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**NATIONAL BANK OF ETHIOPIA**  
ADDIS ABABA

**LICENSING AND SUPERVISION OF  
THE BUSINESS OF CAPITAL GOODS FINANCE COMPANIES**

**Manner of Financial and Operational Information Reporting  
Directives No. CGFB/03/2016**

**Whereas**, obtaining complete and relevant data from companies engaged in capital goods finance business enables the identification of inherent risks associated with each company and the sector at large;

**Whereas**, developing reporting formats in one set eases the reporting works of companies engaged in capital goods finance business;

**Whereas**, availing necessary data is important for calculation of financial and operational performance indicators and ratios by the National Bank;

**Now, therefore**, in accordance with the powers vested in it under Articles 4(4), 4(5)(a) and 18(4) of Capital Goods Leasing Business (Amendment) Proclamation No. 807/2013, the National Bank of Ethiopia has issued these directives.

**1. Short Title**

These Directives may be cited as “Manner of Financial and Operational Information Reporting Directives No. CGFB/03/2016.”

**2. Scope of Application**

The provisions of these directives shall be applicable to financial institutions engaged in capital goods finance business.

**3. Period and Manner of Reporting**

Financial and operational information and reports shall be submitted on a quarterly basis within thirty consecutive days from the end of the quarter to the National Bank of Ethiopia in the form and manner as shown in the tables attached herewith which shall be part hereof.

**4. Effective Date**

These directives shall enter into force as of the 1<sup>st</sup> day of February 2016.

**Form: RF<sup>1</sup>1A**

**Name of the Company:** \_\_\_\_\_

**General Information (Quarterly)**

**Period ending:** \_\_\_\_\_

**I. HEAD OFFICE AND BRANCH NETWORK INFORMATION**

1.1.	Head Office Address	
	Region	
	City/Town	
	Woreda/Sub-City	
	Kebele	
	Mailing Address	
	Telephone	
	Fax	
	Website	
	E-mail	

1.2.	Branch Network		
	Region	Number of Branches	Number of Sub-Branches
1.	Addis Ababa		
2.	Amhara		
3.	Tigray		
4.	Oromia		
5.	SNNPRS		
6.	Dire Dawa		
7.	Harari		
8.	Somali		
9.	Benishangul Gumuz		
10.	Afar		
11.	Gambela		
	<b>Total</b>		

**Name and Signature:** \_\_\_\_\_

**Designation:** \_\_\_\_\_ **E-mail:** \_\_\_\_\_

**Telephone No.:** \_\_\_\_\_ **Fax:** \_\_\_\_\_

<sup>1</sup> RF refers to Reporting Format.

**Form: RF1B**

**Name of the Company:** \_\_\_\_\_

**General Information (Quarterly)**

**Period ending:** \_\_\_\_\_

**II. Management Members, Auditors, Employee, and Offices**

<b>2.1. Management Member<sup>2</sup></b>		
<b>A</b>	<b>Chief Executive Officer (CEO)</b> Telephone Email	
<b>B</b>	<b>Senior Executive Officers (SEO)</b>	
1.	Deputy Chief Executive Officer	
	Telephone E-mail	
<b>Please specify other managerial positions hereunder:</b>		
2.		
	Telephone E-mail	
3.		
	Telephone E-mail	
4.		
	Telephone E-mail	
5.		
	Telephone E-mail	
<b>2.2. External Auditor</b>		
	Name	
	Address	
	Telephone	
	Fax	
	E-mail	
	Website	

<sup>2</sup> **Management** is a position in the reporting company that is either directly responsible to the CEO/board or is a position in addition to the CEO, that has been defined as a management position as per the policy of the reporting company.

Financial and Operational Information Reporting format for Capital Goods Finance Business

<b>2.3. Staffing</b>												
	<b>Head Office</b>		<b>Regional Coordinating office (if applicable)</b>		<b>Branches</b>		<b>Sub-branches</b>		<b>Other (if any)</b>		<b>Grand Total</b>	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Total Number of Employees												
Core staff (Operation staff)												
Support staff												
Internal Auditors												

**Name and Signature:** \_\_\_\_\_

**Designation:** \_\_\_\_\_ **E-mail:** \_\_\_\_\_

**Telephone No.:** \_\_\_\_\_ **Fax:** \_\_\_\_\_

**Form: RF1C**

**Name of the Company:** \_\_\_\_\_

**General Information (Quarterly)**

**Period ending:** \_\_\_\_\_

## 2.4 Qualification of Staff (Including Management)

Staff <sup>3</sup>	PhD		Masters		Degree		Diploma		Others		Total	
	M	F	M	F	M	F	M	F	M	F	M	F
Permanent												
Temporary												
Total												

## 2.5 Employee Turnover<sup>4</sup>

### 2.5.1 Management Staff turnover (in the reporting period)

Name of Staff	Position	Resignation date	Reason of resignation	Years of service in the company	Is the position yet vacant?

