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Wegagen Bank

2015/16
ANNUAL REPORT

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Who We are

Wegagen Bank S.C. was established on June 11, 1997. It came into being thanks to 16 visionary founding members who recognized the critical role that financial institutions would play to create a sustainable economic development and raised an initial capital of birr 30 million. As at June 30, 2016 the paid up capital of the Bank reached Birr 1.8 billion. The number of Shareholders is now 2,349.

Our Vision

“To be one of the ten most reputable and competent Banks in Africa by the year 2025”.

Our Mission

- Optimize the stockholder value through sustainable growth and profitability,
- Provide wide range of innovative and customer focused Banking products and services,
- Boost operational excellence by employing state-of-the-art information Technology,
- To be the employer of choice by creating conducive working environment wherein employees achieve their career aspiration.

Core Values

- I. Honesty, Integrity and Loyalty
- II. Service Excellence
- III. Professionalism
- IV. Learning and Innovation
- V. Employee Satisfaction
- VI. Respect and Dignity
- VII. Social Responsiveness
- VIII. Good Corporate Governance
- IX. Equal Employment Opportunity

Where we operate

Wegagen bank is currently operating throughout the country with a total of 161 Branches spread across the length & breadth of the Country. Its Headquarters together with 67 of its Branches are located in Addis Ababa, whereas 94 are located in different regional towns near and far.

The Board of Directors



Teferi Zewdu
Chairman



Tefera Molla
Vice Chairman



Abdulkadir Abdella
Member



Amanuel G/Kidan
Member



Atey Tadele
Member



Fithanegest Gebru
Member



Tadesse Adane
Member



Tsegaye Lemma
Member

The Management Team



**Araya G/Egziabher
President/CEO**



**Woldegebriel Wedajo
VP, Resources**



**Assefa Tefera
VP, Operations**



**Wondifraw Tadesse
VP, Corporate
Service**



**G/Giorgis Hailu
Director, Risk &
Compliance Mgt.**



**Yehwalashet Zewdu
Director, Control**



**Addis W/Cherkos
Director, Branch
Operations**



**Kefene Gurm
Director, Legal
Services**



**Tesfaye H/Michael
Director, Engineering
Services**



**Desaley Embza
Director, Customer
Relationship Mgt.**



**Yohannes Mengistu
Director, Material
Resources & Facilities
Management**

The Management Team



Haile G/Egziabher
Manager, Northern
District Officer



Assefa Yeshanew
Director, IT Application
Mgt. Services



Getshu Begashaw
Director, Treasury
Management



Kindie Abebe
Director, Accounts &
Reconciliation



Russome Mesghena
Director, Human
Resource Mgt.



Desalegne Assefa
Director, Corporate
Strategies & Change mgt.



Yoseph Gezachew
Director, Credit Analysis
& Portfolio Mgt.



Fikru W/Tinsie
Director, Marketing &
Corporate Communications



Yeshanew Ayalew
Director, IT Infrastructure
Mgt. Services



Tewodros Legesse
Director, International
Banking



Zeray G/Wahid
Excutive Assistant



Alexander G/Egziabher
Director, E-Banking

Message from Chairperson of the Board of Directors

On behalf of the Board of Directors and on my own behalf, I am honored to present the Annual Report of Wegagen Bank S.C for the fiscal year ended June 30, 2016 to esteemed shareholders, customers and all stakeholders of the Bank.

The global economy, according to IMF recent data, grew by 3.1% in 2015, with 1.9% and 4.0% growth, respectively, for advanced economies and emerging market and developing economies. Compared to 3.4% economic growth rate recorded in 2014, it declined marginally by 0.3 percentage points mainly due to unexpected slowdown registered in the second half of 2015 which happened mainly as a result of softer activities in the US, Japan and Asian countries and severe macroeconomic conditions in Brazil, Russia, and a number of other commodity exporters. The growth rate recorded in economies of Sub-Saharan Africa slowed down from 5.1% in 2014 to 3.1% in 2015.

The Ethiopian economy has been growing by an average of 10.1% over the last five years. More recently, in 2014/15 FY, the country's Real GDP grew by 10.2%. Preliminary reports have indicated that growth for the FY 2015/16 would be 8.5% mainly due to drought caused by El Nino weather phenomena which hit the agriculture sector in particular exasperated by unsatisfactory performance in the export sector. The monthly average headline inflation rate was 9.7% in 2015/16 and had generally been kept well within the single-digit threshold set by the government. Value of merchandise exports totaled USD 2.7 billion in FY 2015/16, down by 1% put against USD 2.78 billion recorded the preceding year. On the contrary, value of merchandise imports rose to USD 16.8 billion growing by 7% upon USD 15.7 billion feat of the FY 2014/15.

NBE continued to follow its prudent regulatory regime, striving to ensure safe and sound banking system. In 2015/16 alone, NBE issued various new directives which include Bank Corporate Governance, Limitations on Investment of Banks, Monitoring the Nationality of Shareholders of Banks and Transparency in Foreign Currency Allocation and Foreign Exchange Management. The regulator has also enforced a requirement setting 2% of a bank's total operational budget to be earmarked for training and capacity building activities. On the other hand, existing directives such as NBE Bills Purchase and reserve requirement has remained intact.

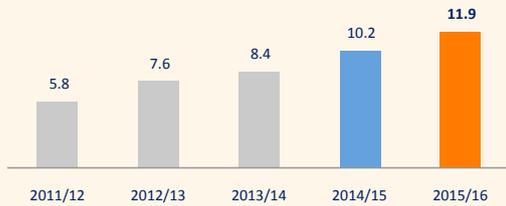
The banking industry continued to see a steady overall growth thereby contributing its share toward the spelled growth in the national economy. Competition between participants in the sector has been growing rather markedly over the years particularly in mobilization of local as well as foreign currency deposits. Aggressive expansions across service delivery channels, product diversification, and intensive promotion have also been aspects of competition characterizing the banking industry.

Despite challenging banking environment in which competition had remained stiffer yet again, Wegagen Bank registered encouraging performance across key performance indicators. Total value of deposits reached Birr 11.9 billion, up by 16.1% (Birr 1.6 billion) over beginning year balance. Total outstanding loans and advances reached Birr 7.6 billion, growing by 23.7% year-on-year. The Bank earned a total income of Birr 1.5 billion, growing by 15.5% year-on-year in the review period. On the other hand, the total expense totaled Birr 1.1 billion, soaring by 20.5%. The Bank was then able to realize Birr 478 million in profit before tax, an increase of 5.7% from preceding year. Consequently, Return on Average Assets (ROA) and Equity (ROE) stood at 2.5% and 14.4%, respectively. Growing by 38.8% year-on-year, the total number of branches of the Bank reached 161 as at June 30, 2016 of which 94 branches were outlying while 67 were city branches. Moreover, the staff strength of the Bank reached 3,385 employees at the end of June 30, 2016.

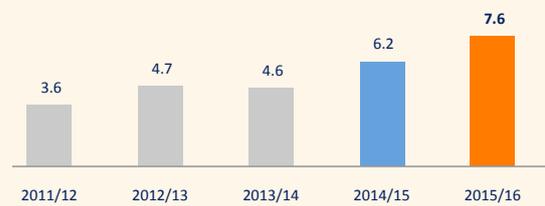
In a bid to align its business objectives to the national development endeavors, the Bank has crafted a comprehensive five year strategic plan in the fiscal year under review. Following the implementation and massive communication of the new strategic plan, cascading the corporate strategic objectives down to employees' level has commenced in the year under review and progressed well. Consequently, Performance Management Scorecard has been developed for all job positions with the aim of establishing an Integrated Performance Management System across the Bank, set to be fully implanted in the coming fiscal year.

PERFORMANCE HIGHLIGHTS

TOTAL DEPOSIT (MILLIONS)



LOANS & ADVANCES (MILLIONS)



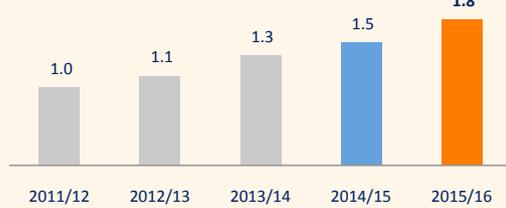
TOTAL ASSETS (MILLIONS)



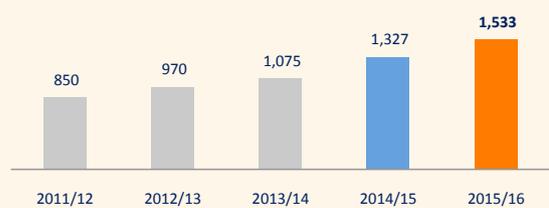
TOTAL CAPITAL (MILLIONS)



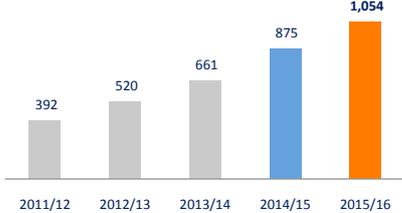
PAID-UP CAPITAL (MILLIONS)



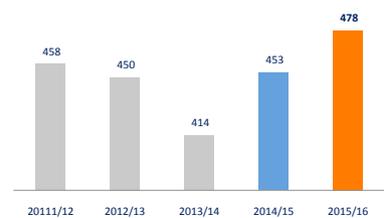
TOTAL INCOME (MILLIONS)



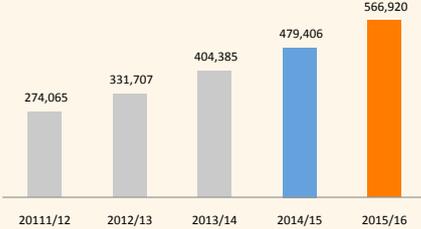
TOTAL EXPENSE (MILLIONS)



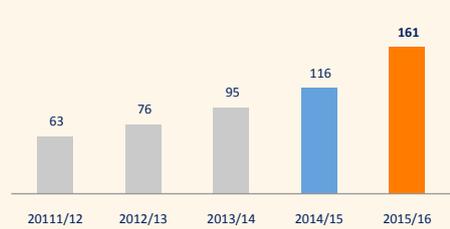
PROFIT BEFORE TAX (MILLIONS)



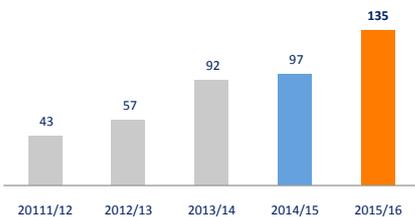
DEPOSIT ACCOUNT



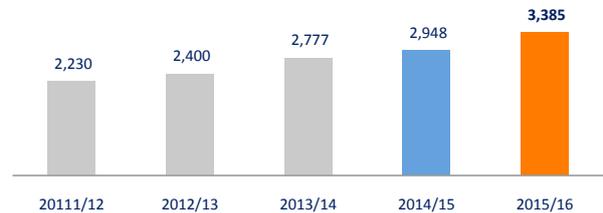
NUMBER OF BRANCHES



NUMBER OF ATM



NUMBER OF EMPLOYEES

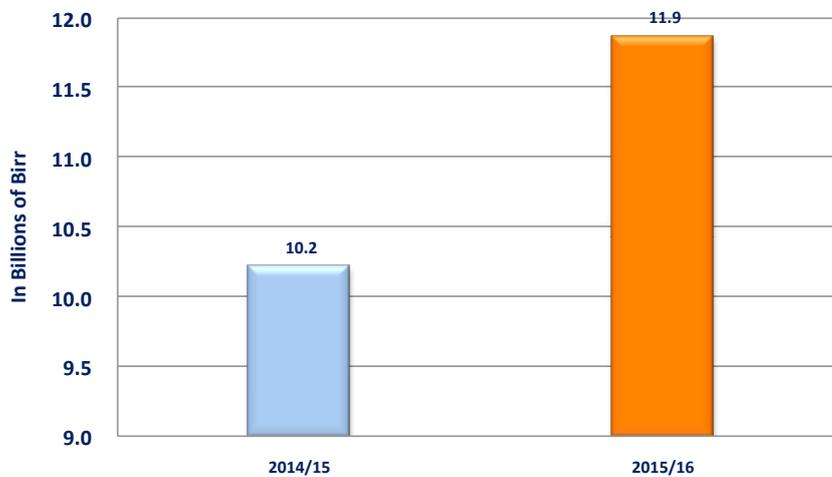


1. OPERATIONAL PERFORMANCE

1.1. Deposit Mobilization

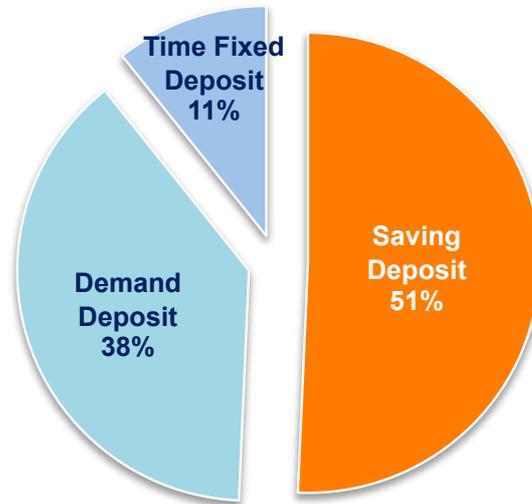
Withstanding growing competition particularly in deposit mobilization, the Bank continues to register growth in deposit performance which has been underpinned by strategic and tactical moves made by the Bank. Among other things, aggressive branch expansion, introduction of new products and services and adoption of information technology to improve customer service had been the major factors behind the growth recorded in the Bank's deposit. As a result, the total deposit of the Bank reached Birr 11.9 billion as at June 30, 2016, growing by 16.1% or Birr 1.6 billion incremental deposit over Birr 10.2 billion recorded at the end of the 2014/15 FY.

