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**AUDIT SERVICES  
CORPORATION**

DEVELOPMENT BANK OF ETHIOPIA  
ELECTRICITY NETWORK REINFORCEMENT  
AND EXPANSION PROJECT  
IDA CREDIT NOs.5126 ET,PARTS 3.1,3.2,4.2 AND 4.3  
AND 5814 ET, PARTS 3.1 AND 3.2  
AND IDA GRANT NO.TF A 2302  
INDEPENDENT AUDITOR'S REPORT  
AND  
DESIGNATED ACCOUNT STATEMENT  
30 JUNE 2018



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The Federal Democratic Republic of Ethiopia  
Audit Services Corporation

**INDEPENDENT AUDITOR'S REPORT  
TO DEVELOPMENT BANK OF ETHIOPIA**

We have audited the accompanying financial statements of Development Bank of Ethiopia, Electricity Network Reinforcement and Expansion Project, financed under IDA credit no. 5126 ET, Parts 3.1, 3.2, 4.2 and 4.3; IDA credit no. 5814 ET, Parts 3.1 and 3.2; and Grant TF A2302, which comprise the balance sheet as at 30 June 2018, and the statement of sources and uses of funds and Designated Account statements for the year then ended, and a summary of significant accounting policies and other explanatory information and annexes 1 to 4.

*Managements' Responsibility for the Financial Statements*

Management is responsible for preparation of financial statements that give a true and fair view under the modified cash basis of accounting as described in note 2 to the financial statements and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

*Auditors' Responsibility*

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

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

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

*ASC*

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**INDEPENDENT AUDITOR'S REPORT  
TO DEVELOPMENT BANK OF ETHIOPIA (continued)**

*Opinion*

In our opinion, the financial statements give a true and fair view of the financial position of Development Bank of Ethiopia, Electricity Network Reinforcement and Expansion Project, financed under IDA credit no. 5126 ET, Parts 3.1, 3.2, 4.2 and 4.3; IDA credit no. 5814 ET, Parts 3.1 and 3.2; and Grant TF A2302, as at 30 June 2018 and of its sources and uses of funds for the year then ended in accordance with the modified cash basis of accounting described in note 2 to the financial statements.

*Report on Other Requirements*

In our opinion,

- during the period IDA and Trust funds have been used in accordance with the conditions of the relevant financing agreements, with due attention to economy and efficiency, and only for the purposes for which the financing was provided;
- goods, works and services financed have been procured in accordance with the relevant financing agreements including specific provisions of the World Bank Procurement Policies and Procedures;
- all necessary supporting documents, records and accounts have been maintained in respect of all Project activities;
- The Designated Accounts have been maintained in accordance with the provisions of the relevant financing agreements and funds disbursed out of the Accounts were used only for the purposes intended in the financing agreements;
- national laws and regulations have been complied with; and
- except in MFI 3, the financial performance of the project was satisfactory.

*Audit Services Corporation*

31 December 2018



DEVELOPMENT BANK OF ETHIOPIA  
 ELECTRICITY NETWORK REINFORCEMENT AND  
 EXPANSION PROJECT  
 IDA CREDIT NO. 5126 ET, parts 3.1, 3.2, 4.2 and 4.3  
 IDA CREDIT NO. 5814 ET, parts 3.1 and 3.2  
 GRANT TF A2302  
 STATEMENT OF SOURCES AND USES OF FUNDS  
 FOR THE YEAR ENDED 30 JUNE 2018

	2018 Ethiopian Birr	Cumulative from 12 June 2012 to 30 June 2018 Ethiopian Birr	2017 Ethiopian Birr
<b>FINANCING</b>			
Gain on foreign exchange	12,407,186	31,720,062	2,216,358
Interest income	<u>12,780,133</u>	<u>49,100,844</u>	<u>12,957,883</u>
<b>TOTAL FINANCING</b>	<b><u>25,187,319</u></b>	<b><u>80,820,906</u></b>	<b><u>15,174,241</u></b>
<b>PROJECT EXPENDITURES</b>			
Modernization support	521,228	13,790,630	4,248,492
Interest expense	<u>6,727,355</u>	<u>24,917,154</u>	<u>6,013,394</u>
<b>TOTAL PROJECT EXPENDITURES</b>	<b><u>7,248,583</u></b>	<b><u>38,707,784</u></b>	<b><u>10,261,886</u></b>
<b>EXCESS OF FINANCING OVER EXPENDITURES</b>	<b><u>17,938,736</u></b>	<b><u>42,113,122</u></b>	<b><u>4,912,355</u></b>





DEVELOPMENT BANK OF ETHIOPIA  
ELECTRICITY NETWORK REINFORCEMENT AND  
EXPANSION PROJECT  
IDA CREDIT NO. 5126 ET, parts 3.1, 3.2, 4.2 and 4.3  
IDA CREDIT NO. 5814 ET, parts 3.1 and 3.2  
GRANT TF A2302  
BALANCE SHEET  
AS AT 30 JUNE 2018

	Notes	2018 Ethiopian Birr	2017 Ethiopian Birr
<b><u>ASSETS</u></b>			
<b>NON-CURRENT ASSETS</b>			
Long term loans		<u>165,087,342</u>	<u>119,079,095</u>
<b>CURRENT ASSETS</b>			
Cash	3	69,208,588	133,983,607
Short term loans		54,199,547	23,996,242
Debtors	4	<u>266,190,812</u>	<u>208,515,778</u>
		<u>389,598,947</u>	<u>366,495,627</u>
<b>TOTAL ASSETS</b>		<b><u>554,686,289</u></b>	<b><u>485,574,722</u></b>
<b><u>LIABILITIES</u></b>			
<b>GRANT</b>	5	11,987,911	11,433,700
<b>LONG TERM LIABILITIES</b>			
Long term loan	6	497,718,183	447,341,352
<b>CURRENT LIABILITIES</b>			
Ministry of Finance and Economic Cooperation		<u>2,867,073</u>	<u>2,625,284</u>
<b>TOTAL LIABILITIES</b>		<b><u>512,573,167</u></b>	<b><u>461,400,336</u></b>
<b>NET ASSETS</b>		<b><u>42,113,122</u></b>	<b><u>24,174,386</u></b>
<b><u>REPRESENTED BY</u></b>			
<b>ACCUMULATED FUND</b>		<b><u>42,113,122</u></b>	<b><u>24,174,386</u></b>