### 2.5.2 Staff turnover (in the reporting period)

	Prior period end	Hired in this period	Resigned in this period	Current period end
Number of staff				

**Name and Signature:** \_\_\_\_\_

**Designation:** \_\_\_\_\_ **E-mail:** \_\_\_\_\_

**Telephone No.:** \_\_\_\_\_ **Fax:** \_\_\_\_\_

<sup>3</sup> 'M' stands for Male and 'F' stands for Female.

<sup>4</sup> Employee turnover includes turnover of permanent staff and periodically renewable contractual employees.

**Form: RF1D**

**Name of the Company:** \_\_\_\_\_

**General Information (Quarterly)**

**Period ending:** \_\_\_\_\_

**III. Board of Directors**

<b>3.1</b>	<b>Designation</b>	<b>Name</b>	<b>Telephone No.</b>
a)	Board Chair Person		
b)	Board Secretary		
c)	Board Members		
1.			
2.			
3.			
4.			
5.			
6.			
7.			
<b>3.2</b>	<b>Board Sub-Committee</b>		
<b>A.</b>	<b>Risk Management Committee</b>		
1.	Chair person of Risk mgt Committee		
2.	Member of Risk mgt Committee		
2.1.			
2.2.			
2.3.			
<b>B.</b>	<b>Internal Control Committee</b>		
1.			
2.			
2.1.			
2.2.			
2.3.			
<b>C.</b>	<b>Other Committee (please specify)</b>		
1.			
2.			
3.			

<b>3.3. Composition of BODs</b>					
	<b>PhD Holder</b>	<b>MA Holder</b>	<b>BA Degree Holder</b>	<b>Diploma Holder</b>	<b>Total</b>
<b>BODs</b>					

**Name and Signature:** \_\_\_\_\_

**Designation:** \_\_\_\_\_ **E-mail:** \_\_\_\_\_

**Telephone No.:** \_\_\_\_\_ **Fax:** \_\_\_\_\_

**Form: RF1E**

**Name of the Company:** \_\_\_\_\_

**General Information (Quarterly)**

**Period ending:** \_\_\_\_\_

**IV. Products and Services**

<b>No.</b>	<b>Products and services</b>	<b>Implicit Interest Rate Per Annum</b>	<b>Manner of Interest Computation (flat/declining)</b>
1.	Finance Lease		
2.	Hire Purchase		
3.	Others		

**Name and Signature:** \_\_\_\_\_

**Designation:** \_\_\_\_\_ **E-mail:** \_\_\_\_\_

**Telephone No.:** \_\_\_\_\_ **Fax:** \_\_\_\_\_

**Form: RF1F**

**Name of the Company:** \_\_\_\_\_

**General Information (Quarterly)**

**Period ending:** \_\_\_\_\_

**V. Current/Active Donors or Partners working with the Company**

No.	Name of the Donor/ Organization/ Project	Description of Partnership
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		

**Name and Signature:** \_\_\_\_\_

**Designation:** \_\_\_\_\_ **E-mail:** \_\_\_\_\_

**Telephone No.:** \_\_\_\_\_ **Fax:** \_\_\_\_\_



**Form: RF2****Name of the Company:** \_\_\_\_\_**Income Statement (Quarterly)****Period ending:** \_\_\_\_\_ **(Amount in BIRR)**

Ref.	Item	Amount
	<b>Interest Income</b>	
I1	Interest/margin income on hire purchase portfolio	
I2	Interest/margin income on financial lease portfolio <b>(I3-I4)</b>	
I3	<i>Rental income on financial leases portfolio</i>	
I4	<i>Less: depreciation allowance on financial leases</i>	
I5	<b>Total Interest/Margin Income(I1+I2)</b>	
	<b>Interest Expenses</b>	
I6	Bank borrowings interest expense	
I7	Other interest expense	
I8	<b>Total Interest expense (I6+I7)</b>	
I9	<b>Net Interest Income/(Expense) (I5-I8)</b>	
I10	Provisions and adjustments for leases losses	
I11	<b>Net Interest Income/(Expense) after Provisions (I9-I10)</b>	
	<b>Other Income</b>	
I12	Gain/(loss) on exchange	
I13	Front end fees	
I14	Termination and other fees	
I15	Penalties and early repayment fees	
I16	Gain/(loss) from disposal of assets under lease contracts	
I17	Gain/(loss) from disposal of fixed assets	
I18	Miscellaneous Income	
I19	<b>Total Other Income (sum I12:I18)</b>	
I20	<b>Net Interest and Other Income (I11+I19)</b>	
	<b>Non-Interest Expenses</b>	
I21	Salaries and related costs	
I22	Other administrative expenses	
I23	Depreciation expense on fixed assets, other than financial leases	
I24	<b>Total Non-Interest Expenses (Sum I21:I23)</b>	
I25	<b>Profit/(Loss) from Operations (I20-I24)</b>	
I26	<b>Exceptional Items</b>	
I27	<b>Total Comprehensive Profit /(Loss) before Tax (I25+I26)</b>	
I28	Taxation (to be estimated on a quarterly basis)	
I29	<b>Total Comprehensive Profit /(Loss) after Tax (I27-I28)</b>	