Fig 1 : Comparison of Total Deposits



The deposit structure of the Bank indicates that Saving Deposit held the largest proportion of the total deposit with a percentage share of 50.7% in 2015/16. Growing by 11.6% year-on-year, it stood at Birr 6.0 billion as at June 30, 2016. Demand Deposit constituted the second largest proportion of total deposit with a share of 38.6% and reached Birr 4.6 billion as at the end of the 2015/16 FY. The share of Time Fixed Deposit was 10.7%.

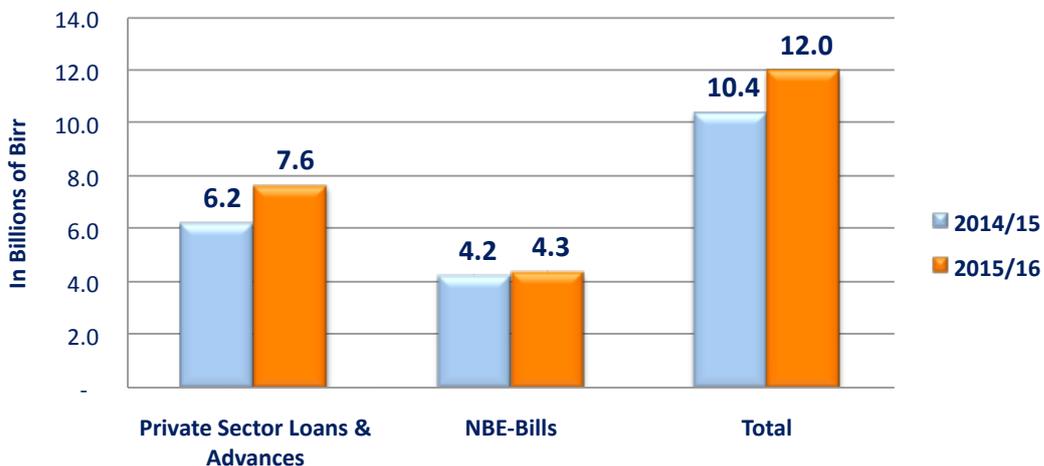
Fig 2 : Structure of Total deposit



1.2. Loans and Advances

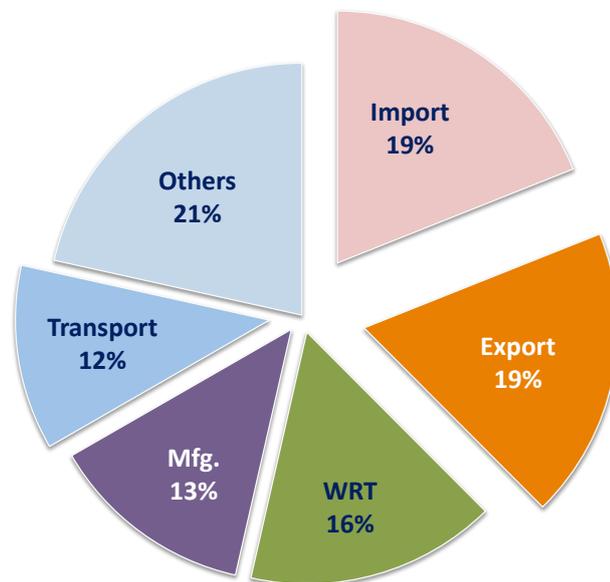
The total outstanding loans and advances of the Bank due from private sector reached Birr 7.6 billion as at June 30, 2016, representing an annual growth of 23.7% (Birr 1.5 billion) over the position attained at the end of the preceding year. On the other hand, the total loans due from government in the form of NBE-Bills reached Birr 4.3 billion, exhibiting a growth of 3.4% year-on-year. As a result, the total outstanding loans and advances including NBE-Bills totaled Birr 12.0 billion as at the end of the 2015/16 FY, up by 15.9% (Birr 1.6 billion) as compared to previous year’s similar period balance.

Fig 3 : Comparison of Loans Portfolio



Out of the total outstanding loans and advances due from private sector, 78.5% was held by five sectors. Claiming 18.9%, Import sector took the lion's share followed closely by Export (18.7%). The share of Wholesale and Retail Trade was 16.0% and that of Manufacturing and Transport sector was 13.1% and 11.9%, respectively. The combined total outstanding loans and advances of these sectors stood at Birr 6.0 billion as at June 30, 2016. The remaining balance to the tune of 21.5% was held by other sectors.

Fig 4 : Loans & Advances by Sector



1.3. International Banking Operations

International banking operations continues to be substantial source of income for the Bank as it accounted for 26.6% of the aggregate revenue generated in 2015/16. In the FY 2015/16, the Bank earned Birr 408.2 million from this business wing, up by 4.6% (Birr 18.1 million) over Birr 390.2 million earned in the preceding year.

In a bid to boost foreign currency generation, partnership had been established with international money transfer agents and the total number of agents working with the Bank reached nineteen. Moreover, the Bank has closely been working with exporters, individuals and other sources to increase its foreign currency generation. To facilitate international trade for its customers, the Bank maintains sixteen correspondent account relationships with foreign banks and has bilateral key Exchange arrangements with 168 Banks across the world.

2. FINANCIAL PERFORMANCE

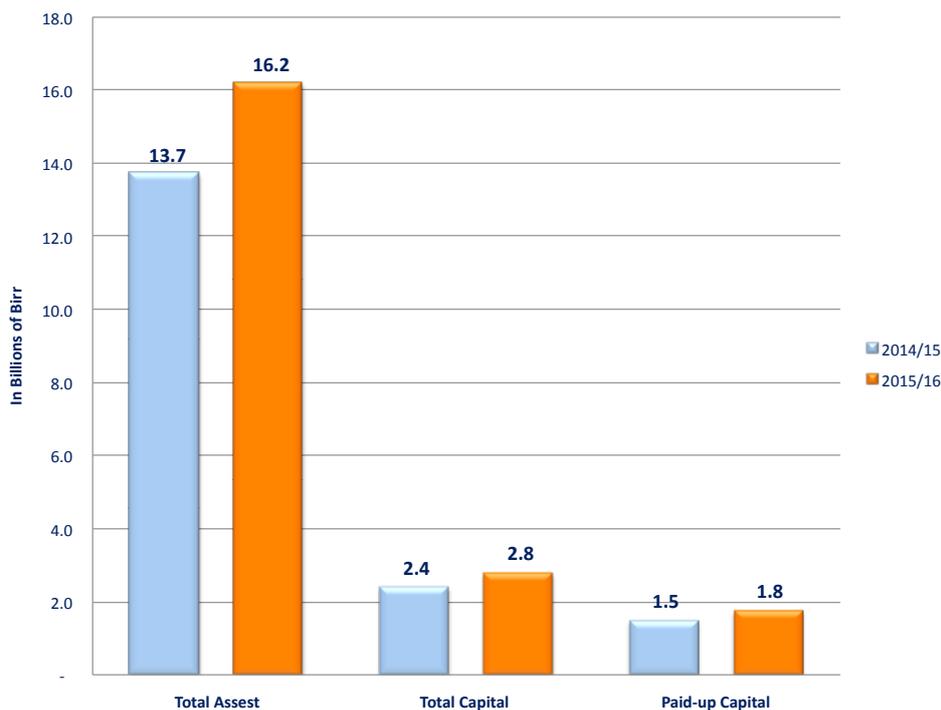
2.1. Asset Expansion

The total assets of the Bank reached Birr 16.2 billion as at June 30, 2016, expanding by 18.2% (Birr 2.5 billion) over preceding year's position of Birr 13.7 billion. Growth in Cash and Bank Balances, Net Loans and Advances and NBE-Bills had been the main factors for the growth recorded in total asset of the Bank. These balance sheet components accounted for the largest share of total assets where the share of net Loans and Advances, NBE-Bills, and Cash and Bank Balance was 46.3%, 26.8% and 18.9%, respectively.

2.2. Capital Growth

The total capital of the Bank which consists of Paid-up capital, Legal Reserve, Retained Earnings, and Share Premium grew by 16.3% (Birr 393 million) over Birr 2.4 billion of the previous year to reach Birr 2.8 billion as at June 30, 2016. Claiming the largest share of 63.3% of total capital, the paid-up capital of the Bank stood at Birr 1.8 billion as at end of FY 2015/16. Compared to last year's ending balance of Birr 1.5 billion, it exhibited a Birr 280 million rise, ascending by 18.7%.

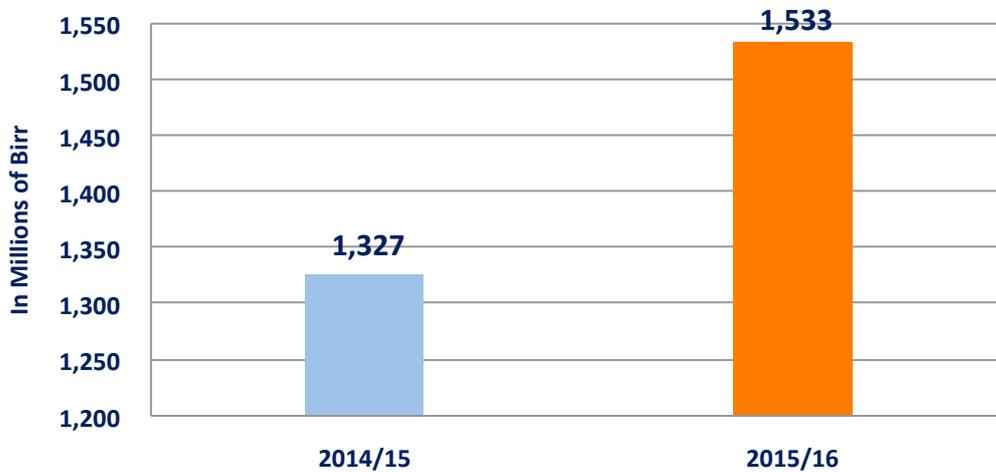
Fig 5: Comparison of Assets, Capital & Paid-Up Capital



2.3. Total Income

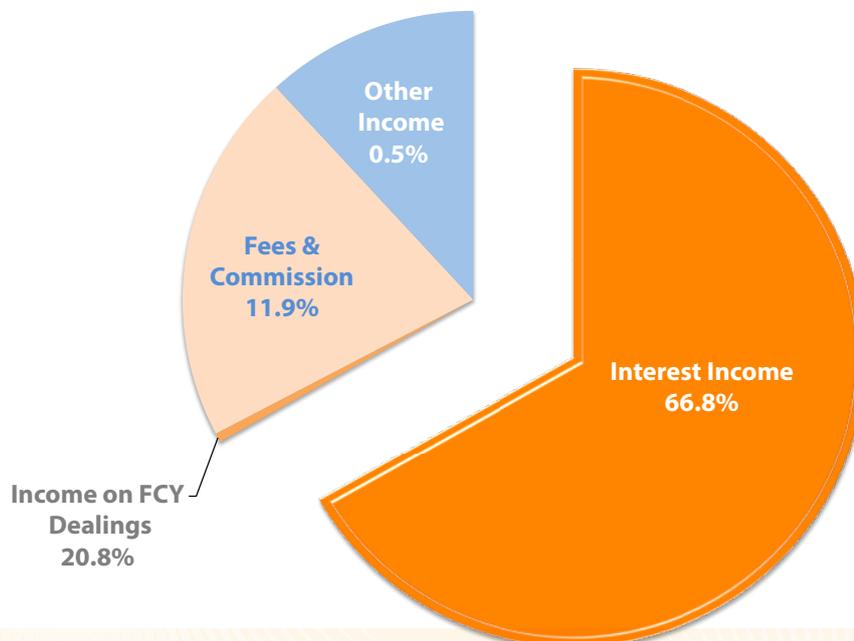
The Bank generated a total income of Birr 1.5 billion in FY 2015/16, representing a growth of 15.5% (Birr 205.8 million) over Birr 1.3 billion earned in FY 2014/15. All major components grew year-on-year contributing positively to the overall growth recorded in total income.