**DEVELOPMENT BANK OF ETHIOPIA**  
**ELECTRICITY NETWORK REINFORCEMENT AND EXPANSION PROJECT**  
**IDA CREDIT NO. 5126 ET, PARTS 3.1, 3.2, 4.2 and 4.3**  
**IDA CREDIT NO. 5814 ET, PARTS 3.1 and 3.2**  
**GRANT TF A2302**  
**NOTES TO THE FINANCIAL STATEMENTS**

**1 PROJECT INFORMATION**

The Project was established to implement specific parts of IDA credit No. 5126 ET which is jointly financed by the Government of the Federal Democratic Republic of Ethiopia and the International Development Association (IDA). The main objective of these parts of the Project is the establishment and operation of credit facilities providing financing to participating financing institutions and private sector enterprises for specific development projects concerned with renewable energy and energy efficient products. In June 2016, additional finance was provided by IDA credit No. 5814 ET and a grant (TF A2302) from the Trust Fund for Energy SME Support in Sub-Saharan Africa. Under the terms of the new financing agreements, some parts of the Project are carried out in coordination with the Ministry of Water, Irrigation and Electricity.

**2 SIGNIFICANT ACCOUNTING POLICIES**

a) Basis of preparation

These financial statements have been prepared on a modified cash basis whereby non-monetary assets are expensed when acquired and monetary assets and liabilities are carried at fair value.

b) Currency

These financial statements are presented in Birr. Transactions in foreign currency are translated into Birr at the approximate rate of exchange prevailing at the date of the transaction. Cash balances denominated in foreign currencies are translated into Birr at the exchange rates ruling at the balance sheet date.

**3 BANK BALANCES**

	2018 Ethiopian Birr	2017 Ethiopian Birr
National Bank of Ethiopia-		
A/c No. 0261515600000	2,294,150	18,851,101
A/c No. 0200011040002	4,312,653	56,812,653
A/c No.101171300038	48,874,054	46,678,400
A/c No.101171300039	9,846,107	11,641,453
A/c No.0100381040073	<u>3,881,624</u>	=
	<u><b>69,208,588</b></u>	<u><b>133,983,607</b></u>



DEVELOPMENT BANK OF ETHIOPIA  
 ELECTRICITY NETWORK REINFORCEMENT AND EXPANSION PROJECT  
 IDA CREDIT NO. 5126 ET, parts 3.1, 3.2, 4.2 and 4.3  
 IDA CREDIT NO. 5814 ET, parts 3.1 and 3.2  
 GRANT TF A2302  
 NOTES TO THE FINANCIAL STATEMENTS

	2018 Ethiopian Birr	2017 Ethiopian Birr
<b>4 DEBTORS</b>		
Intra-bank account	261,788,027	205,452,953
Interest receivable	4,402,785	3,034,583
Other	=	<u>28,242</u>
	<u>266,190,812</u>	<u>208,515,778</u>
<b>5 GRANT</b>		
Withdrawn amount of a grant of five million United States dollars, representing the proceeds from USD 520,335.00	<u>11,987,911</u>	<u>11,433,700</u>

**6 LONG TERM LOAN**

Ministry of Finance and Economic Cooperation

Unsecured loan, on-lent from IDA, bearing interest at the rate of 1.5% per annum, and repayable in 40 semi-annual instalments of Birr 11,592,106 each from June 2022 through December 2041.

**7 DATE OF AUTHORIZATION**

The President of the Bank authorized the issue of these financial statements on 31 December 2018.



**DEVELOPMENT BANK OF ETHIOPIA**  
**ELECTRICITY NETWORK REINFORCEMENT AND**  
**EXPANSION PROJECT**  
**IDA CREDIT NO. 5126 ET, parts 3.1, 3.2, 4.2 and 4.3**  
**IDA CREDIT NO. 5814 ET, parts 3.1 and 3.2**  
**GRANT TF A2302**  
**DESIGNATED ACCOUNT STATEMENT**

For period ended	30 June 2018
Account number	026151560000
Depository bank	National Bank of Ethiopia
Address	Addis Ababa, Ethiopia
Related credit	IDA 5126 ET
Currency	USD

	USD	Equivalent in Ethiopian Birr
Opening balance at 30 June 2017	807,701.26	18,851,101.25
Add: Refund from National Bank of Ethiopia	<u>3,275.68</u>	<u>77,320.46</u>
	810,976.94	18,928,421.71
Less: Payments for loan disbursements and expenses	<u>727,658.43</u>	<u>17,621,656.62</u>
	83,318.51	1,306,765.09
Add: Gain on foreign exchange	-	<u>987,385.09</u>
<b>Ending balance at 30 June 2018</b>	<b><u>83,318.51</u></b>	<b><u>2,294,150.18</u></b>





**DEVELOPMENT BANK OF ETHIOPIA**  
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**IDA CREDIT NO. 5814 ET, parts 3.1 and 3.2**  
**GRANT TF A2302**  
**DESIGNATED ACCOUNT STATEMENT**

For period ended	30 June 2018
Account number	101171300038
Depository bank	National Bank of Ethiopia
Address	Addis Ababa, Ethiopia
Related credits	IDA 5216 ET; IDA 5814 ET
Currency	USD

	USD	Equivalent in Ethiopian Birr
Opening balance at 30 June 2017	2,000,000.00	46,678,400.00
Add: Reimbursements from World Bank	<u>1,878,602.05</u>	<u>51,209,939.46</u>
	3,878,602.05	97,888,339.46
Less: Payments for loan disbursements and expenses	<u>2,103,603.45</u>	<u>58,409,419.01</u>
	1,774,998.60	39,478,920.45
Add: Gain on foreign exchange	-	<u>9,395,133.50</u>
<b>Ending balance at 30 June 2018</b>	<b><u>1,774,998.60</u></b>	<b><u>48,874,053.95</u></b>



**DEVELOPMENT BANK OF ETHIOPIA**  
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**IDA CREDIT NO. 5814 ET, parts 3.1 and 3.2**  
**GRANT TF A2302**  
**DESIGNATED ACCOUNT STATEMENT**

For period ended	30 June 2018
Account number	101171300039
Depository bank	National Bank of Ethiopia
Address	Addis Ababa, Ethiopia
Related credit / grant	IDA 5126 ET; TF A2302
Currency	USD

