclamation No. 847/2014 issued by the Ethiopian House of People's Representatives and subsequent regulation (Regulation No. 332/2014) issued by the Council of Ministers, Awash Bank has established an IFRS project Office & prepared opening financial report as at 01 July, 2016, comparative financial report for the year ended 30 June 2017 & current year financial report for the year ended 30 June 2018 as per IFRS requirements. This is in compliance with the Accounting & Auditing Board of Ethiopia's (AABE) requirement that all financial institutions has to adopt and report full IFRS compliant financial reports by June, 2018.

The aim of IFRS reports is to establish sound, transparent, comparable and understandable financial reporting systems applicable to entities in both private and public sectors.



Signing ceremony with Finastra for upgrading Core Banking Solution

3.6 Construction of Own Buildings

Following the completion of a G+4 storey building in Bishoftu Town, Awash Bank inaugurated the "Ada'a Building" in the presence of government officials, Board of Directors, invited guests, management and employees.

Similarly, a G+2 storey building in Bedessa Town was completed in 2017/18 and is providing services both to the customers and the staff of Bedessa branch in a convenient and comfortable manner.

The construction of a B+G+6 building in Jimma Town is well underway while that of the envisaged 2B+G+13 of Bulbula Building is under bid process.

During the financial year underreviewed, Awash Bank also bought four branch offices in condominium building at Bole Arabsa, Kilinto, Tulu Dimtu and Yeka Abado sites. The Bank has also acquired a central Archive at Burayu area and plot of land at Bale Robe town for future construction of mixed use building.



Awash Bank Ada'a bldg Inauguration Ceremony



Awash Bank Bedesa bldg



Awash Bank Central Archive at Ashewa Meda (Burayu)



◀ Design of Future Awash Bank's Jimma bldg

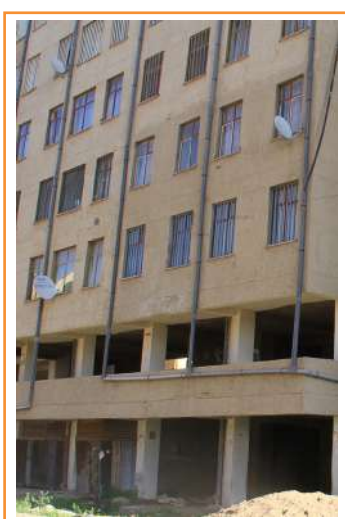


◀ Current status of future Awash Bank's Jimma bldg

Branch Offices purchased at different condominium sites



Yeka Abado



Tuludimtu



Kilinto



Bole Arrabisa

SHARIAH ADVISORY COMMITTEE'S ATTESTATION REPORT ON AWASH BANK'S INTEREST FREE BANKING (IFB) WINDOW OPERATIONS FOR THE FINANCIAL YEAR ENDED JUNE 30, 2018

"In the name of Allah, the Compassionate, the Merciful"

To the Shareholders of Awash Bank,

In compliance with the duties & responsibilities vested on us in the Bank's Shariah Advisory committee Charter and letter of appointment thereafter, we are required to ensure that Awash Bank's Interest Free Banking (IFB) operations are in compliance with the Shariah principles as required by NBE Directive SBB/51/2011.

It has been our regular duties & responsibilities to conduct periodic review of products and services to make sure that IFB operational activities and transactions within the Bank and its IFB policies and procedures issued henceforth are in compliance with Shariah principles & requirements. To this end, we are required to issue and submit this report, which complies with the international best practices, to be published on the Bank's annual report.

Accordingly, Awash Bank has started offering the following IFB fund mobilizations, fund utilizations and service based products at its more than 250 branches. All of these products are reviewed and certified by us as being Shariah-compliant.

- *Wadiah saving and Labbaik - Wadiah savings accounts;*
- *Wadiah current account (Amanah);*
- *Unrestricted Mudarabah Investment accounts;*
- *Murabaha Financing scheme, (Cost + Mark-up);*
- *Interest-Free Export Financing scheme (Qard) = Free Loans;*
- *Loan for Overseas Employment Agencies (Qard) = Free Loans;*
- *IFB Trade Services, (Murabaha, Musharakah and Wakalah L/C);*
- *IFB Bank Guarantees (Kafalah) and*
- *Hawalah (Hiwalah) services.*




We have reviewed the products listed above with their respective expected shariah principles, the relevant contracts, transactions and IFB core banking used by Awash Bank during the year ended 30 June 2018. In addition, we have assessed the IFB policies and procedures adopted by the Bank, examined sample transactions, the relevant documentations, all information and explanations which we considered necessary and sufficiently provide us evidence to give reasonable assurance that Awash Bank operations have not violated the Shariah principles.

In our opinion, generally, we, the Shariah Advisory Committee of Awash Bank, do hereby confirm that:

1. The IFB Products mentioned above, Operational procedures, contracts, transactions and dealings entered into by the Bank during the year ended 30 June 2018 that we have reviewed are in compliance with the Shariah principles and the Shariah rulings related to IFB operations.
2. Mudarabah deposits and financing (Profit-Loss Sharing) is not yet started and thus, there is no allocation of profit and charging of losses relating to investment accounts;
3. The profits generated from Murabaha are shariah-compliant and there are no earnings that have been realized from sources prohibited by the Shariah principles & thus no fund is expected to be disposed to charitable causes.
4. Awash Bank during the year ended 30 June 2018 is not required to pay zakat because its shareholders include non-Muslims.

Thank You!

On behalf of the Shariah Advisory Committee

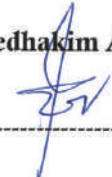
Chairman of the Shariah Advisory Committee

Ustaz Kamil Shamsu



D/Chairman of Shariah Advisory Committee

Dr. Mohammedhakim Ahmed





Auditors' Report

Auditors' Report

Awash International Bank S.C. Financial Statements For the year ended 30 June 2018 Contents

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Auditors' Report



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The Federal Democratic Republic of Ethiopia
Audit Services Corporation

**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF
AWASH INTERNATIONAL BANK SHARE COMPANY**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Awash International Bank Share Company (the Bank), which comprise the statement of financial position as at 30 June 2018, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

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 Bank 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 those 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.

ASC

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Auditors' Report

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

A. First time adoption of IFRS

As was required by Financial Reporting Proclamation No. 847/2014, the Bank has prepared financial statements in accordance with IFRS issued by IASB. This required a long process including restatements of the statement of financial position as at 30 June 2016 and of the financial statements for the year ended 30 June 2017. Not only was it necessary for the Bank to ensure that the restated financial statements complied with all applicable Standards, but it was also essential to discover information that was not previously needed when preparing previous financial reports. The possibilities for omissions and clerical errors were many. Therefore, we checked compliance with IFRS, as to measurement and disclosure requirements, in detail; we also checked how crucial information was obtained and we verified significant calculations exhaustively. Our audit procedures did not identify significant errors in compliance with IFRS or in related calculations.

B. Loans and advances

There are risks that loans and advances may be given without proper managerial approval; may not be accurately recorded; do not exist; may not be recorded at appropriate values; and all bad and doubtful balances may not have been provided for or written off. In our response to these risks, we assessed the reasonableness of the design of the system of internal control by enquiring of relevant Bank personnel and reviewing the documented system developed by the Bank. We tested this system in order to confirm our understanding of it. We identified the preventive and detective controls. We checked a sample of selected transactions covering the whole year to see that all controls were exercised on all transactions. For a sample of disbursements made during the year, we checked the approval by the appropriate level of management and checked that all formalities necessary before disbursement of loans and advances had been fulfilled. We test checked loan agreements and legal documents to verify the terms and conditions of the loans and advances. We obtained an analysis of loans and verified that they had been classified in correct categories and we considered the value of collateral available against each loan for calculating the provision for doubtful loans and advances. Our testing did not identify major weaknesses in the design and operation of controls that would have required us to expand the nature or scope of our planned detailed test work. Overall, we found no concerns in respect to the completion of formalities or the recording of loans and advances at appropriate values.

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

Management is responsible for the other information. The other information comprises the annual report, but does not include the financial statements, our auditor's report thereon and the report of the Board of Directors.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB), 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' Report

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements (continued)

In preparing the financial statements, management is responsible for assessing the Bank'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 Bank or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism 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 Bank'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 Bank'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 Bank 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.

ASC

Auditors' Report

**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF
AWASH INTERNATIONAL BANK SHARE COMPANY (continued)**

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

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 reasonably 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 statements 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.

Report on Other Legal and Regulatory Requirements

Report on Other Legal Requirements

As required by the Commercial Code of Ethiopia of 1960, we must report to you in accordance with

Article 375 (1) that we have no comments to make on the report of the Board of Directors; and
Article 375 (2) that we recommend approval of the financial statements.

The engagement partner on the audit resulting in this independent auditor's report is Woizero Banchiayehu Tamirat.

Audit Services Corporation

Addis Ababa
1 November 2018

Audit Services Corporation
Auditors of
Awash International Bank Share Company

Auditors' Report

Awash International Bank S.C. Financial Statements For the year ended 30 June 2018 Directors, Professional Advisers and Registered Office

Company trade license number

LBB/001/91

Directors (as of June 30, 2018)

Tabor Wami Jillo	Chairman	(Appointed Jan 2, 2017)
Antonio Carnevale Vincenzo(Eng.)	Vice Chairman	(Appointed Jan 2, 2017)
Abaynesh Bekele Wakjira	Non-Executive Director	(Appointed Jan 2, 2017)
Alemu Tita Bibu	Non-Executive Director	(Appointed Nov 25, 2017)
Daniel Tewodros Limeneh	Non-Executive Director	(Appointed Jan 2, 2017)
Dibaba Abdeta Dirbaba (Dr.)	Non-Executive Director	(Appointed Jan 2, 2017)
Ephrem Tesfaye Woldeyohannes	Non-Executive Director	(Appointed Jan 2, 2017)
Eshetu Aredo Wakjira	Non-Executive Director	(Appointed Jan 2, 2017)
Getachew Olana Jabana	Non-Executive Director	(Appointed Jan 2, 2017)
Girma Guluma Wayessa (Eng.)	Non-Executive Director	(Appointed Jan 2, 2017)
Gudissa Legesse Diro	Non-Executive Director	(Appointed Jan 2, 2017)

Executive Management (as of June 30, 2018)

Tsehay Shiferaw Ensermu	Chief Executive Officer	(Appointed July 1, 2016)
Henock Tessema Tadesse	Executive Officer	(Appointed July 1, 2016)
Tadesse Gemeda Denta	Executive Officer	(Appointed July 1, 2016)
Tilahun Geleta Neguma	Executive Officer	(Appointed July 1, 2017)
Yohannes Merga Gudina	Executive Officer	(Appointed July 1, 2016)
Abebe Deressa Dinssa	Executive Officer	(Appointed Oct 1, 2016)
Dessalegn Tolera Jaleta	Executive Officer	(Appointed July 1, 2016)
Teklu Wodajo Tomma	Executive Officer	(Appointed July 1, 2016)
Ali Ahmed Ali	Director	(Appointed July 1, 2016)
Beyene Dekeba Obole	Director	(Appointed July 1, 2016)
Berhanu Balcha Wordofa	Director	(Appointed July 1, 2016)
Dereje Getachew Kelemu	Director	(Appointed July 1, 2016)
Ebissa Deribe Cheru	A/Director	(Appointed March 15, 2018)
Ephrem Bogale Shiferaw	Director	(Appointed July 1, 2016)
Gacho Wara Abiyu	A/Director	(Appointed August 21, 2017)
Hailu Meskela Gudeta	Director	(Appointed July 1, 2016)
Hailu Woldegebreiel Teklemariam	Executive Assistant to the CEO	(Appointed July 1, 2016)
Lemessa Soboka Megerssa	Director	(Appointed July 1, 2016)
Makeda Oumer Adem	Director	(Appointed July 1, 2016)
Muluneh Aboye Tolosa	Director	(Appointed July 1, 2016)
Netsanet Woldekidan K/Mariam	Director	(Appointed July 1, 2016)
Takele Arega Mammo	Director	(Appointed July 1, 2016)
Temesgen Busha Gemechu	Director	(Appointed July 1, 2016)
Temesgen Workineh Sodu	Director	(Appointed July 1, 2016)
Wondimagegnehu Birhanu Gemechu	Director	(Appointed July 1, 2016)
Yonas Kumera Lemu	Board Secretary	(Appointed July 1, 2016)
Yordanos Mekonnen Biru	Director	(Appointed July 1, 2016)
Zebene Kaba Deresa	Director	(Appointed July 1, 2017)

Independent auditors

The Federal Democratic Republic of Ethiopia
Audit Services Corporation
Addis Ababa
Ethiopia

Corporate office

Awash Tower
Ras Abebe Aregay Street
P.O. Box 12638
Addis Ababa, Ethiopia

Auditors' Report

Awash International Bank S.C. Financial Statements For the year ended 30 June 2018 Report of the Management

This management report discloses summary of financial performance and state of affairs of the Bank.

Incorporation and address

Awash International Bank Share Company was founded in 1994 as the first Private Commercial Bank after the downfall of the Dergue regime.

Awash Bank was established by 486 founding shareholders with a paid-up capital of ETB 24.2 million and started banking operations on February 13, 1995. As of 30 June 2018 the number of shareholders and its paid-up capital increased to over 3,711 and ETB 2.943 billion, respectively.

Principal activities

The Bank provides diverse range of financial products and services to a Wholesale, Retail and Small and Medium Enterprises (SME) clients base in Ethiopian Market. Awash Bank focuses on delivering distinctive profitable solutions for its clients in all core areas of commercial banking.

Results and dividends

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

	30 June 2018 ETB'000	30 June 2017 ETB'000
Interest income	4,201,567	2,794,184
Profit / (loss) before tax	1,964,136	1,314,444
Tax (charge) / credit	(471,710)	(362,858)
Profit / (loss) for the year	1,492,426	951,586
Other comprehensive income / (loss) net of taxes	(4,306)	(366)
Total comprehensive income / (loss) for the year	1,488,120	951,220


Tsehay Shiferaw Ensermu
Chief Executive Officer
Addis Ababa, Ethiopia



Auditors' Report

Awash International Bank S.C. Financial Statements For the year ended 30 June 2018 Statement of Directors' Responsibilities

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

The Board of Directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Bank is required to keep such records as are necessary to:

- Exhibit clearly and correctly the state of its affairs;
- Explain its transactions and financial position; and
- Enable the National Bank to determine whether the Bank had complied with the provisions of the Banking Business Proclamation and regulations and directives issued for the implementation of the aforementioned Proclamation.

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

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

The Bank's Board of Directors are of the opinion that the financial statements present fairly, in all material respects, the financial position of the Bank and its financial performance.

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

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

Signed on behalf of the Board of Directors by:


 Tabor Wami Jillo
 Board Chairman
 01 November 2018




 Tsehay Skiferaw Ensermu
 Chief Executive Officer
 01 November 2018

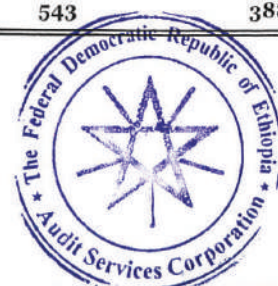


Auditors' Report

Awash International Bank S.C.
Financial Statements
For the year ended 30 June 2018
Statement of Profit or Loss and Other Comprehensive Income

	Notes	30 June 2018 ETB'000	30 June 2017 ETB'000
Interest income	5	4,201,567	2,794,184
Interest expense	6	(1,479,146)	(914,185)
Net interest income		2,722,421	1,879,999
Fees and commission income	7	829,947	614,417
Other operating income	8	373,169	346,925
Total operating income		3,925,537	2,841,341
Loan impairment charge	9	(5,418)	(113,686)
Impairment losses on other assets	10	(4,715)	(4,623)
Net operating income		3,915,404	2,723,032
Share of profit from associate	18	3,056	2,493
Personnel expenses	11	(1,234,427)	(896,655)
Amortisation of intangible assets	20	(30,482)	(36,992)
Depreciation and impairment of property, plant and equipment	21	(143,986)	(118,921)
Other operating expenses	12	(545,429)	(358,513)
Profit before tax		1,964,136	1,314,444
Taxation	13	(471,710)	(362,858)
Profit after tax		1,492,426	951,586
Other comprehensive income (OCI) net of income tax			
<i>Items that will not be subsequently reclassified into profit or loss:</i>			
Remeasurement gain/(loss) on retirement benefits obligations	24	(6,151)	(523)
Deferred tax (liability)/asset on remeasurement gain or loss	13	1,845	157
		(4,306)	(366)
Total comprehensive income for the period		1,488,120	951,220
Basic & diluted earnings per share (ETB)	27	543	388

The accompanying notes are an integral part of these financial statements.



Auditors' Report

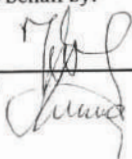
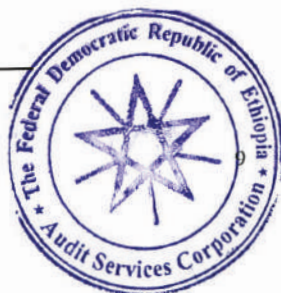
Awash International Bank S.C. Financial Statements As At 30 June 2018 Statement of Financial Position

	Notes	30 June 2018 ETB'000	30 June 2017 ETB'000	1 July 2016 ETB'000
ASSETS				
Cash and bank balances	14	11,632,312	7,035,196	5,811,143
Loans and advances to customers	15	31,049,058	22,393,826	15,410,946
Investment securities:				
- Available for sale	17	49,905	44,899	43,877
- Loans and receivables	17	8,480,417	6,994,535	5,388,291
Investment in associates	18	42,824	39,767	37,274
Other assets	19	1,521,616	1,394,259	1,906,580
Intangible assets	20	68,679	96,617	104,471
Property, plant and equipment	21	2,423,296	2,027,692	1,899,730
Total assets		55,268,107	40,026,791	30,602,312
LIABILITIES				
Deposits from customers	22	43,451,378	30,699,846	22,935,785
Other liabilities	23	4,597,688	3,310,347	2,595,554
Current tax liabilities	13	429,411	306,482	206,654
Retirement benefit obligations	24	14,969	7,000	5,134
Deferred tax liability	13	278,947	279,079	258,417
Total liabilities		48,772,393	34,602,754	26,001,544
EQUITY				
Share capital	25	2,943,546	2,645,330	2,242,722
Share premium	26	1,389	1,389	1,389
Retained earnings	28	1,625,753	1,359,774	1,185,819
Legal reserve	29	1,638,042	1,264,935	1,014,200
Risk regulatory reserve	30	291,656	152,975	156,638
Other reserve	31	(4,672)	(366)	-
Total equity		6,495,714	5,424,037	4,600,768
Total equity and liabilities		55,268,107	40,026,791	30,602,312

The accompanying notes are an integral part of these financial statements.

The financial statements were approved and authorized for issue by the Board of Directors on 01 November 2018 and were signed on its behalf by:

Tabor Wami Jillo
Board Chairman

Tsehay Shiferaw Ensermu
Chief Executive Officer



Auditors' Report

Awash International Bank S.C. Financial Statements For the year ended 30 June 2018 Statement of Changes in Equity

Notes	Share capital ETB'000	Share premium ETB'000	Retained earnings ETB'000	Legal reserve ETB'000	Risk regulatory reserve ETB'000	Other Reserve (Defined Benefit reserve) ETB'000	Total ETB'000
As at 1 July 2016	2,242,722	1,389	1,185,819	1,014,200	156,638	-	4,600,768
Profit for the period	28	-	951,586	-	-	-	951,586
Other comprehensive income:							
Re-measurement gains on defined benefit plans (net of tax)	24	-	-	-	-	(366)	(366)
Total comprehensive income for the period	2,242,722	1,389	2,137,405	1,014,200	156,638	(366)	5,551,988
Transactions with owners in their capacity as owners							
Contributions of equity net of transaction costs	402,608	-	-	-	-	-	402,608
Dividends provided for or paid	-	-	(529,359)	-	-	-	(529,359)
Directors' allowance	-	-	(1,200)	-	-	-	(1,200)
Transfer to legal reserve	29	-	(250,735)	250,735	-	-	-
Transfer to Risk regulatory reserve	30	-	3,663	-	(3,663)	-	-
	402,608	-	(777,631)	250,735	(3,663)	-	(127,951)
As at 30 June 2017	2,645,330	1,389	1,359,774	1,264,935	152,975	(366)	5,424,037
As at 1 July 2017	2,645,330	1,389	1,359,774	1,264,935	152,975	(366)	5,424,037
Profit for the period	28	-	1,492,426	-	-	-	1,492,426
Other comprehensive income:							
Re-measurement gains on defined benefit plans (net of tax)	24	-	-	-	-	(4,306)	(4,306)
Total comprehensive income for the period	2,645,330	1,389	2,852,200	1,264,935	152,975	(4,672)	6,912,157
Transactions with owners in their capacity as owners							
Contributions of equity net of transaction costs	298,216	-	-	-	-	-	298,216
Dividends provided for or paid	-	-	(713,459)	-	-	-	(713,459)
Directors' allowance	-	-	(1,200)	-	-	-	(1,200)
Transfer to legal reserve	29	-	(373,107)	373,107	-	-	-
Transfer to Risk regulatory reserve	30	-	(138,681)	-	138,681	-	-
	298,216	-	(1,226,447)	373,107	138,681	-	(416,443)
As at 30 June 2018	2,943,546	1,389	1,625,753	1,638,042	291,656	(4,672)	6,495,714

The accompanying notes are an integral part of these financial statements.