Fig 6: Comprision of Total Income



The Bank’s total income was dominated by Interest Income with a share of 66.8% followed by Income on FCY Dealings (20.8%) and Fees & Commission Income (11.9%). Other income which includes small income items accounted for 0.5% of the total income.

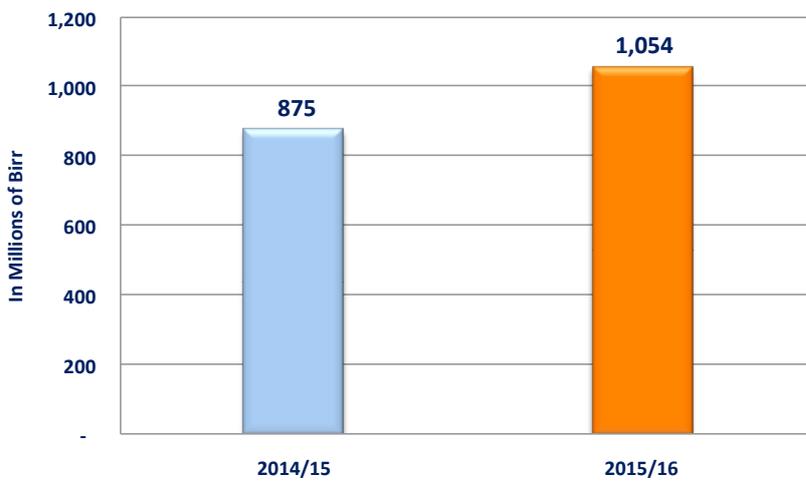
Fig 7: Composition of Total Income



2.4. Expenses

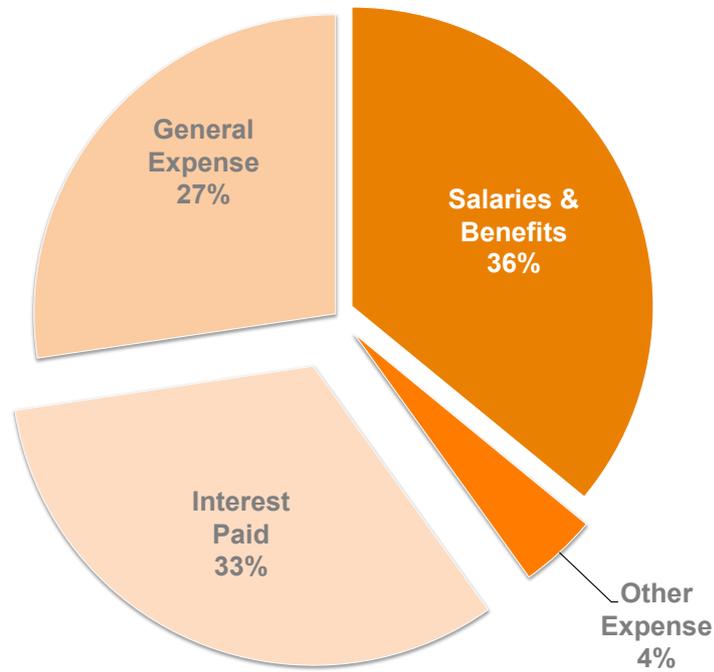
Expansion of business operations mainly in terms of branch network and growth in deposit coupled with increased number of Bank’s employee pushed up the total expense of the Bank in FY 2015/16. As compared to Birr 875 million of the FY 2014/15, it soared by 20.5% (Birr 179.4 million) to the level of Birr 1.1 billion in 2015/16 FY. All major components of total expense have shown increment year-on-year pushing up the total expense of the Bank.

Fig 8: Comprision of Total Expenses



Claiming 36% of the total expense, Employee Salaries and Benefits took the largest share followed by Interest Expense (33%) and General Expense (27%). Other expense items accounted for the remaining balance of 4%.

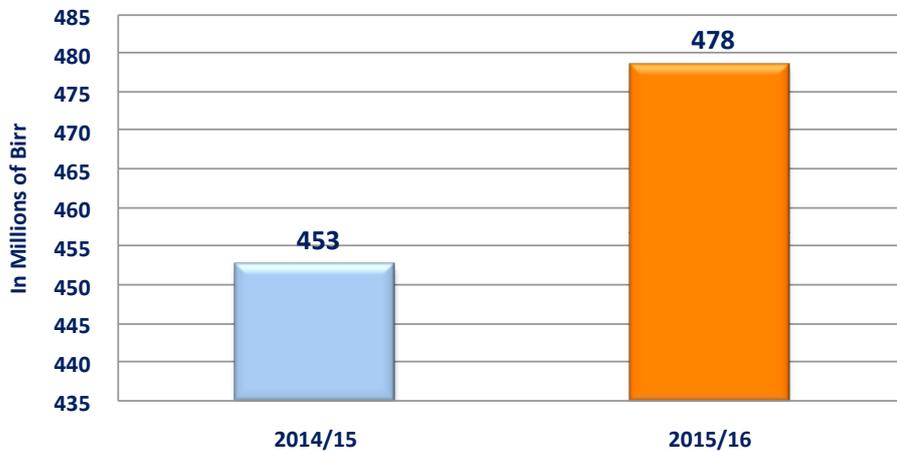
Fig 9: Composition of Total Expenses



2.5. Profit before Tax

The Bank earned profit before tax of Birr 478 million, up by 5.7% (Birr 25.9 million) over Birr 453 million earned in 2014/15 FY. Consequently, Return on Average Assets (ROA) and Equity (ROE) stood at 2.5% and 14.5%, respectively.

Fig 10: Comparison of Profit before Tax



3. BUSINESS DEVELOPMENT AND CAPACITY BUILDING

3.1. Branch Network Expansion

With the objective of increasing synergy, our customer base and thereby enhancing value of deposits by getting closer and closer to our customers, the Bank has been strategically increasing its branch network at viable locations. In the FY 2015/16, the Bank has opened 45 new branches of which 34 were full-fledged branches while 11 were sub-branches. As a result, the Bank's total number of outlets in branches reached 161 as at June 30, 2016, growing by 38.8% over beginning year position of 116. The geographical distribution of branches shows that about 58% (94 branches) were regional while 42% (67 branches) are outlets operating in the capital.

3.2. Alternative Banking Services

Customers' taste and preference are constantly changing demanding new products/services and more convenient ways of banking. In order to meet this overarching demand of customers, the Bank has kept exerting persistent efforts to serve customers at better convenience and closer proximity through Card, Mobile and Internet Banking channels.

In line with these efforts, the total number of ATMs deployed reached 135 as at June 30, 2016 growing by 39.2% or 38 ATMs. In the meantime, the number of POS reached 200, up by 46% (63 POSs). The user of Mobile and Internet Banking is also growing encouragingly.

In the reporting period under review, Interest Free Banking has also commenced operations providing customers with more options by also embracing all banking community. In the meantime, several millstones have already been passed to launch Agency Banking service which is expected to start operation during the FY 2016/17.

3.3. Human Resource

The Bank has made changes in its human resource management by transforming its human resources operating paradigm from the traditional job-based content to a competency-based one. Following adoption of competency based human resource management practice, competency based recruitment, promotion, staff development and employee performance has been implemented by the Bank in the fiscal year.

The Bank's staff strength grew by about 15% and reached 3,385 employees at the end of the fiscal year. With the objective of bridging skill gap and enhancing knowledge and attitude of its employees in 2015/16 FY, the Bank organized and conducted local and foreign training programs on various topics and subjects for 3,743 employees from different working units at different capacities. Moreover, the Bank continues to sponsor education fee of its employees who attend studies in various universities and colleges.

3.4. Strategic Plan and Integrated Performance Management System

In a bid to align its business objectives to the national development activities as included in GTP-II, the Bank has redefining its vision and business strategies and expanding performance measurement perspectives on top of financial metrics and developed a comprehensive five year strategic plan in the fiscal year under review. To make the execution of the new strategic plan successful, majority of the Bank's employees were being communicated about the strategic plan.

Following the implementation and massive communication of the new strategic plan, cascading strategic objectives up to employees' level (Individual) has commenced in the year under review and progressing well. Consequently, Performance Management Scorecard has been developed for all job positions and standardizing the Scorecard across the Bank has been completed which would serve as an anchor of Integrated Performance Management System.

3.5. Banking Technology

The Bank has given due consideration for the application of information technology in its operation with the aim of providing efficient and effective customer service, introducing new products and service and minimizing operating cost. In view of this, the Bank had CORE-Banking system which had been rolled out and went live in all branches, Forex outlets and the Head Office units. The Bank had also implemented a full-fledged Payment Card Management System, enabling its customers to get 24/7 banking services, on its ATM network, and POS terminals.

To reduce stationary related costs and enhance internal communication efficiency, Messaging and Collaboration System has been developed and fully implemented at Head Office level. In order to implement the system across the Bank, account has already been opened for all branches and action plan has been prepared to give training for city and outlying branches.



3.6. Headquarters Building Construction

The state of the art Headquarters building construction project has reached 70% of the entire work for completion as at the end of 2015/16 FY. Major activities performed during the fiscal year were laying electric wires and water supply lines, fixing and producing mechanical duct for ventilation, sun breaker framework, fixing curtain wall and metal arch truss, mosaic wall tiles, floor screed for plastic tiles and roof work for assembly hall are under progress.

4. RISK AND COMPLIANCE MANAGEMENT

Pragmatic approach needs to be pursued for managing the ever increasing plethora risks surrounding the banking industry landscape. Mindful of this, the Bank has already put in place a judicious and sound risk and compliance management system in a bid to ensure sustainable growth while maintaining overall risk exposures within an acceptable level. The Bank is making concerted strides towards instituting an integrated risk and compliance management system in light of contemporary practices as well as regulatory requirements. Accordingly, the Bank designed its risk management framework in such a way that incorporates the identification, measurement, monitoring and control of major risk categories including, but not limited to, credit, liquidity, market, operational and strategic risks. The overall risk exposure of the Bank is duly monitored by the Board of Directors as well as executive management against established standards. Relentless effort is also being made to inculcate risk management culture across the breadth and width of the Bank.

Likewise, the Bank is committed to ensure that its overall operational activities are conducted in line with applicable national and internal laws, regulations and directives thereby protecting the Bank from risk of non-compliance. In view of the growing national and international regulatory requirements, effort has been made to emplace effective Anti-Money Laundering/Countering the Financing of Terrorism (AML/CFT) system across the Bank.

In a nut shell, the Risk and Compliance Management Directorate which has been independently organized in accordance to the national and international standards is basically entrusted with the responsibility of overseeing the Bank's risk and compliance management endeavors, has been playing its role in proactively managing current and potential risks thereby contributing for achievement of envisaged organizational objectives.

5. INTERNAL CONTROL

Internal control system plays a vital role in maintaining the safety and soundness of the banking industry. Cognizant of this, Control Directorate at a functional level has been independently organized in accordance to the national and international standards to oversee senior management's compliance with internal policies and procedures as well as applicable rules, regulations and directives.

The main responsibilities bestowed up on the Bank's management in this aspect are generally geared toward to ensuring the existence of an appropriate internal policies and procedures and measuring the extent to which operating departments comply with existing internal policies and procedures and applicable laws. Hence, a number of audit inspections, financial and operational audits, special investigations and asset inventory were conducted in the fiscal year under review to check whether they are performed as per internal policies and procedures of the Bank and applicable laws.



Wegagen Annual Shareholders' 23rd Ordinary and 12th Extraordinary Meeting
November 10, 2016 at Hilton Addis ababa.