	USD	Equivalent in Ethiopian Birr
Opening balance at 30 June 2017	498,794.00	11,641,452.92
Add: Reimbursements from World Bank	<u>20,703.74</u>	<u>562,852.19</u>
	519,497.74	12,204,305.11
Less: Payments for expenses	<u>161,908.69</u>	<u>4,382,865.52</u>
	357,589.05	7,821,439.59
Add: Gain on foreign exchange	=	<u>2,024,667.62</u>
<b>Ending balance at 30 June 2018</b>	<b><u>357,589.05</u></b>	<b><u>9,846,107.21</u></b>



DEVELOPMENT BANK OF ETHIOPIA  
ELECTRICITY NETWORK REINFORCEMENT AND EXPANSION PROJECT  
IDA CREDIT NO. 5126 ET, parts 3.1, 3.2, 4.2 and 4.3  
IDA CREDIT NO. 5814 ET, parts 3.1 and 3.2  
GRANT TF A2302  
PROJECT RECEIPTS AND USE OF FUNDS  
FOR THE YEAR ENDED 30 JUNE 2018

	2018 Ethiopian Birr	Cumulative from Ethiopian Birr	2017 Ethiopian Birr
<b>RECEIPTS</b>			
Deposits to Designated Accounts	50,931,042	509,706,094	135,466,098
Loans to beneficiaries repaid - Annex 4 note a)	75,596,818	273,905,630	91,599,251
Gain on foreign exchange	12,407,186	31,720,063	2,216,358
Interest received, net of paid - Annex 4 note b)	<u>4,926,365</u>	<u>22,647,978</u>	<u>7,836,871</u>
<b>TOTAL RECEIPTS</b>	<b><u>143,861,411</u></b>	<b><u>837,979,765</u></b>	<b><u>237,118,578</u></b>
<b>USE OF FUNDS - ANNEX 2</b>			
<b>CREDITS</b>			
Part 3.1 Loans provided to eligible household/ subcredit recipients by MFI's	59,096,149	164,829,594	42,061,233
Part 3.2 Loans provided to eligible private sector enterprises	78,047,822	275,804,528	53,282,226
Part 4.2 Modernization Support	385	9,630,605	609,310
Part 4.3 Outreach programme - MOWIE	-	3,639,182	3,639,182
<b>GRANT</b>			
Part 2 Technical assistance to MFIs and DBE	<u>520,843</u>	<u>520,843</u>	-
<b>TOTAL PAYMENTS</b>	<b><u>137,665,199</u></b>	<b><u>454,424,752</u></b>	<b><u>99,591,951</u></b>
<b>EXCESS OF RECEIPTS OVER USE OF FUNDS</b>	<b><u>6,196,212</u></b>	<b><u>383,555,013</u></b>	<b><u>137,526,627</u></b>
<b>REPRESENTED BY</b>			
Cash at Bank - Designated Accounts		61,014,311	
Cash at Bank - Local Accounts		8,194,277	
Receivable from Development Bank of Ethiopia - Annex 4 - note c)		261,788,027	
Advances to MFI's & PSE's, as yet unutilized - Annex 3		<u>52,558,398</u>	
		<b><u>383,555,013</u></b>	



DEVELOPMENT BANK OF ETHIOPIA  
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 IDA CREDIT NO. 5126 ET, parts 3.1, 3.2, 4.2 and 4.3  
 IDA CREDIT NO. 5814 ET, parts 3.1 and 3.2  
 GRANT TF A2302

	2018 Ethiopian Birr	Cumulative from 12 June 2012 to 30 June 2018 Ethiopian Birr	2017 Ethiopian Birr
<b>USE OF FUNDS BY PROJECT COMPONENT</b>			
<b>Component 3.1 MFI's</b>			
Loans provided to eligible household/ subcredit recipients by MFI 1 (OCSCO)	15,000,000	21,763,498	5,000,000
Loans provided to eligible household/ subcredit recipients by MFI 2 (Wasasa)	226,593	6,020,485	127,248
Loans provided to eligible household/ subcredit recipients by MFI 3 (DECSI)	3,673,770	9,172,940	2,616,400
Loans provided to eligible household/ subcredit recipients by MFI 4 (ACSI)	25,000,000	85,671,500	12,500,000
Loans provided to eligible household/ subcredit recipients by MFI 5(OMO)	-	25,000,000	19,812,200
Loans provided to eligible household/ subcredit recipients by MFI 6(SPECIALIZED.F)	3,767,036	4,991,976	1,224,940
Loans provided to eligible household/ subcredit recipients by MFI 7(HARBU.MF)	631,000	1,351,445	720,445
Loans provided to eligible household/ subcredit recipients by MFI 8(PEACE)	2,440,000	2,500,000	60,000
Loans provided to eligible household/ subcredit recipients by MFI 9(AGAR MF)	-	-	-
Loans provided to eligible household/ subcredit recipients by MFI 10(VISION)	<u>6,894,750</u>	6,894,750	-
Loans provided to eligible household/ subcredit recipients by MFI 11(MEKLIT)	<u>213,000</u>	<u>213,000</u>	-
Loans provided to eligible household/ subcredit recipients by MFI 12(METEMAMEN)	<u>1,250,000</u>	<u>1,250,000</u>	-
<b>Sub total</b>	<b><u>59,096,149</u></b>	<b><u>164,829,594</u></b>	<b><u>42,061,233</u></b>





**DEVELOPMENT BANK OF ETHIOPIA**  
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**IDA CREDIT NO. 5126 ET, parts 3.1, 3.2, 4.2 and 4.3**  
**IDA CREDIT NO. 5814 ET, parts 3.1 and 3.2**  
**GRANT TF A2302**