Auditors' Report

Awash International Bank S.C. Financial Statements For the year ended 30 June 2018 Statement of Cash Flows

	Notes	30 June 2018 ETB'000	30 June 2017 ETB'000
Cash flows from operating activities			
Cash generated from operations	32	6,461,267	2,822,542
Directors' allowance paid	28	(1,200)	(1,200)
Income tax paid	13	(347,068)	(242,211)
Net cash (outflow)/inflow from operating activities		6,112,999	2,579,131
Cash flows from investing activities			
Purchase of investment securities in NBE bills and bonds	17	(1,485,882)	(1,606,244)
Purchase of equity investment securities	17	(5,006)	(1,022)
Purchase of Intangible Assets	20	(2,544)	(29,138)
Purchase of property, plant and equipment	21	(531,827)	(246,651)
Net cash inflow/ (outflow) from investing activities		(2,025,259)	(1,883,055)
Cash flows from financing activities			
Proceeds from issues of shares	25	298,216	402,608
Dividends		(713,457)	(529,360)
Net cash (outflow)/inflow from financing activities		(415,241)	(126,752)
Net increase/(decrease) in Cash and bank balances		3,672,499	569,324
Cash and cash equivalents at the beginning of the year	14	5,535,196	4,691,143
Foreign exchange (losses)/ gains on cash and cash	8	224,617	274,729
Cash and cash equivalents at the end of the year	14	9,432,312	5,535,196

The accompanying notes are an integral part of these financial statements.



Auditors' Report

Awash International Bank S.C. Financial Statements For the year ended 30 June 2018 Notes to the Financial Statements

1 General information

Awash International Bank S.C. ("Awash Bank or the Bank") is a private commercial bank domiciled in Ethiopia. The Bank was established in November 1994, in accordance with the provisions of the Commercial Code of Ethiopia of 1960 and the Licensing and Supervision of Banking Business Proclamation No. 592/2008. The Bank's registered office is at:

Awash Tower
Ras Abebe Aregay Street
Addis Ababa,
Ethiopia

The Bank is principally engaged in the provision of diverse range of financial products and services to corporate, retail and SME clients 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 2018 have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). Additional information required by National regulations is included where appropriate.

These are the Bank's first financial statements prepared in accordance with IFRS; therefore, IFRS 1 *First time adoption of International Financial Reporting Standards* has been applied. For all periods up to and including the year ended 30 June 2017, the Bank previously prepared its financial statements in accordance with local generally accepted accounting principles (hereafter referred to as Previous Local GAAP).

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 for the period ended 30 June 2018 are the first the Bank has prepared in accordance with IFRS. Refer to note 36 for information on how the Bank adopted IFRS.

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

- defined benefit pension plans – plan assets measured at fair value.
- buildings - measured at fair value as deemed cost
- available-for-sale financial assets which is measured at fair value

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

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Bank's accounting policies. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions changed. Management believes that the underlying assumptions are appropriate and that the Bank's financial statements, therefore, present the financial position and results fairly. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 4.

Auditors' Report

Awash International Bank S.C. Financial Statements For the year ended 30 June 2018 Notes to the Financial Statements (Continued)

2.2.1 Going concern

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

2.2.2 Changes in accounting policies and disclosures

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

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

IFRS 9 - Financial Instruments

IFRS 9, published in July 2014, replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. IFRS 9 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted.

Based on the initial assessment carried out by the Bank, the impact of the application of the new standard is as follows:

(a) Classification and measurement

IFRS 9 requires all financial assets, except equity instruments and derivatives, to be assessed based on a combination of the entity's business model for managing the assets and the instruments' contractual cash flow characteristics. The IAS 39 measurement categories will be replaced by: fair value through profit or loss (FVPL), fair value through other comprehensive income (FVOCI), and amortised cost. IFRS 9 will also allow entities to continue to irrevocably designate instruments that qualify for amortised cost or fair value through OCI instruments as FVPL, if doing so eliminates or significantly reduces a measurement or recognition inconsistency. Equity instruments that are not held for trading may be irrevocably designated as FVOCI, with no subsequent reclassification of gains or losses to the statement of profit or loss. The accounting for financial liabilities will largely be the same as the requirements of IAS 39, except for the treatment of gains or losses arising from an entity's own credit risk relating to liabilities designated at FVPL. Such movements will be presented in OCI with no subsequent reclassification to the statement of profit or loss, unless an accounting mismatch in profit or loss would arise.

Having completed its initial assessment, the Bank has concluded that:

- Its loans and advances to customers, National Bank of Ethiopia (NBE) bills and other financial assets that are classified as loans and receivables under IAS 39 are expected to be measured at amortised cost under IFRS 9.
- Its equity investments will be classified as FVOCI.

Auditors' Report

Awash International Bank S.C. Financial Statements For the year ended 30 June 2018 Notes to the Financial Statements (Continued)

(b) *Impairment of financial assets*

IFRS 9 will also fundamentally change the loan loss impairment methodology. The standard will replace IAS 39's incurred loss approach with a forward-looking expected loss (ECL) approach. The bank will be required to record an allowance for expected losses for all loans and other debt financial assets not held at FVPL, together with loan commitments and financial guarantee contracts. The allowance is based on the expected credit losses associated with the probability of default in the next twelve months unless there has been a significant increase in credit risk since origination, in which case, the allowance is based on the probability of default over the life of the asset.

The Bank will establish a policy to perform an assessment at the end of each reporting period as to whether credit risk has increased significantly since initial recognition by considering the change in the risk of default occurring over the remaining life of the financial instrument.

To calculate ECL, the Bank will estimate the risk of a default occurring on the financial instrument during its expected life. ECLs are estimated based on the present value of all cash shortfalls over the remaining expected life of the financial asset, i.e., the difference between: the contractual cash flows that are due to the Bank under the contract, and the cash flows that the Bank expects to receive, discounted at the effective interest rate of the loan.

In comparison to IAS 39, the Bank expects the impairment charge under IFRS 9 to be more volatile than under IAS 39 and to result in an increase in the total level of current impairment allowances.

Under IFRS 9, the Bank will group its loans into Stage 1, Stage 2 and Stage 3, based on the applied impairment methodology, as described below:

- Stage 1 – Performing loans: when loans are first recognised, the Bank recognises an allowance based on 12-month expected credit losses.
- Stage 2 – Underperforming loans: when a loan shows a significant increase in credit risk, the Bank records an allowance for the lifetime expected credit loss.
- Stage 3 – Impaired loans: the Bank recognises the lifetime expected credit losses for these loans. In addition, in Stage 3 the Bank accrues interest income on the amortised cost of the loan net of allowances.

When estimating lifetime ECLs for undrawn loan commitments, the Bank will:

- Estimate the expected portion of the loan commitment that will be drawn down over the expected life of the loan commitment and;
- Calculate the present value of cash shortfalls between the contractual cash flows that are due to the bank if the holder of the loan commitment draws down that expected portion of the loan and the cash flows that the bank expects to receive if that expected portion of the loan is drawn down.

For revolving facilities such as credit cards and overdrafts, the Bank will measure ECLs by determining the period over which it expects to be exposed to credit risk, taking into account the credit risk management actions that it expects to take once the credit risk has increased and that serve to mitigate losses.

The Bank will incorporate forward-looking information in both the assessment of significant increases in credit risk and the measurement of ECLs.

The Bank will consider forward-looking information such as macroeconomic factors (e.g., unemployment, GDP growth, interest rates, etc.) and economic forecasts.

The quantitative impact of the standard is yet to be determined.

Auditors' Report

Awash International Bank S.C. Financial Statements For the year ended 30 June 2018 Notes to the Financial Statements (Continued)

(c) *Hedge accounting*

IFRS 9 allows entities to continue with the hedge accounting under IAS 39 even when other elements of IFRS 9 become mandatory on 1 January 2018. The new hedging rules are, however, not expected to impact the Bank.

IFRS 15 - Revenue from contracts with customers

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

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

The standard replaces IAS 18 'Revenue' and IAS 11 'Construction contracts' IFRIC 13 customer loyalty programs and related interpretations. The standard is effective for annual periods beginning on or after 1 January 2018 and earlier application is permitted. The Bank is yet to assess the expected impact on this standard.

IFRS 16 - Leases

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

IFRIC Interpretation 22 - Foreign Currency Transactions and Advance Consideration

The interpretation clarifies that in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine a date of the transactions for each payment or receipt of advance consideration.

Entities may apply the amendments on a fully retrospective basis. Alternatively, an entity may apply the interpretation prospectively to all assets, expenses and income in its scope that are initially recognised on or after:

- (i) The beginning of the reporting period in which the entity first applies the interpretation or;
- (ii) The beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the interpretation.

Auditors' Report

Awash International Bank S.C. Financial Statements For the year ended 30 June 2018 Notes to the Financial Statements (Continued)

2.3 Investment in associates

An associate is an entity over which the Bank has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The Bank's investments in its associates are accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Bank's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The statement of profit or loss reflects the Bank's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Bank's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Bank recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Bank and the associate are eliminated to the extent of the interest in the associate.

After application of the equity method, the Bank determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Bank determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Bank calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, then recognises the loss as 'Share of profit of an associate and a joint venture' in the statement of profit or loss.

Upon loss of significant influence over the associate, the Bank measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in statement of profit or loss.

2.4 Foreign currency translation

a) *Functional and presentation currency*

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

b) *Transactions and balances*

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

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 measured at fair value, such as equities classified as available for sale, are included in other comprehensive income.

Auditors' Report

Awash International Bank S.C.

Financial Statements

For the year ended 30 June 2018

Notes to the Financial Statements (Continued)

2.5 Recognition of income and expenses

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

The Bank earns income from interest on loans and advances given to customers, service charges and commissions from customers, interest income from Deposits with local and correspondent banks, investment in NBE (National Bank of Ethiopia) bills. Other income includes incomes on letters of credit and guarantees.

2.5.1 Interest and similar income and expense

For all financial instruments measured at amortised cost and interest bearing financial assets classified as available-for-sale interest income or expense is recorded using the effective interest rate (EIR), which is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or financial liability. The calculation takes into account all contractual terms of the financial instrument (for example, prepayment options) and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the EIR, but not future credit losses.

The carrying amount of the financial asset or financial liability is adjusted if the Bank revises its estimates of payments or receipts. The adjusted carrying amount is calculated based on the original EIR and the change in carrying amount is recorded as 'Interest and similar income' for financial assets and 'Interest and similar expense' for financial liabilities.

Once the recorded value of a financial asset or a group of similar financial assets has been reduced due to an impairment loss, interest income continues to be recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

2.5.2 Fees and commission

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

When a loan commitment is not expected to result in the draw-down of a loan, loan commitment fees are recognised on a straight-line basis over the commitment period.

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

2.5.3 Dividend income

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

2.5.4 Foreign exchange revaluation gains or losses

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

Auditors' Report

Awash International Bank S.C. Financial Statements For the year ended 30 June 2018 Notes to the Financial Statements (Continued)

2.6 Financial instruments - initial recognition and subsequent measurement

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

2.6.1 Financial assets

Initial recognition and measurement

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

Subsequent measurement

For purposes of subsequent measurement, financial assets of the bank are classified into two categories:

- Loans and receivables
- Available-for-sale

a) Loans and receivables

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

The Bank's loans and receivables comprise loans and advances to customers, NBE bills and Ethiopian government bonds.

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

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

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

'Day 1' profit or loss

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

Auditors' Report

Awash International Bank S.C.

Financial Statements

For the year ended 30 June 2018

Notes to the Financial Statements (Continued)

Reclassification of financial assets

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

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

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

Derecognition of financial assets

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

- the rights to receive cash flows from the asset have expired, or
- the Bank has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
 - (a) the Bank has transferred substantially all the risks and rewards of the asset, or
 - (b) the Bank has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

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

Impairment of financial assets

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

Auditors' Report

Awash International Bank S.C.

Financial Statements

For the year ended 30 June 2018

Notes to the Financial Statements (Continued)

(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 statement of profit or loss. 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.

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Notes to the Financial Statements (Continued)

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

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

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

Renegotiated loans

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

Collateral valuation

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

Collateral Possession

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

2.6.2 Financial liabilities

Initial recognition and measurement

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

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

The Bank's financial liabilities include customers deposits, margins held on letter of credits, other liabilities and borrowings. Interest expenditure is recognised in interest and similar expense.

Auditors' Report

Awash International Bank S.C. Financial Statements For the year ended 30 June 2018 Notes to the Financial Statements (Continued)

Subsequent measurement

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

Financial liabilities at amortised cost

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

After initial measurement, financial liabilities at amortised cost are subsequently measured at amortised cost using the effective interest rate (EIR). Amortised cost is calculated by taking into account any discount or premium on the issue and costs that are an integral part of the EIR.

The Bank's financial liabilities carried at amortised cost comprise customer deposits, margins held on letter of credit, long term deposits and borrowings.

Derecognition of financial liabilities

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

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

2.6.3 Offsetting financial instruments

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

2.7 Cash and cash equivalents

Cash comprises cash on hand, deposits held on call with other banks, and other short term highly liquid investments. Cash equivalents are deemed of immediate realization since they are easily convertible into cash within three months following the date of the financial statements.

2.8 Property, plant and Equipment

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

Subsequent costs are included in the asset's carrying value 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 bank and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised.

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Awash International Bank S.C. Financial Statements For the year ended 30 June 2018 Notes to the Financial Statements (Continued)

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)
Freehold land	-
Buildings	50
Motor vehicles	10
Furniture and fittings:	
-Medium-lived	10
-Long lived	20
Computer and Accessories	7
Office equipment:	
-Short-lived	5
-Medium-lived	10

Capital work-in-progress is not depreciated as these assets are not yet available for use. They are disclosed when reclassified during the year.

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

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

2.9 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 statement of profit or loss 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 are presented as a separate line item in the statement of profit or loss, if significant.

Amortisation is calculated using the straight-line method to write down the cost of intangible assets to their residual values over lower of the estimated useful lives or the license duration for purchased computer software.

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Awash International Bank S.C. Financial Statements For the year ended 30 June 2018 Notes to the Financial Statements (Continued)

2.10 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 statement of profit or loss.

2.11 Other assets

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

(a) 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 an event or transaction as they arise and are cancelled when payment is received.

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Notes to the Financial Statements (Continued)

2.12 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 Notes 3 and Note 4.7.1
- Quantitative disclosures of fair value measurement hierarchy Note 4.7.2
- Financial instruments (including those carried at amortised cost) Note 4.7.2

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

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

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

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

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

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

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

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

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Awash International Bank S.C. Financial Statements For the year ended 30 June 2018 Notes to the Financial Statements (Continued)

2.13 Employee benefits

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

(a) *Wages, salaries and annual leave*

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

(b) *Defined contribution plan*

The Bank operates two defined contribution plans;

- i) pension scheme in line with the provisions of Ethiopian Pension of Private Organisation Employees Proclamation No. 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. Employer's contributions to this scheme are charged to profit or loss and other comprehensive income in the period to which they relate.

(c) *Defined benefit plan*

The liability or asset recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets.

The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation.

The current service cost of the defined benefit plan, recognised in the statement of profit or loss in employee benefit expense, except where included in the cost of an asset, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes curtailments and settlements.

Past-service costs are recognised immediately in profit or loss and other comprehensive income.

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

(d) *Termination benefits*

Termination benefits are payable to executive directors when employment is terminated by the Bank before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Bank recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

Auditors' Report

Awash International Bank S.C. Financial Statements For the year ended 30 June 2018 Notes to the Financial Statements (Continued)

(e) Profit-sharing and bonus plans

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

2.14 Provisions

A provision is recognised when the Bank has a present obligation (legal or constructive) as a result of a past event and 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 statement of profit or loss 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.

2.15 Share capital

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

2.16 Legal reserve

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

2.17 Earnings per share

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

2.18 Leases

A lease is agreement whereby the lessor conveys to the lessee in return for a payment or series of payments the right to use an assets for an agreed period of time.

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 statement of profit or loss on a straight-line basis over the lease term. Contingent rental payable is recognised as an expense in the period in which it is incurred.

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Bank as a lessor

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

2.19 Income tax

(a) Current income tax

The income tax expense or credit for the year is the tax payable on the current year'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 as 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.

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 value of assets or liabilities affected in future periods.

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

- Capital management Note 4.6
- Financial risk management and policies Note 4
- Sensitivity analyses disclosures Note 4.5.2

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Notes to the Financial Statements (Continued)

3.1 Judgments

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

(a) *Operating lease commitments - Bank as lessee*

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

(b) *Going concern basis*

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

3.2 Estimates and assumptions

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

(a) *Impairment losses on loans and receivables*

The Bank reviews its loan portfolios for impairment on an on-going basis. The Bank first assesses whether objective evidence of impairment exists individually for loans and receivables that are individually significant, and individually or collectively for loans and receivables 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 loans and receivables that have been deemed to be impaired, management deems that the cash flow from collateral would arise within one year where the loans and receivables is back by collateral.

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

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

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Awash International Bank S.C. Financial Statements For the year ended 30 June 2018 Notes to the Financial Statements (Continued)

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

The estimation of impairment losses is subject to uncertainty, which has increased in the current economic environment and is highly sensitive to factors such as the level of economic activity, unemployment rates, property price trends and interest rates. The assumptions underlying this judgement are highly subjective. The methodology and the assumptions used in calculating impairment losses are reviewed regularly in the light of differences between loss estimates and actual loss experience. See note 3.2 for more information.

(b) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. As at year end, no financial instrument was measured at fair value. See Note 4.7.2 for further disclosures.

(c) Defined benefit plans

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

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

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

(e) 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.

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

Deferred tax assets are 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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Awash International Bank S.C. Financial Statements For the year ended 30 June 2018 Notes to the Financial Statements (Continued)

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, market risk and different operational risks. It is also subject to various risks that affect the financial sector of the country.

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

4.1.1 Risk management structure

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

The Senior Management chaired by the chief Executive Officer (CEO) has the overall responsibility for the development of the risk strategy and implementing principles, frameworks, policies and limits. It is also responsible for managing risk decisions and monitoring risk levels and reports on a monthly basis to the Board Risk Sub-Committee.

The Risk Management Unit is responsible for implementing and maintaining risk related procedures to ensure an independent control process is maintained. The unit works closely with the Senior Management to ensure that procedures are compliant with the overall framework.

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 an ad hoc basis to monitor the Bank's independent control of risks, including monitoring the risk of exposures against limits and the assessment of risks of new products and structured transactions. This unit also ensures the complete capture of the risks in risk measurement and reporting systems. Exceptions are reported, where necessary, to the Senior Management, and further to the Board Risk Sub-Committee and the relevant actions are taken to address exceptions and any areas of weakness.

The Bank Finance and Treasury function is responsible for managing the Bank's financial assets, financial liabilities and the overall financial structure. It is also primarily responsible for the funding and liquidity risks of the Bank.

The Bank's policy is that risk management processes throughout the Bank are audited annually by the Internal Audit Function, which examines both the adequacy of the procedures and the Bank's compliance with the procedures. The Internal Audit Function discusses the results of all assessments with management, and reports its findings and recommendations to the Board Audit Sub-Committee.

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 models. 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 is 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's policy is to measure and monitor the overall risk bearing capacity in relation to the aggregate risk exposure across all risk types and activities.

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Awash International Bank S.C. Financial Statements For the year ended 30 June 2018 Notes to the Financial Statements (Continued)

4.1.3 Risk mitigation

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

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

4.2 Financial instruments by category

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

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

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

	Notes	Available- For-Sale ETB'000	Loans and receivables ETB'000	Total ETB'000
30 June 2018				
Cash and bank balances	14	-	11,632,312	11,632,312
Loans and advances to customers	15	-	31,049,058	31,049,058
Investment securities:				
- Available for sale	17	49,905	-	49,905
- Loans and receivables	17	-	8,480,417	8,480,417
Other assets	19	-	666,701	666,701
Total financial assets		49,905	51,828,488	51,878,393
30 June 2017				
Cash and bank balances	14	-	7,035,196	7,035,196
Loans and advances to customers	15	-	22,393,826	22,393,826
Investment securities:				
- Available for sale	17	44,899	-	44,899
- Loans and receivables	17	-	6,994,535	6,994,535
Other assets	19	-	709,610	709,610
Total financial assets		44,899	37,133,167	37,178,066
1 July 2016				
Cash and bank balances	14	-	5,811,143	5,811,143
Loans and advances to customers	15	-	15,410,946	15,410,946
Investment securities:				
- Available for sale	17	43,877	-	43,877
- Loans and receivables	17	-	5,388,291	5,388,291
Other assets	19	-	1,468,858	1,468,858
Total financial assets		43,877	28,079,238	28,123,115

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Awash International Bank S.C. Financial Statements For the year ended 30 June 2018 Notes to the Financial Statements (Continued)

4.3 Credit risk

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

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

4.3.1 Management of credit risk

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

(a) Probability of Default

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

(b) Loss Given Default

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

(c) Exposure at Default

This represents the amount that is outstanding at the point of default.