Wegagen Annual Management Meeting
at Elilly International Hotel, Addis Ababa



Wegagen Forex Day
September 29, 2016 at Elilly International Hotel, Addis Ababa



STRATEGIC PLAN COMMUNICATION SESSION- DIRE DAWA



STRATEGIC PLAN COMMUNICATION SESSION- ADAMA



STRATEGIC PLAN COMMUNICATION SESSION- JIMMA



SHOA SHOPPING CARD INAUGURATION CEREMONY



ADDIS ABABA UNIVERSITY
COLLEGE OF COMMERCE



AXUM UNIVERSITY



BAHIR DAR PRESIDENT



MIZAN TEFERI TVET PROJECT



TRANSPORT NETWORK SERVICE BUILDING



YOTEK REAL ESTATE

INDEPENDENT AUDITORS REPORT TO THE SHAREHOLDERS OF WEGAGEN BANK SHARE COMPANY

We have audited the accompanying financial statements of WEGAGEN BANK SHARE COMPANY which comprise the statement of financial position as 30 June 2016, the statement of income, statement of shareholders' equity and statement of cash flows for the year then ended and summary of significant accounting policies and other explanatory information.

Management's Responsibility for Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting policies of the company and for such internal controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatements 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 of 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 risk of material misstatements in 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 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.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of WEGAGEN BANK SHARE COMPANY as at 30 June 2016 and of its financial performance, change in shareholders' equity and cash flows for the year then ended in accordance with the Accounting policies of the Bank.

We have no comment to make on the Board of Directors Report relating to financial matters and pursuant to Article 375(2) of the Commercial Code of Ethiopia 1960; we recommend the approval of these financial statements.

Addis Ababa
October 06, 2016



D Lemessa
Degafa Lemessa Authorized Auditors
Limited Partnership,
Chartered Certified Accountants

WEGAGEN BANK S.C
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016

2015

ASSETS	Notes	Birr	Birr	Birr
Cash and bank balances with local banks	5		1,847,305,312	1,486,970,697
Reserve with National Bank of Ethiopia			601,105,527	516,105,527
Deposits with foreign banks	6		649,076,698	393,621,380
Fixed Time Deposit with Enat bank			-	50,000,000
Loans and advances	8		7,506,215,842	6,071,915,798
NBE Bills			4,344,751,000	4,162,844,000
Stocks of supplies	9		33,734,690	32,871,602
Other assets	10		382,293,795	272,363,832
Equity Investment	7		65,370,000	56,870,000
Deferred charges	11		19,059,350	26,775,152
Property, plant and equipment	12		727,385,177	631,312,331
Leasehold land	13		13,466,740	9,714,740
TOTAL ASSETS			16,189,764,130	13,711,365,059
LIABILITIES				
Deposits from customers	14	11,078,547,329		9,870,945,433
Deposits from financial institutions	15	787,300,324		346,802,008
Margin held on letters of credits		850,471,870		416,711,390
Other liabilities	17	561,824,178		557,742,906
Profit tax payable	18 (a)	102,845,215		100,127,173
Leasehold land payable		3,001,600		4,663,139
TOTAL LIABILITIES			13,383,990,517	11,296,992,049
CAPITAL AND RESERVES				
Paid up capital		1,778,851,000		1,497,834,000
Share Premium		25,424,100		25,424,100
Legal Reserve		720,685,378		626,781,000
Retained Earnings		280,813,135		264,333,911
			2,805,773,613	2,414,373,011
TOTAL CAPITAL, RESERVES AND LIABILITIES			16,189,764,130	13,711,365,059

Tefen Zewdu
 Board Chairman



Araya G/Egziabher
 President /CEO



WEGAGEN BANK S.C
INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2016

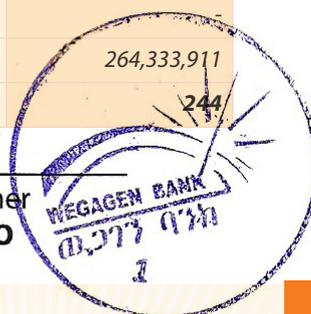
2015

	Notes	Birr	Birr	Birr
INCOME				
Interest income	19		1,024,149,673	853,624,341
Less :Interest expense	20		(342,556,097)	(291,185,962)
Net interest income			681,593,576	562,438,379
Fees and commission income	21	181,718,511		152,946,424
Income from dealing in foreign currencies		319,374,470		308,863,415
Other income	22	5,145,112		7,741,390
Income from card payment		2,625,298		3,081,153
			508,863,391	472,632,382
Net operating income			1,190,456,967	1,035,070,761
Provision for doubtful loans and advances			(39,826,708)	(29,161,042)
Provision for doubtful debts other than loans and advances			(3,963,996)	1,614,872
			(43,790,704)	(27,546,170)
Net interest and other income after provision for doubtful debts			1,146,666,263	1,007,524,591
EXPENSES				
Salaries and benefits		379,503,044		323,714,604
General and administrative	23	283,227,363		225,847,647
Visa Charge		4,992,135		4,551,952
Directors' fee		231,859		648,250
Audit fee		215,000		189,750
			(668,169,401)	554,952,203
PROFIT BEFORE TAXATION			478,496,862	452,572,388
PROVISION FOR TAXATION	18 (b)		(102,879,348)	(100,127,173)
NET PROFIT AFTER TAXATION			375,617,514	352,445,215
TRANSFER TO LEGAL RESERVE			(93,904,378)	(88,111,304)
NET PROFIT AFTER TAX AND LEGAL RESERVE			281,713,135	264,333,911
DIRECTORS' SHARE ON PROFIT			(900,000)	
			280,813,135	264,333,911
EARNING PER SHARE OF BIRR 1,000			222	244

Tefen Zewdu
 Board Chairman



Araya G/Egziabher
 President /CEO



WEGAGEN BANK S.C
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 30 JUNE 2016

2015

	Birr	Birr	Birr
Cash In Flow from Operating Activities:			
<i>Profit before taxation</i>		478,496,862	452,572,388
Depreciation	46,305,319		40,815,224
Amortization	13,130,939		14,828,176
Net Loss/Gain on Disposal of Fixed Asset and assets awaiting for sale	3,926,786		3,632
Loan loss provision including balances written off	39,826,708		-
Provision for other assets	3,963,996		-
Reversal of provision for loans advances held in previous years	-		20,688,229
Deferred expenditure adjustment	4,167,570		-
Dividend income	(1,372,568)		-
Non credit debtors written off/provision for non credit debtors	-		(1,714,554)
	109,948,750.71		74,620,707
Operating cash flow before change in working capital	588,445,612.85		527,193,095
(Increase)/decrease in stocks of supplies exclud- ing fixed assets adjustment	(596,863)		(1,234,641)
(Increase)/ decrease in other assets	(127,024,485)		50,400,890
(Increase)/decrease in loans and advances	(1,474,126,752)		(1,565,075,340)
Increase in deposits from customers	1,207,601,896		1,844,675,693
Increase/(decrease) in deposits from financial institution	440,498,316		(12,039,558)
Increase in margin held on letter of credits	433,760,480		40,614,958
Increase /(decrease) in other liabilities	3,631,272		36,726,701
	483,743,865		394,068,703
Net Cash In Flow from Operating Activities	1,072,189,478		921,261,798
TAXATION			
Profit tax paid	(100,127,173)		(95,354,134)
Withholding tax paid	(34,133)		-
	(100,161,306)		(95,354,134)
	972,028,172		825,907,664

WEGAGEN BANK S.C
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 30 JUNE 2016
continued...

2015

	Birr	Birr	Birr
INVESTING ACTIVITIES			
Acquisition of fixed assets	(150,487,136)		(134,105,732)
Proceeds Disposal of Fixed Asset	3,005,061		21,200
Dividend income received	1,372,568		-
Proceed disposal of asset awaiting for sale	14,041,426		-
Fixed time deposit with Enat bank	50,000,000		(50,000,000)
Purchase of NBE Bills	(181,907,000)		(1,123,062,000)
Investment in other companies shares	(8,500,000)		(27,840,000)
Deferred expenditures paid	(9,582,707)		(15,813,646)
		(282,057,788)	(1,350,800,178)
FINANCING ACTIVITIES			
New shares issued	281,017,000		22,595,000
Equity dividend paid	(264,333,911)		(106,807,313)
Directors' share on profit paid	(450,000)		-
Settlement of lease obligation	(5,413,539)		(388,590)
		10,819,550	(84,600,903)
Net Increase (decrease) in Cash and Cash Equivalents		700,789,933	(609,493,417)
Cash and cash equivalent at the beginning of the year		2,396,697,604	3,006,191,021
Cash and cash equivalent at the end of the year		3,097,487,537	2,396,697,604

Tefen Zewdu
Board Chairman



Araya G/Egziabher
President /CEO



WEGAGEN BANK SHARE COMPANY
STATEMENT CHANGES IN SHAREHOLDERS EQUITY
FOR THE YEAR ENDED JUNE 30, 2016

2015

	Paid up Capital	Share Premium	Legal Reserve	Retained Earnings	Total
	Birr	Birr	Birr	Birr	Birr
Balance as at June 30, 2014	1,341,291,000	25,424,100	538,669,696	238,830,596	2,144,215,392
<i>Dividend paid</i>				(97,051,058)	(97,051,058)
Dividend capitalized 2013/2014	2,397,050				2,397,050
Dividend capitalized	131,550,950			(131,550,950)	-
Additional shares issued	22,595,000				22,595,000
Net profit for the year				352,445,215	352,445,215
Transfer to dividend payable				(10,228,588)	(10,228,588)
Transfer to Legal Reserve	-	-	88,111,304	(88,111,304)	-
Balance as at June 30, 2015	1,497,834,000	25,424,100	626,781,000	264,333,911	2,414,373,011
<i>Dividend paid</i>				(108,362,911)	(108,362,911)
Dividend capitalized 2014/2015	155,971,000			(155,971,000)	-
Additional shares issued	125,046,000				125,046,000
Net profit for the year				375,617,514	375,617,514
Directors' share on profit	-	-	-	(900,000)	(900,000)
Transfer to Legal Reserve	-	-	93,904,378	(93,904,378)	-
Balance as at June 30, 2016	1,778,851,000	25,424,100	720,685,378	280,813,135	2,805,773,614

Tefen Zewdu
Board Chairman



Araya G/Egziabher
President /CEO



WEGAGEN BANK SHARE COMPANY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

1. BACKGROUND

Wegagen Bank S.C was established on June 11, 1997. It came into being with 16 founding members who recognized the critical role that financial institutions would play to create a sustainable economic development and raised an initial capital of Birr 30 million. As at June 30, 2016, the paid up capital of the Bank reached Birr 1,78 billion. The number of Shareholders is now 2349 and has a network of 170 branches at present.

Main Objectives

- Maximizing profitability through increased efficiency
- Enhance growing market share
- Expanding the bank's capital base
- Ensuring excellence in customer services
- Provide differentiated, varied and value added banking services

Major Services

- Accept different types of deposits,
- Grant varieties of loan facilities,
- Offer full-fledged international banking services,
- Render local and international money transfer services and
- Payment Card services through ATM and POS network.

Branch Network

Wegagen Bank has a network of 170branches of which 71 are in Addis Ababa and the remaining 99 are located in other cities and towns of the country. To expand its service coverage, the Bank keeps on opening additional branches both in Addis Ababa and regional towns.

ICT (Information & Communication Technology)

Wegagen Bank is a pioneer to introduce a Core Banking System as of July 2000, thereby managing to network the Head Office & all branches. Through its versatile ISO Standard Core Banking System, the Bank is now delivering more efficient services to its customers. The system has also enabled the Bank to provide technology-based banking services such as Card payment services (through ATM & POS), internet banking as well as mobile banking services.

Corporate Governance

Wegagen Bank is governed by the Board of Directors consisting of a Chairperson, a Vice Chairperson and seven Directors. The overall management is entrusted to the management team which comprises the President/Chief Executive Officer, who is appointed by the Board of Directors, four Vice-Presidents and seventeen Directors.

2. BASIS OF PREPARATION

a) The Bank's financial statements

Have been prepared based on its accounting policies, the requirements of the National Bank of Ethiopia, the requirements of the income tax proclamation and the provisions of the Commercial Code of Ethiopia.

(b) Basis of measurement

The financial statements have been prepared on the historical cost convention.

(c) Functional and presentation currency

These financial statements are presented in Ethiopian Birr (ETB), which is the Bank's functional currency. Except as indicated, financial information, presented in ETB has been rounded to the nearest digit.

(d) Use of estimates and judgments

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgments, estimates and assumptions in the process of applying the Bank's accounting policies that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Foreign currency transactions

Transactions in foreign currencies are translated into ETB at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated into ETB at the mid exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortized cost in ETB at the beginning of the period, adjusted for effective interest and payments during the period, and the amortized cost in foreign currency translated at the spot mid exchange rate at the end of the period.