**Name and Signature:** \_\_\_\_\_**Designation:** \_\_\_\_\_ **E-mail:** \_\_\_\_\_**Telephone No.:** \_\_\_\_\_ **Fax:** \_\_\_\_\_

Financial and Operational Information Reporting format for Capital Goods Finance Business

**Form: RF3A**

**Name of the Company:** \_\_\_\_\_

**I. Balance Sheet (Quarterly)**

**Date as of:** \_\_\_\_\_

**(Amount in BIRR)**

Ref.	Assets	Amount	Ref.	Liabilities & Capital	Amount
B1	Cash on hand		B21	Bank overdraft	
B2	Cash at banks/or MFIs		B22	Borrowings -commercial	
B3	Cash at NBE		B23	Borrowings-concessionary	
B4	Short term investments		B24	Interest accrued on commercial debt	
B5	Prepayments		B25	Interest accrued on concessionary debt	
B6	Net Investment in Hire purchase portfolio*		B26	Retirement benefits obligations	
B7	Less: Reserve for hire-purchase portfolio losses	( )	B27	Deferred Tax Liability	
B8	Net Investment in Hire purchase portfolio after loss reserves (B6-B7)		B28	Deferred Grants	
B9	Financial Lease Assets		B29	Other short term liabilities	
B10	Less: accumulated depreciation allowance on financial leases	( )	B30	Other long term liabilities	
B11	Net Financial Lease Assets (B9-B10)		B31	<b>Total liabilities (B21+B22+B23+B24+B25+B26+B27+B28+B29+B30)</b>	
B12	Other receivables			<b>Capital</b>	
B13	Long term investments in allied activities		B32	Paid-up capital	
B14	Long term investment in non-allied activities		B33	Donated equity – unrestricted	
B15	Fixed Assets (including repossessed leased assets)		B34	Legal Reserve	
B16	Less: Accumulated depreciation	( )	B35	General Reserve	
B17	Net Fixed assets (B15-B16)		B36	Retained earnings/accumulated losses: prior periods	
B18	Intangible assets		B37	Profit/Loss: Current Year	
B19	Other Assets		B38	Other reserves and capital accounts	
			B39	<b>Total Capital (B32+B33 +B34+B35+B36+B37+B38)</b>	
B20	<b>Total Assets (B1+B2+B3+B4+B5+B8+B11+B12+B13+B14+B17+B18+B19)</b>		B40	<b>Total liabilities &amp; Capital (B31+B39)</b>	

	<u>Amount</u>
<b>Off balance Sheet Items</b>	
1. Capital goods financing commitments to lessees	
2. Guarantees issued on behalf of lessees for commercial letters of credit or bridging finance for import of equipment subject to a lease agreement.	

**Name of officer:** \_\_\_\_\_

**Designation:** \_\_\_\_\_

**Signature:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**II. Statement of investment in allied and non-allied activities (B13 and B14)**

**(Amount in BIRR)**

Name of Investee company	Amount of equity investment	Investment as a % of total capital of Capital Goods Finance Company	Investment as a % of the share capital of the Investee company	Allied/Non-Allied (sector)

**III. \*Calculation of Net Investment in Hire Purchase Finance (B6)**

**(Amount in BIRR)**

Item	Amount
Gross Investment in Hire Purchase Finance	
Less: Unearned Interest Income	
Less: Asset recovered (if any)	
<b>Net Investment in Hire Purchase Finance</b>	

Name and Signature: \_\_\_\_\_

Designation: \_\_\_\_\_ E-mail: \_\_\_\_\_

Telephone No.: \_\_\_\_\_ Fax: \_\_\_\_\_

Financial and Operational Information Reporting format for Capital Goods Finance Business

**Form: RF4A**

**Name of the Company:** \_\_\_\_\_

**Computation of Capital Adequacy Ratio (Quarterly)**

**Date as of :** \_\_\_\_\_

	<b>Assets</b>	<b>Amount (A)</b>	<b>Risk weight (%) (B)</b>	<b>Total Risk Weighted Assets (C = AxB)</b>
1	Cash on hand		0	
2	Cash at banks/MFIs including time deposits		20	
3	Cash at NBE		0	
4	Prepayments		0	
5	Claims on Federal Government		0	
6	Claims on Regional Governments		20	
7	Net Investment in Hire-purchase portfolio after loss reserves		100	
8	Financial lease assets (net of accumulated depreciation)		100	
9	Other Receivables		100	
10	Investments (all investments except investment in government securities)		100	
11	Fixed Assets (net of accumulated depreciation)		100	
12	Intangible assets		100	
13	Other Assets		100	
14	Off-balance sheet assets		100	
<b>A</b>	<b>Total Risk Weighted Assets</b>			
<b>B</b>	<b>Total Capital**</b>			
<b>C</b>	<b>Ratio of total Capital to Risk-weighted Assets (C=B/A) (%)</b>			