4.3.2 Impairment assessment

The Bank assesses its impairment using two-way approaches which are Individual assessment and portfolio assessment.

(a) Individual assessment

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

(b) Collective assessment

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

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

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Awash International Bank S.C. Financial Statements For the year ended 30 June 2018 Notes to the Financial Statements (Continued)

4.3.3 Credit related commitment risks

The Bank holds collateral against loans and advances 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 lending.

4.3.4 Credit risk exposure

(a) Maximum exposure to credit risk before collateral held or other credit enhancement

The Bank's maximum exposure to credit risk at 30 June 2018, 30 June 2017 and 1 July 2016 respectively, is represented by the net carrying amounts in the statement of financial position.

	30 June 2018 ETB'000	30 June ETB'000	1 July 2016 ETB'000
Cash and bank balances	11,632,312	7,035,196	5,811,143
Loans and advances to customers	31,049,058	22,393,826	15,410,946
Investment securities:			
- Available for sale	49,905	44,899	43,877
- Loans and receivables	8,480,417	6,994,535	5,388,291
Other assets	666,701	709,610	1,468,859
	51,878,393	37,178,066	28,123,116
Credit risk exposures relating to off balance sheet items are as follows:			
Loan commitments	2,510,878	2,667,679	2,651,178
Guarantees	960,227	654,338	332,060
Letters of credit	2,867,289	2,984,568	1,538,079
	6,338,394	6,306,585	4,521,317
Total maximum exposure	58,216,787	43,484,651	32,644,433

(b) Assets obtained by taking possession of collateral

Details of financial and non-financial assets obtained by the Bank by taking possession of collaterals held as security against loans and advances to customers at the year end are shown below.

Properties	40,280	38,837	27,285
	40,280	38,837	27,285

The Bank's policy is to pursue timely realisation of the collateral in a timely manner. The Bank does not generally use the non-cash collateral for its own operations.

(c) Loans and advances to customers at amortised cost

(i) Gross loans and receivables to customers per sectors are analysed as follows:

	30 June 2018 ETB'000	30 June 2017 ETB'000	1 July 2016 ETB'000
Domestic trade and services	8,301,432	7,090,562	4,615,971
Export	7,095,734	4,214,222	3,046,123
Building and construction	5,561,160	3,639,281	2,313,278
Import	3,362,090	3,231,907	2,134,956
Manufacturing	3,336,740	1,819,311	1,668,681
Transport	1,902,971	1,526,401	944,702
Personal loans	476,645	299,206	147,285
Merchandise	131,894	136,494	182,709
Agriculture	121,529	110,680	143,083
Staff loans and advances	1,012,126	577,811	352,522
Murahabah Financing-Domestic Trade	850	-	-
Murahabah Financing-Transport	1,050	-	-
	31,304,221	22,645,875	15,549,310

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- (ii) Gross loans and receivables from customers per National Bank of Ethiopia's impairment guidelines are analysed as follows:

	30 June 2018 ETB'000	30 June 2017 ETB'000	1 July 2016 ETB'000
Pass	29,577,889	21,604,969	14,837,528
Special mention	1,143,453	603,743	407,088
Substandard	240,417	155,928	105,653
Doubtful	99,940	107,522	72,457
Loss	242,522	173,713	126,584
	31,304,221	22,645,875	15,549,310

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

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

4.3.5 Credit quality analysis

(a) Credit quality of Cash and bank balances

The credit quality of Cash and bank balances and short-term investments that were neither past due nor impaired at as 30 June 2018, 30 June 2017 and 1 July 2016 and are held in Ethiopian banks have been classified as non-rated as there are no credit rating agencies in Ethiopia. However, Cash and bank balances that is held in foreign banks can be assessed by reference to credit rating agency designation as shown in the table below;

	30 June 2018 ETB'000	30 June 2017 ETB'000	1 July 2016 ETB'000
A	33,482	2,321	1,303,592
A-	-	-	78,628
A+	5,644,315	2,131,297	-
AA	-	-	3,420
AA-	95,441	116,577	70,391
BBB+	302,832	226,714	320,435
Not rated	5,556,242	4,558,287	4,034,677
	11,632,312	7,035,196	5,811,143

Definitions of ratings

AA: Very high credit quality	This denotes expectations of a very low default risk. It indicates a very strong capacity for payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events.
A: High credit quality	This denotes expectations of low default risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than is the case for higher ratings.
BBB: Good credit quality	This indicates that expectations of default risk are currently low. The capacity for payment of financial commitments is considered adequate, but adverse business or economic conditions are more likely to impair this capacity.
Not rated	This indicates financial institutions or other counterparties with no available ratings and cash in hand.

A "+" (plus) or "-" (minus) may be appended to a rating to indicate the relative position of a credit within the rating category. This is based on Fitch national long-term issuer default ratings.

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(b) Credit quality of loans and advances to customers

	Neither past due nor impaired ETB'000	Past due but not impaired ETB'000	Individually impaired ETB'000	Total ETB'000
30 June 2018				
Domestic trade and services	7,501,248	466,790	333,394	8,301,432
Building and construction	5,373,344	118,620	69,196	5,561,160
Export	6,885,652	118,117	91,965	7,095,734
Import	3,239,240	100,028	22,822	3,362,090
Manufacturing	3,168,559	163,236	4,945	3,336,740
Transport	1,706,711	148,019	48,241	1,902,971
Personal loans	454,526	16,860	5,259	476,645
Merchandise	131,448	-	446	131,894
Agriculture	103,251	11,782	6,496	121,529
Staff Loans	1,012,010	-	116	1,012,126
Murahabah Financing-Domestic Trade	850	-	-	850
Murahabah Financing-Transport	1,050	-	-	1,050
Gross	29,577,889	1,143,452	582,880	31,304,221
Less: Impairment allowance (note 16)	(66,616)	(2,726)	(185,821)	(255,163)
Net	29,511,273	1,140,726	397,059	31,049,058
30 June 2017				
Domestic trade and services	6,506,647	353,100	230,815	7,090,562
Building and construction	3,521,767	63,318	54,196	3,639,281
Export	4,125,531	3,250	85,441	4,214,222
Import	3,142,338	79,322	10,247	3,231,907
Manufacturing	1,766,330	28,602	24,379	1,819,311
Transport	1,447,673	64,481	14,247	1,526,401
Merchandise	136,048	-	446	136,494
Agriculture	83,357	11,418	15,905	110,680
Personal	297,571	252	1,383	299,206
Staff loans and advances	577,707	-	104	577,811
Gross	21,604,969	603,743	437,163	22,645,875
Less: Impairment allowance (note 16)	(95,910)	(3,067)	(153,072)	(252,049)
Net	21,509,059	600,676	284,091	22,393,826
1 July 2016				
Domestic trade and services	4,268,472	200,168	147,331	4,615,971
Building and construction	2,185,987	71,080	56,211	2,313,278
Export	2,961,331	23,617	61,175	3,046,123
Import	2,077,162	55,028	2,766	2,134,956
Manufacturing	1,650,043	17,520	1,118	1,668,681
Transport	890,821	32,579	21,302	944,702
Merchandise	182,310	-	399	182,709
Agriculture	127,806	2,776	12,501	143,083
Personal	141,074	4,320	1,891	147,285
Staff loans and advances	352,522	-	-	352,522
Gross	14,837,528	407,088	304,694	15,549,310
Less: Impairment allowance (note 16)	(18,997)	(449)	(118,918)	(138,364)
Net	14,818,531	406,639	185,776	15,410,946

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Individually impaired loans are loans that have long passed their recovery period or the counterparties are under liquidation. Individually impaired staff loans are loans given to staff that are no longer staff of the Bank hence the recoverability of the loans is doubtful.

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

The credit quality of the portfolio of loans and advances to customers that were neither past due nor impaired can be assessed by reference to the customer's ability to pay based on loss experience. Loans in this category are loans past due for less than 30 (thirty) days. These loans are not rated.

	30 June 2018 ETB'000	30 June ETB'000	1 July 2016 ETB'000
Neither past due nor impaired	29,577,889	21,604,972	14,837,530
Collective impairment	(66,616)	(95,910)	(18,997)
	29,511,273	21,509,062	14,818,533

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

	30 June 2018 ETB'000	30 June ETB'000	1 July 2016 ETB'000
Past due by 30 - 90 days	1,143,452	603,743	407,088
Collective impairment	(2,726)	(3,067)	(450)
	1,140,726	600,676	406,638

(iii) Loans and advances to customers- individually impaired loans

	30 June 2018 ETB'000	30 June ETB'000	1 July 2016 ETB'000
Gross amount	582,880	437,163	304,694
Individual impairment	(185,821)	(153,072)	(118,918)
Net amount	397,059	284,091	185,776

(iv) Sensitivity analysis on impairment

The loan portfolio of the Bank has been adopted for this sensitivity test; this is based on the premise that the outcome of this stress test on the Bank is reflective of the entire portfolio of the group. The credit factors considered for this sensitivity are highlighted below:

Probability of Default (PD): This represents the probability that a currently performing account will decline in credit quality. The probability of default model is designed to provide a measurement of obligor quality by estimating the likelihood of default over a short term horizon (usually 12 months). A low probability of default indicates a borrower with good credit quality while a high probability of default indicates a borrower with low credit quality and a high likelihood of default.

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Loss Given Default (LGD): The Loss Given Default estimates the expected loss on a default account after all recoveries have been exhausted. In estimating the LGD for the credit portfolio, recoveries made on historic loan loss data by way of loan repayment, recovery efforts and/or sale of collateral was applied.

Approach to sensitivity analysis

In performing the sensitivity analysis, two scenarios were considered as detailed below:

Scenario 1

The PD of the performing book was flexed by 20% while LGD was held constant. This is based on the assumption that obligor quality will deteriorate and this will lead to an increase in default.

Scenario 2

The LGD of the performing book and all non-performing loans were flexed by 20% respectively while the PD was held constant. This is premised on deterioration in obligor quality, increase in rate of default as well as difficulty in realizing collaterals pledged.

Outcome of the sensitivity analysis is shown below as well as the impact on profit or loss:

	Impairment charge in profit or loss		
	Current year ETB'000	Scenario 1 ETB'000	Scenario 2 ETB'000
30 June 2018			
Domestic trade and services	47,845	53,082	53,082
Building and construction	58,258	59,526	59,526
Export	131,535	136,531	136,531
Import	7,280	7,599	7,599
Manufacturing	1,659	1,991	1,991
Transport	2,935	3,522	3,522
Merchandise	2,697	3,236	3,236
Agriculture	2,584	3,101	3,101
Personal	365	438	438
Staff loans and advances	6	7	7
	255,164	269,033	269,033
30 June 2017			
Domestic trade and services	85,526	93,546	93,538
Building and construction	17,615	19,162	19,161
Export	126,749	132,904	132,899
Import	4,873	5,529	5,529
Manufacturing	1,876	2,252	2,251
Transport	4,378	5,235	5,234
Merchandise	6,129	7,355	7,354
Agriculture	4,564	5,476	5,476
Personal	231	276	276
Staff loans and advances	107	109	109
	252,048	271,844	271,827
1 July 2016			
Domestic trade and services	47,272	48,544	48,549
Building and construction	7,049	7,276	7,277
Export	72,346	73,573	73,578
Import	1,603	1,720	1,721
Manufacturing	249	298	299
Transport	5,126	5,269	5,269
Merchandise	2,934	3,436	3,438
Agriculture	1,729	2,075	2,076
Personal	57	62	62
	138,365	142,253	142,269

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(c) Credit quality of investment securities

All investment securities are neither past due nor impaired.

4.3.6 Nature of security in respect of loans and receivables

	Real estate ETB'000	Machinery and equipment ETB'000	Motor vehicles ETB'000	Shares ETB'000	Others ETB'000	Total ETB'000
30 June 2018						
Domestic trade and services	20,223,988	431,739	866,135	104,032	518,429	22,144,323
Export	1,985,905	84,666	446,142	7,811	778,378	3,302,902
Building and construction	13,004,792	831,315	429,975	14,570	54,197	14,334,849
Import	8,161,336	58,858	151,819	35,761	77,547	8,485,321
Manufacturing	6,409,664	3,154,288	279,758	128,003	52,485	10,024,198
Transport	1,019,507	129,709	3,776,514	9,130	-	4,934,860
Personal loans	974,565	9,094	67,033	24,571	-	1,075,263
Merchandise	12,563	518	2,428	-	205,249	220,758
Agriculture	273,112	62,677	80,365	27,504	68,090	511,748
Staff loans	1,321,601	-	52,547	-	-	1,374,148
	53,387,033	4,762,864	6,152,716	351,382	1,754,375	66,408,370
30 June 2017						
Domestic trade and services	18,084,073	31,498	74,419	32,621	210,459	18,433,070
Export	2,600,252	6,056	15,483	7,815	32,235	2,661,841
Building and construction	10,490,265	208,087	160,562	-	-	10,858,914
Import	8,118,735	-	45,826	113,077	550	8,278,188
Manufacturing	5,553,179	571,049	2,759	3,813	43,279	6,174,079
Transport	2,015,908	78,197	2,167,695	3,864	-	4,265,664
Merchandise	715	-	19,000	-	222,552	242,267
Agriculture	350,262	26,409	820	27,504	15,000	419,995
Personal Loans	775,896	-	35,985	4,380	-	816,261
Staff loans	718,391	-	23,997	-	-	742,388
	48,707,676	921,296	2,546,546	193,074	524,075	52,892,667
1 July 2016						
Domestic trade and services	11,351,585	10,968	231,165	25,152	15,300	11,634,170
Building and construction	5,855,696	147,994	304,462	2,000	-	6,310,152
Manufacturing	4,571,387	-	238,169	3,121	22,878	4,835,555
Export	1,651,249	1,321	26,892	8,507	31,389	1,719,358
Import	5,115,433	-	44,716	19,810	10,550	5,190,509
Transport	1,272,009	61,616	1,107,956	3,696	6,681	2,451,958
Merchandise	41,927	25,000	-	-	275,328	342,255
Agriculture	281,854	26,409	68,463	-	54,319	431,045
Personal Loans	414,604	-	40,566	931	-	456,101
Staff loans	451,932	-	12,486	-	-	464,418
	31,007,676	273,308	2,074,875	63,217	416,445	33,835,521

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Awash International Bank S.C. Financial Statements For the year ended 30 June 2018 Notes to the Financial Statements (Continued)

4.3.7 Collaterals held and their financial effect

The general creditworthiness of a customer tends to be the most relevant indicator of credit quality of a loan extended to it. However, collateral provides additional security and the Bank generally requests that corporate borrowers provide one. 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 on real estate, liens on guarantees. The Bank does not sell or repledge the collateral in the absence of default by the borrower. In addition to the Bank's focus on creditworthiness, the Bank aligns with its credit policy guide to periodically update the validation of collaterals held against all loans to customers.

The estimated value of 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.

4.3.8 Commitments and guarantees

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

	30 June 2018 ETB'000	30 June 2017 ETB'000	1 July 2016 ETB'000
Loan commitments	2,510,878	2,667,679	2,651,178
Guarantees	960,227	654,338	332,060
Letters of credit	2,867,289	2,984,568	1,538,079
	6,338,394	6,306,585	4,521,317

4.4 Liquidity risk

Liquidity risk is the risk that the Bank cannot meet its maturing obligations when they become due, at reasonable cost and in a timely manner. Liquidity risk 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 the Asset and Liability Committee (ALCO), 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.

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4.4.1 Management of liquidity risk

Cash flow forecasting is performed by the Finance and Treasury function. The Finance and Treasury function 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 of damage to the Bank's reputation.

4.4.2 Maturity analysis of financial liabilities

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

	0 - 30 days ETB'000	31 - 90 days ETB'000	91 - 180 days ETB'000	181 - 365 days ETB'000	Over 1 year ETB'000
30 June 2018					
Deposits from customers	40,912,378	555,000	706,000	1176,000	102,000
Other liabilities	1,746,153	2,455,049	-	-	-
Total financial liabilities	42,658,531	3,010,049	706,000	1,176,000	102,000
Loan commitments	32,165	3,103	95,383	1,020	26,528
Guarantees	72,548	171,963	169,688	546,028	-
Letters of credit	836,795	1,903,871	-	126,623	-
Other commitments	-	13,163	19,744	37,482	16,453
	941,508	2,092,100	284,815	711,153	42,981
Assets held for managing liquidity risk	11,417,915	1,434,664	120,000	14,781,000	26,257,139
30 June 2017					
Deposits from customers	28,850,846	379,000	483,000	793,000	194,000
Other liabilities	753,587	2,192,966	-	-	-
Total financial liabilities	29,604,433	2,571,966	483,000	793,000	194,000
Loan commitments	1,930,644	359,183	77,565	220,704	79,583
Guarantees	187,084	86,801	109,178	271,275	-
Letters of credit	2,824,786	151,853	-	7,929	-
Other commitments	7,010	-	28,622	6,456	79,780
	4,949,524	597,837	215,365	506,364	159,363
Assets held for managing liquidity risk	7,040,484	897,778	152,000	10,697,000	20,040,770

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1 July 2016	0 - 30 days ETB'000	31 - 90 days ETB'000	91 - 180 days ETB'000	181 - 365 days ETB'000	Over 1 year ETB'000
Deposits from customers	21,067,785	524,000	642,000	656,000	46,000
Other liabilities	906,788	1,403,962	-	-	-
Total financial liabilities	21,974,573	1,927,962	642,000	656,000	46,000
Loan commitments	2,446,614	-	34,393	131,605	38,566
Guarantees	109,197	97,580	29,685	95,598	-
Letters of credit	484,641	1,037,637	15,801	-	-
Other	-	-	39,176	34,838	121,869
	3,040,452	1,135,217	119,055	262,041	160,435
Assets held for managing liquidity risk	5,889,312	880,126	251,000	7,006,000	14,551,156

4.5 Market risk

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

4.5.1 Management of market risk

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

Market risk is monitored by the risk and compliance management function 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 and lending obtained at variable rates give rise to interest rate risk.

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

30 June 2018	Fixed interest bearing ETB'000	Non-interest bearing ETB'000	Total ETB'000
Assets			
Cash and bank balances	-	11,632,312	11,632,312
Loans and advances to customers	31,047,158	1,900	31,049,058
Investment securities	8,480,417	49,905	8,530,322
Other assets	-	666,701	666,701
Total	39,527,575	11,684,117	51,211,692
Liabilities			
Deposits from customers	3,122,386	-	3,122,386
Other liabilities	-	4,201,202	4,201,202
Total	3,122,386	4,201,202	7,323,588

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	Fixed interest bearing ETB'000	Non-interest bearing ETB'000	Total ETB'000
30 June 2017			
Assets			
Cash and bank balances	-	7,035,196	7,035,196
Loans and advances to customers	22,393,826	-	22,393,826
Investment securities	6,994,535	44,899	7,039,434
Other assets	-	709,610	709,610
Total	29,388,361	7,789,705	36,468,456
Liabilities			
Deposits from customers	30,699,846	-	30,699,846
Other liabilities	-	2,946,553	2,946,553
Total	30,699,846	2,946,553	33,646,399
1 July 2016			
Assets			
Cash and bank balances	-	5,811,143	5,811,143
Loans and advances to customers	15,410,946	-	15,410,946
Investment securities	5,388,291	43,877	5,432,168
Other assets	-	1,468,859	1,468,859
Total	20,799,237	7,323,879	28,123,116
Liabilities			
Deposits from customers	22,935,785	-	22,935,785
Other liabilities	-	2,310,750	2,310,750
Total	22,935,785	2,310,750	25,246,535

(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 (ETB). 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 exposed to risk as at year end 30 June 2018 was ETB 3.047 billion (30 June 2017: ETB 2.555 billion, 1 July 2016: ETB 1.832 billion).

Foreign currency denominated balances

	30 June 2018 ETB'000	30 June 2017 ETB'000	1 July 2016 ETB'000
US dollars (USD)	2,870,731	2,338,107	1,612,978
British pounds (GBP)	53,151	73,149	30,821
Euros (EUR)	112,007	92,125	154,390
Djiboutian franc (DJF)	13	18	5
Swiss franc (CHF)	6,712	44,531	24,842
Swedish Krona (SEK)	3,491	5,877	3,420
Japanese yen (JPY)	1,379	961	5,434
	3,047,484	2,554,768	1,831,890

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Awash International Bank S.C. Financial Statements For the year ended 30 June 2018 Notes to the Financial Statements (Continued)

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.