The foreign currencies the Bank deals with are predominantly United States Dollars (USD) and Euro (EUR). The exchange rates used for translation at 30 June 2016 were as follows:

Foreign currency transactions

	Currency	Buying	Selling	Mid rate
1 USD		Birr 21.8004	Birr 22.2364	Birr 22.0184
1 EUR		Birr 24.1614	Birr 24.6446	Birr 24.4030

(b) Interest income and expense

Interest income and expense are recognized in the profit or loss, on an accrued basis excepting interest income on non-performing loans and advance on import bills which is recognized on cash basis.

(c) Fees and commission income and expense

Fees and commission income, including financial services provided by the Bank in respect of foreign currency settlements, guarantees, letters of credit, domestic and foreign payment operations and other services, are recognized as the related services are performed and or as the bank is committed to give the services. Other fees and commission expense relates mainly to transaction and service fees, which are expensed as the services are received

(d) Dividends

Dividend income is recognized when the right to receive income is established.

(e) Income tax -current

The tax expense for the period comprises only current tax. The company pays 30% tax on profit it made after adjusting for non taxable income and unallowable expenses.

(f) Financial assets and liabilities

i. Recognition and initial measurement

The Bank initially recognizes loans and advances, deposits and borrowed funds on the date at which they are originated. All other financial assets and liabilities are initially recognized on the date at which the Bank becomes a party to the contractual provisions of the instrument. A financial asset or financial liability is initially measured at cost.

ii. De-recognition

The Bank derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Bank neither transfers nor retains substantially all the risks and rewards of ownership and it does not retain control of the financial asset. On de-recognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset transferred), and consideration received (including any new asset obtained less any new liability assumed) is recognized in profit or loss.

In transactions in which the Bank neither retains nor transfers substantially all the risks and rewards of ownership of a financial asset and it retains control over the asset, the Bank continues to recognize the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset. The Bank derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

iii. Offsetting

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty. Income and expenses are presented on a net basis only when gains and losses arising from a group of similar transactions such as in the Bank's trading activity.

iv. Amortized cost measurement

The amortized cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, minus any reduction for impairment.

v. Identification and measurement of impairment

At each reporting date the Bank assesses whether there is objective evidence that financial assets not carried at fair value through profit or loss are impaired. A financial asset is impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the asset, and that the loss event has an impact on the future cash flows on the asset that can be estimated reliably. Objective evidence that financial assets (including equity securities) are impaired can include significant financial difficulty of the borrower or issuer, default or delinquency by a borrower, restructuring of a loan or advance by the Bank on terms that the Bank would not otherwise consider, indications that a borrower or issuer will enter bankruptcy, the disappearance of an active market for a security, or other observable data such as adverse changes in the payment status of borrowers or issuers, or economic conditions. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

All individually significant loans and advances and investment securities are assessed for specific impairment. Impairment losses on assets carried at amortized cost are measured as the difference between the carrying amount of the financial asset and the estimated recoverable value. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

(g) Cash and cash equivalents

Cash and cash equivalents include cash balance on hand, demand deposits with banks, cash deposited with the National Bank of Ethiopia (“NBE”) and highly liquid financial assets with original maturities of less than three months, which are subject to insignificant risk of changes in their fair value, and are used by the Bank in the management of its short-term commitments. Cash and cash equivalents are carried at amortized cost in the statement of financial position.

(h) Loans and advances

Loans and advances are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and that the Bank does not intend to sell immediately or in the near term. Loans and advances are initially measured at cost and subsequently measured at their amortized cost less any impairment loss.

(i) Investment securities

Subsequent to initial recognition investment securities are accounted for depending on their Classification as either held to maturity, fair value through profit or loss, or available-for-sale.

(j) Held-to-maturity

Held-to-maturity investments are non-derivative assets with fixed or determinable payments and fixed maturity that the Bank has the positive intent and ability to hold to maturity, and which are not designated as at fair value through profit or loss or as available for sale. Held-to-maturity investments are carried at amortized cost using the effective interest method. A sale or reclassification of a more than insignificant amount of Held-to-maturity investments would result in the reclassification of all Held-to-maturity investments as available for sale, and would prevent the Bank from classifying investment securities as held to maturity for the current and the following two financial years. However, sales and reclassifications in any of the following circumstances would not trigger a reclassification:

- sales or reclassifications that are so close to maturity that changes in the market rate of interest would not have a significant effect on the financial asset's fair value;
- sales or reclassifications after the Bank has collected substantially all of the asset's original principal;
- sales or reclassifications attributable to non-recurring isolated events beyond the Bank's control that could not have been reasonably anticipated.

(k) Properties and equipment

(i) Recognition and measurement

Items of property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located and capitalized borrowing costs. When parts of an item of property or equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment. The gain or loss on disposal of an item of property and equipment is determined by comparing the proceeds from disposal with the carrying amount of the item of property and equipment, and are recognized within other income or other expenses in profit or loss.

(ii) Subsequent costs

The cost of replacing part of an item of property or equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Bank and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property and equipment are recognized in profit or loss as incurred.

(iii) Depreciation

Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property and equipment since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

Depreciation rates, based on the estimated useful lives for the current and comparative periods are as follows:

Depreciation		%
Buildings	5	
Motor Vehicles	20	
Furniture and equipment	10	
Computers	10	

(I) Intangible assets

(i) Recognition and measurement

Intangible assets acquired by the Bank are stated at cost less accumulated amortization and accumulated impairment losses.

(ii) Subsequent expenditure

Subsequent expenditure on intangible assets is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

(iii) Amortization

Amortization is recognized in profit or loss on a straight-line basis over the estimated useful life of the intangible assets, from the date that it is available for use since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

The amortization rates based on the estimated useful lives for the current and comparative periods are as follows:

Amortization		%
Software	20	
Deferred expenditures	20	

(m) Deposits and borrowed funds

Deposits and borrowed funds are the Bank's sources of debt funding. Deposits and borrowed funds are initially measured at cost, and subsequently measured at their amortized cost.

(n) Provisions

A provision is recognized if, as a result of a past event, the Bank has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

(o) Employee benefits

The Bank contributes to its employees' post retirement plans as prescribed by the national legislation and will have no legal or constructive obligation to pay further amounts. Contributions, based on salaries, are made to the national organizations responsible for the payment of pensions. There is no additional liability in respect of these plans. Obligations for contributions to defined contribution pension plans are recognized as an expense in profit or loss when they are due.

(p) Share capital and reserves

I. Ordinary shares

Ordinary shares are classified as equity.

II. Legal Reserve

The bank transfer not less 25% of its profit after tax as required by the National Bank of Ethiopia until such reserve equals the bank's paid up capital.

III. Share issue costs

Costs directly attributable to the issue of equity instruments are recognized as an expense in the profit or loss when incurred.

IV. Dividends

Dividends are recognized as a liability in the period in which they are declared.

(q) Earnings per share

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

3. FINANCIAL RISK MANAGEMENT

a. Introduction and overview

The Bank has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risks
- Operational risk

This note presents information about the Bank's exposure to each of the above risks, the Bank's objectives, policies and processes for measuring and managing risk, and the Bank's management of capital.

Risk management framework

The Board of Directors ("the Board") has overall responsibility for the establishment and oversight of the Bank's risk management framework. The Board has established the Credit Review sub-Committee and Risk sub-Committee, which are responsible for developing and monitoring Bank's risk management policies.

The Bank's risk management policies are established to identify and analyze the risks faced by the Bank, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in the regulation, market conditions, products and services offered. The Bank, through its training and procedures and policies for management, aims to develop a constructive control environment, in which all employees understand their roles and obligations.

The Bank's Board of Directors is responsible for monitoring compliance with the Bank's risk management policies and procedures, and for reviewing the adequacy of the risk management framework in relation to the risks faced by the Bank. The Bank's Board of Directors is assisted in these functions by the Risk Management Department. The Risk Management Department undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the Risk Management Committee.

b. Credit risk

Credit risk is the risk of financial loss to the Bank if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Bank's loans and advances to customers and other banks and investment securities. For risk management reporting purposes, the Bank considers and consolidates all elements of credit risk exposure (such as individual obligor default risk and sector risk).

Management of credit risk

The Board of Directors follows up the implementation of :
credit policies, covering collateral requirements, credit assessment, risk grading and reporting, documentary and legal procedures, and compliance with regulatory and statutory requirements.

- Reviewing and assessing credit risk. Assess all credit exposures in excess of designated limits, prior to facilities being committed to customers.
- Limiting concentrations of exposure to geographies, industries, individual or and group exposures and maturity exposures (for loans and advances).

Impaired loans and advances

Impaired loans and advances are loans and advances for which the Bank determines that it is probable that it will be unable to collect part or all of the principal and interest due according to the contractual terms of the loan agreement(s). These loans are graded as Non performing Loans (NPL).

Past due but not impaired loans

Loans and advances where contractual interest or principal payments are past due but the Bank believes that impairment is not appropriate on the basis of the level of security / collateral available and / or the stage of collection of amounts owed to the Bank.

Allowances for impairment

The Bank at each balance sheet date has established a process for determining an allowance for impairment losses that represents its estimate of incurred losses in its loan portfolio. A financial asset is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset.

The main components of this allowance are a specific loss component that relates to individually significant exposures. Loans are evaluated individually for impairment based on factors such as payment history, borrower financial condition, collateral and current economic conditions. For collateral dependent loans their value is taken into account but discounted based on date of their last received appraisal and market conditions. For calculation of the value of the collaterals, following collaterals are taken into account; cash deposits, vehicles, real estate, equipment and other movable property. From these evaluations of expected cash flows and collateral values, specific allowances are determined. The amount of the loss is measured as the difference between the asset's carrying amount and the lower of recoverable value of the loan or the estimated value of the collaterals. Recoverable value is the multiple of recovery rate of the Bank and the principal balance of the loan. Recovery rate is determined in accordance the National Bank of Ethiopia provisions.

The National Bank of Ethiopia, Supervision of Banking Business SBB 43/2008 directive classifies loans and advances into the following categories:

i. Pass Loans

Loans and advances in this category are fully protected by the current financial and paying capacity of the borrower and are not subject to criticism. In general, loans and advances, which are fully secured, both as to principal and interest, by cash or cash substitute, are classified under this category regardless of past due status or other adverse credit factors.

ii. Special Mention

Any loan or advance past due 30 days or more but less than 90 days is classified under this category.

iii. Substandard

Non-performing loans or advances past due 90 days or more but less than 180 days is classified under this category.

iv. Doubtful

Non-performing loans or advances past due 180 days or more but less than 360 days is classified as doubtful.

v. Losses

Non-performing loans or advances past due 360 days is classified as loss. As per the Directive the provision for impairment losses are determined as follows:

No.	Loan Category	Provision required
1	Pass loans	1% of the outstanding loan balance
2	Special mention loans	3% of the outstanding loan balance
3	Substandard loans	20% of the net loan balance
4	Doubtful loans	50% of the net loan balance
5	Loss loans	100% of the net loan balance

Note: Net loan balance is outstanding loan balance less the recovery value of the loan.

c. Liquidity risk

Liquidity risk is the risk that the Bank will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

Management of liquidity risk

The Bank's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Bank's reputation.

Exposure to liquidity risk

The finance department receives information from other departments regarding the liquidity profile of their financial assets and liabilities and details of other projected cash flows arising from projected future business. The finance department then maintain a portfolio of short-term liquid assets, largely made up of short-term liquid investment securities, loans and advances to banks and other inter-bank facilities, to ensure that sufficient liquidity is maintained within the Bank.

The daily liquidity position and market conditions are regularly monitored. All liquidity policies and procedures are subject to review and approval by ALCO. Daily reports cover the liquidity position of the Bank. Liquidity reports are submitted weekly to the NBE.

The Bank has access to a diverse funding base. Funds are raised using a broad range of instruments including deposits, borrowed funds and share capital. This enhances funding flexibility, limits dependence on any one source of funds and generally lowers the cost of funds. The Bank strives to maintain a balance between continuity of funding and flexibility through the use of liabilities with a range of maturities. The Bank continually assesses liquidity risk by identifying and monitoring changes in funding required meeting business goals and targets set in terms of the overall Bank strategy.