	2018 Ethiopian Birr	Cumulative from 12 June 2012 to 30 June 2018 Ethiopian Birr	2017 Ethiopian Birr
<b>3.1 MFI's - sub total</b>	<u>59,096,149</u>	<u>164,829,594</u>	<u>42,061,233</u>
<b>Component 3.2 PSE's</b>			
DAMA Trade	10,525,803	63,774,353	22,404,322
Universal Electronics	-	22,695,715	9,318,043
Rensys Engineering and Trade	14,718,338	20,807,004	-
EZOP- EL Engineering PLC	-	298,031	-
Vera International Business	28,386,803	111,602,771	-
Biftu Adugna Business SC	-	21,721,060	15,962,271
Lydet Co. PLC	16,092,802	24,381,518	3,397,590
Genet Nigussie (ETHIO-ADD)	-	2,200,000	2,200,000
SAT Import Trading PLC	8,324,076	8,324,076	-
<b>Sub total</b>	<u>78,047,822</u>	<u>275,804,528</u>	<u>53,282,226</u>
<b>Component 4.2 Modernization Support</b>			
Training and workshops		6,796,176	-
Operating costs	<u>385</u>	<u>2,834,429</u>	<u>609,310</u>
<b>Sub total</b>	<u>385</u>	<u>9,630,605</u>	<u>609,310</u>
<b>Component 4.3 Outreach Programme - MOWIE</b>			
Technical Assistance	-	<u>3,639,182</u>	<u>3,639,182</u>
<b>Grant component 2</b>			
Technical Assistance	<u>520,843</u>	<u>520,843</u>	-
<b>Grand Total</b>	<u>137,665,199</u>	<u>454,424,752</u>	<u>99,591,951</u>



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GRANT TF A2302  
ANALYSIS OF LOANS TO MFI's AND PSE's

	<u>Beginning advance balance ETB</u>	<u>Advances to MFI's ETB</u>	<u>Loans provided to beneficiaries/ subcredits by MFI's ETB</u>	<u>Ending advance balance ETB</u>
<b>To MFI's</b>				
MFI 1 OCSSCO	-	18,750,000	15,000,000	3,750,000
MFI 2 Wasasa	1,122,751	-	226,592	896,159
MFI 3 DECSI	19,500,830	-	3,673,770	15,827,060
MFI 4 ACSI	-	46,250,000	25,000,000	21,250,000
MFI 5 OMO Microfinance	-	-	-	-
MFI 6 SPECIALIZED.F	25,060	5,000,000	3,767,036	1,258,024
MFI 7 HARBU.MF	529,555	1,250,000	631,000	1,148,555
MFI 8 PEACE	1,190,000	1,250,000	2,440,000	-
MFI 9 AGAR MF	1,250,000	-	-	1,250,000
MFI 10 VISION	2,500,000	5,000,000	6,894,750	605,250
MFI 11 MEKLIT	1,250,000	-	213,000	1,037,000
MFI 12 METEMAMEN	-	1,250,000	1,250,000	-
<b>Sub-total</b>	<b><u>27,368,196</u></b>	<b><u>78,750,000</u></b>	<b><u>59,096,148</u></b>	<b><u>47,022,048</u></b>
	<u>Beginning advance balance</u>	<u>Loans made (LC opened etc) by DBE</u>	<u>documents or invoices obtained/ LC cancelled</u>	<u>Ending advance balance</u>
<b>To PSE's</b>				
PSE 1 Dama Trade	10,525,803	-	10,525,803	-
PSE 3 RENSYS ENG. & TR	-	14,718,338	14,718,338	-
PSE 5 VERA INT.L BUS.	-	28,386,803	28,386,803	-
PSE 7 Lydtco PLC	-	16,092,802	16,092,802	-
PSE 12 SAT Import Trading	-	8,324,076	8,324,076	-
PSE 13 Temesgen Ayana	-	5,536,350	-	5,536,350
<b>Sub-total</b>	<b><u>10,525,803</u></b>	<b><u>73,058,369</u></b>	<b><u>78,047,822</u></b>	<b><u>5,536,350</u></b>
<b>Grand Total</b>	<b><u>37,893,999</u></b>	<b><u>151,808,369</u></b>	<b><u>137,143,970</u></b>	<b><u>52,558,398</u></b>



**DEVELOPMENT BANK OF ETHIOPIA**  
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**IDA CREDIT NO. 5814 ET, parts 3.1 and 3.2**  
**GRANT TF A2302**

**a) LOANS TO BENEFICIARIES REPAID**

Loans provided to eligible private sector enterprises are short term. This is the total amount repaid through 30 June 2018.

**b) INTEREST RECEIVED, NET OF PAID**

Interest is charged on loans given to beneficiaries and is payable at a lower rate of interest to the Ministry of Finance and Economic Cooperation under a subsidiary loan agreement.

**c) RECEIVABLE FROM DEVELOPMENT BANK OF ETHIOPIA**

This balance is an intra-bank account which the Project has with the banking division of the Bank. It is comparable to cash at bank.



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**AUDIT SERVICES  
CORPORATION**

DEVELOPMENT BANK OF ETHIOPIA  
ELECTRICITY NETWORK REINFORCEMENT  
AND EXPANSION PROJECT  
IDA CREDIT NOS. 5126 ET, PARTS 3.1, 3.2, 4.2 AND 4.3  
AND 5814 ET, PARTS 3.1 AND 3.2  
AND IDA GRANT NO. TF A 2302  
MANAGEMENT LETTER  
FOR THE YEAR ENDED 30 JUNE 2018





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The Federal Democratic Republic of Ethiopia  
Audit Services Corporation

31 December 2018

The President  
Development Bank of Ethiopia  
Addis Ababa

Dear Sir

**DEVELOPMENT BANK OF ETHIOPIA  
ELECTRICITY NETWORK REINFORCEMENT AND EXPANSION PROJECT  
IDA CREDIT NO. 5126 ET, PARTS 3.1, 3.2, 4.2 and 4.3  
IDA CREDIT NO. 5814 ET, PARTS 3.1 and 3.2  
GRANT TF A2302  
MANAGEMENT LETTER  
FOR THE YEAR ENDED 30 JUNE 2018**

We have audited the financial statements of Development Bank of Ethiopia, Electricity Network Reinforcement and Expansion Project, financed under IDA credit no. 5126 ET, Parts 3.1, 3.2, 4.2 and 4.3; IDA credit no. 5814 ET, Parts 3.1 and 3.2; and Grant TF A2302, (the Project) for the year ended 30 June 2018.

We attach the following for reference

Independent auditor's report  
Statement of sources and uses of funds  
Balance Sheet  
Designated Account Statements  
Notes to the financial statements  
Annexes 1 to 4

As part of our audit of the financial statements of the Project, we visited micro finance institutes that are participating in the Project, as well as a number of final beneficiaries residing in the following areas.

