

Annex 1 - Historical Financial Information

The annual financial statements including supporting notes and audit reports thereon from the External Auditor are included below in this Annex 1 (Historical Financial Information) of the Prospectus. The annual financial statements included as A, B, C, and D of this Annex have been reproduced without adjustment from the Bank's interim financial statement for the six months ended 31 December 2025 reviewed by the external auditor and the annual report and audited financial statements for the years ended 30 June 2025, 30 June 2024 and 30 June 2023.

**A. Interim Financial Statements of the Bank for the six months ended 31 December 2025
reviewed by the External Auditor**

Consolidated and Separate Condensed Interim Financial Statements

For the six months ended 31 December 2025

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Wegagen Bank S.C

Consolidated and Separate Condensed Interim Financial Statements

Directors, Executive Management, Auditor and Principal Correspondent Banks

Board of Directors

Name	Title	Date Appointed
Mr. Abdishu Hussien	Chairman	April 19, 2024
Mr. Woldegebriel Naizghi	Vice Chairman	April 19, 2024
Mr. Gebregzabher Hadush	Member	April 19, 2024
Mr. Surafel Berhe	Member	April 19, 2024
Mr. Fikru Jiregna	Member	April 19, 2024
Mr. Hassen Yesuf	Member	April 19, 2024
Mr. Zenfu Asefaw	Member	April 19, 2024
Mr. Fithanegest Gebru	Member	April 19, 2024
Mr. Alemseged Assefa	Member	April 19, 2024
Mr. Tesfatsion Desta	Member	April 19, 2024

Executive Management

Name	Title	Date Appointed
Aklilu Wubet (PhD)	Chief Executive Officer	January 11, 2022
Mr. Yehwalashet Zewdu	Deputy Chief Executive Officer - Enterprise Services	August 5, 2023
Mr. Solomon Tesfaye	Deputy Chief Executive Officer - Technologies	August 5, 2023
Mr. Kidane G/Sellassie	Deputy Chief Executive Officer - Operations	August 5, 2023
Mr. Debela Merga	Chief Risk and Compliance Officer	November 17, 2021
Mr. Negasi G/Aregawi	Chief Internal Auditor	April 11, 2022

Company Secretary

Mr. Haddush Hintsay Atsmu

Corporate Registered Address

Wegagen Bank Share Company
Ras Mekonnen Street, Infront of Addis Ababa Stadium, Swift: WEGAETAA
Tel. +251 115523800, +251 115 177500, P.O.Box 1018, www.wegagen.com
Addis Ababa, Ethiopia

Principal Correspondent Bank

Citi Bank	UniCredit Bank
Commerz Bank	African Export Import Bank
CAC International Bank	Natixis Bank
Mashreq Bank	United Overseas Bank
Exim Bank	Standard Chartered Bank



Wegagen Bank S.C

Consolidated and Separate Condensed Interim Financial Statements

For the Six Months Ended 31 December 2025

Report of the Directors

The directors submit their report together with the financial statements for the interim period ended 31 December 2025, to the members of Wegagen Bank ("Wegagen or the Bank"). This report discloses the financial performance and state of affairs of the Bank.

Incorporation and address

"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 of December 31, 2025, the Bank's paid-up capital reached Birr 10.09 Billion. As of December 31, 2025, the Bank has 15,541 shareholders and a network of 458 branches.

Principal activities

The mandate of the Bank is to provide efficient and effective full-fledged commercial banking services by utilizing qualified, honest and motivated staff and state-of-the-art technology and thereby optimize shareholders interest.

Results and dividends

The Bank's results for the interim period ended 31 December 2025 are set out on page **4 and 108**. The summarized results are presented below.

	Consolidated		Separate	
	31 Dec 2025 Birr'000	31 Dec 2024 Birr'000	31 Dec 2025 Birr'000	31 Dec 2024 Birr'000
Net Interest Income	3,473,197	2,611,121	3,454,001	2,611,121
Net operating income	5,329,413	4,990,701	5,233,876	4,990,701
Profit before tax	2,102,422	2,475,679	2,050,126	2,475,679
Loss Carry forward from Invest Bank	(10,189)	-	-	-
Tax charge	(634,567)	(875,908)	(613,835)	(875,908)
Profit for the period	1,457,666	1,599,771	1,436,291	1,599,771
Other comprehensive income net of taxes		15,391	-	15,391
Total comprehensive income for the period	1,457,666	1,615,162	1,436,291	1,615,162
Earnings Per Share	17.58%	28.88%	17.38%	28.88%

Mr. Abdishu Hussien
Chairman, Board of Directors

Wegagen Bank S.C

Consolidated and Separate Condensed Interim Financial Statements

For the Six Months Ended 31 December 2025

Statement of Directors' Responsibilities

In accordance with the Financial Reporting Proclamation No. 847/2014 the Accounting and Auditing Board of Ethiopia (AABE) may direct the Bank to prepare financial statements in accordance with International Financial Reporting Standards, whether their designation changes or they are replaced, from time to time.

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

- a) Exhibit clearly and correctly the state of its affairs;
- b) Explain its transactions and financial position; and
- c) Enable the National Bank to determine whether the Bank had complied with the provisions of the banking business proclamation and regulations and directives issued for the implementation of the aforementioned proclamation.

The Directors accepts responsibility for the annual financial statement, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards, Banking Business Proclamation, Commercial code of 2013 E.C and the relevant Directives issued by the National Bank of Ethiopia.

The Directors are the opinion that the financial statements give a true and fair view of the state of the financial affairs of the company and of its profit or loss.