In order for the liquidity risk to be kept at acceptable level the bank has set internal limits on liquidity risk exposure which are regularly followed and reported. Also as part of the overall liquidity risk management in order to address future emergencies, as a liquidity crisis management tool the bank has established liquidity contingency plan with clearly defined roles and responsibilities of the parties involved in the processes itself. The Liquidity Contingency Plan is specifying developments, so that immediate actions will be taken in order to prevent escalation of such events. In regular course of the activities of the Bank liquidity risk is managed according to the Policy and Procedure on liquidity risk management. As key indicators, that will be used to recognize liquidity problems, the Bank, as minimum, is defining the following:

- substantial increase in the assets financed by short term deposits;
- significant and sudden decrease in the core deposits or loss of the regular depositors of the Bank;
- considerable decrease in the assets quality, particularly the credit portfolio;
- extensive withdrawal of deposits before their maturity date;
- regulatory liquidity indicators; internal liquidity indicators;

As a part of the crisis management actions, within the Liquidity Contingency Plan, following are considered as immediate:

- borrow on inter-bank money market;
- sell short term securities (domestic and foreign);
- borrowing from the National Bank

d. Market risks

Market risk is the risk that changes in market prices, such as interest rate, foreign exchange rates and credit spreads (not relating to changes in the obligor's / issuer's credit standing) will affect the Bank's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

Management of market risks

The Bank manages changes in interest rate risk by applying fixed term interest rates while the foreign exchange risk is managed by matching of liabilities and assets and holding of assets appreciating currencies especially the USD to which the Birr is pegged to. Assets and liabilities committee (ALCO) analyzes the Bank's market risk on a monthly basis and reports to the Risk Committee. ALCO performs analyses and makes decisions with regard to balance sheet structure, liquidity risk, and currency risk and also is analyzing the risk of the Bank's treasury unit.

Exposure to interest rate risk

The Bank's operations are subject to the risk of interest rate fluctuations to the extent that interest earning assets and interest-bearing liabilities mature or reprising at different times or/and in differing amounts. Asset-liability risk management activities are conducted in the context of the Bank's sensitivity to interest rate changes. In general, the Bank is asset sensitive because of majority of its assets and liabilities are interest bearing. The Bank has contractual right to change the interest rate on its loans. However the actual effect will depend on various factors, including stability of the economy, environment and level of the inflation.

Operational risk

Operational risk is risk of loss due to inappropriate or weak internal processes, inappropriate persons and inappropriate or weak systems in the Bank as well as external events. The Bank defined its framework for managing with the operational risk by adopting the Policy and Procedure on operational risk management. Policy and Procedure for Operational Risk Management was adopted by the Supervisory Board of the Bank. In the Policy, the basic aims are defined such as operational risk management (system and processes for managing operational risk, organizational structure, reporting system, internal control and etc), as well as measuring and monitoring the operational risk. Implementation of the operational risk management framework is meant to be delivered by performing RCSA (Risk and control self-assessment) which is continuous process, and by using the operational loss event database. Within the strategy for Risk Management, the Bank has defined the acceptable level of exposure to operational risk.

5. CASH AND BANK BALANCES

2015

	Birr	Birr
Cash on Hand- Local currency	706,715,433	583,528,819
Cash on hand-ATM	18,235,656	11,273,297
Cash on hand - Foreign currency	13,128,215	45,693,396.00
CASH AT BANK		
Payment and settlement account	525,241,383	327,644,582
Issue account	583,879,559	518,725,538
Deposit with other domestic banks	105,065	105,065
	1,847,305,312	1,486,970,697

6. DEPOSIT WITH FOREIGN BANKS**2015**

	Birr	Birr
Correspondent banks account	631,463,053	393,621,380
VISA and mastercard settlement account	17,613,645	-
	649,076,698	393,621,380

7. EQUITY INVESTMENT**2015**

	Birr	Birr
Ethswitch S.C	11,370,000	11,370,000
Ethiopian Reinsurance S.C	5,000,000	-
Raya Brewery S.C	24,000,000	24,000,000
Africa Insurance	9,000,000	9,000,000
Raya Transport	10,000,000	6,500,000
Government Saving Bond	6,000,000	6,000,000
	65,370,000	56,870,000

8. LOANS AND ADVANCES

2015

	Birr	Birr
Agriculture	58,239,290	28,360,543
Construction-Building	190,697,326	159,252,374
Manufacturing	999,859,113	766,506,266
Hotel and Tourism	466,517,715	618,866,142
Wholesale and retail Trade	1,217,470,368	1,045,515,258
Health services	15,319,986	30,041,105
Transport-vehicles loan	856,810,327	710,201,212
Miscellaneous domestic Trade	167,939,501	119,782,497
Staff	40,582,766	29,480,065
Consumers loan	218,497	-
Automobile	7,879,080	7,674,493
Export	1,423,192,245	953,598,362
Import	1,443,725,444	1,022,211,760
Construction bridge loans	284,344,544	262,703,560
Mortgages loans	133,733,540	168,058,343
Transport loans	47,316,555	53,562,461
Personal loans	34,587,253	33,795,483
Loans under litigation	-	15,983,455
Special staff loans	241,889,348	143,897,523
	7,630,322,898	6,169,490,902
Loan Loss provision	(124,107,056)	(97,575,104)
	7,506,215,842	6,071,915,798
The movement of Loan Loss provision is as follows:	Birr	
Balance brought forward	97,575,104	
Loan balances written off against provision	(11,235,325)	
Current year additional provision	37,767,277	
Balance carried forward	124,107,056	

	1-12 months	13-23 months	24-60 months	Over 60 months	Total
	Birr	Birr	Birr	Birr	Birr
Agriculture	36,243,255	21,497,905	498,131	-	58,239,290
Construction-Building	46,917,820	218,122	102,299,002	41,262,381	190,697,326
Manufacturing	225,921,998	11,094,175	762,842,940	-	999,859,113
Hotel and Tourism	14,206,493	3,713,717	103,152,367	345,445,138	466,517,715
Wholesale and retail Trade	645,768,567	46,972,663	524,729,137	-	1,217,470,368
Health services	3,298,676	430,423	11,590,887	-	15,319,986
Transport-vehicles loan	17,853,845	628,013	838,328,468	-	856,810,327
Miscellaneous domestic Trade	85,405,500	10,041,007	67,330,664	-	162,777,171
Staff	1,776,622	-	38,806,144	-	40,582,766
Consumers loan	-	-	218,497	-	218,497
Automobile	-	-	7,879,080	-	7,879,080
Export	1,258,452,307	5,245,434	159,494,505	-	1,423,192,245
Import	701,292,105	73,965,486	668,467,853	-	1,443,725,444
Construction bridge loans	59,619,096	3,301,844	221,423,603	-	284,344,544
Mortgages loans	-	-	114,905,276	18,828,264	133,733,540
Transport loans	6,406,991	4,988,092	35,921,473	-	47,316,555
Personal loans	-	-	34,587,253	-	34,587,253
Loans under litigation	-	-	-	5,162,330	5,162,330
Special staff loans	-	-	241,889,348	-	241,889,348
	3,103,163,275	182,096,881	3,934,364,628	410,698,114	7,630,322,898

9. STOCK OF SUPPLIES

2015

	Birr	Birr
Negotiable instruments	613,757	2,343,249
Checkbook stocks	2,208,354	890,836
Stationery	4,621,721	4,542,749
Bank forms	1,827,338	3,580,931
Memorial Coins	338,500	342,400
Fixed assets in store	17,659,283	13,165,568
EMV VISA cards	4,002,258	6,720,221
Revenue stamp	6,226	11,341
Others	2,457,252	1,274,307
	33,734,690	32,871,602

10. OTHER ASSETS

2015

	Birr	Birr
Deposit and prepayment	212,639,228	145,449,633
Receivable from NBE	26,160	24,679
Staff debtors	986,588	2,578,714
Uncleared effect foreign	57,122,855	-
Accrued income receivable	63,924,799	57,095,102
Receivable from Africa Insurance	1,334,340	1,500,987
Adjustment and refund account	824,006	815,803
Assets awaiting for sale	8,028,784	21,500,900
Receivable from Western union	41,745	25,870,422
Receivable from Head office units	499,976	601,534
Branches under establishment account	14,801,967	798,947
Receivable from Kaah express LTD	5,587	2,393,522
VISA settlement receivable	2,407,871	406,201
Money gram Int.	44,944	4,690,258
Other International Money transfer agents	962,425	-
Others	28,308,415	14,339,030
	391,959,691	278,065,732
Provision for doubtful debts	(9,665,896)	(5,701,900)
	382,293,795	272,363,832
The movement of other Provisions is as follows:	Birr	
Balance brought forward	5,701,900	
Current year addition	3,963,996	
Balance carried forward	9,665,896	

11. DEFERRED CHARGES

	Balance as at 30 June 2015	Addition	Adjustment	Balance as at 30 June 2016
COST	Birr	Birr	Birr	Birr
Card payment system	26,788,885	-	-	26,788,885
Core banking and data migration cost	47,351,995	-	-	47,351,995
Master card project cost	4,002,632	5,577,586	-	9,580,218
Restructuring/ Reorganization cost	4,136,270	-	(4,136,270)	-
IFB Project cost	31,300.00	-	(31,300)	-
Messaging system project cost	-	4,005,121	-	4,005,121
Ethswitch project cost	1,528,540	-	-	1,528,540
	83,839,622	9,582,707	(4,167,570)	89,254,759
AMORTIZATION				
Card payment system	23,246,048	3,542,837	-	26,788,885
Core banking and data migration cost	33,818,422.00	9,470,399	-	43,288,821
Messaging system project cost	-	66,752	-	66,752
Ethswitch project cost	-	50,951	-	50,951
	57,064,470	13,130,939	-	70,195,409
NET BOOK VALUE	26,775,152			19,059,350

12. PROPERTIES, PLANT AND EQUIPMENT

	Balance as at 30 June 2015	Addition	Adjust- ment	Disposal	Balance as at 30 June 2016
COST	Birr	Birr	Birr	Birr	Birr
Premises	4,882,001	-	-	-	4,882,001
Motor Vehicles	146,369,623	201,460	-	(886,549)	145,684,534
Computers & Data storage equipment	121,995,683	33,419,348	-	(21,209,194)	134,205,837
Office equipments	65,251,337	13,045,960	(266,225)	(3,038,523)	74,992,549
Office furniture	69,086,073	14,787,171	-	(1,782,003)	82,091,241
Acquired properties	621,766	-	-	-	621,766
Construction in progress	396,199,904	89,033,197	-	-	485,233,101
	804,406,387	150,487,136	(266,225)	(26,916,269)	927,711,029
DEPRECIATION					
Premises	1,636,209	244,100	-	-	1,880,309
Motor Vehicles	75,910,066	21,074,791	-	(886,445)	96,098,413
Computers & Data storage equipment	46,752,285	11,821,055	-	(10,642,059)	47,931,281
Office equipments	23,792,531	6,411,358	-	(6,528,809)	23,675,080
Office furniture	24,811,486	6,722,926	-	(1,016,210)	30,518,203
Acquired properties	191,479	31,088.33	-	-	222,567
	173,094,056	46,305,319	-	(19,073,523)	200,325,853
NET BOOK VALUE	631,312,331				727,385,177

13. LEASEHOLD LAND

The Bank has obtained the following rights under leasehold land arrangements.

	Birr
2254 sqm from Addis Ababa city Administration on Nehase 13,1997 for 99 years.	9,714,740
2000 sqm from Mekale city Administration 23 Ginbot 2008 for 70 years	3,752,000
	13,466,740

The holdings cash will be amortized over the remaining lives of the rights once the buildings on the holdings are completed and brought to use.