Oromia Credit and Saving Institute

- a) East Shewa (Boset branch)
- b) East Shewa (Liban Chukala branch)
- c) East Shewa (Adea branch)



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- 1.1 There are the following matters to report
  - 1.1.1 The list of beneficiaries provided by Oromia Credit and Saving Institute lacks full product information, such as product serial number, model number, and country of origin.
  - 1.1.2 Visits to final beneficiaries revealed that many solar products were not working properly due to technical problems. We understand that the beneficiaries reported the defective products to the Woreda Energy Bureau. The Bank informs us that the reason for the malfunctioning was possibly due to lack of proper maintenance, lack of proper explanation on how to use the products or actual defects in the products.
  - 1.1.3 Suppliers' invoices for energy-saver products distributed to beneficiaries in Adea and Boset Woredas were not made available to us.
  - 1.1.4 A list of loan beneficiaries in Boset Woreda was not made available to us.
  - 1.1.5 Loan application letters from and loan agreements with beneficiaries and the Woreda credit and saving institute were not made available to us at Liban Chukala.
  - 1.1.6 According to the distribution list, some beneficiaries in Liban Chukala did not receive the solar product.
  - 1.1.7 Beneficiaries' loan applications in Adea Woreda were not made available to us.
- 2.1 As reported in our management letter of the previous year, the utilization of the loan by Dedit Credit and Saving Institute (DCSI) was low in 2016/17. It has remained low in the current year.
- 3.1 Insofar as appears from our examination and to the best of our knowledge and belief there are no adverse comments to make on compliance with the financial covenants in the financing agreement and there are no other significant matters that came to our attention

We would like to express our appreciation to the management and staff of the Project for the assistance and courtesy extended to us during the course of our audit.

Yours faithfully,

*Audit Services Corporation*



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We would like to express our appreciation to the management and staff of the Project for the assistance and courtesy extended to us during the course of our audit.

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The Federal Democratic Republic of Ethiopia  
Audit Services Corporation

**INDEPENDENT AUDITOR'S REPORT  
TO DEVELOPMENT BANK OF ETHIOPIA**

We have audited the accompanying financial statements of Development Bank of Ethiopia, Electricity Network Reinforcement and Expansion Project, financed under IDA credit no. 5126 ET, Parts 3.1, 3.2, 4.2 and 4.3; IDA credit no. 5814 ET, Parts 3.1 and 3.2; and Grant TF A2302, which comprise the balance sheet as at 30 June 2018, and the statement of sources and uses of funds and Designated Account statements for the year then ended, and a summary of significant accounting policies and other explanatory information and annexes 1 to 4.

*Managements' Responsibility for the Financial Statements*

Management is responsible for preparation of financial statements that give a true and fair view under the modified cash basis of accounting as described in note 2 to the financial statements and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

*Auditors' Responsibility*

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

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

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

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**INDEPENDENT AUDITOR'S REPORT  
TO DEVELOPMENT BANK OF ETHIOPIA (continued)**

***Opinion***

In our opinion, the financial statements give a true and fair view of the financial position of Development Bank of Ethiopia, Electricity Network Reinforcement and Expansion Project, financed under IDA credit no. 5126 ET, Parts 3.1, 3.2, 4.2 and 4.3; IDA credit no. 5814 ET, Parts 3.1 and 3.2; and Grant TF A2302, as at 30 June 2018 and of its sources and uses of funds for the year then ended in accordance with the modified cash basis of accounting described in note 2 to the financial statements.

***Report on Other Requirements***

In our opinion,

- during the period IDA and Trust funds have been used in accordance with the conditions of the relevant financing agreements, with due attention to economy and efficiency, and only for the purposes for which the financing was provided;
- goods, works and services financed have been procured in accordance with the relevant financing agreements including specific provisions of the World Bank Procurement Policies and Procedures;
- all necessary supporting documents, records and accounts have been maintained in respect of all Project activities;
- The Designated Accounts have been maintained in accordance with the provisions of the relevant financing agreements and funds disbursed out of the Accounts were used only for the purposes intended in the financing agreements;
- national laws and regulations have been complied with; and
- except in MFI 3, the financial performance of the project was satisfactory.

*Audit Services Corporation*

31 December 2018



DEVELOPMENT BANK OF ETHIOPIA  
 ELECTRICITY NETWORK REINFORCEMENT AND  
 EXPANSION PROJECT  
 IDA CREDIT NO. 5126 ET, parts 3.1, 3.2, 4.2 and 4.3  
 IDA CREDIT NO. 5814 ET, parts 3.1 and 3.2  
 GRANT TF A2302  
 STATEMENT OF SOURCES AND USES OF FUNDS  
 FOR THE YEAR ENDED 30 JUNE 2018

	2018 Ethiopian Birr	Cumulative from 12 June 2012 to 30 June 2018 Ethiopian Birr	2017 Ethiopian Birr
<b>FINANCING</b>			
Gain on foreign exchange	12,407,186	31,720,062	2,216,358
Interest income	<u>12,780,133</u>	<u>49,100,844</u>	<u>12,957,883</u>
<b>TOTAL FINANCING</b>	<b><u>25,187,319</u></b>	<b><u>80,820,906</u></b>	<b><u>15,174,241</u></b>
<b>PROJECT EXPENDITURES</b>			
Modernization support	521,228	13,790,630	4,248,492
Interest expense	<u>6,727,355</u>	<u>24,917,154</u>	<u>6,013,394</u>
<b>TOTAL PROJECT EXPENDITURES</b>	<b><u>7,248,583</u></b>	<b><u>38,707,784</u></b>	<b><u>10,261,886</u></b>
<b>EXCESS OF FINANCING OVER EXPENDITURES</b>	<b><u>17,938,736</u></b>	<b><u>42,113,122</u></b>	<b><u>4,912,355</u></b>



DEVELOPMENT BANK OF ETHIOPIA  
 ELECTRICITY NETWORK REINFORCEMENT AND  
 EXPANSION PROJECT  
 IDA CREDIT NO. 5126 ET, parts 3.1, 3.2, 4.2 and 4.3  
 IDA CREDIT NO. 5814 ET, parts 3.1 and 3.2  
 GRANT TF A2302  
 BALANCE SHEET  
 AS AT 30 JUNE 2018