<b>RF4B</b>	<b>**Computation of Total Capital</b>	<b>Amount (In BIRR)</b>
1	Paid-up capital	
2	Donated equity- unrestricted	
3	Retained earnings/accumulated losses: Prior periods	
4	Legal reserves	
5	Permanent free reserves (such as general reserve)	
	<b>Total Capital (1+2+3+4+5)</b>	

**Name of officer:** \_\_\_\_\_

**Designation:** \_\_\_\_\_

**Signature:** \_\_\_\_\_

**Date:** \_\_\_\_\_ **Tel:** \_\_\_\_\_

**Form: RF5A**

**Name of the Company:** \_\_\_\_\_

**I. Statement of borrowings (Quarterly)**

**Date as of:** \_\_\_\_\_

**(Amount in BIRR)**

No.	Types of borrowing	Amount borrowed	Weighted Average Interest Rate (WAIR)*	Outstanding			Type of collateral	Value of collateral
				Principal	Interest	Total		
1	Bank overdrafts							
2	Short-term Borrowings - commercial							
3	Long-term Borrowings – commercial							
4	Short-term Borrowings - concessionary							
5	Long-term Borrowings – concessionary							
6	Any other borrowings							
<b>7</b>	<b>Total borrowings (Sum 1 to 6)</b>							

\*To compute WAIR: 1<sup>st</sup>) multiply the balance of each loan by respective interest rate; 2<sup>nd</sup>) add the results together to find the total per weight loan factor; 3<sup>rd</sup>) divide the result by the total of all the loans/borrowings. This formula is used only if there are multiple borrowings at varying interest rates [i.e.  $(L1*i1) + (L2*i2) + \dots + (Ln*in) = WAIR$ ; where L=Loan or borrowing and i=interest].

$$L1+L2+\dots+Ln$$

**Form: RF5B**

**II. Calculation of Gearing Ratio (Quarterly)**

	Item	Amount (in BIRR)
<b>8</b>	Total borrowings	
<b>9</b>	Total Capital (as determined by RF4B above)	
<b>10</b>	<b>Gearing Ratio (10=8/9)</b>	

**Name and Signature:** \_\_\_\_\_

**Designation:** \_\_\_\_\_ **E-mail:** \_\_\_\_\_

**Telephone No.:** \_\_\_\_\_ **Fax:** \_\_\_\_\_

Financial and Operational Information Reporting format for Capital Goods Finance Business

**Form: RF6A**

**Name of the Company:** \_\_\_\_\_

**Top Ten Hire Purchase Finance (Quarterly)<sup>5</sup>**

**Period ending:** \_\_\_\_\_

**(Amount in BIRR)**

Contract no.	Name of lessee	Hire-purchase (HP) amount	Date granted	Date of termination	Lease term (months)	Repayment frequency <sup>6</sup>	Net investment in hire purchase finance	Type of asset leased	Net realizable value of underlying asset/s	Date last valuation made	Average Age of assets under hire purchase
Total of top ten HP (A)											
Grand total of HP (B)											
Top ten as % of Grand total (A/B)											

**Name and Signature:** \_\_\_\_\_

**Designation:** \_\_\_\_\_ **E-mail:** \_\_\_\_\_

**Telephone No.:** \_\_\_\_\_ **Fax:** \_\_\_\_\_

<sup>5</sup> Top ten hire-purchase amount is identified on the basis of the outstanding principal balance of the lessee at the time of reporting.

<sup>6</sup> Repayment frequency includes monthly, quarterly, etc.

Financial and Operational Information Reporting format for Capital Goods Finance Business

**Form: RF6B**

**Name of the Company:** \_\_\_\_\_

**Top Ten Hire Purchase Arrears listing (Quarterly)**

**Period ending:** \_\_\_\_\_

**(Amount in BIRR)**

Contract No. (1)	Name of lessee (2)	Hire purchase (HP) amount (3)	Date granted (4)	Net investment in hire purchase finance (5)	Lease payments in arrears		Other charges (8)	Advance rentals <sup>7</sup> (9)	Interest in suspense (10)	Total arrears (11=7+8-9-10)	Date last payment due (12)	Date last payment made (13)
					No. of months (6)	Amount (7)						
Total of top ten arrears(A)												
Grand total of HP (B)												
Top ten as % of Grand total of HP (A/B)												

**Name and Signature:** \_\_\_\_\_

**Designation:** \_\_\_\_\_ **E-mail:** \_\_\_\_\_

**Telephone No.:** \_\_\_\_\_ **Fax:** \_\_\_\_\_

<sup>7</sup> “Advance Rentals” means any initial cash payments or any credit balances held on behalf of the lessee in the books of the company, over which the lessees have given the company a formal letter of cession or discretionary right of set off, which the company, may at its sole discretion use to off-set any principal or interest payment or other associated costs outstanding or part thereof.