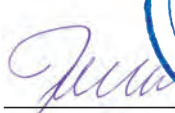
The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

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

The financial statements on pages 4 to 108 were approved and authorized for issue by the board of directors and management on January 29, 2026, and signed on their behalf by:


Mr. Abdishu Hussien
Chairman, Board of Directors




Akilu Wubet (PhD)
Chief Executive Officer

Report on Review of Interim Financial Information**To Shareholders of Wegagen Bank S.C.****Introduction**

We have reviewed the accompanying consolidated interim financial statements of Wegagen Bank S.C. and its subsidiaries as at 31 December 2025, which comprise the consolidated interim statement of financial position as at that date, and the related consolidated interim statements of profit or loss and other comprehensive income, changes in equity, and cash flows for the six-month period then ended, together with a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of this interim financial information in accordance with International Accounting Standard, Interim Financial Reporting (IAS 34), Consolidated Financial Statements (IFRS 10) and the relevant directives of the National Bank of Ethiopia. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" (ISRE 2410). A review of Interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial information does not present fairly, in all material respects, the consolidated financial position of Wegagen Bank S.C. and its subsidiaries as at 31 December 2025, and the consolidated financial performance and cash flows for the six-month period then ended in accordance with IAS 34, Interim Financial Reporting, and the relevant directives of the National Bank of Ethiopia.

Emphasis of Matter

We draw attention to Note 4 to the interim financial information, which describes the significant judgment exercised by management in measuring expected credit losses (ECL) on loans and advances and other financial assets in accordance with IFRS 9, Financial Instruments. The information of ECL involves a high degree of estimation and judgment, including in assessing significant increases in credit risk, incorporating forward-looking macroeconomic information, and estimating probability of default, loss given default, and exposure at default parameters. Our conclusion is not modified in respect of this matter.

Responsibilities of Management

Preparing and fairly presenting the interim financial statements in accordance with IFRS and regulatory directives. Ensuring compliance with directives issued by the national bank of Ethiopia.

Auditor's Responsibility

Our responsibility is to express a conclusion on the interim financial statements based on review. We conducted our review in accordance with ISRE 2410, which requires us to conclude whether anything has come to our attention that causes us to believe that interim financial statements are not prepared in all material respects in accordance with the applicable financial reporting framework.

TMS Plus Audit Service Limited Liability Partnership
Chartered Certified Accountants(UK)
Authorized Auditors(Eth.)



Addis Ababa
16 June 2026

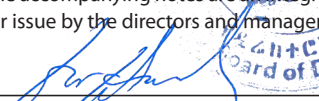
Wegagen Bank S.C

Consolidated and Separate Condensed Interim Financial Statements

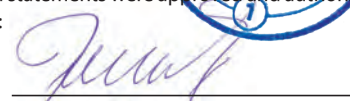
Consolidated Statement of Profit or Loss and Other Comprehensive Income For the six months ended 31 December 2025

	Notes	12/31/2025 Birr'000	12/31/2024 Birr'000	06/30/2025 Birr'000
Interest income	5	5,525,755	4,017,769	8,459,357
Interest expense	6	(2,052,558)	(1,406,648)	(3,156,179)
Net interest income		3,473,197	2,611,121	5,303,178
Fee and Commission Income	7	1,841,868	1,697,592	2,464,927
Fee and Commission Expense	7	(68,445)	21,994	(99,689)
Net fee and commission income	7	1,773,423	1,719,586	2,365,238
Net Trading Income		5,246,621	4,330,707	7,668,416
Other operating income	8	511,629	1,385,297	2,555,514
Loan impairment charge	9	(507,888)	(684,674)	(465,867)
Impairment losses on other assets	10	79,052	(40,629)	6,295
Net operating income		5,329,413	4,990,701	9,764,359
Salaries and benefits	11	(1,998,592)	(1,738,174)	(3,962,431)
Amortization of intangible assets	20	(125,452)	(22,160)	(83,282)
Depreciation of property and equipment	21	(123,712)	(101,756)	(202,212)
Depreciation of right-of-use asset	21a	(189,105)	(152,698)	(310,569)
Other operating expenses	12	(790,130)	(499,634)	(1,352,225)
Audit fees		-	-	(1,087)
Directors related expenses		-	(600)	-
Total Operating Expenses		(3,226,991)	(2,515,022)	(5,911,807)
Profit before income tax		2,102,422	2,475,679	3,852,553
Loss Carryforward(C/f) from Investment bank		(10,189)	-	-
Income tax expense	13a	(634,567)	(875,908)	(1,075,043)
Profit after tax		1,457,666	1,599,771	2,777,510
Profit attributable to:				
Ordinary equity holders		1,452,595	-	2,778,853
Non-controlling interest		5,071	-	(1,343)
Other Comprehensive Income (OCI) net of income tax				
Remeasurement loss on retirement benefits	25b	-	-	(119,790)
Fair value gain or (loss) of equity investments	29c	-	15,391	157,963
Total other comprehensive income (net of tax)		-	15,391	38,174
Total comprehensive income for the period		1,457,666	1,615,162	2,815,684
Basic & diluted earnings per share		17.58%	28.88%	46.10%

The accompanying notes are an integral part of these financial statements. The interim financial statements were approved and authorized for issue by the directors and management on January 29, 2026 and signed on their behalf by:


Mr. Abdishu Hussien
Chairman, Board of Directors




Akilu Wubet (PhD)
Chief Executive Officer

Wegagen Bank S.C

Consolidated and Separate Condensed Interim Financial Statements

Consolidated Statement of Financial Position As at 31 December 2025

	Notes	12/31/2025 Birr'000	12/31/2024 Birr'000	06/30/2025 Birr'000
ASSETS				
Cash and bank balances	14	21,645,240	14,355,783	15,436,200
Loans and advances to customers	15a	61,338,422	47,137,400	51,260,502
Investment securities:				
- Equity Investments at FVOCI	16a	869,731	613,268	822,894
- Debt Securities at Amortized Cost	16b	8,658,909	6,713,456	8,311,193
Other assets	17	5,285,115	3,527,648	5,159,025
Investment property	18	-	2,556	-
Intangible assets	20	585,421	218,515	493,497
Property and Equipment	21	2,841,028	1,701,563	1,860,431
Right-of-Use Asset	21a	954,536	900,138	993,853
Total assets		102,178,403	75,170,327	84,337,595
LIABILITIES				
Deposit from customers	22	75,101,098	55,010,283	61,651,819
Deposit from financial institutions	23	5,092,104	3,143,323	4,498,218
Current tax liabilities	13c	585,434	893,153	1,091,622
Other liabilities	24	5,300,970	4,983,281	3,688,224
Employee benefit obligations	25	545,359	308,898	504,869
Deferred tax liabilities	13d	143,879	92,619	94,870
Total liabilities		86,768,843	64,431,557	71,529,623
EQUITY				
Capital and reserves				
Share capital	26	10,094,666	6,213,504	7,028,357
Share premium	26	103,315	83,241	87,819
Retained earnings	28	1,072,671	1,133,922	1,944,300
Legal reserve	29a	3,250,417	2,591,565	2,885,999
Regulatory risk reserve	29b	667,136	573,787	646,558
Other reserve	29c	165,534	142,751	165,534
		15,353,739	10,738,770	12,758,567
Non-controlling interest	29d	55,821		49,407
Total equity		15,409,560	10,738,770	12,807,974
Total liabilities and equity		102,178,403	75,170,327	84,337,595

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Mr. Abdishu Hussien
Chairman, Board of Directors




Akililu Wubet (PhD)
Chief Executive Officer



Wegagen Bank S.C

Consolidated and Separate Condensed Interim Financial Statements

Consolidated Statement of Changes in Owners Equity For the six month ended 31 December 2025

	Share capital Birr'000	Share premium Birr'000	Retained earnings Birr'000	Legal reserve Birr'000	Regulatory Risk Reserve Birr'000	Other Reserve Birr'000	Non-Controlling Interest Birr'000	Total Birr'000
1 July 2024 Balance at the beginning of the reporting period	5,058,890	74,917	1,246,781	2,191,623	507,882	127,360		9,207,452
Dividend declared			(1,246,781)					(1,246,781)
New shares issued	1,969,467	12,902						1,982,369
FV gain of Equity investments (net of tax)						157,963		157,963
Profit for the year			2,777,510					2,777,510
Remeasurement of Defined Benefit plans						(119,790)		(119,790)
Non-controlling interest			1,343					1,343
Directors' share of profit			(1,500)					(1,500)
Non-distributable reserve adjustment			(118,140)		118,140			-
Transfer to legal reserve			(694,378)	694,378				-
Transfer from Regulatory Risk Reserve			(20,536)		20,536			-
Non-controlling interest							49,407	49,407
Balance at the end of 30 June 2025	7,028,357	87,819	1,944,299	2,886,001	646,558	165,533	49,407	12,807,974
Dividend declared			(1,944,299)					(1,944,299)
New shares issued	3,066,309	15,496						3,081,805
Profit for the year			1,457,666					1,457,666
Non-controlling interest								-
Transfer to legal reserve			(364,416)	364,416				-
Transfer to regulatory risk reserve			(20,578)		20,578			-
Non-controlling interest							6,414	6,414
Balance at the end of the reporting period	10,094,666	103,315	1,072,671	3,250,417	667,136	165,533	55,821	15,409,560

The accompanying notes are an integral part of these financial statements. The interim financial statements were approved by the directors and management on January 29, 2026 and signed on their behalf by:


Mr. Abdishu Hussien
Chairman, Board of Directors




Akililu Wubet (PhD)
Chief Executive Officer

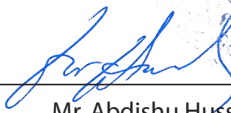
Wegagen Bank S.C

Consolidated and Separate Condensed Interim Financial Statements

Consolidated Statement of Changes in Owners Equity For the six month ended 31 December 2025

	Share premium Birr'000	Retained earnings Birr'000	Legal reserve Birr'000	Regulatory Risk Reserve Birr'000	Other Reserve Birr'000	Non- Controlling Interest Birr'000	Total Birr'000
As at 1 July 2024	5,058,890	74,917	1,246,781	2,191,622	507,882	127,360	9,207,451
Dividend declared			(1,246,781)				(1,246,781)
New shares issued	1,154,614	8,324					1,162,938
Fair value gain of Equity investments (net of tax)						15,391	15,391
Profit for the year			1,599,771				1,599,771
Transfer to legal reserve			(399,943)	399,943			-
Transfer to Regulatory Risk Reserve			(65,906)		65,906		-
As at 31 December 2024	6,213,504	83,241	1,133,922	2,591,565	573,787	142,751	10,738,770

The accompanying notes are an integral part of these financial statements. The interim financial statements were approved by the directors and management on January 29, 2026 and signed on their behalf by:



 Mr. Abdishu Hussien
 Chairman, Board of Directors





 Akililu Wubet (PhD)
 Chief Executive Officer

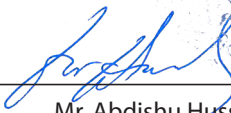
Wegagen Bank S.C

Consolidated and Separate Condensed Interim Financial Statements

Consolidated Statement of Cash Flows For the six months ended 31 December 2025

	Notes	12/31/2025 Birr'000	12/31/2024 Birr'000	06/30/2025 Birr'000
Cash flows from operating activities				
Cash generated from operations	30	7,990,657	4,706,093	7,627,719
Profit tax assesment paid		-	-	-
Income tax paid	13c	(1,092,104)	(641,432)	(649,612)
Net cash (outflow)/inflow from operating activities		6,898,553	4,064,661	6,978,107
Cash flows from investing activities				
Purchase of investment securities	16	(46,836)	-	(56,537)
Purchase of intangible assets	20	(91,924)	(192,606)	(528,711)
Purchase of property and equipment	21	(980,597)	(116,140)	(469,816)
Payment for asset use right acquisitions	21a	(359,947)	(339,486)	(646,391)
Proceeds from matured debt securities	16b	(347,716)	(2,100,302)	(3,698,038)
Net cash (outflow)/inflow from investing activities		(1,827,019)	(2,748,534)	(5,399,494)
Cash flows from financing activities				
Share premium collected	26	15,496	8,324	12,902
New shares issued	26	3,066,309	1,154,614	1,969,467
Directors' remuneration paid	28	-	-	(1,500)
Dividend paid	28	(1,944,299)	(1,246,781)	(1,246,781)
Net cash (outflow)/inflow from financing activities		1,137,506	(83,843)	734,088
Net increase/(decrease) in Cash and bank balances		6,209,040	1,232,284	2,312,701
Cash and bank balances at the beg. of the year	14	15,768,955	13,123,499	13,123,499
Effect of exchange rate movement on Cash and bank balances		-	-	-
Cash and bank balances at the end of the period		21,645,240	14,355,783	15,436,200

The accompanying notes are an integral part of these financial statements. The interim financial statements were approved by the directors and management on January 29, 2026 and signed on their behalf by:


Mr. Abdishu Hussien
Chairman, Board of Directors




Akililu Wubet (PhD)
Chief Executive Officer

Wegagen Bank S.C

Consolidated and Separate Condensed Interim Financial Statements

Notes to the Consolidated Financial statement for the Interim Period Ended 31 December 2025

1. General information

Wegagen Bank S.C. ("Wegagen Bank or the Bank") is a private commercial Bank that was established in June 1997 in accordance with the provisions of the Commercial code of Ethiopia of 1960 (which was latter replaced by Commercial code of Ethiopia of 1243/2021) and the Licensing and Supervision of Banking Business Proclamation No. 84/1994 (as amended by 1360/2025). As at December 31, 2025, the paid-up capital of the Bank reached Birr 10.09 billion, contributed by 15,541 shareholders.

The Bank's registered office is at Kirkos Sub-City, Wereda 10, in front of National Stadium, in Addis Ababa, Ethiopia. Besides, it operates in all the twelve regions and two city administrations of Ethiopia by opening 458 branches.

The Bank is principally engaged in the provision of diverse range of financial services ranging from accepting deposits from the public and lending to a wide range of sectors that mainly includes manufacturing, import, export, construction, domestic trade and transport areas.

It also performs trade services activities to facilitate the import and export process of the Country. Moreover, it facilitates local and international remittance activities through various partners. Last but not least, the Bank reaches its customers through various electronic banking channels like ATM, internet banking, mobile banking, mobile wallet and agency banking platforms.

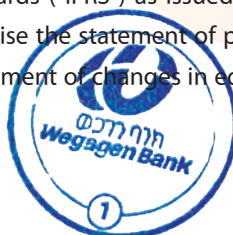
2. Summary of Significant Accounting Policies

2.1 Introduction to summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.2 Basis of preparation

The financial statements for the interim period ended 31 December 2025 have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The financial statements comprise the statement of profit or loss and other comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows, and the notes to the financial statements.



Wegagen Bank S.C

Consolidated and Separate Condensed Interim Financial Statements

Notes to the Consolidated Financial statement for the Interim Period Ended 31 December 2025

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates, assumptions and management judgment in applying the Bank's accounting policies. Changes in estimates and assumptions may have a significant impact on the financial statements in the period the assumptions changed. Management believes that the underlying estimates and assumptions are appropriate and that the Bank's financial statements therefore present the financial position and results fairly. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

2.2.1 Going Concern

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

2.2.2 Changes in accounting policies and disclosures

The Bank has consistently applied the accounting policies to all periods presented in these financial statements. The below are amendments to standards that are effective for annual periods beginning after 1 July 2025, and have not been applied in preparing these financial statements.

Standard	Description	Effective date	Impact
The amendments to IFRS 9 and IFRS 7 for the classification and measurement of financial instruments.	The amendments clarify that a financial liability is derecognised on the settlement date and introduce an accounting policy choice to derecognise financial liabilities settled using an electronic payment system before the settlement date	Applicable to annual reporting periods beginning on or after 1 January 2025	The Bank opted to apply the amendments when due.