	30 June 2018 ETB'000	30 June 2017 ETB'000	1 July 2016 ETB'000
Effect of a 10% Increase of the ETB against USD	287,073	233,811	161,298
Effect of a 10% Decrease of the ETB against USD	(287,073)	(233,811)	(161,298)
Effect of a 10% Increase of the ETB against GBP	5,315	7,315	3,082
Effect of a 10% Decrease of the ETB against GBP	(5,315)	(7,315)	(3,082)
Effect of a 10% Increase of the ETB against EUR	11,201	9,213	15,439
Effect of a 10% Decrease of the ETB against EUR	(11,201)	(9,213)	(15,439)
Effect of a 10% Increase of the ETB against JPY	138	96	543
Effect of a 10% Decrease of the ETB against JPY	(138)	(96)	(543)
Effect of a 10% Increase of the ETB against CHF	671	4,453	2,484
Effect of a 10% Decrease of the ETB against CHF	(671)	(4,453)	(2,484)
Effect of a 10% Increase of the ETB against SEK	349	588	342
Effect of a 10% Decrease of the ETB against SEK	(349)	(588)	(342)
Effect of a 10% Increase of the ETB	1	2	1
Effect of a 10% Decrease of the ETB	(1)	(2)	(1)

4.6 Capital management

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

4.6.1 Capital adequacy ratio

According to the Licensing & Supervision of Banking Business Directive No SBB/50/2011 of the National Bank of Ethiopia, the Bank has to maintain a 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 18 August 1995. Capital includes capital contributions, retained earnings, legal reserve and other reserves to be approved by the National Bank of Ethiopia.

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

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	30 June 2018 ETB'000	30 June 2017 ETB'000	1 July 2016 ETB'000
Capital			
Share capital	2,943,546	2,645,330	2,242,722
Share premium	1,389	1,389	1,389
Retained earnings	1,625,753	1,359,774	1,185,819
Legal reserve	1,638,042	1,264,935	1,014,200
Risk regulatory reserve	291,656	152,975	156,638
	6,500,386	5,424,403	4,600,768
Risk weighted assets			
Risk weighted balance for on-balance sheet items	34,769,384	26,285,959	19,626,479
Credit equivalent for off-balance	1,871,748	971,257	617,815
Total risk weighted assets	36,641,132	27,257,216	20,244,294
 Risk-weighted Capital Adequacy	18%	20%	23%
Minimum required capital	8%	8%	8%
Excess	10%	12%	15%

4.7 Fair value of financial assets and liabilities

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

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

4.7.1 Valuation models

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

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Awash International Bank S.C. Financial Statements For the year ended 30 June 2018 Notes to the Financial Statements (Continued)

4.7.1 Valuation models (continued)

- 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, another 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 data and the unobservable inputs have a significant effect on the asset's or liability's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

4.7.2 Financial instruments not measured at fair value

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

	30 June 2018		30 June 2017		30 June 2016	
	Carrying amount ETB'000	Amortized Cost ETB'000	Carrying amount ETB'000	Amortized Cost ETB'000	Carrying amount ETB'000	Amortized Cost ETB'000
Financial assets						
Cash and bank balances	11,632,312	11,632,312	7,035,196	7,035,196	5,811,143	5,811,143
Loans and advances to customers	31,049,058	31,049,058	22,393,826	22,393,826	15,410,946	15,410,946
Investment securities						
- Available for sale	49,905	49,905	44,899	44,899	43,877	43,877
- loans and receivables	8,480,417	8,480,417	6,994,535	6,994,535	5,388,291	5,388,291
Other assets	666,701	666,701	709,610	709,610	1,468,859	1,468,859
Total	51,878,393	51,878,393	37,178,066	37,178,066	28,123,116	28,123,116
Financial liabilities						
Deposits from customers	43,451,378	43,451,378	30,699,846	30,699,846	22,935,785	22,935,785
Other liabilities	4,201,202	4,201,202	2,946,553	2,946,553	2,310,750	2,310,750
Total	47,652,580	47,652,580	33,646,399	33,646,399	25,246,535	25,246,535

4.7.3 Valuation technique using significant unobservable inputs – Level 3

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

4.7.4 Transfers between the fair value hierarchy categories

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

4.8 Offsetting financial assets and financial liabilities

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

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Awash International Bank S.C. Financial Statements For the year ended 30 June 2018 Notes to the Financial Statements (Continued)

	30 June 2018 ETB'000	30 June 2017 ETB'000
5 Interest income		
Loans and advances	3,917,372	2,601,666
National Bank of Ethiopia bills and bonds	704	148
Due from other banks	283,491	192,370
	4,201,567	2,794,184
Included within various line items under interest income for the year ended 30 June 2018 is a total of ETB 41.828 million (30 June 2017: ETB 23.588 million) relating to impaired loans and advances.		
6 Interest expense		
Deposits from customers	1,474,596	907,240
Due to other banks	4,550	1,616
Due to National Bank of Ethiopia	-	5,329
	1,479,146	914,185
7 Fees and commission income		
Cash payment orders and cheques	6,689	5,086
Foreign currency transactions	519,206	363,845
Letters of credit	234,730	180,355
Letters of guarantee	17,536	26,799
Money and telegraphic transfers	3,050	3,943
Money transfers	5,942	8,928
Other commission	42,794	25,461
	829,947	614,417
8 Other operating income		
Dividends	5,846	6,122
Gain on foreign currency transactions	224,617	274,729
Bad debts recovered	393	1,349
Telephone, postage and SWIFT	12,501	10,643
Rental	15,058	7,244
Gain on disposal of repossessed collateral	2,322	345
Estimation and inspection fees	6,240	5,828
Other income	106,192	40,665
	373,169	346,925

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	30 June 2018 ETB'000	30 June 2017 ETB'000
9 Loan impairment charge		
Loans and advances - charge for the year (note 16)	(53,753)	118,446
Loans and advances - reversal of provision (note 16)	56,867	(4,760)
Loans and advances - Bad Debts Write Off	2,304	-
	5,418	113,686
	30 June 2018 ETB'000	30 June 2017 ETB'000
10 Impairment losses on other assets		
Other assets-charge for the year	4,715	4,623
	4,715	4,623
	30 June 2018 ETB'000	30 June 2017 ETB'000
11 Personnel expenses		
Salaries and wages	691,113	509,035
Staff allowances	211,441	123,085
Provident fund and pension costs – Defined contribution plan	82,622	60,824
Provident fund and pension costs - Defined benefit plans	1,818	1,343
Prepaid staff expense	8,567	2,294
Bonus	162,715	125,176
Other staff expenses	76,151	74,898
	1,234,427	896,655
	30 June 2018 ETB'000	30 June 2017 ETB'000
12 Other operating expenses		
Rent	181,887	144,946
Stationery	58,159	24,321
Transportation	23,888	18,047
Telephone and related charges	43,869	37,430
Professional and legal fees	77,322	48,230
Audit fee	547	428
Insurance	11,650	8,407
Taxes	2,348	1,776
Fuel	3,600	2,767
Amortisation_ Leasehold Land	525	484
Repair and maintenance	29,148	15,564
Other expenses	23,103	12,230
Card charges	15,454	4,389
Cleaning	1,967	405
Entertainment	2,840	2,176
Utility	5,962	4,657
Bank charges	2,956	2,511
Advertising and publicity	31,604	26,640
Donation	28,600	3,105
	545,429	358,513

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	30 June 2018 ETB'000	30 June 2017 ETB'000
13 Income tax		
13a Current income tax		
Company income tax	469,997	342,039
Deferred income tax/(credit) to profit or loss	1,713	20,819
Total charge to profit or loss	471,710	362,858
Tax (credit) on other comprehensive income	-	-
Total tax in statement of comprehensive income	471,710	362,858
13b Reconciliation of effective tax to statutory tax		
The tax on the Bank's profit before income tax differs from the theoretical amount that would arise using the statutory income tax rate as follows:		
Profit before tax	1,964,136	1,314,444
Add : Disallowed expenses		
Entertainment	2,840	2,176
Donation	910	3,105
Penalty	24	50
Conferences and Meetings	1,698	-
Long service Award (Gratuity)	7,969	1,866
Bad debt written off	2,304	-
Provision for loans and advances as per IFRs	3,115	113,686
Impairment Losses on Other	4,716	4,623
Impairment Charges on PPE	-	442
Depreciation for accounting	143,987	118,922
Amortization for accounting	30,482	36,992
Total disallowable	198,045	281,862
Less : Allowed expenses		
Depreciation and Amortization for tax	203,163	176,266
Share of profit from associate	3,056	2,493
Impairment Reversal	124	-
Provision for loans and advances for tax	96,072	75,225
Impairment Losses on Other Assets for tax	3,773	3,699
Interest income taxed at source foreign	2,346	288
Dividend income taxed at source	5,846	6,122
Interest income taxed at source-Local	281,145	192,082
Total allowable expenses	595,525	456,175
Taxable profit	1,566,656	1,140,131
Current tax at 30%	469,997	342,039
13c Current income tax liability		
Balance at the beginning of the year	306,482	206,654
Charge for the year:		
Income tax expense	469,997	342,039
Prior year (over)/ under provision	-	-
WHT Notes utilised	-	-
Payment during the year	(347,068)	(242,211)
Balance at the end of the year	429,411	306,482
All tax payable is current in nature.		

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Awash International Bank S.C. Financial Statements For the year ended 30 June 2018 Notes to the Financial Statements (Continued)

13d Deferred income tax

The analysis of deferred tax assets/(liabilities) is a	30 June 2018 ETB'000	30 June 2017 ETB'000	1 July 2016 ETB'000
To be recovered after more than 12 months	(278,947)	(279,079)	(258,417)

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

	At 1 July 2017 ETB'000	Credit/ (charge) to P/L ETB'000	Credit/ (charge) to equity ETB'000	30 June 2018 ETB'000
Deferred income tax assets/(liabilities):				
Property, plant and equipment	(281,179)	(2,259)	-	(283,438)
Post employment benefit obligation	2,100	546	1,845	4,491
Total deferred tax assets/(liabilities)	(279,079)	(1,713)	1,845	(278,947)
	At 1 July 2016 ETB'000	Credit/ (charge) to P/L ETB'000	Credit/ (charge) to equity ETB'000	30 June 2017 ETB'000
Deferred income tax assets/(liabilities):				
Property, plant and equipment	(259,957)	(21,222)	-	(281,179)
Post employment benefit obligation	1,540	403	157	2,100
Total deferred tax assets/(liabilities)	(258,417)	(20,819)	157	(279,079)

	30 June 2018 ETB'000	30 June 2017 ETB'000	1 July 2016 ETB'000
14 Cash and bank balances			
Cash in hand	1,649,372	1,228,570	760,093
Reserve account with National Bank of Ethiopia	2,200,000	1,500,000	1,120,000
Balance held with National Bank of Ethiopia	4,059,111	1,692,667	2,104,321
Deposits with foreign banks	2,970,432	2,502,281	1,776,466
Deposits with local banks	753,397	111,678	50,263
	11,632,312	7,035,196	5,811,143
Maturity analysis			
Current	9,432,312	5,535,196	4,691,143
Non-Current	2,200,000	1,500,000	1,120,000
	11,632,312	7,035,196	5,811,143

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14a Cash and cash equivalents

Cash and bank balances in the statement of cash flows are the same as on the statement of financial position as the Bank had no bank overdrafts at the end of each reporting period.

	30 June 2018 ETB'000	30 June 2017 ETB'000	1 July 2016 ETB'000
Cash on hand	1,649,372	1,228,570	760,093
Deposit with local banks	753,397	111,678	50,263
Deposit with foreign banks	2,970,432	2,502,281	1,776,466
Balance held with National Bank of Ethiopia	4,059,111	1,692,667	2,104,321
	9,432,312	5,535,196	4,691,143

	30 June 2018 ETB'000	30 June 2017 ETB'000	1 July 2016 ETB'000
15 Loans and advances to customers			
Domestic trade and services	8,301,432	7,090,562	4,615,971
Export	7,095,734	4,214,222	3,046,123
Building and construction	5,561,160	3,639,281	2,313,278
Import	3,362,090	3,231,907	2,134,956
Manufacturing	3,336,740	1,819,311	1,668,681
Transport	1,902,971	1,526,401	944,702
Personal loans	476,645	299,206	147,285
Merchandise	131,894	136,494	182,709
Agriculture	121,529	110,680	143,083
Staff loans and advances	1,012,126	577,811	352,522
Murahabah Financing-Domestic Trade	850	-	-
Murahabah Financing-Transport	1,050	-	-
	31,304,221	22,645,875	15,549,310
Specific impairment	(185,820)	(153,072)	(118,918)
Collective impairment	(69,343)	(98,977)	(19,446)
	31,049,058	22,393,826	15,410,946
Maturity analysis			
Current	22,188,229	12,573,848	9,144,081
Non-Current	8,860,829	9,819,978	6,266,865
	31,049,058	22,393,826	15,410,946

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Awash International Bank S.C. Financial Statements For the year ended 30 June 2018 Notes to the Financial Statements (Continued)

16 Impairment allowance on loans and advances to customers

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

	As at 1 July 2016 ETB'000	Charge for the year 2017 ETB'000	As at 30 June 2017 ETB'000	Charge for the year 2018 ETB'000	As at 30 June 2018 ETB'000
Individual allowance for impairment					
Domestic trade and services	40,911	4,515	45,426	(23,770)	21,656
Building and construction	5,917	3,961	9,878	42,039	51,917
Manufacturing	-	-	-	-	-
Export	66,207	29,763	95,970	10,592	106,562
Import	1,019	572	1,591	4,095	5,686
Transport	4,410	(4,312)	98	(98)	-
Merchandise	422	(422)	-	-	-
Agriculture	-	-	-	-	-
Personal	32	(26)	6	(6)	-
Staff loans	-	104	104	(104)	-
	118,918	34,155	153,073	32,748	185,821
Collective allowance for impairment					
Domestic trade and services	6,361	33,739	40,100	(13,911)	26,189
Building and construction	1,132	6,605	7,737	(1,396)	6,341
Manufacturing	249	1,627	1,876	(217)	1,659
Export	6,139	24,640	30,779	(5,805)	24,974
Import	584	2,698	3,282	(1,688)	1,594
Transport	715	3,566	4,281	(1,346)	2,935
Merchandise	2,512	3,617	6,129	(3,432)	2,697
Agriculture	1,729	2,835	4,564	(1,980)	2,584
Personal	26	199	225	140	365
Staff loans	-	5	5	1	6
	19,447	79,531	98,978	(29,634)	69,344
Total	138,365	113,686	252,051	3,114	255,165

17 Investment securities

Available for sale:

Equity Investments

	30 June 2018 ETB'000	30 June 2017 ETB'000	1 July 2016 ETB'000
Equity Investments	49,905	44,899	43,877
	49,905	44,899	43,877
Loans and receivables:			
Ethiopian Government bills	8,479,295	6,993,473	5,387,289
Ethiopian Government bonds	1,122	1,062	1,002
	8,480,417	6,994,535	5,388,291

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Awash International Bank S.C. Financial Statements For the year ended 30 June 2018 Notes to the Financial Statements (Continued)

The Bank equity investment comprises:

	30 June 2018 ETB'000	30 June 2017 ETB'000	1 July 2016 ETB'000
Entities			
Ethiopian Reinsurance Share co.	16,597	15,760	15,760
Awash Insurance Share co.	15,000	15,000	13,979
Eth-Switch Solution Share co.	12,002	11,370	11,370
Negat Mechanical Engineering Share Co.	1,143	1,143	1,143
Finfine Printing Share co.	-	1,000	1,000
Oromia Insurance share Co.	-	525	525
ODA Share Co.	5,163	100	100
	49,905	44,898	43,877

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

18	Investment in associate	No of Shares	Proportion of ownership	30 June 2018 ETB'000	30 June 2017 ETB'000	1 July 2016 ETB'000
	Premier Switch Solutions S.C.	44,996	27.27%	42,824	39,767	37,274

18a Nature of relationship

Premier Switch Solutions Share Co. is a consortium owned by six private banks; Awash International Bank, Nib International Bank, United Bank, Berhan International Bank, Addis International Bank and Cooperative Bank of Oromia. It was established in 2009 by the visionary banks to save the high investment cost of the modern payment platform and deliver electronic payment services to financial institutions with a shared system. It commenced operation officially on 5 July 2012 with 165 million ETB. Awash International Bank holds 44,996 shares which is 27.27% of the total shareholding of the entity.

In accordance with the shareholders' agreement, Awash Bank has the right to cast 27.27% of the votes at shareholders' meetings.

The associate is accounted for using the equity accounting method.

The financial year end date of Premier Switch Solutions Share Co. is 30 June. This was the reporting date established when that company was incorporated. For the purposes of applying the equity method of accounting, the financial statements of Premier Switch Solutions Share co. for the year ended 30 June 2016 have been used.

The financial information in respect of the associate is set out below. The summarised financial information below represents amounts shown in the associate's financial statements.

Premier Switch Solution S.C	30 June 2018 ETB'000	30 June 2017 ETB'000	1 July 2016 ETB'000
Current assets	45,274	43,898	47,046
Non-current assets	119,949	108,261	96,033
Current liabilities	(7,117)	(5,851)	(6,395)
Net Assets	158,106	146,308	136,684

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Awash International Bank S.C. Financial Statements For the year ended 30 June 2018 Notes to the Financial Statements (Continued)

	30 June 2018	30 June 2017	1 July 2016
Summarised statement of comprehensive income	ETB'000	ETB'000	ETB'000
Revenue	43,191	36,223	29,232
Interest income	9,743	6,803	4,891
Operating expense	(39,525)	(32,589)	(33,651)
Profit from continuing operation	13,409	10,437	472
Income tax	(1,612)	(813)	-
Profit after tax	11,797	9,624	472
Legal reserve	(590)	(481)	(23)
Net profit for the year	11,207	9,143	449

The amount recognised in the income statement as share of profit/(loss) from investment in associate during the year is as follows:

Share of profit from associate	3,056	2,493
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Reconciliation of the above summarised financial information to the carrying amount of the interest in Premier Switch Solutions Share co. (PSS) recognised in these financial statements:

	30 June 2018	30 June 2017
	ETB'000	ETB'000
Opening net assets 1 July	146,308	136,684
Profit for the period	11,797	9,624
Closing net assets	158,105	146,308
Bank's share in %	27.27%	27.27%
Bank's share in ETB	43,115	39,898
Carrying amount on the Bank's financial statement	43,115	39,898

	30 June 2018	30 June 2017	1 July 2016
	ETB'000	ETB'000	ETB'000
19 Other assets			
Financial assets			
Uncleared effects	266,747	551,999	1,316,431
Other receivables	415,667	168,607	158,801
Gross amount	682,414	720,606	1,475,232
Less: Specific impairment allowance (note 19a)	(15,713)	(10,996)	(6,373)
	666,701	709,610	1,468,859
Non-financial assets			
Reposessed collateral	40,280	38,837	27,285
Prepayments	534,407	411,458	270,440
Office supplies	34,096	53,805	31,834
Prepaid staff asset	231,193	159,294	86,423
Operating leasehold land	14,939	21,255	21,739
	854,915	684,649	437,721
Gross amount	1,521,616	1,394,259	1,906,580

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Awash International Bank S.C. Financial Statements For the year ended 30 June 2018 Notes to the Financial Statements (Continued)

19 Other assets (Continued)

Maturity analysis

Current	700,797	763,415	1,500,693
Non-Current	820,819	630,844	405,887
	1,521,616	1,394,259	1,906,580

19a Impairment allowance on other assets

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

	30 June 2018	30 June 2017
	ETB'000	ETB'000
Balance at the beginning of the year	10,996	6,373
(Reversal)/charge for the year (note 10)	4,715	4,623
Balance at the end of the year	15,711	10,996

19b Operating Leasehold Land

	30 June 2018	30 June 2017	1 July 2016
	ETB'000	ETB'000	ETB'000
Cost:			
Balance at the beginning of the year	24,793	24,793	-
Transfer from / to property, plant and equipment	(5,790)	-	24,793
Balance at the end of the year	19,003	24,793	24,793
Accumulated amortisation Leasehold land			
Balance at the beginning of the year	3,538	3,054	-
Amortisation Leasehold Land	525	484	3,054
Balance at the end of the year	4,063	3,538	3,054
Carrying Amount at the end of the Year	14,940	21,255	21,739

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	Purchased software ETB'000
20 Intangible assets-Computer software	
Cost:	
As at 1 July 2016	144,439
Acquisitions	-
Transfer from property, plant and equipment	29,138
As at 30 June 2017	<u>173,577</u>
As at 1 July 2017	173,577
Acquisitions	2,544
Transfer from property, plant and equipment	-
As at 30 June 2018	<u>176,121</u>
Accumulated amortisation	
As at 1 July 2016	39,968
Amortisation for the year	36,992
Impairment losses	-
As at 30 June 2017	<u>76,960</u>
As at 1 July 2017	76,960
Amortisation for the year	30,482
Impairment losses	-
As at 30 June 2018	<u>107,442</u>
Net book value	
As at 1 July 2016	<u>104,471</u>
As at 30 June 2017	<u>96,617</u>
As at 30 June 2018	<u>68,679</u>

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Awash International Bank S.C. Financial Statements For the year ended 30 June 2018 Notes to the Financial Statements (Continued)