Financial and Operational Information Reporting format for Capital Goods Finance Business

**Form: RF6C**

**Name of the Company:** \_\_\_\_\_

**Top Ten Financial Lease (FL) Portfolio (Quarterly)**

**Period ending:** \_\_\_\_\_

**(Amount in BIRR)**

Contract no. (1)	Name of lessee (2)	Cost of assets (3)	Date granted (4)	Date of termination (5)	Lease term (months) (6)	Repayment frequency (7)	Accumulated depreciation (8)	Net Financial Lease asset (9= 3-8)	Net realizable value of underlying asset (10)	Date last valuation made (11)	Average Age of assets under financial lease (12)	Agreed price (13)
Total of top ten FL(A)												
Grand total of FL (B)												
Top ten as % of Grand total (A/B)												

**Name and Signature:** \_\_\_\_\_

**Designation:** \_\_\_\_\_ **E-mail:** \_\_\_\_\_

**Telephone No.:** \_\_\_\_\_ **Fax:** \_\_\_\_\_



Financial and Operational Information Reporting format for Capital Goods Finance Business

**Form: RF6D**

**Name of the Company:** \_\_\_\_\_

**Top Ten Financial Lease Arrears listing (Quarterly)**

**Period ending:** \_\_\_\_\_

**(Amount in BIRR)**

Contract no. (1)	Name of lessee (2)	Cost of assets (3)	Date granted (4)	Net book value (5)	Finance Lease rentals in arrears		Other charges (8)	Advance rentals (9)	Total rentals in arrears (10=7+8-9)	Date last payment due (11)	Date last payment made (12)
					No. of months (6)	Amount (7)					
Total of top ten arrears (A)											
Grand total of FL arrears (B)											
Top ten as % of Grand total (A/B)											

**Name and Signature:** \_\_\_\_\_

**Designation:** \_\_\_\_\_ **E-mail:** \_\_\_\_\_

**Telephone No.:** \_\_\_\_\_ **Fax:** \_\_\_\_\_

Financial and Operational Information Reporting format for Capital Goods Finance Business

**Form: RF7**

**Name of the Company:** \_\_\_\_\_

**Hire-Purchase (HP) Portfolio Classification and Provisioning (Quarterly)**

**Period ending:** \_\_\_\_\_

**(Amount in BIRR)**

No.	Classification	No. of Contracts (a)	Net Investment in Hire-purchase portfolio* (b)	Net Realizable Value (c)	Advance Rental/ cash substitutes (if any) (d)	(Unsecured Portion) (e = b-c-d)	Provision Rate (f)	Required provisions (g=e*f)	Provision held (h)	Excess/ shortfall in provisions (i = h-g)
1	Pass						1% of (b)			
2	Special Mention						3% of (b)			
3	Sub-standard						50% of (e)			
4	Doubtful						75% of (e)			
5	Loss			***			100% of (e)			
<b>6</b>	<b>Total</b>						-			
7	Total Non-performing HP (3+4+5)									
8	<b>PAR ratio** (7/6)</b>									

\* It is gross hire-purchase receivables less unearned interest/margin income.

\*\* "PAR" means the "Portfolio at Risk" ratio of the non-performing hire-purchase portfolio as a percentage of the total investment in hire-purchase portfolio.

\*\*\* The net realizable value shall be zero, where the asset under the hire-purchase contracts is not repossessed after it has been past due for more than one year.

**Name and signature** \_\_\_\_\_

**Designation:** \_\_\_\_\_ **E-mail:** \_\_\_\_\_

**Telephone No.:** \_\_\_\_\_ **Fax:** \_\_\_\_\_

Financial and Operational Information Reporting format for Capital Goods Finance Business

**Form: RF8A**

**Name of the Company:** \_\_\_\_\_

**Statement of Repossessed Asset Items-Hire purchase (Quarterly)**

**Period ending:** \_\_\_\_\_

**(Amount in BIRR)**

		Details of Repossessed Assets						If the asset is sold by the Company				
Contract no (1)	Name of lessee (2)	Date of repossession (3)	Particulars of asset (4)	Last date of valuation (5)	Valuation of asset at time of repossession (6)	Balance outstanding (7)	Place where asset is kept (8)	Value and type of insurance (9)	Date of sale (10)	Sale proceeds (11)	Balance outstanding after deducting sale proceeds (12=7-11)	Remarks /Action taken to recover balance due
<b>Total</b>												

**Name and Signature:** \_\_\_\_\_

**Designation:** \_\_\_\_\_ **E-mail:** \_\_\_\_\_

**Telephone No.:** \_\_\_\_\_ **Fax:** \_\_\_\_\_

Financial and Operational Information Reporting format for Capital Goods Finance Business