	Notes	2018 Ethiopian Birr	2017 Ethiopian Birr
<b><u>ASSETS</u></b>			
<b>NON-CURRENT ASSETS</b>			
Long term loans		<u>165,087,342</u>	<u>119,079,095</u>
<b>CURRENT ASSETS</b>			
Cash	3	69,208,588	133,983,607
Short term loans		54,199,547	23,996,242
Debtors	4	<u>266,190,812</u>	<u>208,515,778</u>
		<u>389,598,947</u>	<u>366,495,627</u>
<b>TOTAL ASSETS</b>		<b><u>554,686,289</u></b>	<b><u>485,574,722</u></b>
<b><u>LIABILITIES</u></b>			
GRANT	5	11,987,911	11,433,700
<b>LONG TERM LIABILITIES</b>			
Long term loan	6	497,718,183	447,341,352
<b>CURRENT LIABILITIES</b>			
Ministry of Finance and Economic Cooperation		<u>2,867,073</u>	<u>2,625,284</u>
<b>TOTAL LIABILITIES</b>		<b><u>512,573,167</u></b>	<b><u>461,400,336</u></b>
<b>NET ASSETS</b>		<b><u>42,113,122</u></b>	<b><u>24,174,386</u></b>
<b><u>REPRESENTED BY</u></b>			
<b>ACCUMULATED FUND</b>		<b><u>42,113,122</u></b>	<b><u>24,174,386</u></b>





**DEVELOPMENT BANK OF ETHIOPIA  
ELECTRICITY NETWORK REINFORCEMENT AND EXPANSION PROJECT  
IDA CREDIT NO. 5126 ET, PARTS 3.1, 3.2, 4.2 and 4.3  
IDA CREDIT NO. 5814 ET, PARTS 3.1 and 3.2  
GRANT TF A2302  
NOTES TO THE FINANCIAL STATEMENTS**

**1 PROJECT INFORMATION**

The Project was established to implement specific parts of IDA credit No. 5126 ET which is jointly financed by the Government of the Federal Democratic Republic of Ethiopia and the International Development Association (IDA). The main objective of these parts of the Project is the establishment and operation of credit facilities providing financing to participating financing institutions and private sector enterprises for specific development projects concerned with renewable energy and energy efficient products. In June 2016, additional finance was provided by IDA credit No. 5814 ET and a grant (TF A2302) from the Trust Fund for Energy SME Support in Sub-Saharan Africa. Under the terms of the new financing agreements, some parts of the Project are carried out in coordination with the Ministry of Water, Irrigation and Electricity.

**2 SIGNIFICANT ACCOUNTING POLICIES**

a) Basis of preparation

These financial statements have been prepared on a modified cash basis whereby non-monetary assets are expensed when acquired and monetary assets and liabilities are carried at fair value.

b) Currency

These financial statements are presented in Birr. Transactions in foreign currency are translated into Birr at the approximate rate of exchange prevailing at the date of the transaction. Cash balances denominated in foreign currencies are translated into Birr at the exchange rates ruling at the balance sheet date.

**3 BANK BALANCES**

	2018 Ethiopian Birr	2017 Ethiopian Birr
National Bank of Ethiopia-		
A/c No. 0261515600000	2,294,150	18,851,101
A/c No. 0200011040002	4,312,653	56,812,653
A/c No.101171300038	48,874,054	46,678,400
A/c No.101171300039	9,846,107	11,641,453
A/c No.0100381040073	<u>3,881,624</u>	=
	<u><b>69,208,588</b></u>	<u><b>133,983,607</b></u>





DEVELOPMENT BANK OF ETHIOPIA  
 ELECTRICITY NETWORK REINFORCEMENT AND EXPANSION PROJECT  
 IDA CREDIT NO. 5126 ET, parts 3.1, 3.2, 4.2 and 4.3  
 IDA CREDIT NO. 5814 ET, parts 3.1 and 3.2  
 GRANT TF A2302  
 NOTES TO THE FINANCIAL STATEMENTS

	2018 Ethiopian Birr	2017 Ethiopian Birr
<b>4 DEBTORS</b>		
Intra-bank account	261,788,027	205,452,953
Interest receivable	4,402,785	3,034,583
Other	=	<u>28,242</u>
	<u>266,190,812</u>	<u>208,515,778</u>

**5 GRANT**

Withdrawn amount of a grant of five million United States dollars, representing the proceeds from USD 520,335.00

11,987,911

11,433,700

**6 LONG TERM LOAN**

Ministry of Finance and Economic Cooperation

Unsecured loan, on-lent from IDA, bearing interest at the rate of 1.5% per annum, and repayable in 40 semi-annual instalments of Birr 11,592,106 each from June 2022 through December 2041.

**7 DATE OF AUTHORIZATION**

The President of the Bank authorized the issue of these financial statements on 31 December 2018.



**DEVELOPMENT BANK OF ETHIOPIA**  
**ELECTRICITY NETWORK REINFORCEMENT AND**  
**EXPANSION PROJECT**  
**IDA CREDIT NO. 5126 ET, parts 3.1, 3.2, 4.2 and 4.3**  
**IDA CREDIT NO. 5814 ET, parts 3.1 and 3.2**  
**GRANT TF A2302**  
**DESIGNATED ACCOUNT STATEMENT**

For period ended	30 June 2018
Account number	026151560000
Depository bank	National Bank of Ethiopia
Address	Addis Ababa, Ethiopia
Related credit	IDA 5126 ET
Currency	USD

	USD	Equivalent in Ethiopian Birr
Opening balance at 30 June 2017	807,701.26	18,851,101.25
Add: Refund from National Bank of Ethiopia	<u>3,275.68</u>	<u>77,320.46</u>
	810,976.94	18,928,421.71
Less: Payments for loan disbursements and expenses	<u>727,658.43</u>	<u>17,621,656.62</u>
	83,318.51	1,306,765.09
Add: Gain on foreign exchange	=	<u>987,385.09</u>
<b>Ending balance at 30 June 2018</b>	<b><u>83,318.51</u></b>	<b><u>2,294,150.18</u></b>



**DEVELOPMENT BANK OF ETHIOPIA**  
**ELECTRICITY NETWORK REINFORCEMENT AND**  
**EXPANSION PROJECT**  
**IDA CREDIT NO. 5126 ET, parts 3.1, 3.2, 4.2 and 4.3**  
**IDA CREDIT NO. 5814 ET, parts 3.1 and 3.2**  
**GRANT TF A2302**  
**DESIGNATED ACCOUNT STATEMENT**

For period ended 30 June 2018  
Account number 101171300038  
Depository bank National Bank of Ethiopia  
Address Addis Ababa, Ethiopia  
Related credits IDA 5216 ET; IDA 5814 ET  
Currency USD