	Freehold Land		Buildings	Motor vehicles	Furniture, fittings and equipments	Computer equipment	Construction-work in progress	Total
	ETB'000	ETB'000	ETB'000	ETB'000	ETB'000	ETB'000	ETB'000	ETB'000
Property, plant and equipment								
Cost:								
As at 1 July 2016	4,223	958,312	248,600		379,033	285,432	300,755	2,176,355
Additions	-	24,515	1,023		66,917	59,939	72,402	224,796
Reclassifications	168	358,536			42,867	(20,768)	(358,704)	22,099
Disposals		-	(244)		-	-	-	(244)
As at 30 June 2017	4,391	1,341,363	249,379		488,817	324,603	14,453	2,423,006
As at 1 July 2017	4,391	1,341,363	249,379		488,817	324,603	14,453	2,423,006
Additions	-	133,523	178,563		113,243	36,635	78,406	540,370
Disposals	-	-	(2,157)		(6,097)	-	-	(8,254)
Reclassification	-	(289)	-		-	-	-	(289)
As at 30 June 2018	4,391	1,474,597	425,785		595,963	361,238	92,859	2,954,833
Accumulated depreciation								
As at 1 July 2016	-	-	84,349		111,483	79,901	-	275,733
Charge for the year	-	21,219	22,053		39,304	35,903	-	118,479
Disposals	-	-	(232)		-	-	-	(232)
As at 30 June 2017	-	21,219	106,170		150,787	115,804	-	393,980
As at 1 July 2017	-	21,219	106,170		150,787	115,804	-	393,980
Depreciation Charge for the year	-	28,137	24,162		49,949	41,863	-	144,111
Disposals	-	-	(2,049)		(5,714)	-	-	(7,763)
As at 30 June 2018	-	49,356	128,283		195,022	157,667	-	530,328
Accumulated Impairment								
As at 1 July 2016	-	-	-		456	436	-	892
Charge for the year	-	-	-		190	252	-	442
Disposals	-	-	-		-	-	-	-
As at 30 June 2017	-	-	-		646	688	-	1,334
As at 1 July 2017	-	-	-		646	688	-	1,334
Charge/ Reversal for the year	-	-	-		(278)	153	-	(125)
Disposals	-	-	-		-	-	-	-
As at 30 June 2018	-	-	-		368	841	-	1,209
Net book value								
As at 1 July 2016	4,223	958,312	164,251		267,094	205,095	300,755	1,899,730
As at 30 June 2017	4,391	1,320,144	143,209		337,384	208,111	14,453	2,027,692
As at 30 June 2018	4,391	1,425,241	297,502		400,573	202,730	92,859	2,423,296

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	30 June 2018	30 June 2017	1 July 2016
	ETB'000	ETB'000	ETB'000
22 Deposits from customers			
Demand deposits	12,941,098	8,241,937	5,741,963
Savings deposits	26,736,907	20,141,676	14,943,968
Time deposits	3,122,386	2,316,233	2,249,854
Amana Deposit-Demand Private Sector	51,569	-	-
Wadi'ah-Saving Private Sector	599,297	-	-
Wadi'ah -Labbaik Account	121	-	-
	43,451,378	30,699,846	22,935,785
Maturity analysis			
Current	43,190,000	29,125,291	21,491,614
Non-Current	261,378	1,574,555	1,444,171
	43,451,378	30,699,846	22,935,785
23 Other liabilities			
Financial liabilities			
Deferred income	84,052	46,836	17,780
Letter of credit margin payables	2,455,049	2,192,966	1,403,962
Blocked accounts	11,105	7,550	7,844
Cheques issued	788,536	420,768	479,116
Exchange commission payable	61,265	44,390	26,028
Accounts payable	801,195	234,043	376,020
	4,201,202	2,946,553	2,310,750
Non-financial liabilities			
Accruals	127,988	96,356	57,224
Directors' Allowance	1,382	1,200	600
Accrued liabilities-Bonus	162,715	125,176	76,903
Other payables	58,265	116,341	128,985
Tax payable	46,136	24,721	21,092
	396,486	363,794	284,804
Gross amount	4,597,688	3,310,347	2,595,554
Maturity analysis			
Current	2,142,639	1,117,381	1,191,592
Non-Current	2,455,049	2,192,966	1,403,962
	4,597,688	3,310,347	2,595,554

Tax payable includes tax on dividend, capital gain, value added taxes (VAT), income tax, tax on saving deposits interest paid and withholding taxes.

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24 Retirement benefit obligations	30 June 2018	30 June 2017	1 July 2016
	ETB'000	ETB'000	ETB'000
Defined benefits liabilities:			
– Gratuity (note 24a)	14,969	7,000	5,134
Liability in the statement of financial position	14,969	7,000	5,134
Income statement charge included in personnel expenses:			
– Gratuity (note 24a)	1,818	1,343	-
Total defined benefit expenses	1,818	1,343	-
Remeasurements for:			
– Gratuity (note 24a)	4,306	366	-
	4,306	366	-
The income statement charge included within personnel expenses includes current service cost, interest cost and past service costs on the defined benefit schemes.			
Maturity analysis			
Current	1,818	1,343	5,134
Non-Current	13,151	5,657	-
	14,969	7,000	5,134

24a Gratuity

The long service awards is the only applicable to employees that reach the retirement age. Employees who attain this age while in a managerial position are entitled to 3 months final monthly salary while for other employees, it is 2 months final salary. The scale is not funded hence, there are no plan assets.

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

	30 June 2018	30 June 2017	1 July 2016
	ETB'000	ETB'000	ETB'000
A Liability recognised in the financial position	14,969	7,000	5,134
B Amount recognised in the profit or loss			
Current service cost	718	533	
Interest cost	1,100	810	
	1,818	1,343	
C Amount recognised in other comprehensive income:			
Actuarial (Gains)/Losses on demographic assumptions	-	-	
Actuarial (Gains)/Losses on economic assumptions	5,201	42	
Actuarial (Gains)/Losses on experience	950	481	
	6,151	523	
Deferred tax (liability)/asset on remeasurement gain or loss	(1,845)	(157)	
	4,306	366	

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D Changes in the present value of the defined benefit obligation

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

	30 June 2018 ETB'000	30 June 2017 ETB'000
At the beginning of the year	7,000	5,134
Current service cost	718	533
Interest cost	1,100	810
Remeasurement (gains)/ losses	6,151	523
At the end of the year	14,969	7,000

The significant actuarial assumptions were as follows:

i) Financial Assumption Long term Average

	30 June 2018	30 June 2017	1 July 2016
Discount rate (p.a)	13.05%	14.25%	14.30%
Long term salary increases (p.a)	12.00%	10.00%	10.00%
Average Rate of Inflation (p.a)	10.00%	8.00%	8.00%

ii) Mortality in Service

The rate of mortality assumed for employees are those published in the Demographic and Health Survey ("DHS") 2016 report compiled by the CSA. The DHS report provides male and female mortality rates for 5 year age bands from age 15 to age 49. For ages over 47 we have assumed that mortality will 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:

Age	Mortality rate	
	Males	Females
20	0.00306	0.00223
25	0.00303	0.00228
30	0.00355	0.00314
35	0.00405	0.00279
40	0.00515	0.00319
45	0.00450	0.00428
50	0.00628	0.00628
55	0.00979	0.00979
60	0.01536	0.01536

iii) Withdrawal from Service

The withdrawal rates are believed to be reasonably representative of the Ethiopian experience. The valuation assumed a rate of withdrawal of 15% at the youngest ages falling with increasing age to 2.5% at age 45.

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

	Impact on defined benefit obligation				
	Change in assumption	Impact of an increase 30 June 2018 ETB'000	Impact of a decrease 30 June 2017 ETB'000	Impact of an increase ETB'000	Impact of a decrease ETB'000
Discount rate	0.5%	(1,000)	1,076	(412)	440

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	Change in assumption	Impact on current service cost			
		30 June 2018		30 June 2017	
		Impact of an increase ETB'000	Impact of a decrease ETB'000	Impact of an increase ETB'000	Impact of a decrease ETB'000
Discount rate	0.5%	(107)	115	(42)	45

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.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years. The average duration of the gratuity scheme at the end of the reporting period is five years (30 June 2017: five years, 1 July 2016: five years).

	30 June 2018 ETB'000	30 June 2017 ETB'000	1 July 2016 ETB'000
25 Share capital			
Authorised:			
Ordinary shares of ETB 1,000 each	3,000,000	3,000,000	3,000,000
Issued and fully paid:			
Ordinary shares of ETB 1000 each	2,943,546	2,645,330	2,242,722

	30 June 2018 ETB'000	30 June 2017 ETB'000
26 Share Premium		
At the beginning of the year	1,389	1,389
Addition during the year	-	-
	1,389	1,389

27 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 2018 ETB'000	30 June 2017 ETB'000
Profit attributable to shareholders	1,492,426	951,586
Weighted average number of ordinary shares in issue	2,750,301	2,449,469
Basic & diluted earnings per share (ETB)	543	388

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 2017: nil, 1 July 2016: nil), hence the basic and diluted earnings per share have the same value.

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28 Retained earnings	30 June 2018	30 June 2017
	ETB'000	ETB'000
At the beginning of the year	1,359,774	1,185,819
Profit/ (Loss) for the year	1,492,426	951,586
Transfer to Legal reserve	(373,107)	(250,735)
Transfer to Risk Regulatory Reserve	(138,681)	3,663
Directors' allowance	(1,200)	(1,200)
Dividend declared	(713,459)	(529,359)
At the end of the year	1,625,753	1,359,774

29 Legal reserve	30 June 2018	30 June 2017
	ETB'000	ETB'000
At the beginning of the year	1,264,935	1,014,200
Transfer from profit or loss	373,107	250,735
At the end of the year	1,638,042	1,264,935

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 Risk regulatory reserve	30 June 2018	30 June 2017
	ETB'000	ETB'000
At the beginning of the year	152,975	156,638
Transfer from Retained Earnings	138,681	(3,663)
At the end of the year	291,656	152,975

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

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

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

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

- 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".

- Prudential provisions is less than IFRS provisions; IFRS determined provision is charged to the statement of comprehensive income. The cumulative balance in the regulatory risk reserve is thereafter reversed to the general reserve account.

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

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		30 June 2018 ETB'000	30 June 2017 ETB'000
31 Other reserves			
At the beginning of the year		366	-
Re-measurement gains on defined benefit plans (net of tax)		4,306	366
At the end of the year		4,672	366
	Notes	30 June 2018 ETB'000	30 June 2017 ETB'000
32 Cash generated from operating activities			
Profit before tax		1,964,136	1,314,444
Adjustments for non-cash items:			
Foreign exchange gains/losses	8	(224,617)	(274,729)
Depreciation of property, plant and equipment	20	143,986	118,921
Amortisation of intangible assets	20	30,482	36,992
Investment in associate	17	(3,057)	(2,493)
Gain/Loss on disposal of property, plant and equipment		(7,763)	(232)
Impairment on loans and advances to customers	15	3,114	113,686
Impairment on other assets	18a	4,715	4,623
Retirement benefit obligations	24	1,818	1,343
Changes in working capital:			
-Decrease/ (Increase) in loans and advances	15	(8,658,346)	(7,096,565)
-Decrease/ (Increase) in restricted deposits	14	(700,000)	(380,000)
-Decrease/ (Increase) in other assets	19	(132,074)	507,698
-Increase/ (Decrease) in other liabilities	23	1,287,341	714,793
-Increase/ (Decrease) in customer's deposit		12,751,532	7,764,061
		6,461,267	2,822,542

33 Related party transactions

Awash International Bank Share Company is owned by over 3,711 shareholders without an ultimate parent company. Premier Switch share company (PSS) is the only associate of the Bank. See note 18 for the details of the Bank's relationship with PSS.

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

	Relationship	30 June 2018 ETB'000	30 June 2017 ETB'000	1 July 2016 ETB'000
33a Transactions with related parties				
	<i>Key management personnel</i>			
	Board of Directors	398,991	79,160	27,160
Loans and advances	Executive Management	11,399	9,030	10,660
		410,390	88,190	37,820

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Awash International Bank S.C. Financial Statements For the year ended 30 June 2018 Notes to the Financial Statements (Continued)

33b Key management compensation

It has been determined that key management is the members of the Board of Directors and the Executive Management of the Bank. The compensation paid or payable to key management is shown. There were no sales or purchase of goods and services between the Bank and key management personnel as at 30 June 2018.

	30 June 2018 ETB'000	30 June 2017 ETB'000	1 July 2016 ETB'000
Salaries and other short-term employee benefits	1,360	1,219	1,183
Post-employment benefits	177	158	154
Board allowances	1,200	1,200	-
Other allowances	251	342	331
	2,988	2,919	1,805

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

34 Contingent liabilities

34a Claims and litigation

The Bank is a party to numerous legal actions brought by different organizations and individuals arising from its normal business operations. The maximum exposure of the Bank to these legal cases as at 30 June 2018 is ETB 4,675,990 (30 June 2017: ETB 16,307,503, 1 July 2016: ETB 37,938,031).

34b Guarantees and letters of credit

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

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

	30 June 2018 ETB'000	30 June 2017 ETB'000	1 July 2016 ETB'000
Guarantees	960,227	654,338	332,060
Letters of credit	2,867,289	2,984,568	1,538,079
	3,827,516	3,638,906	1,870,139

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35 Commitments

Loan commitments	2,510,878	2,667,679	2,651,178
Other commitments	86,843	121,869	195,882
	2,597,721	2,789,548	2,847,060

The Bank has commitments, not provided for in these financial statements for the year 30 June 2018 is ETB 2.598 billion (30 June 2017: ETB 2.789 billion, 1 July 2016: ETB 2.847 billion), being exposure of the Bank from commercial letters of credit to customers. Other commitments represent commitments made in respect of the estimated cost to complete the Bank's construction work in progress.

35a Operating lease commitments - Bank as lessee

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

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

	30 June 2018 ETB'000	30 June 2017 ETB'000	1 July 2016 ETB'000
No later than 1 year	90,888	63,494	50,282
Later than 1 year and no later than 5 years	70,710	101,581	78,674
Later than 5 Years	12,717	-	57,508
Total	174,315	165,075	186,464

35b Operating lease commitments - Bank as lessor

The Bank acts as lessor of office equipment. These leases have an average life of between three and five years with no renewal option included in the contracts. There are no restrictions placed upon the lessee by entering into these leases (such as those concerning dividends, additional debt and further leasing).

Future minimum lease payments under non-cancellable operating leases as at 30 June are, as follows:

	30 June 2018 ETB'000	30 June 2017 ETB'000	1 July 2016 ETB'000
No later than 1 year	16,344	4,053	4,009
Later than 1 year and no later than 5 years	14,703	2,650	1,170
Later than 5 Years	-	-	-
Total	31,047	6,703	5,179

36 Events after reporting period

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

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For the year ended 30 June 2018

Notes to the Financial Statements (Continued)

37 First-time adoption of IFRS for the Bank

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

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

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

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

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

Exemptions applied

IFRS 1 allows first-time adopters certain exemptions from the retrospective application of certain requirements under IFRS.

Following from the principles underpinning IFRS 1, the Bank has applied the following exemptions:

a Deemed cost for property, plant and equipment and intangible assets

Property, plant and equipment and intangible assets were carried in the statement of financial position prepared in accordance with the previous framework using historical cost. The Bank has elected deemed cost to be the fair value at the date of transition to IFRS. The aggregate fair value and the aggregate adjustment to the carrying amounts reported under previous GAAP is ETB 958.312, millions and ETB 742.461 millions respectively.

b Leases

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

c Designation of previously recognised financial instruments

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

d Fair value measurement of financial instruments at initial recognition

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

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e Investment in associate

The Bank is permitted to retain the carrying amount of the investment in associate under the previous framework as the deemed cost on transition to IFRS. To this end, the Bank has adopted the cost of investment in associate under previous framework as deemed cost.

Exceptions applied

a Estimates

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

b De-recognition of financial assets and financial liabilities

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

37a Reconciliation of statement of total comprehensive income for the year ended 30 June 2017

	Notes	Previous Framework ETB'000	Remeasure- ment ETB'000	IFRS as at 30 June 2017 ETB'000
Interest income	A	2,780,009	14,175	2,794,184
Interest expense		(914,185)	-	(914,185)
Net interest income		1,865,824	14,175	1,879,999
Fee and commission income	B	643,472	(29,056)	614,416
Other operating income	C	340,278	6,647	346,925
Total operating income		2,849,574	(8,234)	2,841,340
Loan impairment charge	F	(94,030)	(19,654)	(113,684)
Impairment losses on other assets	L	-	(4,623)	(4,623)
Net operating income		2,755,544	(32,511)	2,723,033
Investment in associate	K	-	2,493	2,493
Personnel expenses	E	(853,101)	(43,554)	(896,655)
Amortisation of intangible assets	N	-	(36,992)	(36,992)
Depreciation and impairment of property, plant and equipment	M	(194,407)	75,486	(118,921)
Other operating expenses	D	(358,029)	(485)	(358,514)
Profit before tax		1,350,007	(35,563)	1,314,444
Income tax expense	G	(347,068)	(15,790)	(362,858)
Profit after tax		1,002,939	(51,353)	951,586
Other comprehensive income (OCI) net on income tax				
<i>Items that will not be subsequently reclassified into profit or loss:</i>				
Remeasurement gain/(loss) on retirement benefits obligations	E	-	(523)	(523)
Deferred tax (liability)/asset on remeasurement gain or loss	V	-	157	157
		-	(366)	(366)
Total comprehensive income for the period		1,002,939	(51,719)	951,220

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Notes to the Financial Statements (Continued)

37b Reconciliation of equity as at 30 June 2017

	Notes	Previous Framework ETB'000	Reclassification ETB'000	Remeasure- ment ETB'000	IFRS as at 30 June 2017 ETB'000
ASSETS					
Cash and balances with banks	H	7,000,483	8,821	25,892	7,035,196
National Bank of Ethiopia bills	J	6,884,528	(6,884,528)	-	-
Investments	J	89,895	(89,895)	-	-
Loans and advances to customers	I	22,246,582	162,218	(14,974)	22,393,826
Investment securities:					
- Available for sale	J	-	44,899	-	44,899
- Loans and receivables	J	-	6,996,038	(1,503)	6,994,535
Investment in associates	K	-	44,996	(5,229)	39,767
Other assets	L	1,574,298	(329,670)	149,631	1,394,259
Property, plant and equipment	M	1,194,511	(66,077)	899,258	2,027,692
Intangible assets	N	-	111,333	(14,716)	96,617
Deferred tax assets		-	-	-	-
Customers liability for commercial letters of credit	O	-	-	-	-
		2,984,568	(2,984,568)		
Total assets		41,974,865	(2,986,433)	1,038,359	40,026,791
LIABILITIES					
Deposits from customers	Q	30,590,922	-	108,924	30,699,846
Margins held on letters of credit	S	2,192,966	(2,192,966)	-	-
Other liabilities	R	1,050,003	2,088,332	172,012	3,310,347
Current tax liabilities	T	347,068	-	(40,586)	306,482
Deferred tax liabilities	U	-	-	279,078	279,078
Bank's liabilities for commercial letters of credit	O	-	-	-	-
		2,984,568	(2,984,568)		
Retirement benefit obligations	P	-	-	7,000	7,000
Total liabilities		37,165,527	(3,089,202)	526,428	34,602,753
EQUITY					
Share capital		2,645,330	-	-	2,645,330
Share premium		1,389	-	-	1,389
Retained earnings	W	897,685	(152,975)	615,066	1,359,776
Legal reserve	X	1,264,934	-	-	1,264,934
Risk regulatory reserve	W	-	152,975	-	152,975
Other reserve		-	-	(366)	(366)
		4,809,338	-	614,700	5,424,038
Total equity and liabilities		41,974,865	(3,089,202)	1,141,128	40,026,791

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Notes to the Financial Statements (Continued)

37c Reconciliation of equity as at 1 July 2016

	Notes	Previous Framework ETB'000	Reclassification ETB'000	Remeasure- ment ETB'000	IFRS as at 1 July 2016 ETB'000
ASSETS					
Cash and bank balances	H	5,792,312	263	18,568	5,811,143
Loans and advances to customers	I	15,215,052	130,134	65,760	15,410,946
National Bank of Ethiopia bills	J	5,305,891	(5,305,891)	-	-
Investments	J	88,873	(88,873)	-	-
Investment securities:					
- Available for sale	J	-	43,877	-	43,877
- Loans and receivables	J	-	5,389,888	(1,597)	5,388,291
Investment in associates	K	-	44,996	(7,722)	37,274
Other assets	L	2,044,097	(219,348)	81,831	1,906,580
Property, plant and equipment	M	1,163,382	(149,703)	886,051	1,899,730
Intangible assets	N	-	152,795	(48,324)	104,471
Deferred tax assets		-	-	-	-
Customer liabilities for commercial letters of credit	O	1,538,079	(1,538,079)	-	-
Total assets		31,147,686	(1,539,941)	994,567	30,602,312
LIABILITIES					
Deposits from customers	Q	22,832,029	100,141	3,615.00	22,935,785
Margins held on letters of credit	S	1,403,962	(1,403,962)	-	-
Other liabilities	R	1,197,050	1,303,821	94,683.00	2,595,554
Current tax liabilities	T	242,211	-	(35,557)	206,654
Deferred tax liabilities	U	-	-	258,417	258,417
Bank's liabilities for commercial letters of credit	O	1,538,079	(1,538,079)	-	-
Retirement benefit obligations	P	-	-	5,134	5,134
Total liabilities		27,213,331	(1,538,079)	326,292	26,001,544
EQUITY					
Share capital		2,242,722	-	-	2,242,722
Share premium		1,389	-	-	1,389
Retained earnings	W	676,044	(156,638)	666,413	1,185,819
Legal reserve	X	1,014,200	-	-	1,014,200
Risk regulatory reserve	W	-	156,638	-	156,638
		3,934,355	-	666,413	4,600,768
Total equity and liabilities		31,147,686	(1,538,079)	992,705	30,602,312

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Notes to the Financial Statements (Continued)

37d Notes to the reconciliation of equity as at 1 July 2016 and 30 June 2017 and total comprehensive income for the year ended 30 June 2017.