**Form: RF8B**

**Name of the Company:** \_\_\_\_\_

**Statement of Repossessed Asset Items-Finance Lease (Quarterly)**

**Period ending:** \_\_\_\_\_

**(Amount in BIRR)**

		Details of Repossessed Assets						If the asset is sold by the Company				
Contract no (1)	Name of lessee (2)	Date of repossession (3)	Particulars of asset (4)	Last date of valuation (5)	Valuation of asset at time of repossession (6)	Net book value (7)	Place where asset is kept (8)	Value and type of insurance (9)	Date of sale (10)	Sale proceeds (11)	Balance due after deducting sale proceeds (12=7-11)	Remarks/ Action taken to recover balance due
<b>Total</b>												

**Name and Signature:** \_\_\_\_\_

**Designation:** \_\_\_\_\_ **E-mail:** \_\_\_\_\_

**Telephone No.:** \_\_\_\_\_ **Fax:** \_\_\_\_\_

Financial and Operational Information Reporting format for Capital Goods Finance Business

**Form: RF9**

**Name of the Company:** \_\_\_\_\_

**Statement of capital goods finance approved and granted (Quarterly)**

**Period ending:** \_\_\_\_\_

**(Amount in BIRR)**

Type of accommodation	Capital goods finance approved during the reporting period			Capital goods finance granted during the reporting period			Capital goods finance outstanding as at reporting period	
	No. of contracts	Amount approved	Implicit interest rate per annum or weighted average interest rate (in case of varied interest rate)	No. of contracts	Amount granted	Implicit interest rate per annum or weighted average interest rate (in case of varied interest rate)	No. of contracts	Amount outstanding
Hire purchase								
Financial lease								
<b>Total</b>								

**Name and Signature:** \_\_\_\_\_

**Designation:** \_\_\_\_\_ **E-mail:** \_\_\_\_\_

**Telephone No.:** \_\_\_\_\_ **Fax:** \_\_\_\_\_

Financial and Operational Information Reporting format for Capital Goods Finance Business

**Form: RF10**

**Name of the Company:** \_\_\_\_\_

**Statement of capital goods finance granted to all related parties (Quarterly)**

**Period ending:** \_\_\_\_\_

**Total capital (TC) as at reporting quarter:** \_\_\_\_\_

(Amount in BIRR)

Contract no.	Name of lessee	Relationship with reporting institution	Type of capital goods finance facility	Purpose of transaction	Date approved	Amount approved	Date granted	Amount granted	Amount outstanding	Date of termination	Implicit Interest rate (%)	Net realizable value of underlying asset/s	Date of last valuation	% total capital(15=10/TC)	Arrears	Asset classification status
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
<b>Total</b>																

**Name and Signature:** \_\_\_\_\_

**Designation:** \_\_\_\_\_ **E-mail:** \_\_\_\_\_

**Telephone No.:** \_\_\_\_\_ **Fax:** \_\_\_\_\_

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**Form: RF11**

**Name of the Company:** \_\_\_\_\_

**Capital goods finance exposures exceeding 1% of the total capital of the company (Quarter-end exposures)**

**Period ending:** \_\_\_\_\_

**Total capital as at reporting quarter:** \_\_\_\_\_

(Amount in BIRR)

Name of individual lessee	Particulars of capital goods finance exposures				Set-offs*, if any	Capital goods financing exposures to single lessee after set-off	Capital goods finance exposures to single lessee as a % of total capital	Past due rentals	Classification Status
	Contract no.	Type of capital goods finance exposure	Amount granted	Capital goods financing exposures to a single lessee					
1	2	3	4	5	6	7=5-6	8 =7/capital	9	10

\*Includes advance rentals and/or cash substitutes (if any)

**Name and Signature:** \_\_\_\_\_

**Designation:** \_\_\_\_\_ **E-mail:** \_\_\_\_\_

**Telephone No.:** \_\_\_\_\_ **Fax:** \_\_\_\_\_

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**Form: RF12**

**Name of the Company:** \_\_\_\_\_

**Report on sectoral concentration (Quarterly)**

**Period ending:** \_\_\_\_\_

**(Amount in BIRR)**

Sector	Net investment in hire purchase (A)	Financial lease Assets (B)	Total capital goods finance exposure by sector (C=A+B)	Capital goods finance exposure by sector as a % of total capital goods finance exposure ( D=C/Grand total of capital goods finance exposure)	Non-performing portfolio of hire purchase >90 days (E)	Non-performing portfolio of financial lease > 90 days (F)	Aggregate non-performing capital goods financing portfolio (G=E+F)
Agriculture							
Manufacturing							
Construction							
Service							
Others							
<b>Grand Total</b>							