	USD	Equivalent in Ethiopian Birr
Opening balance at 30 June 2017	2,000,000.00	46,678,400.00
Add: Reimbursements from World Bank	<u>1,878,602.05</u>	<u>51,209,939.46</u>
	3,878,602.05	97,888,339.46
Less: Payments for loan disbursements and expenses	<u>2,103,603.45</u>	<u>58,409,419.01</u>
	1,774,998.60	39,478,920.45
Add: Gain on foreign exchange	=	<u>9,395,133.50</u>
<b>Ending balance at 30 June 2018</b>	<b><u>1,774,998.60</u></b>	<b><u>48,874,053.95</u></b>



**DEVELOPMENT BANK OF ETHIOPIA**  
**ELECTRICITY NETWORK REINFORCEMENT AND**  
**EXPANSION PROJECT**  
**IDA CREDIT NO. 5126 ET, parts 3.1, 3.2, 4.2 and 4.3**  
**IDA CREDIT NO. 5814 ET, parts 3.1 and 3.2**  
**GRANT TF A2302**  
**DESIGNATED ACCOUNT STATEMENT**

For period ended	30 June 2018
Account number	101171300039
Depository bank	National Bank of Ethiopia
Address	Addis Ababa, Ethiopia
Related credit / grant	IDA 5126 ET; TF A2302
Currency	USD

	USD	Equivalent in Ethiopian Birr
Opening balance at 30 June 2017	498,794.00	11,641,452.92
Add: Reimbursements from World Bank	<u>20,703.74</u>	<u>562,852.19</u>
	519,497.74	12,204,305.11
Less: Payments for expenses	<u>161,908.69</u>	<u>4,382,865.52</u>
	357,589.05	7,821,439.59
Add: Gain on foreign exchange	=	<u>2,024,667.62</u>
<b>Ending balance at 30 June 2018</b>	<b><u>357,589.05</u></b>	<b><u>9,846,107.21</u></b>





DEVELOPMENT BANK OF ETHIOPIA  
 ELECTRICITY NETWORK REINFORCEMENT AND EXPANSION PROJECT  
 IDA CREDIT NO. 5126 ET, parts 3.1, 3.2, 4.2 and 4.3  
 IDA CREDIT NO. 5814 ET, parts 3.1 and 3.2  
 GRANT TF A2302  
 PROJECT RECEIPTS AND USE OF FUNDS  
 FOR THE YEAR ENDED 30 JUNE 2018

	2018 Ethiopian Birr	Cumulative from Ethiopian Birr	2017 Ethiopian Birr
<b>RECEIPTS</b>			
Deposits to Designated Accounts	50,931,042	509,706,094	135,466,098
Loans to beneficiaries repaid - Annex 4 note a)	75,596,818	273,905,630	91,599,251
Gain on foreign exchange	12,407,186	31,720,063	2,216,358
Interest received, net of paid - Annex 4 note b)	<u>4,926,365</u>	<u>22,647,978</u>	<u>7,836,871</u>
<b>TOTAL RECEIPTS</b>	<b><u>143,861,411</u></b>	<b><u>837,979,765</u></b>	<b><u>237,118,578</u></b>
<b>USE OF FUNDS - ANNEX 2</b>			
<b>CREDITS</b>			
Part 3.1 Loans provided to eligible household/ subcredit recipients by MFI's	59,096,149	164,829,594	42,061,233
Part 3.2 Loans provided to eligible private sector enterprises	78,047,822	275,804,528	53,282,226
Part 4.2 Modernization Support	385	9,630,605	609,310
Part 4.3 Outreach programme - MOWIE	-	3,639,182	3,639,182
<b>GRANT</b>		-	
Part 2 Technical assistance to MFIs and DBE	<u>520,843</u>	<u>520,843</u>	-
<b>TOTAL PAYMENTS</b>	<b><u>137,665,199</u></b>	<b><u>454,424,752</u></b>	<b><u>99,591,951</u></b>
<b>EXCESS OF RECEIPTS OVER USE OF FUNDS</b>	<b><u>6,196,212</u></b>	<b><u>383,555,013</u></b>	<b><u>137,526,627</u></b>
<b>REPRESENTED BY</b>			
Cash at Bank - Designated Accounts		61,014,311	
Cash at Bank - Local Accounts		8,194,277	
Receivable from Development Bank of Ethiopia - Annex 4 - note c)		261,788,027	
Advances to MFI's & PSE's, as yet unutilized - Annex 3		<u>52,558,398</u>	
		<b><u>383,555,013</u></b>	



DEVELOPMENT BANK OF ETHIOPIA  
 ELECTRICITY NETWORK REINFORCEMENT AND EXPANSION PROJECT  
 IDA CREDIT NO. 5126 ET, parts 3.1, 3.2, 4.2 and 4.3  
 IDA CREDIT NO. 5814 ET, parts 3.1 and 3.2  
 GRANT TF A2302

	2018 Ethiopian Birr	Cumulative from 12 June 2012 to 30 June 2018 Ethiopian Birr	2017 Ethiopian Birr
<b>USE OF FUNDS BY PROJECT COMPONENT</b>			
<b>Component 3.1 MFI's</b>			
Loans provided to eligible household/ subcredit recipients by MFI 1 (OCSCO)	15,000,000	21,763,498	5,000,000
Loans provided to eligible household/ subcredit recipients by MFI 2 (Wasasa)	226,593	6,020,485	127,248
Loans provided to eligible household/ subcredit recipients by MFI 3 (DECSD)	3,673,770	9,172,940	2,616,400
Loans provided to eligible household/ subcredit recipients by MFI 4 (ACSD)	25,000,000	85,671,500	12,500,000
Loans provided to eligible household/ subcredit recipients by MFI 5(OMO)	-	25,000,000	19,812,200
Loans provided to eligible household/ subcredit recipients by MFI 6(SPECIALIZED.F)	3,767,036	4,991,976	1,224,940
Loans provided to eligible household/ subcredit recipients by MFI 7(HARBU.MF)	631,000	1,351,445	720,445
Loans provided to eligible household/ subcredit recipients by MFI 8(PEACE)	2,440,000	2,500,000	60,000
Loans provided to eligible household/ subcredit recipients by MFI 9(AGAR MF)	-	-	-
Loans provided to eligible household/ subcredit recipients by MFI 10(VISION)	<u>6,894,750</u>	6,894,750	-
Loans provided to eligible household/ subcredit recipients by MFI 11(MEKLIT)	<u>213,000</u>	<u>213,000</u>	-
Loans provided to eligible household/ subcredit recipients by MFI 12(METEMAMEN)	<u>1,250,000</u>	<u>1,250,000</u>	-
<b>Sub total</b>	<b><u>59,096,149</u></b>	<b><u>164,829,594</u></b>	<b><u>42,061,233</u></b>