A Interest income

	30 June 2017
	ETB'000
Interest income under previous	2,780,009
Remeasurement	
i Amortised cost on NBE bills	88
ii Amortised cost on government bonds	5
iii Amortised cost on staff loans	2,310
iv Adjustment to recognise suspended interest on non-performing loans	31,912
Reversal of interest recognised on NPLs in 2016 regularised in 2017	(7,598)
v Adjustment for recognition of interest on individually impaired loans	(8,324)
vi Transaction cost on loans and advances	(4,218)
Interest income under IFRS	2,794,184

Notes on remeasurement

- ii,iii Interest income is recognised using the Effective Interest Rate method as mandated (EIR) by IAS 39. An adjustment was passed to reflect investment income as calculated using EIR. The IFRS adjustment relates to the interest income on investment securities measured at amortised cost.
- iv Under the previous framework, interest income relating to non-performing loans were suspended i.e. these balances were kept off balance sheet. Under IFRS, the suspended interest have been recognised to correctly state the outstanding amount due from customers on loans and advances.
- v IAS 39 requires interest income to be recognised on impaired loans to be calculated on the carrying amount net of impairment. An adjustment has been passed to recognise interest income in line with IFRS.
- vi Under previous GAAP, fees relating to loans and advances are recognised upfront. Under IFRS, fees integral to each loan should be amortised over the life of the loan. Fees have been amortised and interest income was adjusted to recognise the effect of the transaction costs relating to loans and advances to customers.

B Fees and Commission

	30 June 2017
	ETB'000
Fees and commission under previous	643,472
GAAP	
Remeasurement	
Commission on letters of credits	(11,437)
Commission on guarantees	(17,619)
Fees and commission under IFRS	614,416

Note on remeasurement

Under previous GAAP, fees and commission on issue of letters of credit and guarantees were recognised upfront. Under IFRS, fees that are yet to be earned as the letters of credit and guarantees span over a period of time have been deferred and will be recognised over the life of the contract.

C Other operating income

	30 June 2017
	ETB'000
Remeasurement	340,278
Translation of foreign currency using mid-rate	6,647
Other operating income under	346,925
IFRS	

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Notes to the Financial Statements (Continued)

D Operating expenses	30 June 2017
	ETB'000
Operating expense under previous framework	358,029
Reclassification	
Reclassification from Dep. Expense of PPE to Amort. Operating Lease	33
Remeasurement	
Amortisation of operating leasehold	452
Operating expense under IFRS	358,514
Note on remeasurement	
Under previous framework, operating leasehold land was carried at cost and no amortisation charged against it. Under IFRS, operating leasehold land has been amortised by the number of years that the lease has expired.	
E Personnel cost	30 June 2017
	ETB'000
Personnel cost under previous framework	853,101
Remeasurement	
Amortisation of prepaid staff expense	2,294
Recognition of bonus expense	48,273
Recognition of training expense	(8,356)
Recognition of current service cost on gratuity	533
Recognition of interest cost on gratuity	810
Personnel cost under IFRS	896,655
Remeasurement under OCI	
Remeasurement of actuarial loss	523
Note on remeasurement	
Remeasurement on prepaid staff expense as a result of recognising below market loans at fair value. This represents the prepaid staff expense for the period.	
F Impairment charge	30 June 2017
	ETB'000
Loan impairment charge under previous framework	94,030
Other asset impairment charge under previous framework	-
Remeasurement	
Additional impairment charge	19,654
Loan impairment under IFRS	113,684
G Income tax expense	30 June
	ETB'000
Income tax expense under previous GAAP	(347,068)
Remeasurement	
Increase in income tax expense for the year	(15,790)
Income tax expense per IFRS	(362,858)

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H Cash and bank balances

	30 June 2017	1 July 2016
	ETB'000	ETB'000
Cash and bank balances under previous framework	7,000,483	5,792,312
Reclassification		
Interest receivable on deposits with local banks	8,821	263
Remeasurement		
Translation of Foreign Currency using MID rate	7,324	18,568
Rollover Adjustments	18,568	
Cash and bank balance under IFRS	7,035,196	5,811,143

Notes on reclassification

Under the previous framework, interest receivable due on deposits with local banks was recognised as a separate line item. Under IFRS, loans and receivable 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.

Deposits with local banks are loans and receivables and financial assets which should be measured at amortised cost taking into account the related interest receivable on these deposits. Therefore, interest receivable was reclassified to be included in the carrying amount of the deposits.

I Loans and advances to customers

	30 June 2017	1 July 2016
	ETB'000	ETB'000
Loans and advances under previous framework	22,246,582	15,215,052
Reclassification		
i Emergency staff loans	162,218	130,134
Remeasurement		
ii Recognition of additional impairment on loans and advances to customers based on IAS 39	(19,653)	97,361
iii Interest income on staff loans and advances using EIR	(72,855)	(83,469)
iv Recognition of accrued interest on non performing loans under previous framework	31,912	69,526
v Recognition of interest income on impaired loans	(8,323)	(10,249)
vi Transaction cost on loans and advances	(4,218)	(7,409)
Vii interest on NPLs recognised in 2016 and regularized in 2017	(7,597)	
viii Rollover adjustments for previous year	65,760	
	(14,974)	65,760
Loan and advances under IFRS	22,393,826	15,410,946

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Notes to the Financial Statements (Continued)

Note on reclassification

- i Under the previous framework, emergency loans advanced to staff at zero interest rate were classified as other assets. This amount has being reclassified to the staff loan balances under loans and advances to customers.

Notes on remeasurement

- ii Under the previous framework, loans and advances to customers were subjected to an impairment provision based on the aging of such balances. The impairment loss was determined by applying a percentage provision to the different age buckets in which the outstanding amounts had been segmented. The rates and age buckets were determined based on the National Bank of Ethiopia Supervision of Banking Business directive Number SBB/43/2008. Under IFRS, the Bank is required to assess whether an objective evidence of impairment exists for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. For financial assets where no evidence of impairment existed, these assets were collectively assessed for impairment. Specific impairment was calculated on individually significant loans for which objective evidence of impairment existed.

The difference between the principles applied in calculating an impairment allowance under IFRS and the NBE guidelines resulted in different impairment loss amounts. The difference between the impairment recognised using the NBE guidelines and IFRS impairment provision was recognised as an adjustment to retained earnings.

- iii Under previous framework, staff loans and advances were issued at below market interest rates ranging from 0% to 8%. Under IFRS, such loans must be recognised at fair value by discounting all future cash flows at the market rate of interest for similar loan facilities. The difference between the disbursed amounts and the fair value of the loan was capitalised as prepaid employee expenses and recognised as part of other assets.

- iv The interest on staff loans and advances was calculated using the nominal rates under the previous framework. Under IFRS, the interest income should be recognised at the effective interest rate. The increase in interest income recognised as a result of the effective interest rate was recognised in retained earnings.

J Investment securities

Investment securities under previous framework

30 June 2017	1 July 2016
ETB'000	ETB'000

Reclassification

- | | | |
|---|----------|----------|
| i Equity investments reclassified to investment securities - Available for sale | 89,895 | 88,873 |
| ii Reclassification of investment in associates | (44,996) | (44,996) |

Investment securities - Available for sale per IFRS

- | | | |
|--|------------------|------------------|
| iii NBE bills and government bonds reclassified to investment securities - Loans and receivables | 6,884,528 | 5,305,891 |
| iv Reclassification of accrued interest on NBE bills and Government bonds from other | 111,510 | 83,997 |
| | 6,996,038 | 5,389,888 |

Remeasurement

- | | | |
|---|---------|---------|
| v Amortised cost adjustment on NBE and government bonds using EIR | 94 | (1,597) |
| vi Rollover adjustment from previous period | (1,597) | - |

Investment securities - Loans and receivables per IFRS

Investment securities under IFRS

	6,994,535	5,388,291
	7,039,434	5,432,168

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Notes on reclassification

- i Under the previous framework, equity investments were presented as investments on the balance sheet. Under IFRS, these unquoted equity securities were reclassified to investment securities as available for sale financial assets.
- ii Under the previous framework NBE bills were presented as a separate line item on the balance sheet. On transition to IFRS, NBE bills were reclassified to investment securities as loans and receivable financial assets.
- iii Under the previous framework, Grand Ethiopian Renaissance Dam Bond of ETB 1,000,000 was presented as part of NBE bills in the financial statements. This is a six years interest bearing bond with interest rate of 6% payable every six months. On transition to IFRS, this has been reclassified to investment securities as loans and receivables financial asset.

K Investments in associate

Investment in associate under previous framework

30 June 2017	1 July 2016
ETB'000	ETB'000

- -

Reclassification

- i Reclassification of equity investment to investment in associate

44,996	44,996
44,996	44,996

Remeasurment

- ii Share of profit in associate
- iii Adjustment to recognise investment in associate using equity accounting

2,493	-
(7,722)	(7,722)
39,767	37,274

Investments in associate under IFRS

Note on reclassification

- i Under the previous framework, all equity investments were presented as investments on the balance sheet. Under IFRS, an equity investment that represents significant influence in an entity qualifies as an investment in associate which is accounted for using the equity method. ETB 44,996,000 represents 27.27% shareholding of Awash Bank in Premier Switch Solutions Share Co. (See note 18) which qualified as an investment in associate. This was reclassified from investments to investment in associate.

L Other assets

Other assets under previous framework

30 June 2017	1 July 2016
ETB'000	ETB'000

1,574,298 2,044,097

Reclassification

- i Emergency staff loans to loans and advances to customers (see note B)
- ii Non-current assets in store from other assets to property, plant and equipment
- iii Accrued interest on NBE and Government bonds from other asset (see note C (iv))
- iv Accrued interest on deposits with local banks
- v Reclassification of Amortization of operating lease from Acc. Dep. of PPE
- vi prepaid operating leasehold land

(162,218)	(130,134)
(71,613)	(29,482)
(111,512)	(83,996)
(8,821)	(263)
(299)	(266)
24,793	24,793
(329,670)	(219,348)

Remeasurement

- vii Amortisation of cumulative prepaid employee benefit
- viii Amortisation of operating leasehold land
- ix (Charge)/Reversal of impairment on other assets
- x Rollover adjustment from previous year

159,294	86,422
(3,237)	(2,787)
(4,623)	(1,803)
(1,803)	-

Other assets under IFRS

149,631	81,830
1,394,259	1,906,579

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Note on reclassification

- ii Under previous framework, the Bank does not capitalise computers and accessories on purchase and ready for use until it is issued from stock. On transition to IFRS, all non-current assets in stock that were ready for use were reclassified from other assets to property plant and equipment.

Note on remeasurement

- vii The prepaid employee expense that relates to prior periods i.e. periods before 1 July 2016 has been amortised and recognised as an adjustment in retained earnings for those periods.

M Property plant and equipment (PPE)

	30 June 2017	1 July 2016
	ETB'000	ETB'000
Property plant and equipment under previous framework	1,194,511	1,163,382
Reclassification		
i Non-current assets in store from other assets to property, plant and equipment (see note D (iii))	71,613	29,482
ii Reclassification of intangible assets from PPE	(173,577)	(152,795)
iii Reclassification of Amortization of intangible assets from Acc. Dep. of PPE	62,244	-
iv Reclassification from Acc. Dep. of PPE to Amortization of operating lease	299	266
v Reclassification of operating leasehold land	(26,656)	(26,656)
	(66,077)	(149,703)
Remeasurment		
vi Remeasurment of Fair value as Deemed Cost	742,462	742,462
vii Remeasurment adjustment - Derecognition of Premises	(200)	(200)
viii Remeasurment adjustment - Accumulated depreciation	158,330	144,679
ix Remeasurment adjustment - Accumulated Impairment	(1,334)	(892)
	899,258	886,051
Property plant and equipment (PPE) under IFRS	2,027,692	1,899,730

Notes on reclassification

- ii Under the previous framework, acquired computer software was classified under PPE. Under IFRS, this asset qualified as an intangible asset.
- iv,y Awash Bank operating leasehold land under previous framework was recognised as freehold land and carried at cost. Under IFRS, operating leasehold land does not meet the criteria to be recognised as a finance lease. Therefore, this has been reclassified and amortised as appropriate.

Note on remeasurement

- viii Under previous framework, the Bank recognised accumulated depreciation of buildings, motor vehicles, furniture and fittings and computer installations using 5%, 5%, 10% and 10% respectively. Residual values was also not considered for the depreciation charge on these assets. Under IFRS, the useful lives and residual values of items of buildings, motor vehicles, furniture and fittings medium, furniture and fittings long lived, Office equipment short lived, Office equipment long lived and computer and Accessories were revised to 2%, 10%, 10%, 5%, 20%, 10% and 14.29% respectively to better reflect the consumption pattern of those assets. This led to a decrease in the accumulated depreciation of these assets with a corresponding increase in retained earnings and vise-versa.

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N Intangible assets	30 June 2017	1 July 2016
	ETB'000	ETB'000
Intangible asset under previous framework	-	-
Reclassification		
i Reclassification of intangible from PPE (see F (ii))	173,577	152,795
ii Reclassification of intangible from PPE (see F (ii))		
iii Reclassification of Accumulated intangible assets from Computer Depreciation	(62,244)	-
Remeasurment		
iv Derecognition of Training Expense not an integral part of Intangible Assets		
v Rollover adjustment from previous year	(39,968)	(8,356)
vi Remeasurment adjustment - Accumulated depreciation	25,252	(39,968)
	(14,716)	(48,324)
Intangible assets under IFRS	96,617	104,471

O Financial guarantees and commercial letter of credit	30 June 2017	1 July 2016
	ETB'000	ETB'000
Commercial guarantee under previous framework	2,984,568	1,538,079
Remeasurement		
Derecognition of commercial guarantees	(2,984,568)	(1,538,079)
Financial guarantees and commercial letter of credit under IFRS	-	-

Note on remeasurement

This is the total exposure of Awash Bank for performance guarantees as at 01 July 2016, this was recognised as Awash Bank's liabilities for commercial letters of credit and corresponding assets recognised as customers' liabilities for commercial letters of credit. Under IFRS, this is a contingent liability which should be disclosed and not recognised in the statement of financial position.

P Retirement benefit obligation	30 June 2017	1 July 2016
	ETB'000	ETB'000
Defined benefit obligation under previous framework	-	-
Remeasurement		
Recognition of defined benefit obligation	7,000	5,134
Retirement benefit obligation under IFRS	7,000	5,134

Note on remeasurement

Under previous GAAP, the Bank's retirement benefit obligations were not recognised in the financial statements. On transition to IFRS, the defined benefit obligations have been determined by actuarial techniques using the projected unit credit method.

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For the year ended 30 June 2018
Notes to the Financial Statements (Continued)

Q Deposits from customers	30 June 2017	1 July 2016
	ETB'000	ETB'000
Deposits from customers under previous framework	30,590,922	22,832,029
Reclassification		
i Reclassification of accrued interest on fixed deposits to deposits from customers	104,634	100,141
Remeasurement		
ii Remeasurement of FCY using MID rate	675	3,615
iii Rollover adjustments	3,615	
	108,924	103,756
Deposits from customers under IFRS	30,699,846	22,935,785
R Other liabilities	30 June 2017	1 July 2016
	ETB'000	ETB'000
Other liabilities under previous framework	1,050,003	1,197,050
Reclassification		
i Reclassification of accrued interest on demand deposit to deposits from customers (see note (i))	(104,634)	(100,141)
ii Reclassification of Margins held on letters of credit to Other liabilities	2,192,966	1,403,962
	2,088,332	1,303,821
Remeasurement		
iii Recognition of Deferred Income	46,836	17,780
iv Recognition of Accrued Bonus	125,176	76,903
	172,012	94,683
Other liabilities under IFRS	3,310,347	2,595,554
Note on reclassification		
ii This is an adjustment to classify margins held on letters of credit to other liabilities in the IFRS statement of financial position.		
Note on Remeasurement		
iii Under previous GAAP, commission on letter of guarantee issued was recognised in the fully in the period the commission was received. Under IFRS, the commission should be amortised over the guarantee period. As a result, the portion of the commission that relates to future periods was recognised separately in deferred revenue with the corresponding adjustment in retained earnings or profit or loss as the case may be.		
S Margins held on letters of credit	30 June 2017	1 July 2016
	ETB'000	ETB'000
Other liabilities under previous framework	2,192,966	1,403,962
Reclassification		
Reclassification of Margins held on letters of credit to Other liabilities-see note J (iii)	(2,192,966)	(1,403,962)
	-	-
T Current tax liability	30 June 2017	1 July 2016
	ETB'000	ETB'000
Current tax liability under previous framework	347,068	242,211
Remeasurement		
Adjustment to tax liability under IFRS	(40,586)	(35,557)
Current tax liability under IFRS	306,482	206,654

Auditors' Report

Awash International Bank S.C.

Financial Statements

For the year ended 30 June 2018

Notes to the Financial Statements (Continued)

	30 June 2017 ETB'000	1 July 2016 ETB'000
U Deferred tax liability		
Deferred tax liability under previous framework	-	-
Adjustments resulting from temporary difference	279,235	258,417
	279,235	258,417
	(157)	-
Deferred tax liability under IFRS	279,078	258,417
	2017 ETB'000	1 July 2016 ETB'000
V Deferred tax assets		
Deferred tax asset as per previous GAAP	-	-
Remeasurement		
Recognition of deferred tax assets on remeasurement loss on retirement benefits	157	-
Deferred tax asset per IFRS	157	-
Note on remeasurement		
Under IFRS, temporary differences arise from the remeasurement of retirement benefit obligation. These temporary difference has led to the recognition of deferred tax assets in the financial statements.		
	30 June 2017 ETB'000	1 July 2016 ETB'000
W Retained earnings		
Retained earnings under previous framework	897,685	676,044
Remeasurement		
i Adjustment on impairment on loans and advances to customers (see note F (ii))	77,708	97,361
ii Interest income on staff loans and advances using EIR (see note F (iii))	(156,324)	(83,469)
iii Amortisation of cumulative prepaid employee benefit (See note I (vi))	159,294	86,422
iv Remeasurment adjustment - Accumulated depreciation (see note J (iv))	158,130	144,479
v Fair value adjustment	742,462	742,462
vi Amortisation of purchased software	(14,716)	(48,324)
vii Amortised cost adjustment on NBE and government bonds using EIR (see note G)	(1,503)	(1,597)
viii Amortisation of operating leasehold land (see note I (vi))	(5,100)	(4,650)
ix Recognition of accrued interest on non performing loans under previous framework (see note F (iv))	101,438	69,526
x Recognition of interest income on impaired loans (see note F (v))	(18,572)	(10,249)
xi Transaction costs on loans and advances (see note F (vi))	(11,627)	(7,409)
xii Recognition of investment in associate using equity accounting	(5,229)	(7,722)
xiii Recognition of defined benefit obligation	(7,000)	(5,134)
xiv Deferred income	(46,836)	(17,780)
xv Reversal of impairment	(6,426)	(1,803)
xvi Foreign currency adjustments to cash and bank balances	25,892	18,568
xvii Foreign currency adjustments to Deposits	(4,290)	(3,615)
xviii Impairment of property, plant and equipment	(1,334)	(892)
xix Recognition of Accrued Bonus	(125,176)	(76,903)
xx Reverse interest recognized on NPL and Subsequently regularized	(7,597)	-
xxi Current and deferred tax adjustments	(238,492)	(222,860)
xxii Defined Benefits Obligation_net of deferred tax	366	-
	615,066	666,413
Transfer to Risk Regulatory Reserve	(152,975)	(156,638)
Retained earnings under IFRS	1,359,776	1,185,819

Auditors' Report

Awash International Bank S.C.

Financial Statements

For the year ended 30 June 2018

Notes to the Financial Statements (Continued)

X Legal reserve

Legal reserve under previous framework	1,264,935	1,014,200
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Legal reserve under IFRS

1,264,935	1,014,200
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Note on remeasurement

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 capital of the bank, the amount that will be transferred to the legal reserve account shall be 10% of the annual net profit.