14. DEPOSIT FROM CUSTOMERS

2015

Payable on demand	Birr	Birr	Birr
Private sector	3,260,266,785		3,260,536,553
Public agencies and enterprise	54,918,083		5,663,370
Federal & Regional Governments	4,055,598		3,955
Cooperatives and Associations	25,658,884		17,251,751
Non-residents accounts-Foreign currency	245,475,718		165,801,689
Non-transferable Birr account-non residents	4,543,264		25,631,964
Transferable Birr account	8,799,862		13,421,727
Residents foreign currency accounts	16,344,966		8,820,290
Zero balance accounts	2,164		2,164
NOW accounts	316,261,404		194,411,418
Special demand deposits	228,818,195		275,346,966
Qard-Demand deposit	1,767,829		-
Retention accounts	124,961,231		66,898,913
ECX payment and settlement account	74,010,294		41,583,481
Overdraft facilities with credit balance	171,968,505		-
		4,537,852,781	4,075,374,241
Saving deposits			
Private sector	5,212,816,860		4,836,516,639
Cooperatives and Associations	136,866,635		130,885,376
Children trust fund	9,993,115		7,916,456
Special Savings	12,805,750		12,329,050
Diaspora accounts	38,756		47,563
Provident fund	207,008,453		93,867,783
Non-interest bearing	361,556,450		284,517,801
Public agencies and enterprises	371,068		430,236
Private institutions employees pension fund	735,515		362,347
Wadiah-Amanah -Saving deposits	9,753,096		-
		5,951,945,698	5,366,873,251
Term deposits			
Private sector	375,615,301		268,554,893
Public agencies and enterprises	213,133,549		141,148,462
Cooperatives	-		18,378,349
Diaspora account	-		616,237
		588,748,850	428,697,941
Total Customers Deposits		11,078,547,329	9,870,945,433

15. DEPOSITS FROM FINANCIAL INSTITUTIONS**2015**

	Birr	Birr
Payable on demand	44,502,024	33,521,584
Savings	63,301,446	22,665,859
Term deposits	679,496,854	290,614,565
	787,300,324	346,802,008

16. DEPOSITS BY MATURITY

	Demand Deposits Birr	Saving Deposit Birr	Time Deposits Birr	Total Birr
1Month	2,843,809,392	103,462,251	-	2,947,271,643
1-3 months	947,630,974	312,792,851	389,595,704	1,650,019,529
3-6 months	473,815,487	621,976,555	570,140,000	1,665,932,042
6-12 months	238,282,450	1,243,953,109	306,210,000	1,788,445,559
1-3 years	78,816,503	3,733,062,378	2,300,000	3,814,178,880
Total	4,582,354,805	6,015,247,144	1,268,245,704	11,865,847,653

17. OTHER LIABILITIES**2015**

	Birr	Birr
Cashier payment order	252,957,442	211,949,600
Blocked current account	8,056,810	8,174,539
Unearned revenue	-	3,222,926
Accrued interest on saving deposit	58,090,043	29,877,909
Provision for annual leave	37,568,872	36,350,502
Old draft payable	40,044,677	34,489,661
Local transfer payable	13,857,991	22,912,760
Payable to international money transfer agents	154,305	28,851,529
Provision for bonus	-	18,475,861
Exchange payable to NBE	29,150,533	8,154,002
Deposit for guarantees issued	10,973,240	38,643,365
Miscellaneous payable	53,238,415	2,781,317
Taxes and stamp duty charges	4,875,992	7,510,374
Service charges payable	5,888,977	1,777,186
Dividend payable	32,728,001	16,615,419
Guarantee fee payable	-	32,145
Uncleared effect	9,591	-
Staff payable	-	64,282,747
Court case	8,184,615	19,174,818
Income tax payable	3,557,357	3,320,807
Accrued charges	902,290	221,458
Pension payable	685,026	473,981
Directors' fee payable	900,000	450,000
	561,824,178	557,742,906

18. PROVISION FOR TAXATION

	Birr	Birr
a) PROFIT TAX PAYABLE		
Balance brought forward		100,127,173
Settlement during the year		(100,127,173)
Current year Provision((b)below)		102,879,348
Less: withholding tax paid		(34,133)
		102,845,215
b) CURRENT YEAR PROVISION		
	Birr	Birr
Profit before tax		478,496,862
Add: Penalty	170,000	
Entertainment	1,059,303	
Depreciation for reporting purpose	46,305,319	
Donation	549,078	
Loss on disposal of fixed assets	4,837,687	
		52,921,387
Less: Interest income earned on:		
Fixed time deposit with Enat Bank	884,589	
National Bank of Ethiopia Bills	134,552,710	
Deposit with foreign banks	129,911	
Investment in Government Saving Bond	360,986	
Dividend Income	1,372,568	
Depreciation for tax purpose(note c below)	51,186,324	
		(188,487,089)
TAXABLE PROFIT		342,931,161
PROVISION FOR TAXATION AT30%		102,879,348

c) DEPRECIATION FOR TAX PURPOSE

	Premise & acquired properties	Computers & accessories	Other business assets	
	Birr	Birr	Birr	
Balance brought forward	5,503,767	42,040,263	135,951,393	
Current year addition	-	33,419,348	28,034,591	
Disposal proceeds	-	(1,749,149)	(1,302,158)	
Adjustment	-	-	(266,225)	
Depreciation base	5,503,767	73,710,462	162,417,601	
Tax allowance	(275,188)	(18,427,615)	(32,483,520)	(51,186,324)
Depreciation base carried forward	5,503,767	55,282,846	129,934,081	

19. INTEREST INCOME

2015

Interest earned on:

	Birr	Birr
Loans and advances	888,221,477	741,417,413
Fixed time deposit with NBE	-	3,220,890
Enat Bank	884,589	-
National Bank of Ethiopia Bills	134,552,710	108,686,276
Deposit with foreign banks	129,911	168,583
Investment in Government Saving Bond	360,986	131,178
	1,024,149,673	853,624,340

20. INTEREST EXPENSE

2015

Interest expense incurred on:

	Birr	Birr
Saving deposits	234,851,456	211,018,945
Fixed Time deposits	92,472,901	70,560,489
Special demand deposit	14,804,809	9,126,620
Leasehold land obligation	426,931	479,908
	342,556,097	291,185,962

21. COMMISSION FEES AND CHARGES**2015**

	Birr	Birr
Letter of Credit	79,507,801	75,723,882
Guarantees issued	84,079,481	64,252,351
Service charge local	2,059,158	1,140,063
Local transfers and others	16,072,072	11,830,128
	181,718,511	152,946,424

22. OTHER INCOME**2015**

	Birr	Birr
Rebate	860,112	879,807
Swift charge	-	2,203,754
Rent	263,512	114,500
Gain on disposal of assets	-	241,593
Surplus cash	76,476	186,033
Estimation fee	489,648	934,221
Dividend income	1,372,568	-
Bad debt recollected	-	290,000
Sundries	2,082,796	2,891,482
	5,145,112	7,741,390

23. GENERAL AND ADMINISTRATIVE EXPENSES

2015

	Birr	Birr
Office rent	109,082,447	82,857,989
Stationery and printing	12,343,390	13,270,186
Communication	11,764,679	11,337,130
Fuel and lubricant	6,076,605	5,377,284
IT and support charges	10,202,817	4,681,352
Advertisement and publicity	22,363,730	9,711,910
Repair and maintenance	8,822,280	6,794,116
Insurance	5,689,898	5,547,663
Electricity and water	2,244,888	1,509,046
Membership and subscription fee	736,746	522,073
Entertainment	1,059,303	714,562
Wages	1,056,249	804,276
Inauguration	959,199	249,779
Depreciation	46,305,319	40,815,224
Amortization	13,130,939	14,828,176
Cleaning supplies	900,162	764,388
Transportation	2,485,151	2,096,696
Guest house expense	33,526	33,958
License and inspection fee	74,000	24,500
Travel and per diem	5,070,367	3,369,055
Leased line charge for computerization	6,160,419	5,606,304
Donation and contribution	649,078	2,753,324
Renovation	167,330	142,738
Correspondent charges	1,089,991	948,447
Money transfer charges	2,916,418	1,315,375
Fixed assets directly expensed	1,339,389	1,257,662
Motor vehicles inspection	181,588	202,932
Legal expenses	23,969	70,353
Municipality charges and taxes	291,859	272,377
Restructuring/ Reorganization cost	4,136,270	-
Loss in disposal of old assets	3,926,786	-
Penalty	170,000	-
Sundry	1,772,571	7,968,772
	283,227,363	225,847,647

24. CURRENT YEAR PROVISIONS AND WRITE OFFS FOR IMPAIRED ASSETS

	Birr
Loan	37,767,277
Loans written off in excess of provision held	2,050,655
Other assets	3,963,996
Write off	8,776
	43,790,704

25. RELATED PARTIES TRANSACTIONS

The Bank has a transaction with parties that have a relation with it. The amount of these related parties transaction is as follows:

	Birr
Loan and advances outstanding as at 30 June 2016	456,105,419
Deposit outstanding as at 30 June 2016	1,241,111,915
Contingent liabilities as at 30 June 2016	79,296,107
Interest income earned	36,949,690
Interest expense incurred on related parties' deposit	5,494,181

26. CONTINGENT LIABILITIES AND COMMITMENTS

	Birr	Birr
Guarantees issued		3,535,640,379
Commitment on Letter of credit		1,785,683,539
Loans approved but not disbursed		192,730,461
Unutilized overdraft and other facilities		1,366,766,308
		6,880,820,686

27. RESIDUAL CONTRACTUAL LIABILITIES OF FINANCIAL LIABILITIES

	Carrying amount	Gross nominal in(out) flow	Total							
			1 months	1-3 months	3-6 months	6-12 months	1-3 years	overs 3 years		
Financial assets										
Cash and Bank balances	3,097,513,697	3,097,513,697	-	-	-	-	-	-	-	3,097,513,697
Loans and advances gross	7,630,322,898	475,860,000	752,120,000	1,401,960,000	2,034,380,000	2,966,002,897	-	-	-	7,630,322,897
Other assets Accounts receivable	416,002,325	3,538,663	93,543,645	6,013,350	61,430,811	-	-	251,543,164	-	416,069,633
Investment in shares	59,370,000	-	-	-	-	-	-	59,370,000	-	59,370,000
Investment in NBE bills	4,344,751,000	36,269,000	127,710,000	267,260,000	266,300,000	2,138,330,000	1,508,882,000	6,000,000	-	4,344,751,000
Government Saving Bond	6,000,000	-	-	-	-	-	-	-	-	6,000,000
	15,553,959,920	15,553,959,920	973,373,645	1,675,233,350	2,362,110,811	5,104,332,897	1,825,795,164	15,554,027,227		
Liabilities										
Deposits	11,865,847,653	(11,865,847,653)	2,947,271,643	1,650,019,529	1,665,932,042	1,788,445,559	3,814,178,880	-	-	11,865,847,653
Other liabilities	561,824,178	(561,824,178)	544,832,239	-	-	-	300,160	2,701,440,000	-	561,824,184
Current year tax	102,234,045	(102,234,045)	102,234,045	-	-	-	-	-	-	102,234,045
Margin held on letter of credits	850,471,870	(850,471,870)	850,471,870	-	-	-	-	-	-	850,471,870
Commitments & contingent liabilities	6,030,348,816	(6,030,348,816)	2,895,762,319	883,910,095	883,910,095	-	-	-	-	4,663,582,509
	19,410,726,562	(19,410,726,562)	6,043,320,002	2,549,842,137	2,672,355,654	3,814,479,040	2,701,440	18,043,960,261		
Liquidity Gap	(3,856,766,642)	(3,856,766,642)	651,919,372	(874,608,787)	(310,244,843)	1,289,853,857	1,823,093,724	(2,489,933,034)		

28. RESIDUAL CONTRACTUAL LIABILITIES OF FINANCIAL LIABILITIES

DINOMINATED BY HARD CURRENCIES

	Carrying	Gross nominal	1-3 months
	amount	in(out) flow	
	Birr	Birr	Birr
Cash and bank balances	662,231,074	662,231,074	662,231,074
Outward documentary bills purchased	57,122,855	57,122,855	57,122,855
Total assets	719,353,928	719,353,928	719,353,928
Liabilities			
IBC, TT and L/C payables	850,471,870	(850,471,870)	(850,471,870)
Commitment on L/C net of margin held	935,211,669	(935,211,669)	(935,211,669)
	1,785,683,539	(1,785,683,539)	(1,785,683,539)
Liquidity gap	(1,066,329,611)	(1,066,329,611)	(1,066,329,611)



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ADDRESSES OF ADDIS ABABA BRANCHES