Wegagen Bank S.C

Consolidated and Separate Condensed Interim Financial Statements

Notes to the Consolidated Financial statement for the Interim Period Ended 31 December 2025

Standard	Description	Effective date	Impact
Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7)	In December 2024 the IASB issued amendments to IFRS 9 and IFRS 7 to address issues with accounting for contracts associated that involve renewable energy. Contracts that reference nature-dependent electricity production, also known as power purchase agreements (PPAs), are contracts to buy and take delivery of electricity that is produced from nature-dependent sources. As generation of renewable energy has increased, so has the number of PPAs.	The amendments are effective for periods starting on or after 1 January 2026	The bank may apply the ammenment when it is application on or after the effective date
IFRS 19 Subsidiaries without Public Accountability: Disclosures	This new standard works alongside other IFRS Accounting Standards. An eligible subsidiary applies the requirements in other IFRS Accounting Standards except for the disclosure requirements and instead applies the reduced disclosure requirements in IFRS 19. IFRS 19's reduced disclosure requirements balance the information needs of the users of eligible subsidiaries' financial statements with cost savings for preparers. IFRS 19 is a voluntary standard for eligible subsidiaries. A subsidiary is eligible if: it does not have public accountability; and it has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.	The ammendment is effective from annual reporting periods beginning on or after 1 January 2027	The Bank opted to apply the amendments when due.



Wegagen Bank S.C

Consolidated and Separate Condensed Interim Financial Statements

Notes to the Consolidated Financial statement for the Interim Period Ended 31 December 2025

Standard	Description	Effective date	Impact
IFRS 18 Presentation and Disclosure in Financial Statements	This is the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to: the structure of the statement of profit or loss; required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.	Effective for annual reporting periods beginning on or after 1 January 2027.	The bank shall apply the amendment when due. The amendments are expected to have an impact on the bank's financial statements.
Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments	These amendments clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system; clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion; add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).	Effective for annual reporting periods beginning on or after 1 January 2026.	The Bank opted to apply the amendments when due.



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2.3 Foreign currency translation

a. Functional and presentation currency

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

b. Transactions and Balances

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

2.4 Recognition of income and expenses

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

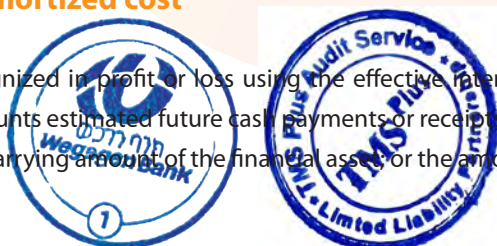
The Bank, earns income from interest on loans and commission and service charges from the various services it provides to customers. The Bank's main expenses includes the interest it paid to deposits from customers, the impairment allowance for loans and the operating expenses it incurs to run the day to day operations of the Bank.

2.4.1 Net Interest Income

2.4.1.1. Policy applicable

a. Effective interest rate and amortized cost

"Interest income and expense are recognized in profit or loss using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset, or the amortized cost of the financial liability.



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When calculating the effective interest rate for financial instruments other than credit-impaired assets, the Bank estimates future cash flows considering all contractual terms of the financial instrument, but not expected credit losses. For credit-impaired financial assets, a credit-adjusted effective interest rate is calculated using estimated future cash flows including expected credit losses. The calculation of the effective interest rate includes transaction costs and fees and points paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability"

b. Amortized cost and gross carrying amount

"The 'amortized cost' of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any expected credit loss allowance. The 'gross carrying amount of a financial asset' is the amortized cost of a financial asset before adjusting for any expected credit loss allowance.

c. Calculation of interest income and expense

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortized cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis. For financial assets that were credit-impaired on initial recognition, interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of the asset. The calculation of interest income does not revert to a gross basis, even if the credit risk of the asset improves..

d. Presentation

Interest income and expense presented in the statement of profit or loss and OCI include- interest on financial assets and financial liabilities measured at amortized cost calculated on an effective interest basis;

· interest on debt instruments measured at FVTPL calculated on an effective interest basis; Interest income and expense on all trading assets and liabilities are considered to be incidental to the Bank's trading operations and are presented together with all other changes in the fair value of trading assets and liabilities in net trading income. Interest income and expense on other financial assets and financial liabilities at FVTPL are presented in net income from other financial instruments at FVTPL.



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2.4.2 Fees and commission

Fees and commission income and expenses that are integral to the effective interest rate on a financial asset or liability are included in the measurement of the effective interest rate. Other fees and commission income (for example commission on drafts, cash payment order (CPO), letter of credit (LC), letter of guarantee, etc) are recognised as the related services are performed.

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

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

2.4.3 Dividend income

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

2.4.4 Foreign exchange revaluation gains or losses

These are gains and losses arising on settlement and translation of monetary assets and liabilities denominated in foreign currencies at the functional currency's spot rate of exchange at the reporting date. The monetary assets and liabilities include financial assets within the foreign currencies deposits received and held on behalf of third parties etc.

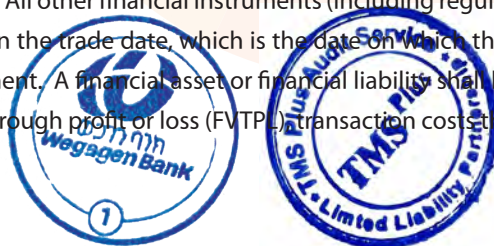
2.4.5 Other income and expense

Other expenses are recognized when they are incurred by the Bank and other revenues recognized when they are earned which usually occurs simultaneously with cash collection.

2.5 Financial instruments

a. Recognition and initial measurement

The Bank shall initially recognize loans and advances, deposits, debt securities issued and subordinated liabilities on the date on which they are originated. All other financial instruments (including regular-way purchases and sales of financial assets) shall be recognized on the trade date, which is the date on which the Bank becomes a party to the contractual provisions of the instrument. A financial asset or financial liability shall be measured initially at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.



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b. Classification and subsequent measurement

Financial assets- On initial recognition, a financial asset shall be classified either as measured at either amortized cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL).