**Name and Signature:** \_\_\_\_\_

**Designation:** \_\_\_\_\_ **E-mail:** \_\_\_\_\_

**Telephone No.:** \_\_\_\_\_ **Fax:** \_\_\_\_\_



**Supplement 1-RF2****Income statement details**

<b>Ref.</b>	<b>Account Name</b>	<b>Description</b>
I1	Interest income/margin on hire purchase portfolio	Interest/margin earned on hire purchase portfolio. If the Company <sup>8</sup> is earning interest/margin on hire purchase finance made to employees or other related parties, the interest should be disclosed. If this interest/margin is significant, the Company shall have two-sub accounts one for interest/margin from lessees and the other for interest/margin from related parties.
I2	Interest income/ margin on financial lease portfolio	Rental income on financial lease portfolio less depreciation allowance on financial lease assets <b>(I3-I4)</b> . If the Company is earning income on financial lease made to employees or other related parties, the implicit rate of return should be disclosed. If this rate is significant, the Company shall have two-sub accounts one for interest from lessees and the other for interest from related parties. This is a special treatment for reporting purposes only and the Company should follow the relevant provisions of the income tax proclamations to compute the tax.
I3	Rental Income on financial lease portfolio	Rental income received on financial lease portfolio.
I4	Depreciation allowance on financial leases	Depreciation allowance on financial lease assets following the Company's accounting policy on depreciation of financial leases. This may be different from the accounting policy for other fixed assets belonging to the Company. For tax purposes, the Company should comply with the relevant provisions of the income tax proclamations.
<b>I5</b>	<b>Total interest/margin income</b>	<b>Sum of I1 + I2</b>
I6	Bank borrowings interest expense	Interest paid on borrowings from banks
I7	Other interest expense	Interest paid on all other borrowings except from banks
<b>I8</b>	<b>Total interest expense</b>	<b>Sum of I6 and I7</b>
<b>I9</b>	<b>Net interest income/(expense)</b>	<b>Difference between total interest income (I5) and total interest expense (I8)</b>
I10	Provisions and adjustments for leases losses	Lease loss expense and adjustments based on classification of lease portfolio/leased assets.
<b>I11</b>	<b>Net interest income/(expense) after provisions</b>	<b>Difference between net interest income/(expense) (I9) and provisions and adjustments for leases losses (I10)</b>
I12	Gain/(loss) on exchange	Any gain/(loss) arising from transactions in currencies other than the Birr.
I13	Front end fees	Administrative and other fees earned in the normal course of business.
I14	Termination and other fees	Fees and commissions earned on early termination of lease contract.

<sup>8</sup> Company means any financial institutions engaged in Capital Goods Finance Business.

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I15	Penalties and early repayment fees	Penalties and other fees earned due to early repayment of leases
I16	Gains/(loss) from disposal of assets under lease contracts	Gain/(loss) realized from disposal of assets under lease contracts.
I17	Gains/(loss) from disposal of fixed assets	Gain/(loss) realized on disposal of property, plant and equipment, other than assets under lease contracts.
I18	Miscellaneous Income	Includes dividends and all other income earned, not elsewhere classified.
<b>I19</b>	<b>Total other income</b>	<b>Sum of all income other than interest income (Sum of I12+I13+I14+I15+I16+I17+I18)</b>
<b>I20</b>	<b>Net Interest and other income</b>	<b>Sum of all interest income and other income (Sum I11+ I19)</b>
I21	Salaries and related costs	Salaries and other human resources related costs
I22	Other administrative expenses	All administrative and other operational costs, other than staff costs
I23	Depreciation expense on fixed assets other than financial leases	Depreciation and amortization of property, plant and equipment and other intangible assets, belonging to the Company and excluding assets under financial lease.
<b>I24</b>	<b>Total non-interest expense</b>	<b>Sum total of all staff costs, administrative and operational expenses and depreciation charge (Sum I21+I22+I23)</b>
<b>I25</b>	<b>Profit/(loss) from operations</b>	<b>Profit/(loss) from operations represents the difference between net interest and other income after provision for lease losses (I20) and total non-interest expenses (I24).</b>
<b>I26</b>	<b>Exceptional items</b>	<b>Exceptional items are income or expenditure items of a non-recurring nature, mainly occurring under exceptional conditions</b>
<b>I27</b>	<b>Total comprehensive profit/(loss) before tax</b>	<b>Represents the net profit/(loss) before tax (Sum I25+/- I26)</b>
<b>I28</b>	<b>Tax (to be estimated on a quarterly basis)</b>	<b>Estimated taxation expense for the period under review (computed as required by the relevant tax proclamations).</b>
<b>I29</b>	<b>Total comprehensive profit/(loss) after tax</b>	<b>Net profit after tax (I27-I28).</b>