#	BRANCHES	TELEPHONE	FAX	P.O.BOX
*	Head Office	011 552 3800	011 552 3520/21	1018
1	Abakoran	011 278 1177/76	011 278 1146	51177
2	Abinet Area	011 278 0571/44	011 278 0551	1018
3	Addisu Gebeya	011 126 4402/12	011 126 4380	1018
4	Africa Avenue	011 662 4772/69	011 662 4770	1018
5	Africa Union	011 554 7061/63	011 554 7062	43186
6	Agar	"011 667 0436	011 667 0429	1018
7	Akaki Area	011 667 0313"		
8	Alem Bank Area	011 471 6847/40	011 369 4759	1018
9	Arada	011 369 4782 /011 369 4708	011 111 1676	1018
10	Atlas Area	011 111 1074/75	011 639 2074	1018
11	Ayat Addebabay	011 639 2083/91	011 639 0064	1018
12	Ayat Tafo	011 639 0044/28		
13	Ayer Tena	011 639 0610 /011 639 1950	011 369 3444	1018
14	Bambis Area	011 369 3400/52	011 552 4455	1018
15	Beklobet	011 557 6343/58	011 466 3608	101841
16	Beshale	011 466 3580/81		
17	Bisrate Gabriel	011 369 1765/94	011 369 1868	
18	Bole	011 552 3524/ 011 553 9569	011 552 4455	1062/1110
19	Bole Bulbula	011 470 0869/95		1018
20	Bole Medhanialelem	011 661 6135/36	011 663 8968	713/1250
21	Bole Michael Area	011 639 2043/07	011 639 2024	1018
22	Cathedral Area	011 156 0002/60	011 156 0010	1018
23	CMC Area	011 647 9047/43	011 647 9048	1018
24	Gerji	011 629 8141/14	011 629 8118	737/1110
25	Gerji Mebrat Hail	011 667 6405/ 011 667 6372		
26	Gerji Sunshine Area	011 629 0265 /011 629 0016	011 629 0158	1018
27	Goffa	011 465 5816/17	011 465 4879	56810
28	Goffa Camp	011 466 8784 /011 467 1174	011 416 5166	1018
29	Goffa Mebrat Hail	011 467 3753 / 011 466 1545	011 466 1926	1018
30	Gojam Berenda			
31	Gullele	011 273 2016/17	011 273 2022	1018
32	Gurd Shola	011 645 9752/53	011 645 9755	1018
33	Habte Giorgis	011 111 2972/73	011 157 8499	24215
34	Haya Arat Area	011 618 0677 /011 618 0784	011 618 0734	180/1251
35	Hayahulet Area	011 667 2428/14	011 667 2448	24704/1000

ADDRESSES OF ADDIS ABABA BRANCHES

#	BRANCHES	TELEPHONE	FAX	P.O.BOX
36	Jati	011 471 5150 / 011 471 6806	011 471 6802	
37	Jemo	011 471 3042/33	011 471 3038	1018
38	Kality	011 439 4285/86	011 439 4284	180
39	Kality Masetegna Area	011 439 1109/ 011 439 0668	011 439 1120	1018
40	Kazanchis Area	011 554 5670/71	011 554 5665	1018
41	Kebena	011 126 1094/96		
42	Kechene	011 126 3139/ 011 126 3588		
43	Kera	011 385 2076/66		
44	Kidist Mariam Area	011 157 0029/33	011 157 0259	31174
45	Kirkos	011 470 3896/ 011 470 3906		
46	Kotebe	011 827 8532/ 011 827 8533		1018
47	Lafto	011 471 0028/29	011 471 0009	1018
48	Lebu	011 471 2756/71	011 471 2202	1018
49	Lebu Ertu	011 471 3963		
50	Lideta Area	011 552 0961/ 011 553 9872	011 552 3050	1018
51	Megenagna	011 667 4016/12	011 667 3730	1018
52	Mekanisa			
53	Mekanisa Abo			
54	Merkato	011 275 2867 / 011 275 2119	011 275 2799	1080
55	Mesalemia	011 276 8611/ 011 276 5154	011 276 142	26661
56	Meskel	011 551 6652 / 011 551 2728	011 551 6834	27571/1000
57	Meskel Flower	011 416 3760 / 011 416 8005	011 416 6189	1018
58	Military Tera Area	011 213 4605 / 011 213 4597	011 213 4609	186195
59	Mexico Addebabay	011 557 5577/78		
60	Nefas silk	011 470 7612/15	011 470 7634	1018
61	Saris Addisu sefer	011 470 7694/ 011 470 7718	011 470 7682	1018
62	Sebara Babur Area	011 157 0186/ 011 157 0329	011 157 0040	20493
63	Sengatera	011 557 6952/54	011 557 6947	1011
64	Shala Menafesha Area	011 618 9303 / 011 663 2094	011 663 0808	110705
65	Sidamo Tera	011 273 2941/ 011 273 3079		1018
66	Stadium	011 558 0105/07	011 558 0106	1018
67	Summit Area	011 667 9001/22	011 667 9015	1018

#	BRANCHES	TELEPHONE	FAX	P.O.BOX
68	Tekle Haymanot	011 156 3813/12	011 156 3811	56734
69	Wellosefer Area	011 466 8006/93	011 466 8098	1018
70	Wesen			
71	Weyra-Bethel Area	011 349 2184 / 011 349 5308	011 349 5536	1018
72	Wuhalimat Area	011 663 1518/17	011 662 5150	170201
73	Yerer Ber	011 667 5863/73		1018

ADDRESSES OF ADDIS ABABA SUB- BRANCHES

#	BRANCHES	TELEPHONE	FAX	P.O.BOX
1	Ayer Amba	011 667 4753		
2	Balderas	011 667 5839 011 667 5913		1018
3	CMC	011 558 0663		1018
4	Olympia	092 025 3542		
5	Lamberet	011 639 1913		
6	Ayat Adebabay	011 667 3376 011 667 3448	011 639 0064	1080
7	Atlas Area	011 276 8611/011 276 5154		26661

ADDRESSES OF REGIONAL BRANCHES

#	BRANCHES	TELEPHONE	FAX	P.O.BOX
*	Northern District Office	034 241 5185/86	034-241-52-25	1084
1	Abala (Afar)			
2	Abay Mado	058 321 3213 / 058 321 0965		
3	Abyi Addi	034 446 0503 / 034 446 0313	034 446 0987	12
4	Adama	022 111 9055/86	022 112 6070	1900
5	Adama Boset	022 212 0055/37	022 212 0014	1900
6	Addi Hawusi	034 440 84 39/31	034 440 6598	1018
7	Adi Abun	034 271 0001/02		
8	Adigrat	034 445 2866 / 034 445 2790	034 445 2745	237
9	Adi Shumdhun	034 241 0017/44	034 241 0046	2141
10	Adwa	034 771 4046/43	034 771 4047	105
11	Agaro	047 221 1031/50	047 221 1499	404
12	Agulae			

ADDRESSES OF REGIONAL BRANCHES

#	BRANCHES	TELEPHONE	FAX	P.O.BOX
13	Alamata	034 774 0772 /034 774 0264	034 774 0254	77
14	Alemgena	011 367 9965/011 367 9281		
15	Aleta Wondo	046 224 0453 / 046 224 0687	046 224 1197	92
16	Arbaminch	046 881 5093/76	046 881 0316	2073
17	Asella	022 331 8292/94	022 331 8293	574
18	Assosa	057 775 1362/66	057 775 1459	80
19	Atsbi	034 340 0322/27	034 340 0299	c/o 176
20	Atote-Hawassa	046 212 5017/15	046 212 5055	246
21	Awash 7 Kilo			
22	Aweday	025 662 0298 / 025 662 0167		C.O1434
23	Axum	034 775 3631/95	034 775 3440	277
24	Ayder (Mekelle)			
25	Bahir Dar	058 220 2038/39	058 220 2037	1125
26	Bishoftu	011 437 1062/25	011 437 1010	1721
27	Bonga	047 331 1971/33		337
28	Bure	058 774 1196 / 058 774 1050		
29	Butajira	046 145 0060/61		200
30	Castle (Mekelle)	034 440 2689/79	034 440 2697	1804
31	Chercher (Raya)			
32	Dansha	034 436 0451 / 034 436 0118		08
33	Debre Birhan	011 681 1803 / 011 681 4872	011 681 4665	1018
34	Debre Markos			
35	Dessie	033 111 3788/89	033 111 3790	1277
36	Dilla	046 331 1105 / 046 331 0120	046 331 0119	1018
37	Dimma	047 835 9120/23		
38	Dire Dawa	025 112 4669 / 025 111 1101	025 111 0841	107
39	Dukem	011 432 0945 / 011 432 0753	011 432 0943	51
40	Edaga Arbi	034 346 0360/44		17
41	Edaga Hamus	034 773 0546 / 034 773 0185	034 773 0164	39
42	Edaga Mekelle	034 441 3666/22	034 441 3748	1090
43	Endabaguna	034 661 0473/86	034 661 0449	275 C/O
44	Endasselassie	034 444 4117/31	034 444 4051	275
45	Enkodo Mekelle	034 241 5415/26		619
46	Enticho	034 449 0602 034 449 0803	034 449 0145	02
47	Fasiledes(Gondar)	058 126 0022/23	058 126 0020	02
48	Feres May	034 310 0174	011 471 2202	

ADDRESSES OF REGIONAL BRANCHES

#	BRANCHES	TELEPHONE	FAX	P.O.BOX
49	Finote Selam	058 775 0476 058 775 0340		
50	Furi	011 367 9206/04	011 367 9208	C/o 1018
51	Gambella	047 551 1950 / 047 551 1767	047 511 1944	164
52	Gendawuha (Metema)	058 331 0431 / 058 331 0278	058 331 0010	19
53	Gode			
54	Gondar	058 111 4816/15	058 111 4620	02
55	Hadnet	034 241 5414/23		
56	Hafet-Issa Area (Dire Dawa)	025 112 4674 / 025 112 2469	025 112 4675	249
57	Haik-Mesahal			
58	Halaba Kulito	046 556 1818 /046 556 1316		
59	Harar	025 666 3623 / 025 666 4622	025 666 9819	1434
60	Harar Arategna	025 466 2289 / 025 466 9894		621
61	Hawassa	046 220 2629 / 046 220 4172	046 220 5480	723
62	Hawelti (Mekelle)	034 441 9674 / 034 441 9433	034 441 9675	2141
63	Hawzen	034 667 0206	034 443 0643	15
64	Hosanna	046 555 4216/09	046 555 4053	184
65	Humera	034 448 0005/07	034 448 0006	38
66	Illala Area	034 440 6954/56	034 440 8407	1688
67	Jijiga	025 775 7628 /025 775 2057	025 775 2058	491
68	Jimma Abajifar	047 111 6393/05	047 111 6301	1358
69	Jimma Gibe	047 211 1003 / 047 211 2838		
70	Kezira (Dire Dawa)	025 111 0285 / 025 113 0372	025 113 0412	107
71	Kilte Awlaelo			
72	Kombolcha	033 551 0753/54	033 551 0323	332
73	Maichew	034 777 0563/49	034 777 0473	585
74	Maygeba			
75	Maykadra	034 332 0055 /034 332 0122		38 C.O
76	May- kinal			
77	May-Tsebri	034 662 0368/70		
78	Mehal Adama	022 111 2280/83	022 111 2285	1422
79	Mehoni	034 664 0258/62		31
80	Mekelle	034 440 8933/34	034 440 3269	930
81	Meki	022 118 1246/27	022 118 0137	53
82	Merawi			
83	Metema Yohannes	058 231 1138/39	058 331 0278	19

ADDRESSES OF REGIONAL BRANCHES

#	BRANCHES	TELEPHONE	FAX	P.O.BOX
84	Meyda Agame(Adigrat)	034 445 1785/94	034 445 1788	237
85	Mizan Aman	047 135 0066 / 047 135 0098	047 135 0059	222
86	Modjo	022 236 0300/02		433
87	Motta	058 861 9803		
88	Nebelet			
89	Nigiste Saba			
90	Nekemte	057 661 3068/81	057 661 3065	377
91	Quiha	034 240 2590 / 034 240 2054		
92	Romanat Area	034 440 6608/10	034 440 8591	757
93	Sebeta	011 338 0359/66	011 338 0351	292
94	Shashemene	046 110 3468/66	046 110 3469	623
95	Shashemene Arada			1381
96	Shire	034 444 2165 / 034 444 2424	034 444 2229	116
97	Sheraro	034 550 0025 034 550 0104		04
98	Shoa Robit			
99	Sululta	011 161 7501 / 011 161 7492		1018
100	Tana Bahir Dar	058 226 2015 / 058 226 2002	058 226 2021	1125
101	Tog Wajaale	025 882 0033/32	025 882 0034	1301
102	Tulu Bollo	011 342 0064 / 011 342 0057	011 342 0065	15
103	Wolayita Sodo	046 551 4592 / 046 551 4593	046 551 4777	299
104	Weldiya	033 540 0791/89	033 540 0756	465
105	Weliso	011 341 1984 / 011 341 1617	011 341 0187	415
106	Welkite	011 365 8180/16	011 365 81 15	67
107	Wukro	034 443 0373 / 034 443 0683	034 443 0643	176
108	Wukro Maray	034 668 0208 / 034 668 0575		277C/O
109	Yechila	034 422 0372		12 C/O
110	Yirgachefe	046 332 0553 / 046 332 0410	046 332 0552	118

ADDRESSES OF REGIONAL SUB- BRANCHES

#	BRANCHES	TELEPHONE	FAX	P.O.BOX
1	Awetu (Jimma)	047 211 6739		
2	Bishoftu			
3	Hawassa Arab Sefer	046 212 4361 / 046 212 4302		
4	Debre Birhan	092 025 3542		

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