DEVELOPMENT BANK OF ETHIOPIA  
ELECTRICITY NETWORK REINFORCEMENT AND EXPANSION PROJECT  
IDA CREDIT NO. 5126 ET, parts 3.1, 3.2, 4.2 and 4.3  
IDA CREDIT NO. 5814 ET, parts 3.1 and 3.2  
GRANT TF A2302

	2018 Ethiopian Birr	Cumulative from 12 June 2012 to 30 June 2018 Ethiopian Birr	2017 Ethiopian Birr
<b>3.1 MFI's - sub total</b>	<u>59,096,149</u>	<u>164,829,594</u>	<u>42,061,233</u>
<b>Component 3.2 PSE's</b>			
DAMA Trade	10,525,803	63,774,353	22,404,322
Universal Electronics	-	22,695,715	9,318,043
Rensys Engineering and Trade	14,718,338	20,807,004	-
EZOP- EL Engineering PLC	-	298,031	-
Vera International Business	28,386,803	111,602,771	-
Biftu Adugna Business SC	-	21,721,060	15,962,271
Lydet Co. PLC	16,092,802	24,381,518	3,397,590
Genet Nigussie (ETHIO-ADD)	=	2,200,000	2,200,000
SAT Import Trading PLC	8,324,076	8,324,076	=
<b>Sub total</b>	<u>78,047,822</u>	<u>275,804,528</u>	<u>53,282,226</u>
<b>Component 4.2 Modernization Support</b>			
Training and workshops		6,796,176	-
Operating costs	<u>385</u>	<u>2,834,429</u>	<u>609,310</u>
<b>Sub total</b>	<u>385</u>	<u>9,630,605</u>	<u>609,310</u>
<b>Component 4.3 Outreach Programme - MOWIE</b>			
Technical Assistance	=	<u>3,639,182</u>	<u>3,639,182</u>
<b>Grant component 2</b>			
Technical Assistance	<u>520,843</u>	<u>520,843</u>	=
<b>Grand Total</b>	<u>137,665,199</u>	<u>454,424,752</u>	<u>99,591,951</u>





DEVELOPMENT BANK OF ETHIOPIA  
 ELECTRICITY NETWORK REINFORCEMENT AND EXPANSION PROJECT  
 IDA CREDIT NO. 5126 ET, parts 3.1, 3.2, 4.2 and 4.3  
 IDA CREDIT NO. 5814 ET, parts 3.1 and 3.2  
 GRANT TF A2302  
 ANALYSIS OF LOANS TO MFI's AND PSE's

	<u>Beginning advance balance ETB</u>	<u>Advances to MFI's ETB</u>	<u>Loans provided to beneficiaries/ subcredits by MFI's ETB</u>	<u>Ending advance balance ETB</u>
<b>To MFI's</b>				
MFI 1 OCSSCO	-	18,750,000	15,000,000	3,750,000
MFI 2 Wasasa	1,122,751	-	226,592	896,159
MFI 3 DECSI	19,500,830	-	3,673,770	15,827,060
MFI 4 ACSI	-	46,250,000	25,000,000	21,250,000
MFI 5 OMO Microfinance	-	-	-	-
MFI 6 SPECIALIZED.F	25,060	5,000,000	3,767,036	1,258,024
MFI 7 HARBU.MF	529,555	1,250,000	631,000	1,148,555
MFI 8 PEACE	1,190,000	1,250,000	2,440,000	-
MFI 9 AGAR MF	1,250,000	-	-	1,250,000
MFI 10 VISION	2,500,000	5,000,000	6,894,750	605,250
MFI 11 MEKLIT	1,250,000	-	213,000	1,037,000
MFI 12 METEMAMEN	-	1,250,000	1,250,000	-
<b>Sub-total</b>	<b><u>27,368,196</u></b>	<b><u>78,750,000</u></b>	<b><u>59,096,148</u></b>	<b><u>47,022,048</u></b>
			<u>documents or</u>	
	<u>Beginning</u>	<u>Loans made</u>	<u>invoices</u>	<u>Ending</u>
<b>To PSE's</b>	<u>advance</u>	<u>(LC opened</u>	<u>obtained/ LC</u>	<u>advance</u>
	<u>balance</u>	<u>etc) by DBE</u>	<u>cancelled</u>	<u>balance</u>
PSE 1 Dama Trade	10,525,803	-	10,525,803	-
PSE 3 RENSYS ENG. & TR	-	14,718,338	14,718,338	-
PSE 5 VERA INT.L BUS.	-	28,386,803	28,386,803	-
PSE 7 Lydtco PLC	-	16,092,802	16,092,802	-
PSE 12 SAT Import Trading	-	8,324,076	8,324,076	-
PSE 13 Temesgen Ayana	-	5,536,350	-	5,536,350
<b>Sub-total</b>	<b><u>10,525,803</u></b>	<b><u>73,058,369</u></b>	<b><u>78,047,822</u></b>	<b><u>5,536,350</u></b>
<b>Grand Total</b>	<b><u>37,893,999</u></b>	<b><u>151,808,369</u></b>	<b><u>137,143,970</u></b>	<b><u>52,558,398</u></b>





**DEVELOPMENT BANK OF ETHIOPIA  
ELECTRICITY NETWORK REINFORCEMENT AND EXPANSION PROJECT  
IDA CREDIT NO. 5126 ET, parts 3.1, 3.2, 4.2 and 4.3  
IDA CREDIT NO. 5814 ET, parts 3.1 and 3.2  
GRANT TF A2302**

**a) LOANS TO BENEFICIARIES REPAID**

Loans provided to eligible private sector enterprises are short term. This is the total amount repaid through 30 June 2018.

**b) INTEREST RECEIVED, NET OF PAID**

Interest is charged on loans given to beneficiaries and is payable at a lower rate of interest to the Ministry of Finance and Economic Cooperation under a subsidiary loan agreement.

**c) RECEIVABLE FROM DEVELOPMENT BANK OF ETHIOPIA**

This balance is an intra-bank account which the Project has with the banking division of the Bank. It is comparable to cash at bank.