Financial Highlight, Number of Branches and Employees

In millions of Birr unless stated other wise

Particulars	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Deposits*	6,456	8,045	9,565	13,105	16,118	19,506	24,236	32,893	45,906
Loans & Advances **	3,146	3,986	5,505	7,710	9,176	12,482	15,549	22,646	31,304
NBE bills	0	1,589	2,485	3,146	4,067	5,365	5,387	6,993	8,479
Total Assets	9,023	11,089	13,125	17,784	22,106	25,140	30,602	40,027	55,268
Capital & Reserves (Total Equity)	959	1,336	1,651	2,066	2,597	3,185	4,601	5,424	6,496
Profit Before Tax	351	505	531	583	829	861	986	1,314	1,964
Profit After Tax	248	361	394	439	619	669	744	951	1,492
Earnings per share (Birr)	493	560		456	475	445	371	388	543
No. of Branches (in no.)	64	70	86	115	150	202	240	316	366
No. of Employees (in no.)	2,484	2,724	3,219	4,011	4,787	5,847	6,003	6,772	7,881

Source: AB's Audited Accounts

*Including Margins held on L/C

** Including Provisions for Doubtful Loans & Advances

NB: The Figures are as at June 30.

ATMs' Located at Awash Bank Branches' in Addis Ababa

ABUWARE BRANCH	GENET HOTEL BRANCH	MEHAL GOFA BRANCH
ADDIS KETEMA BRANCH	GERJI BRANCH	MEKANISA BRANCH
ADDISU GEBEYA BRANCH	GERJI GIORGES BRANCH	MEKANISA ABBO BRANCH
ADEY ABEBA BRANCH	GLOBAL AKABABI BRANCH	MERKATO BRANCH
AFRICA ANDINET BRANCH	GOFA GEBREAL BRANCH	MESALEMIA BRANCH
AFRICA AVENUE BRANCH	GOFA MEBRAT BRANCH	MESKEL FLOWER BRANCH
AIRPORT BRANCH	GOFA SEFER BRANCH	MEXICO BRANCH
AKAKI BRANCH	GOJAM BER BRANCH	MIKYLILAND BRANCH
AKAKI GELAN BRANCH	GOTERA BRANCH	MILINIUM BRANCH
AKAKI KALITY BRANCH	GULELE BRANCH	NIFAS SILK BRANCH
ALEM BANK BRANCH	GULELE FINANCE BRANCH	OLOMPIA BRANCH
AMANUEL TOTAL BRANCH	GURD SHOLA BRANCH	PIASSA BRANCH
ARADA GIORGIES BRANCH	GURD SHOLA Jackros BRANCH	SANFORD BRANCH
ARAT KILO BRANCH	HABTE G.DILDIY BRANCH	SARBET BRANCH
ASCO BRANCH	HAYA HULET MAZORIA	SARIES BRANCH
ASIRA SIMINT MAZORIA BRANCH	HAYA HULET WUHALIMAT BRANCH	SARIES ADDIS SEFER BRANCH
BALDERAS BRANCH	HAYAT ADEBABAY BRANCH	SEBATEGNA BRANCH
BAMBIS BRANCH	HEAD OFFICE BRANCH	SHALLA BRANCH
BEKLOBET BRANCH	JEMMO BRANCH	SHEGER BRANCH
BESHALE FIGA BRANCH	JEMMO MICHAEL BRANCH	SHEGOLE BRANCH
BETHEL BRANCH	KAGNEW SHALEKA BRANCH	SHIRO MEDA BRANCH
BOLE BRANCH	KALITI GEBIRIEL BRANCH	SIDAMO TERA BRANCH
BOLE 22 BRANCH	KALITI GUMRUK BRANCH	SIDEST KILO BRANCH
BOLE ASIRA SEBAT BRANCH	KARA KORE BRANCH	SIGNAL BRANCH
BOLE MEDHANEALEM BRANCH	KARA ROAD BRANCH	STADIUM BRANCH
BOLE MICHAEL BRANCH	KARALLO BRANCH	SUMMIT BRANCH
BOURAYOU KETA BRANCH	KAZANCHIS BRANCH	TEKILE HAIMANOT BRANCH
BULGARIA MAZORIA BRANCH	KEBENA BRANCH	TEMENJA YAJ BRANCH
CHURCHIL ROAD BRANCH	KECHENE CHILOT BRANCH	TRAFICKTSEFETBET BRANCH
CMC BRANCH	KIRKOS AKABABI BRANCH	TORHAILOCH BRANCH
D'AFRIQUE BRANCH	KOLFE BRANCH	URAEI BRANCH
DESIE BER BRANCH	KORIYA HOSPITAL BRANCH	WELETE BRANCH
DEJAZMACH BALCHA SAFO BRANCH	KOTEBE BRANCH	WELLO SEFER BRANCH
DIL GEBEYA BRANCH	KUAS MEDA BRANCH	WUHALIMAT BRANCH
DUBAI TERA BRANCH	LAFTO BRANCH	WUHALIMAT 22 BRANCH
ECA AKABABI BRANCH	LAMBERET BRANCH	YARED BRANCH
EDGET BRANCH	LEBU BRANCH	YEKA BRANCH
ENDERASE BRANCH	LEGEHAR BRANCH	YEKA ABADO BRANCH
ERTU LEBU BRANCH	LEGETAFO BRANCH	YERER BER BRANCH
FERENSAY LEGASION BRANCH	LIDETA BRANCH	YESH DEBELE SEFER BRANCH
FINFINE BRANCH	MEGENAGNA BRANCH	
FIT BER BRANCH	MEGENAGNA ADEBABAY BRANCH	
FURI BRANCH	MEGENAGNA HAYA HULET BRANCH	
GEFERSA NONO	MEHAL ARADA BRANCH	
GEJA SEFER BRANCH	MEHAL GEBEYA BRANCH	



ATMs' Located at Awash Bank Branches' Out Side Addis Ababa

ABOSTO BRANCH	CHIRO BRANCH	INJIBRA BRANCH
ADAMA BRANCH	DEBRE BIRHAN BRANCH	JIBRUK BRANCH
ADEA BRANCH	DEBREMARIKOS BRANCH	JIGJIGA BRANCH
AGARO BRANCH	DEBRETABOR BRANCH	JIMMA BRANCH
ALABA KULUTO BRANCH	DEMBELA BRANCH	KECHAMA BRANCH
ALEMGENA BRANCH	DEMBA DOLO BRANCH	KOMBOLCHA BRANCH
AMBO BRANCH	DESSIE BRANCH	LEKA BRANCH
ARBAMINCHI BRANCH	DILA BRANCH	LOGIA BRANCH
ARSI NEGELE BRANCH	DIRE DAWA BRANCH	MEKELE BRANCH
ASSELA BRANCH	DODOLA BRANCH	MEKI BRANCH
ASSOSA BRANCH	DUKEM BRANCH	METU BRANCH
AWASH SEBAT KILO BRANCH	FICHE BRANCH	MOJO BRANCH
AWODAY BRANCH	FINCHAWA BRANCH	NEKEMTE BRANCH
AXUM BRANCH	GAMBELA BRANCH	SABIAN SEFER BRANCH
AZEZO BRANCH	GERBA GURACA BRANCH	SEBATA BRANCH
BAHIR DAR BRANCH	GHIMBI BRANCH	SHAMBU BRANCH
BAKO BRANCH	GODANA SELAM BRANCH	SHASHEMANE BRANCH
BALE ROBE BRANCH	GONDER BRANCH	SOFUMER BRANCH
BATU BRANCH	HAFETESSA BRANCH	SULULTA BRANCH
BEDESSA BRANCH	HARAR BRANCH	TABOR BRANCH
BERECHA BRANCH	HARUFA BRANCH	WALAYITA SODO BRANCH
BISHOFTU BRANCH	HAWASA BRANCH	WOLDIYA BRANCH
BOKOJI BRANCH	HIRMATA BRANCH	WOLISO BRANCH
BOSSET BRANCH	HOLETA BRANCH	WUKIRO BRANCH
BULE HORA BRANCH	HOSENA BRANCH	YA'ABELO BRANCH
BUTAJIRA BRANCH	HUMERA BRANCH	



Lobby ATMs

ATM Location	City	ATM Location	City	ATM Location	City
ABEBE ZEKEKE HOTEL.....	Welayita Sodo	FILWUHA.....	Addis Ababa	PARK PLAZA.....	Addis Ababa
ADDIS ABABA INT'N AIRPORT.....	Addis Ababa	FINFINE BRANCH.....	Addis Ababa	RAMADA HOTEL.....	Addis Ababa
ADDIS GATE TRADING CENTER.....	Addis Ababa	GHION HOTEL.....	Addis Ababa	SIDRA HOTEL.....	Addis Ababa
AFRICA UNION.....	Addis Ababa	GRAND RESORT AND SPA.....	Bahir Dar	ROBERA COFFEE.....	Addis Ababa
ARSI UNIVERSITY.....	Chilalo (Assela)	HAILE RESORT.....	Batu	ROZETA HOTEL.....	Addis Ababa
BERHANE ADERE MALL.....	Addis Ababa	HALELUYA HOSPITAL.....	Addis Ababa	SABON BUILDING.....	Addis Ababa
BETELHEM PLAZA.....	Addis Ababa	HARMONY HOTEL.....	Addis Ababa	SIDIST KILO UNIVERSITY.....	Addis Ababa
BGI ATM01.....	Addis Ababa	HERMON CAFE.....	Addis Ababa	SNAP PLAZA.....	Addis Ababa
BLENDANA HOTEL.....	Assossa	HILTON ADDIS ABABA.....	Addis Ababa	SOUTH STAR HOTEL.....	Hawassa
CAPITAL HOTEL.....	Addis Ababa	HOTEL SALAYISH.....	Mizan Teferi	ST. MARY UNIVERSITY.....	Addis Ababa
CARE ETHIOPIA.....	Addis Ababa	INTERCONTINENTAL HOTEL.....	Addis Ababa	TSEGA MALL.....	Addis Ababa
CENTURY MALL.....	Addis Ababa	JAMBO IMPEX PLX.....	Harar Ras Hotel	WABESHEBELE HOTEL.....	Addis Ababa
CONCORD HOTEL.....	Addis Ababa	JUPITER TRADING HOTEL.....	Addis Ababa	YOD ABYSSINIA.....	Addis Ababa
DH GEDA.....	Addis Ababa	KELELA BUILDING.....	Addis Ababa	ZEFMESH BLDG.....	Addis Ababa
ELIANA MALL.....	Addis Ababa	KENENISA HOTEL.....	Addis Ababa		
ELILI HOTEL.....	Addis Ababa	MAFI MALL.....	Addis Ababa		
ETHIOPIA HOTEL.....	Addis Ababa	NOAH REAL STATE.....	Addis Ababa		
EXHIBITION CENTER.....	Addis Ababa	PARADISE LODGE.....	Arbaminch		

Addresses of Branches by Region

1. North Addis Ababa Region



No.	Name	Telephone No.	Fax No.
	Regional Office.....	011-530-3001/06	
1	Abuare.....	011-557- 6901/10	011-557- 6883
2	Addisu Gebeya.....	011-126 -8100/80	011-126- 8099
3	Arada Giorgis.....	011-155- 6166	011-155- 5800
4	Aleltu.....	011-631-0710/01	011-631-0632
5	Arat Killo.....	011-157- 0332	011-157- 0335
6	Balderas.....	011-636-8141	011-636-8142
7	Churchil road.....	011-126- 2025	011-126- 2018
8	Chancho.....	011-188-0905/06	011-188-0923
9	Dessie Ber.....	011-667 -8022 /44	011-667 -8048
10	Dale Dembel.....	011-667-9194	011-667-9278
11	Debre Birhan.....	011-890 -9057	011-637 -8088
12	Dera Gundo Meskel.....	011-115-0707/0/32	011-115-0674
13	Ferensay Legasion.....	011-154-8082/90	011-154-8081
14	Fiche.....	011-135-2022 /77	011-135- 2187
15	Gerba Guracha.....	011-131- 0733	011-13-10733
16	Gojam Ber.....	011-126- 8351	011-126- 8311
17	Gullele Finance.....	011-273- 2432/27	011-273 -2351
18	Gurd Sholla.....	011-646 -1679	011-646- 1231
19	Habte Giorgis.....	011-157- 8891	011-157- 4546
20	Kebena.....	011-154- 4006/08	011-154- 4012
21	Kotebe.....	011-647 -5400	011-645- 6274
22	Kara allo.....	011-667-8906	011-667-8894
23	Kara Road.....	011-667 -0260/89	011-667 -0257
24	Kechene Chelot.....	011-126-3490/92	011-126-3492
25	Kechene.....	011-126-7677/70	011-126-6856
26	Lamberet.....	011-667- 5431/37	011-667- 5427
27	Legetafo.....	011-829 -0748	011-637-5081
28	Megenagna.....	011-618 -2774	011-618- 2772
29	Megenagna Adebabay.....	011-667- 3737	011-667 -3799
30	Mehar Arada.....	011-111 -9226	011-156- 0883
31	Mukaturi.....	011-134-0826/89	011-134-0615
32	Piazza.....	011-111- 9454	011-111 -2476
33	Ruphael.....	011-259 -1153/16	011-259- 1971
34	Sanford.....	011-154-3663	011-154-4645
35	Sheger.....	011-155- 8938	011-158- 8918
36	Shegole.....	011-259 -0346/02	011-259- 0379
37	Sidist Killo.....	011-126-1046/18	011-126- 0997
38	Signal.....	011-667- 2011/65	011-667 -2017
39	Sendafa Beke.....	011-638-7456/7782	011-638-7392
40	Sululta.....	011-161- 7134/38	011-161- 7141
41	Shiro Meda.....	011-154-3513/5152	011-154- 3199
42	Traffic Tsihfetbet.....	011-661- 6454	011-618 -8718
43	Wosen sefer.....	011-668-0065/67	011-667 -8239
44	Yared.....	011-126-1403/1553	011-126- 0188
45	Yeka.....	011-667- 4049/68	011-667- 3520
46	Yeka Abado.....	011-557-0095/96	
47	Kara Mazoria.....	011-668- 0350/51	011-667- 0257
48	Kotebe 02.....	011-833- 2809	
49	Sheno.....	011-687- 0635/74	011-687- 0500
50	Wara Jarso.....	011-187- 0710/04	011-187- 0816
51	Weserbi.....	011-862- 5503	

2. South Addis Ababa Region

No.	Name	Telephone No.	Fax No.
	Regional Office.....	011-470-8426.....	011-470-2826.....
1	Africa Andinet.....	011-371-6102.....	011-371- 6594.....
2	Africa Avenue.....	011-557- 0533.....	011-557- 0536.....
3	Alemgena.....	011-367-9092/77.....	011-367- 9087.....
4	Bambis.....	(011-557-6976/73.....	011-557-6971.....
5	Beklobet.....	011-466- 8575.....	011-416-6878.....
6	Bulgaria Mazoria.....	011-554- 0014/59.....	011-554 -0292.....
7	Burka Wayu (Haile Garment).....	011-471- 1861/1021.....	
8	Butajera.....	046-115- 0927.....	046-115-0927.....
9	Dil Gebeya.....	011-372- 0820.....	011-372 -0839.....
10	ECA Akababi.....	011-558-9297/86.....	011-558- 6478.....
11	Enderase.....	011-557-6270.....	011-557- 6271.....
12	Ertu Lebu.....	011-471-3530.....	011-471-3865.....
13	Finfine.....	011-557- 0107.....	011-557- 0113.....
14	Fitber.....	011-557 -2149/82.....	011-557- 2215.....
15	Furi.....	011-367- 9087.....	011-367 -9092.....
16	Genet branch.....	011-554- 0256/43.....	011-554- 0233.....
17	Global Akababi.....	011-470- 2412/23.....	011-470- 1368.....
18	Gofa Gebriel.....	011-467 -4565/63.....	011-467- 4561.....
19	Gofa meberat haile.....	011-470- 3392/78.....	011-470- 3393.....
20	Gofa Sefer.....	011-465 -3691/466-9811.....	011-416-0357.....
21	Gotera.....	011-467- 0542.....	011-467 -0576.....
22	Hana.....	011-471-1297/71.....	011-471-1453.....
23	Harbu.....	011-471-3324/39-24.....	011-471-3643.....
24	Jemmo Michael.....	011-369- 9602/99.....	011-369- 8407.....
25	Kazanchis.....	011-557 -0756.....	011-557 -0683.....
26	Kirkos.....	011-554 -7583.....	011-554- 7582.....
27	Kirkos -45.....	011-470-5606.....	011-470-5839.....
28	Lafto.....	011-419 -6489.....	011-419 -6488.....
29	Lebu.....	011-471- 2546/38.....	011-471 -2544.....
30	Legehar.....	011-553 -1948.....	011-551- 0867.....
31	Meha Gofa.....	011-467- 1297.....	011-467 -1281.....
32	Mekanisa.....	011-369-8348.....	011-369-8325.....
33	Mekanisa Abo.....	011-369 0727/28.....	011-369 -0329.....
34	Meskel flower.....	011-466- 9393.....	011-466- 9501.....
35	Mexico.....	011-557- 2179.....	011-557 2-259.....
36	Nifas Silk.....	011-442 -0309.....	011-442 -0958.....
37	Olompia.....	011-557- 1182/90.....	011-557 -1188.....
38	Sarbet.....	011-372- 7391.....	011-372- 7872.....
39	Saris.....	011-443-1272/37.....	011-443 -1358.....
40	SarisAddisu Sefer.....	011-559- 2255.....	011-440 -0685.....
41	Sebeta.....	011-338 -4101/15.....	011-338- 4102.....
42	Sebeta.....	011-338 -4101/15.....	011-338- 4102.....
43	Stadium.....	011-515- 6746.....	011-550-- 2920.....
44	Stadium.....	011-515- 6746.....	011-550-- 2920.....
45	Stadium Zuria.....	011-531-9102.....	011-531-9101.....
46	Temnja yaj.....	011-416 -2720.....	011-416 -2705.....
47	Temnja yaj.....	011-416 -2720.....	011-416 -2705.....
48	Tulu Bollo.....	011-3421401/02.....	011-3421400.....
49	Tulu Ejersa.....	011-471- 1735/13.....	011-471- 1597.....
50	Urael.....	011-554- 0830.....	011-554- 0836.....
51	Urael.....	011-554- 0830.....	011-554- 0836.....
52	Urael Nigist.....	011-554-1845/8664.....	011- 554-3049.....
53	Urael Nigist.....	011-554-1845/8664.....	011- 554-3049.....
54	Wechecha.....	011-380-4047/48.....	011-380-4033.....
55	Weliso.....	011-341 -3473.....	011-341- 3472.....
56	Wolete.....	011-380-0157.....	011-380-3007.....
57	Wolkite.....	011-365-8169/8384.....	011-365-8168.....
58	World Bank.....	011-515- 3087.....	011-515 -0601.....
59	World Bank.....	011-515- 3087.....	011-515 -0601.....
60	Yoseph Akakbabi.....	0114-4708882.....	011-4709056.....



3. East Addis Ababa Region

No.	Name	Telephone No.	Fax No.
	Regional Office.....	011-616-055675.....	011-663-7538.....
1	Adey Abeba.....	011-470 -7708/35.....	011-470 -0843.....
2	Airport.....	011-618- 0611/75.....	011-618- 0171.....
3	Akaki.....	011-435 -1672.....	011-434- 3277.....
4	Akaki Kaliti.....	011-471 -6440.....	011-471 -6426.....
5	Akaki-Gelan.....	011-471- 6503.....	011-471 6487.....
6	Ayat Adebabay.....	011-639-0305/23.....	011-639-0314.....
7	Beshale Figa.....	011-667- 7977/50.....	011-667- 7885.....
8	Bole.....	011-618- 9522.....	011-662- 6387.....
9	Bole 17.....	011-660-9002.....	011-660-0682.....
10	Bole 22 Road.....	011-662 8015/16.....	011-618- 3996.....
11	Bole Bulbula.....	011-471- 4321.....	011-471- 4594.....
12	Bole Medihanealem.....	011-667 -0347/51.....	011-667 -0237.....
13	Bole Michael.....	011-639 -2022.....	011-639- 2023.....
14	Bole24.....	011-667 3679/53.....	011-667 -3618.....
15	CMC.....	011-667 -5188/55.....	011-667 5104.....
16	Dukem.....	011-432- 0502.....	011-432 -0523.....
17	Edget.....	011-629 -2108/25.....	011-629 -2259.....
18	Gelan.....	011-471- 3470.....	011-471- 3764.....
19	Gerji.....	011-647 -6275.....	011-647- 6274.....
20	Gerji Georgis.....	011-639 4018/10.....	011-639 4002.....
21	Gurd Sholla Jakros.....	011-639-5493.....	011-661-7400.....
22	Harbu Gudo.....	011-668- 3168/3225.....	.....
23	Haya hulet wuha limat.....	011-660-8443/86.....	011-660-0931.....
24	Hayahulet Mazoria.....	011-662 -4667.....	011-662- 6587.....
25	Hayat Arabsa.....	.....	.....
26	Hayay Adebbay.....	011-639-0305/23.....	011-639-0314.....
27	Imperial Akebab.....	011-667-4673/49/24.....	011-667-4838.....
28	Jakros.....	011-667 -7084/69.....	011-667- 6618.....
29	Gurd Sholla.....	011-6646-647/682.....	011-646- 1231.....
30	Kaliti Gebriel.....	011-471- 7262/15.....	011-471- 7263.....
31	Kaliti Gumuruk.....	011-470- 7279/55.....	011-470- 7286.....
32	Kokeb.....	011-667-4463.....	011-667-3802.....
33	Korea Hospital.....	011-629- 3836.....	011-629 -3150.....
34	Megenagna 22.....	011-667-3382.....	011-667-3363.....
35	Melka Sheno (Tulu Dimtu.....	011-471- 5646/68.....	011-471- 5416.....
36	Millinnium Akababi.....	011-661- 1056/55.....	011-661-5550.....
37	Moenco.....	011-827- 5751.....	011-667-4469.....
38	Rwanda Embassy Akababi.....	011-664- 6678/14.....	011-614- 6640.....
39	Sallo Gora.....	011-869 -6464.....	011-869- 6464.....
40	Sammit.....	011-668-0971/01/04.....	011-668-0148.....
41	Shalla Akababi.....	011-667- 3820/22.....	011-667- 3718.....
42	Wollo sefer.....	011-557-5855/40/20.....	011-557-4324.....
43	Worku Sefer.....	011-471-7498/7949/ 7631.....	011-471-7631.....
44	Wuha Limat Akababi.....	011-618 -1200.....	011-661 -1640.....
45	Yerer.....	011-667-7204/56.....	011-667-7247.....

