

# Auditors' Report

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## INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF DASHEN BANK SHARE COMPANY

### Report on the Financial Statements

We have audited the accompanying financial statements of Dashen Bank Share Company set out on pages 22 to 35. These financial statements comprise the statement of financial position at 30 June 2016, the profit and loss account and a statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

### Respective responsibility of directors and auditors

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with Generally Accepted Accounting Principles and the relevant legal and regulatory requirements. Their responsibilities include: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Our responsibility is to express an opinion on the financial statements based on our audit.

### Basis of audit opinion

We conducted our audit in accordance with Generally Accepted Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform our audit to obtain reasonable assurance that 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 the directors, compliance with the relevant legal and regulatory requirements 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 opinion.

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## Opinion

In our opinion, the accompanying financial statements give a true and fair view, in all material respects, of the state of the Dashen Bank Share Company's financial affairs at 30 June 2016 and of its financial performance and cash flows for the year then ended in accordance with Generally Accepted Accounting Principles.

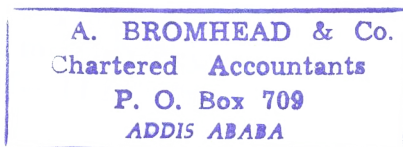
We have no comment to make on the report of the board of directors; and in accordance with Article 375 of the Commercial Code of Ethiopia of 1960, recommend acceptance of it, and approval of the financial statements.

## Emphasis of matter

As indicated in note 8.1, provision for doubtful loans has not been made for certain loans, and the impact of the NBE Circular No. BSD/13/2016 with respect to the repayments of loans totaling Birr 446,658,898 may only be assessed after 17 June 2018. Our opinion is not qualified in respect of this matter.



A.A. Bromhead & Co.  
Chartered Accountants and  
United Kingdom Registered Auditor  
Auditors of Dashen Bank Share Company



Addis Ababa  
September 8, 2016