**Supplement 2-RF3****Balance Sheet details**

<b>Reference</b>	<b>Account Name</b>	<b>Definition</b>
B1	Cash on hand	Balances of cash maintained at safe boxes of the company.
B2	Cash at banks/or MFIs	Refers to cash balances/deposit with banks and/or MFIs.
B3	Cash at NBE	Cash balances maintained at NBE for any purpose.
B4	Short term investment	Any financial asset acquired or incurred primarily for the purpose of selling or repurchasing in the near term i.e. convertible to cash within or at 12 months or having a longer term used for short-term profit taking or trading. It includes certificates of treasury bills, excess cash invested in time deposit, etc.
B5	Prepayments	Includes acquisition of a large amount of supplies, inventory and advance cash payments to external parties for insurance, rent, etc whose benefit would extend to periods beyond the current period.
B6	Net investment in hire purchase portfolio	Refers to gross hire purchase receivables, including current, delinquent and renegotiated leases, less unearned interest/margin income.
B7	Reserve for hire purchase portfolio losses	It is a contra asset account representing the cumulative value of impairment losses that have been expensed in anticipation of hire purchase default losses.
B8	Net Investment in hire purchase portfolio after loss reserves (B6- B7)	It is calculated as B6 – B7. That means net investment in hire-purchase portfolio less reserve for impairment in hire-purchase portfolio.
B9	Financial Lease Assets	Refers to cost of assets under financial lease contracts.
B10	Accumulated depreciation allowance on financial leases	The sum of all depreciation allowance on financial lease assets. For tax purposes, the Company should comply with the relevant provisions of the income tax proclamations.
B11	Net Financial lease assets (B9- B10)	It is calculated as B9 – B10. That means financial lease assets less accumulated depreciation allowance on these assets.
B12	Other receivables	Includes any kind of receivables from other debtors.
B13	Long term investments in allied activities	Equity investments in allied activities as prescribed by NBE in directives to be issued for this purpose. This item may include government and enterprise bonds or investment equity of enterprises that the Company plans to hold for more than 12 months. Other financial asset available for speculative sale is also included here.
B14	Long term investment in non allied activities	Includes those investments other than investments in allied activities listed in directives to be issued by NBE. The Company should disclose items in this account separately.
B15	Fixed Asset (including repossessed leased assets)	The cost or value of all physical property, property-improvements, furniture, equipment, and other tangible assets such as software that the Company currently uses. It includes

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		repossessed leased assets that arise due to termination of lease contracts.
B16	Accumulated depreciation	The sum of all depreciation expenses for fixed assets and the amortization of other tangible assets that have not yet been retired and removed from the balance sheet. Accumulated depreciation represents the reduction in value of fixed assets corresponding to the assets' remaining useful life.
B17	Net Fixed assets	The cost or value of fixed assets less accumulated depreciation and amortization (B15 - B16)
B18	Intangible assets	An asset that is not physical in nature. Corporate intellectual property (items such as patents, copyrights, etc), goodwill and brand recognition are all common intangible assets.
B19	Other Assets	Any other assets not incorporated in the above category of assets. (Any item reported under this category should be disclosed.)
B20	Total Assets	The value of all asset accounts net of any contra asset accounts. It is the summation of B1+B2+B3+B4+B5+B8+B11+B12+B13+B14+B17+B18+B19.
B21	Bank overdraft	Working capital financing in the form of overdrawing on current accounts held with banks, of short term nature, payable on demand.
B22	Borrowing-commercial	Includes both short-term and long-term debt obtained in order to finance the lease portfolio. It is a debt with interest rate equal to or greater than 90% of the market rate. Debt acquired to finance other than the lease portfolio is not included in this account.
B23	Borrowing- concessionary	Any kind of subsidized borrowing obtained to finance the lease portfolio at a much lower rate than the market rate.
B24	Interest accrued on commercial debt	Refers to interest accrued or payable on commercial debt.
B25	Interest accrued on concessionary debt	The balance of accrued interest on concessionary debt.
B26	Retirement benefits obligations	Benefits accruing to employees upon retirement
B27	Deferred Tax Liability	Tax liability that may arise over time where tax relief is accounted for in advance of an expense or income accrued but not taxed.
B28	Deferred Grants	Donation received or pledged in cash or non-cash but which are not yet recognized as revenue (and thus deferred to future period) because the Company has not yet complied with restriction as to purpose, time, etc.
B29	Other short term liabilities	Include all other current liabilities that are not included above and are expected to mature within a year, such as accrued expenses and debt incurred to fund non financial assets like fixed assets, whether commercial or concessionary.
B30	Other long term liabilities	Other liabilities which due after 12 months and not incorporated

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		above under B29.
B31	<b>Total liabilities</b>	The total value of all liability accounts. It is the sum of <b>(B21+B22+B23+B24+B25+B26+B27+B28+B29+B30)</b>
B32	Paid-up capital	The value of capital paid by shareholders.
B33	Donated equity - unrestricted	The total value of all grants treated as component of capital. This value only includes unrestricted or unconditional donations.
B34	Legal Reserve	Legal reserves as per the regulatory requirements.
B35	General Reserve	Include free reserves set-aside as per the decision of general meeting of shareholders.
B36	Retained earnings/ accumulated losses: prior periods	The cumulative value of net income (after taxes and before donations) from prior periods, net of dividends paid to shareholders.
B37	Profit/loss: Current Year	Consists of current year profit or loss reported by the company.
B38	Other reserves and capital accounts	Any other reserves treated as component of capital. The company should disclose any substantial item in this account.
B39	<b>Total Capital</b>	Total value of all equity accounts. It is the sum of <b>(B32+B33+B34 +B35+B36+B37+B38)</b>
<b>B40</b>	<b>Total liabilities &amp; Capital</b>	It is the summation of B31 and B39.