4. West Addis Ababa Region

No.	Name	Telephone No.	Fax No
	Regional Office.....	011-530-3002/16/20	
1	Addis Ketema.....	011-277- 2484	011-277- 2483
2	Alem Bank Akababi.....	011-369- 3043/04	011-369 3018
3	Amanuel Total.....	011-273- 6009/46	011-273- 6032
4	Ambo.....	011-236- 4174	011-236- 5669
5	Asco.....	011-273- 0291/93	011-273- 0235
6	Asrasemint Mazoria.....	011-279- 1400	011-279 -1364
7	Awtobis Tera.....	011-273- 4410	011-273-4410
8	Bethel.....	011-349- 1268	011-349 -1135
9	Burayu Keta.....	011-260-4620/46	011-260-4652
10	Burayu Mariam.....	011-260-4981/31	011-260-4959
11	D'Afrique.....	011-557- 7062	011-557 -7014
12	Dubi-Tera.....	011-273 -2281/90	011-273- 2282
13	Geja Sefer.....	011-557- 6237/44	011-557- 6232
14	Gesho Tera.....	011-273- 2752/42	011-273-2732
15	Gefersa nono.....	011-260- 1117/32	011-260-1133
16	Gojam Berenda.....	011-273-3834/35	011-273-3593
17	Guder.....	011-282-0796/0814	011-282-0801
18	Gullele.....	011-278 -4926	011-278- 4927
19	Holeta.....	011-261- 0043/31	011-261- 0021
20	Jemmo.....	011-348 -4007	011-348 -6270
21	Jeldu.....	011-238-0597/06	011-238-0582
22	Kara Kore.....	011-369- 3069	011-369 -3067
23	Kachisi.....	011-215-0530/62	011-215-0586
24	Ketena 2.....	011-383-5071/72	011-383-5073
25	Kolfe.....	011-275- 7235	011-277- 3376
26	Lideta.....	011-554- 6572/73	011-554- 6571
27	Mehal Gebeya.....	011-277- 9472	011-273 -0295
28	Merkato.....	011-277- 1666	011-213 -7136
29	Mesalemiya.....	011-275-8437	011-278 -8195
30	Mierab Merkato.....	011-273 -4298	011-273- 4315
31	Mikilliland.....	011-273 -0341	011-273- 0357
32	Merkato Kagnew shaleka.....	011-273-4542/12	011-273-4538
33	Merkato Tana.....	011-273-3598/28	011-273-2994
34	Muger.....	011-218-0662	011-218-0333
35	kuas Meda.....	011-276- 0343/45	011-276- 0349
36	Sebategna.....	011-277- 3342	011-277- 3270
37	Sengatera.....	011-557- 6839/75	011-557- 6880
38	SidamoTera.....	011-278 -4118	011-278- 4117
39	Tekle Haimanot.....	011-278 -9376	011-277 2732/
40	Torhailoch.....	011-369 -1211/93	011-369- 1208
41	Yeshi Debele.....	011-369-2392	011-369-0927
42	Zenebework.....	011-369-7177/78	011-369-7226
43	Asco Addis Sefer.....	011-273- 1631/32	
44	Dejazmach Balcha Safo.....	011-530- 3111/10	
45	Ginchi.....	011-258- 1172/74	011-258- 1170
46	Kolfe Atana Tera.....		
47	Mekanisa Kore.....	011-369- 8567/97	
48	Sansusi.....	011-373- 1940/18	011-373- 1221
49	Shera Tera.....	011-273- 5902/54	011-273- 5712



5. Adama Region

No.	Name	Telephone No.	Fax No
	Regional Office.....	022-212-6651/64.....	022-111-1382
1	Ada'a.....	011-433-8900/86.....	011-433- 8547
2	Bishoftu.....	011-433- 5382.....	011-437- 0420
3	Boset.....	022-111-9027/28.....	022-111-9029
4	Chilalo.....	022-331- 8274.....	022-331- 8227
5	Dembela.....	022-110 -0621.....	022-110- 0622
6	Dembi.....	011-4300-563/64.....	011-4300-559
7	Dhera.....	022-333-0000/0917.....	022-333-0927
8	Eteya.....	022-335-0489.....	022-335-0818
9	Ganda Gara.....	022-212-1903/48.....	022-212-2339
10	Kechema.....	022-111- 8302/06.....	022-111- 18303
11	kersa.....	022-337-0770/71.....	022-337-0769
12	Adama.....	022-111- 8585/84.....	022-111- 5375
13	Meki.....	022-118 -0044/08.....	022-118- 0180
14	Metehara.....	022-826-3780.....	022-226-1317
15	Modjo.....	022-116- 0527.....	022-116- 0473
16	Olenchiti.....	022-113-1111/10.....	022-113-1171
17	Sar Tera.....	022-212-0414.....	022-212-0408
18	Arerti.....	022-223- 0561/0664.....	
19	Bote.....	022-115- 0503/04.....	022-115- 0542
20	Chefe Donsa.....		
21	Derartu Adebabay.....	022-211- 6926.....	022-211- 5733
22	Gobessa.....		
23	Adama Ras.....	022-211-6394.....	022-211-6393
24	Koka.....	022-459-0192/0205.....	
25	Arsi Robe.....	022-242-1765/1406.....	022-242-0042
26	Assela.....	022-331-2770.....	022-331- 5622
27	Awash Sebat Killo.....	022-224- 0274.....	022-224- 0251
28	Batu.....	046-441- 2210/11.....	046-441- 2211
29	Bekoji.....	022-332-0655.....	023-332-0080
30	Berecha.....	022-112 -0481/05.....	022-112- 7867

6. North Region

No	Name	Telephone No.	Fax No.
	Regional Office.....	034-241-6522/9241.....	034-241-6369
1	Adihaki.....	034-240-2034/1862.....	034-240-2546
2	Adigrat.....	034-445 -0016/04.....	034-445 -0348
3	Alamata.....	034-774- 0782).....	034-774-0597
4	Axum.....	034-275-9490/7161.....	034-275-0477
5	Buanbua Wuha.....	033-311- 9898.....	
6	Dessie.....	033-111-2829.....	033-111- 2839
7	Edaga Hamus.....	034-773-0739/0795.....	034-773-0652
8	Edaga Mekele.....	034-240-5313/35/04.....	034-240-5287
9	Godana Selam.....	034-440 -7044.....	034-444- 2221
10	Humera.....	034-448- 1472.....	034-448 -1471
11	Jibruk.....	034-440- 4552.....	034-440 -4579
12	Kemise.....	033-554-1450/43.....	033-554-1447
13	Kobo.....	033-334-1312/13.....	033-334-1336
14	Kombolcha.....	033-55 0839.....	033-55 0796
15	Lalibela.....	033-336- 1335/14.....	033-336- 1286
16	Logiya.....	033-550- 0060/75.....	033-550- 0050
17	Mekele.....	034-441- 8967.....	034-441- 8966
18	Mugad.....	033-312-6358.....	034-312-1140
19	Sekota.....	033-366-2813/4885.....	
20	Semera.....	033-366-2813/4885.....	
21	Shire Endeselasse.....	034-444 -0590/94.....	034-444 -4313
22	Tossa.....	033-312-5612/7994.....	
23	Woldiya.....	033-331- 2739/25.....	033-331- 2619
24	Wukero.....	034-443- 0496/02.....	034-443- 0238

7. North West Region

No	Name	Telephone No.	Fax No
1	Regional Office.....	058-320-4168/2847	058-320-3148
2	Abay Mado.....	058-321-2081/31/97	058-321-0110
3	Azezo.....	058-114 -1222/11	058-114 -0879
4	B/Dar Ghion.....	058-320-9510/96-92	058-320-8986
5	Bahir Dar.....	058-220- 0671	058-222 -1147
6	Bichena.....	058-665- 1580	
7	Bure Damot.....	058-774-1148/83	058-774-1073
8	Chagni.....	058-225 -0458/01	058-225 -0532
9	Dangila.....	058-221-1820/1731	058-221-21437
10	Debre Markos.....	058-771-2328	058-771- 4225
11	Debre Tabor.....	058-141- 0303/46	058-141 -0355
12	Fenote Selam.....	058-775-2113/14	058-77-2115
13	GishAbay.....	058-226 -6467/44	058-222- 0073
14	Gonder.....	058-111- 4867	058-111 -8044
15	Injibara.....	058-227- 0807/09	058-227- 0804
16	Jawi.....	058-278- 0401/02	058-278- 0403
17	Maraki.....	058-211-5081/57	058-211- 5062
18	Merawi.....	058-330- 0969	
19	Metema Yohannes.....	058-555- 5651	058-555- 5509
20	Motta.....		
21	Woreta.....		

8. South Region

No.	Name	Telephone No.	Fax No.
	Regional Office.....	046-212-6160	046-212-6702
1	Abosto.....	046-211-5077	046-211- 5058
2	Adaba.....	022-663-1222/65	022-663-1258
3	Adola Weyu.....	046-335-0059/06	046-335-0220
4	Alaba Kulito.....	046-556- 0069	046-556-0109
5	Aleta wendo.....	046-224-0588	046-224-0630
6	Arbaminich.....	046-881- 2992	046-881 4605
7	Arsi Negele.....	046-116- 0127	046-116- 0877
8	Awasho.....	046-211-7422/55	046-211-9840
9	Bale Robe.....	022-665- 1700	022-665 -1975
10	Bule Hora.....	046-443 -0121	046-443 -0935
11	Dalo Mena.....	022-668-0521	022-668 -0039
12	Dilla.....	046-331-3313	046-331 -4107
13	Dodola.....	022-666-0474	022-666-0429
14	Ginir.....	022-664- 0065	022-664 -0449
15	Goba.....	022-661-2613/2929	022-661-4927
16	Halaba Kulito.....	046-556-0069	046-556-0109
17	Harufa.....	046-110 -0611	046-110 -0543
18	Hasasa.....	022-336-0845	022-336-0819
19	Hawassa.....	046-220 -4722	046-220- 4751
20	Hawassa Arab Sefer.....	046-212-3849	046-212-4811
21	Hawassa Menaharia.....	046-212- 4021/4162	046-212- 3621
22	Hosaena.....	046-555- 0684	046-555- 0694
23	Jinka.....	046-115-1862/00	046-775-1859
24	Kercha.....	046-324-2008	046-324-2004
25	Moyale.....	046-444-1791	047-444-1401
26	Negelle.....	046-445-2193/90	046-445-2192
27	Shakiso.....	046-334-1399/11	046-334-1348
28	Shashemene.....	046-110- 6525	046-110- 0014
29	Shinshencho.....	046-339-0850/64	046-339-0874
30	Sofomer.....	022-665 -2525	022-665-0043
31	Tabor.....	046-212 -0034/56	046-212- 0068
32	Warabe.....	046-771-0600	046-771-0588
33	Wolayeta Sodo.....	046-551- 0743	046-551- 0706
34	Wondo Basha.....	046-222- 0427/0515	
35	Yabello.....	046-446 -0887/01	046-446- 0311



9. East region

No.	Name	Telephone No.	Fax No.
	Regional Office	025-411-8016	025-411-1546
1	Afatessa	025-411-0395/88	025-411- 0390
2	Awedaye	025-662 -0560	025-662-0593
3	Babile	025-551-1021	025-551-1022
4	Bedessa	025-555-0116	025-555-0169
5	Boke	025-230- 0711/0469 .....	.....
6	Chelenko	025-335- 0596/86	025-335- 0708
7	Chiro	025-551-1021	025-551- 1022
8	Deder	025-335- 1299/68 .....	.....
9	Dire Dawa	025-111-4042	025-111- 4046
10	Gelemso	025-552- 1328/400 .....	.....
11	Gode	025-776-1089/1504	025-776-1695
12	Grawa	025-534-0579/31 .....	.....
13	Harar	025-667 -0745	025-667- 0287
14	Harar Arategna	025-466-2707	025-466-9859
15	Haromaya	025-661-0467	025-661-0431
16	Hirna	025-441-1251/52	025-441-1253
17	Jigjiga	025-775- 2548	025-775- 2072
18	Kali	025-278 -0270/94	025-278- 0261
19	Kezira	025-211-5222/37	025-211-0883
20	Mechara	025-557- 0561	025-557 -0563
21	Sabeen Sefer	025-112- 4879	025-111- 2133
22	Togochale	025-882- 0131	025-882- 0217

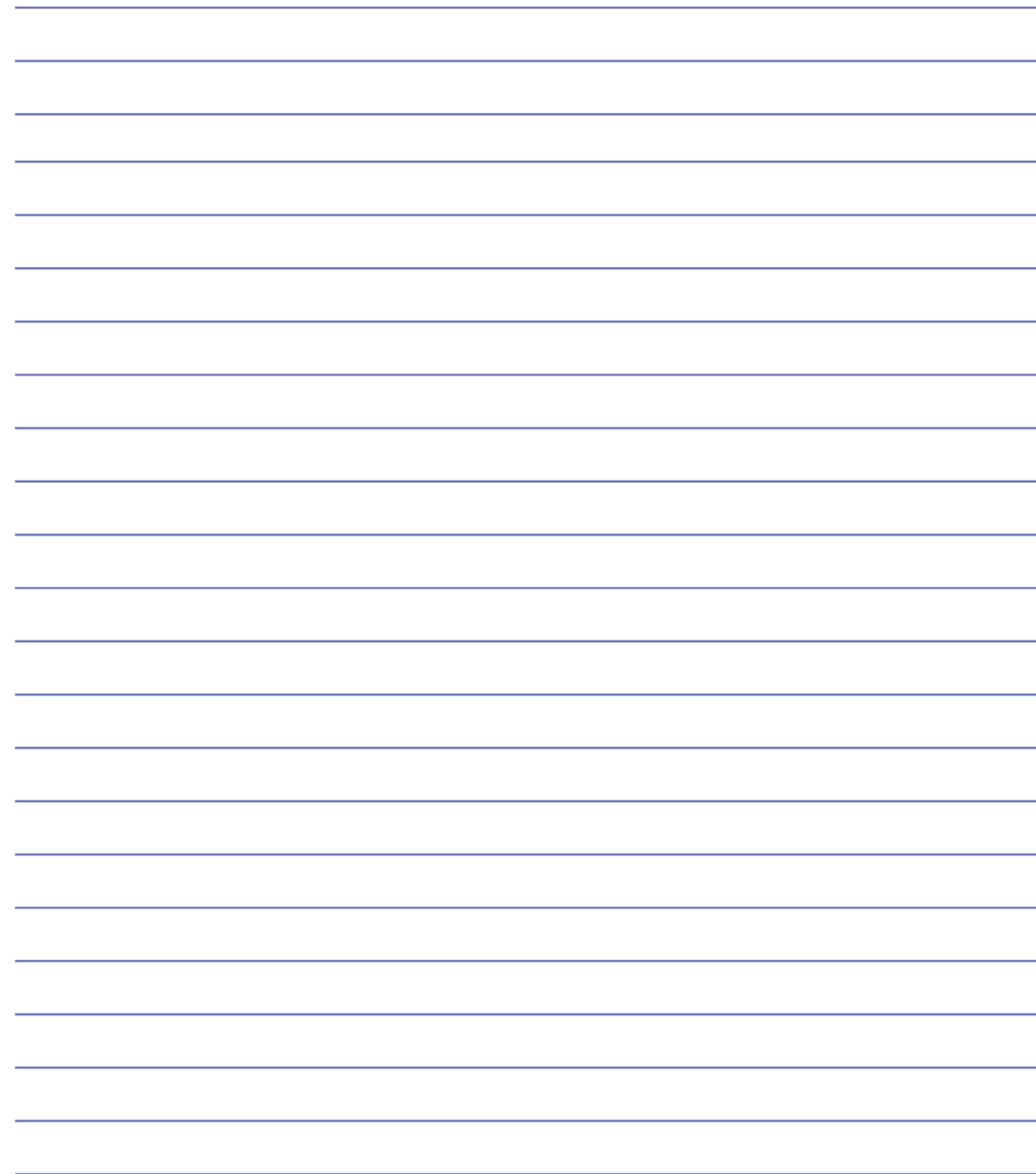
10. West Region

No.	Name	Telephone No.	Fax No.
	Regional Office	057-660-1263/64	057-660-1260
1	Aba Sena .....	.....	.....
2	Agaro	047-221- 1746	047-221- 1841
3	Anger Gute	057-634-0249	057-634-0328
4	Assosa	057-775- 1652	057-775- 1741
5	Ayira	057-577-0698/38	057-557-0555
6	Bakko	057-665- 1465/21	057-665 -1494
7	Bambasi	057-441-0677/0734	057-441-0654
8	Bedele	047-445 -0865/10	047-445- 0173
9	Begi	057-641- 0441)	057-641-0462
10	Bonga	047-331-1865/96	047-331-0704
11	Dembi Dollo	057-555-2315	057-555 -1277
12	Ejaji	057-550-0612/06	057-550-0565
13	Fincha	057-664- 0151/00	057-664- 0041
14	Gambela	047-551-1814/67	047-551- 1869
15	Gambela New Land	047-151- 5279/38	047-151- 0352
16	Gedo	057-227-0159/00	057-227-0500
17	Ghimbi	057-771- 0066	057-771- 1022
18	Gida Ayana	057-773- 0691/56	057-773- 0676
19	Gidami	057-780-0800/01	057-780-0802
20	Gudatu Arjo	057-116-0617/06	057-116-0666
21	Guduru	057-663-0610/11	057-663-0571
22	Guliso	057-778-0278/81	057-778-0286
23	Haro Sabu	057-556-0574/06	057-556-0831
24	Hirmata	047-211-0035	047-211-0044
25	Jerdaga jarte	057-637-0476 .....	.....
26	Jima Arjo	057-667-05-15/31	057-667-0502
27	Jimma	047-111-2189	047-111- 9412
28	Jiren .....	.....	.....
29	Leka	057-661-1433	057-661- 1439
30	Mendi	057-776 -0906/07	057-776- 0756/08
31	Mettu	047-441- 2648	047-441- 4165
32	Mizan Teferi	047-135-9138/89	047-135-1879

No.	Name	Telephone No.	Fax No.
33	Mugi.....	057-779-0655/33.....	057-779-0844
34	Nejo.....	057-774- 0492/02.....	057-774- 0345
35	Nekemte.....	057-661- 7092.....	057-661- 5474
36	Nole Kaba.....	057-632-0662/0714.....	057-632-0606
37	ODA.....	057-660-0920.....	057-660-3256
38	Oda Buluk.....		
39	Shambu.....	057-666- 0142/39.....	057-666- 0152
40	Shenen Gibe.....	047-211- 7624/66.....	
41	Sibu Sire.....	057-668- 0921/17.....	
42	Tepi.....	047-556-3489/66.....	047-556-2506
43	Yayo.....	047-333- 0765/51.....	
44	Yebu	047-226-0560.....	047-226-0622

11. Head Office Branch

No.	Branches	Telephone No.	Fax No.
	Head Office Branch	011-662 -0303	011-663- 7538



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Website: www.awashbank.com
SWIFT Code: AWINETAA



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AWASH INSURANCE COMPANY S.C.



AWASH INSURANCE COMPANY S.C

Tel: 251-11-557 0001 Fax: 251-11-5570208

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Customer line: 8980

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E-Mail: contactcenter@awashbank.com

Website: www.awashbank.com

SWIFT Code: AWINETAA