The Bank shall measure a financial asset at amortized cost if it meets both of the following conditions and is not designated at FVTPL:

- The asset is held within a business model whose objective is to hold it to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI).

A debt instrument shall be measured at FVOCI only if it meets both of the following conditions and is not designated at FVTPL:

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI.

On initial recognition, an equity investment that is held for trading shall be classified at FVTPL. However, for equity investment that is not held for trading, the Bank may irrevocably elect to present subsequent changes in fair value in other comprehensive income (OCI). This election is made on an investment-by-investment basis.

All other financial assets that do not meet the classification criteria at amortized cost or FVOCI, above, shall be classified as measured at FVTPL.

In addition, on initial recognition, the Bank may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.



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Business model assessment- The Bank shall make an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realizing cash flows through the sale of the assets;
- How the performance of the portfolio is evaluated and reported to the Bank's management;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and its strategy for how those risks are managed;
- How managers of the business are compensated (e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected); and
- The frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Bank's stated objective for managing the financial assets is achieved and how cash flows are realized.

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis shall be measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

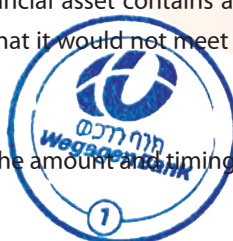
Financial assets shall not be reclassified subsequent to their initial recognition, except in the period after the Bank changes its business model for managing financial assets.

Assessment of whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' shall be defined as the fair value of the financial asset on initial recognition. 'Interest' shall be defined as the consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are SPPI, the Bank considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Bank considers:

- Contingent events that would change the amount and timing of cash flows;
- Leverage features;



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- Prepayment and extension terms;
- Terms that limit the Bank's claim to cash flows from specified assets (e.g. non-recourse loans); and
- Features that modify consideration of the time value of money (e.g. periodical reset of interest rates).

Financial liabilities

The Bank shall classify its financial liabilities, other than financial guarantees and loan commitments, as measured at amortized cost or FVTPL.

A financial guarantee is an undertaking/commitment that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified party fails to meet its obligation when due in accordance with the contractual terms.

Financial guarantees issued by the Bank are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of: the amount of the obligation under the guarantee, as determined in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets; and the amount initially recognized less, where appropriate, cumulative amortization recognized in accordance with the revenue recognition policies.

c. Impairment

c. Impairment- At each reporting date, the Bank shall assess whether there is objective evidence that financial assets (except equity investments), other than those carried at FVTPL, are impaired. The Bank shall recognize loss allowances for expected credit losses (ECL) on the following financial instruments that are not measured at FVTPL:

- Financial assets that are debt instruments;
- Lease receivables;
- financial guarantee contracts issued; and
- loan commitments issued.

No impairment loss shall be recognized on equity investments.

The Bank shall measure loss allowances at an amount equal to lifetime ECL, except for the following, which are measured as 12-month ECL:

- debt investment securities that are determined to have low credit risk at the reporting date; and
- other financial instruments (other than lease receivables) on which credit risk has not increased significantly since their initial recognition.



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Loss allowances for lease receivables shall always be measured at an amount equal to lifetime ECL.

12-month ECL is the portion of ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Financial instruments for which a 12-month ECL is recognized are referred to as 'Stage 1 financial instruments'.

Life-time ECL is the ECL that result from all possible default events over the expected life of the financial instrument. Financial instruments for which a lifetime ECL is recognized but which are not credit-impaired are referred to as 'Stage 2 financial instruments'. Financial instruments that are credit impaired and for which a lifetime ECL is recognized are referred to as 'Stage 3 financial instruments'.

i. Measurement of ECL- it is probability-weighted estimate of credit losses & shall be measured as follows:

- for financial assets that are not credit-impaired at the reporting date (stage 1 and 2): as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Bank in accordance with the contract and the cash flows that the Bank expects to receive);
- for financial assets that are credit-impaired at the reporting date (stage 3): as the difference between the gross carrying amount and the present value of estimated future cash flows;
- for undrawn loan commitments: as the present value of the difference between the contractual cash flows that are due to the Bank if the commitment is drawn down and the cash flows that the Bank expects to receive; and
- for financial guarantee contracts: as the expected payments to reimburse the holder less any amounts that the Bank expects to recover.

"Where the terms of a financial asset are renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the borrower, then the Bank shall assess whether the financial asset should be derecognized and ECL are measured as follows:

- If the expected restructuring will not result in derecognition of the existing asset, then the expected cash flows arising from the modified financial asset are included in calculating the cash shortfalls from the existing asset.
- If the expected restructuring will result in derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flow from the existing financial asset at the time of its derecognition.



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This amount is included in calculating the cash shortfalls from the existing financial asset that are discounted from the expected date of derecognition to the reporting date using the original effective interest rate of the existing financial asset.

The key inputs into the measurement of ECL are the term structure of probability of default (PD), loss given default (LGD); and exposure at default (EAD).

ECL for exposures in Stage 1 is calculated by multiplying the 12-month PD by LGD and EAD. Lifetime ECL is calculated by multiplying the lifetime PD by LGD and EAD.

Probability of Default (PD)- It provides an estimate of the likelihood that a borrower will be unable to meet its debt obligations. The methodology of estimating PD.

i) Significant increase in credit risk- When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Bank considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Bank's historical experience and expert credit assessment and including forward-looking information.

"The objective of the assessment is to identify whether a significant increase in credit risk has occurred for an exposure by comparing:

- the remaining lifetime probability of default (PD) as at the reporting date; with the remaining lifetime PD for this point in time that was estimated at the time of initial recognition of the exposure (adjusted where relevant for changes in prepayment expectations).
- the Bank uses three criteria for determining whether there has been a significant increase in credit risk:
 - quantitative test based on movement in PD;
 - qualitative indicators; and
 - a backstop of 30 days past due,



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The Bank allocates each exposure to a credit risk grade based on a variety of data that is determined to be predictive of the risk of default and applying experienced credit judgement. Credit risk grades are defined using qualitative and quantitative factors that are indicative of risk of default. These factors vary depending on the nature of the exposure and the type of borrower.

Credit risk grades are defined and calibrated such that the risk of default occurring increases exponentially as the credit risk deteriorates so, for example, the difference in risk of default between credit risk grades 1 and 2 is smaller than the difference between credit risk grades 2 and 3. Each exposure is allocated to a credit risk grade on initial recognition based on available information about the borrower. Exposures are subject to ongoing monitoring,

which may result in an exposure being moved to a different credit risk grade. The monitoring typically involves use of the following data;

a. Term loan exposures

- Information obtained during periodic review of customer files – e.g. audited financial statements, management accounts, budgets and projections. Examples of areas of particular focus are: gross profit margins, financial leverage ratios, debt service coverage, compliance
- Data from credit reference agencies, press articles, changes in external credit ratings
- Actual and expected significant changes in the political, regulatory and technological environment of the borrower or in its business activities
- Internally collected data on customer behaviour – e.g. utilisation of credit card facilities
- Affordability metrics

b. Overdraft exposures

- Payment record – this includes overdue status as well as a range of variables about payment ratios
- Utilisation of the granted limit
- Requests for and granting of forbearance
- Existing and forecast changes in business, financial and economic conditions

The maximum contractual period extends to the date at which the Bank has the right to require repayment of an advance or terminate a loan commitment or guarantee"



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"As described above, and subject to using a maximum of a 12-month PD for Stage 1 financial assets, the Bank measures ECL considering the risk of default over the maximum contractual period (including any borrower's extension options) over which it is exposed to credit risk, even if, for credit risk management purposes, the Bank considers a longer period. However, for overdrafts that include both a loan and an undrawn commitment component, the Bank measures ECL over a period longer than the maximum contractual period if the Bank's contractual ability to demand repayment and cancel the undrawn commitment does not limit the Bank's exposure to credit losses to the contractual notice period. These facilities do not have a fixed term or repayment structure and are managed on a collective basis. The Bank can cancel them with immediate effect but this contractual right is not enforced in the normal day-to-day management, but only when the Bank becomes aware of an increase in credit risk at the facility level. This longer period is estimated taking into account the credit risk management actions that the Bank expects to take, and that serve to mitigate ECL. These include a reduction in limits, cancellation of the facility and/or turning the outstanding balance into a loan with fixed repayment terms.

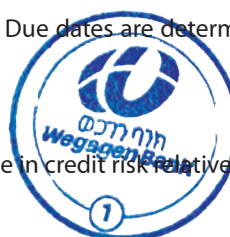
"Credit risk grades are a primary input into the determination of the term structure of PD for exposures. The Bank collects performance and default information about its credit risk exposures analysed by type of product and borrower as well as by credit risk grading. The Bank employs statistical models to analyse the data collected and generate estimates of the remaining lifetime PD of exposures and how these are expected to change as a result of the passage of time.

The Bank assesses whether credit risk has increased significantly since initial recognition at each reporting date. Determining whether an increase in credit risk is significant depends on the characteristics of the financial instrument and the borrower.

The credit risk may also be deemed to have increased significantly since initial recognition based on qualitative factors linked to the Bank's credit risk management processes that may not otherwise be fully reflected in its quantitative analysis on a timely basis. This will be the case for exposures that meet certain heightened risk criteria, such as placement on a watch list. Such qualitative factors are based on its expert judgment and relevant historical experiences.

As a backstop, the Bank considers that a significant increase in credit risk occurs no later than when an asset is more than 30 days past due. Days past due are determined by counting the number of days since the earliest elapsed due date in respect of which full payment has not been received. Due dates are determined without considering any grace period that might be available to the borrower.

If there is evidence that there is no longer a significant increase in credit risk relative to initial recognition, then the



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loss allowance on an instrument returns to being measured as 12-month ECL.

Some qualitative indicators such as delinquency or forbearance, may be indicative of an increased risk of default that persists after the indicator itself has ceased to exist. In these cases, the Bank determines a probation period during which the financial asset is required to demonstrate good behaviour to provide evidence that its credit risk has declined sufficiently. When contractual terms of a loan have been modified, evidence that the criteria for recognising lifetime ECL are no longer met includes a history of up-to-date payment performance against the modified contractual terms.

The Bank monitors the effectiveness of the criteria used to identify significant increases in credit risk by regular reviews to confirm that:

- the criteria are capable of identifying significant increases in credit risk before an exposure is in default;
- the criteria do not align with the point in time when an asset becomes 30 days past due;
- the average time between the identification of a significant increase in credit risk and default appears reasonable;
- exposures are not generally transferred directly from 12-month ECL measurement to credit-impaired; and
- there is no unwarranted volatility in loss allowance from transfers between 12-month PD (Stage 1) and lifetime PD (Stage 2)

Definition of default- The Bank considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Bank in full, without recourse by the Bank to actions such as realising security (if any is held);
- the borrower is more than 90 days past due on any material credit obligation to the Bank.
- overdrafts are considered as being past due once the customer has breached an advised limit or been advised of a limit smaller than the current amount outstanding; or
- it is becoming probable that the borrower will restructure the asset as a result of bankruptcy due to the borrower's inability to pay its credit obligations.

In assessing whether a borrower is in default, the Bank considers indicators that are:

- qualitative: e.g. breaches of covenant;
- quantitative: e.g. overdue status and non-payment on another obligation of the same issuer to the Bank; and



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- based on data developed internally and obtained from external sources.
- Inputs into the assessment of whether a financial instrument is in default and their significance may vary over time to reflect changes in circumstances.

The definition of default largely aligns with that applied by the Bank for regulatory capital purposes

The Bank incorporates forward-looking information into both the assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and the measurement of ECL.

For each segment, the Bank formulates three economic scenarios: a base case, which is the median scenario, and two less likely scenarios, one upside and one downside. For each sector, the base case is aligned with the macroeconomic model's information value output, a measure of the predictive power of the model, as well as base macroeconomic projections for identified macroeconomic variables for each sector. The upside and downside scenarios are based on a combination of a percentage error factor of each sector model as well as simulated optimistic and pessimistic macroeconomic projections based on a measure of historical macroeconomic volatilities.

External information considered includes economic data and forecasts published by Business Monitor International, an external and independent macroeconomic data body. This is in addition to industry – level, semi – annual NPL trends across statistically comparable sectors.

Periodically, the Bank carries out stress testing of more extreme shocks to calibrate its determination of the upside and downside representative scenarios. A comprehensive review is performed at least annually on the design of the scenarios by a panel of experts that advises the Bank's senior management.

The Bank has identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses.

LGD is the magnitude of the likely loss if there is a default. The Bank estimates LGD parameters based on the history of recovery rates of claims against defaulted counterparties. The LGD models consider the structure, collateral, seniority of the claim, counterparty industry and recovery costs of any collateral that is integral to the financial asset.



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EAD represents the expected exposure in the event of a default. The Bank derives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract and arising from amortisation. The EAD of a financial asset is its gross carrying amount at the time of default. For lending commitments, the EADs are potential future amounts that may be drawn under the contract, which are estimated based on historical observations and forward-looking forecasts. For financial guarantees, the EAD represents the amount of the guaranteed exposure when the financial guarantee becomes payable. For some financial assets, EAD is determined by modelling the range of possible exposure outcomes at various points in time using scenario and statistical techniques.

Where modelling of a parameter is carried out on a collective basis, the financial instruments are grouped on the basis of shared risk characteristics that include:

- instrument type;
- credit risk grading;
- collateral type;
- LTV ratio for retail mortgages;
- date of initial recognition;
- remaining term to maturity;
- industry; and
- geographic location of the borrower.

The groupings are subject to regular review to ensure that exposures within a particular group remain appropriately homogeneous.

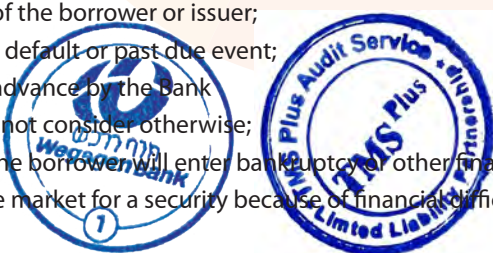
C. Credit-impaired financial assets

At each reporting date, the Bank shall assess whether financial assets carried at amortized cost, debt financial assets carried at FVOCI, and finance lease receivables are credit impaired (referred to as 'Stage 3 financial assets').

A financial asset shall be considered 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the restructuring of a loan or advance by the Bank
- on terms that the Bank would not consider otherwise;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.



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A loan that has been renegotiated due to a deterioration in the borrower's condition shall be considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment. In addition, a retail loan that is overdue for 90 days or more shall be considered credit-impaired even when the regulatory definition of default is different.

d. Presentation of allowance for ECL in the statement of financial position

Loss allowances for ECL shall be presented in the statement of financial position as follows:

- for financial assets measured at amortized cost: as a deduction from the gross carrying amount of the assets;
- for loan commitments and financial guarantee contracts: generally, as a provision;
- where a financial instrument includes both a drawn and an undrawn component, and the Bank cannot identify the ECL on the loan commitment component separately from those on the drawn component: the Bank presents a combined loss allowance for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component. Any excess of the loss allowance over the gross amount of the drawn component is presented as a provision; and
- for debt instruments measured at FVOCI: no loss allowance is recognized in the statement of financial position because the carrying amount of these assets is their fair value. However, the loss allowance shall be disclosed and is recognized in the fair value reserve.

e. Write-off

Loans and debt securities shall be written off (either partially or in full) when there is no reasonable expectation of recovering the amount in its entirety or a portion thereof. This is generally the case when the Bank determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. This assessment shall be carried out at the individual asset level.

Recoveries of amounts previously written off shall be included in 'impairment losses on financial instruments' in the statement of profit or loss and OCI.

Financial assets that are written off could still be subject to enforcement activities in order to comply with the Bank's procedures for recovery of amounts due.



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f. Non-integral financial guarantee contracts

The Bank shall assess whether a financial guarantee contract held is an integral element of a financial asset that is accounted for as a component of that instrument or is a contract that is accounted for separately.

Where the Bank determines that the guarantee is an integral element of the financial asset, then any premium payable in connection with the initial recognition of the financial asset shall be treated as a transaction cost of acquiring it. The Bank shall consider the effect of the protection when measuring the fair value of the debt instrument and when measuring ECL.

Where the Bank determines that the guarantee is not an integral element of the debt instrument, then it shall recognize an asset representing any prepayment of guarantee premium and a right to compensation for credit losses.

g. Derecognition

The Bank shall derecognise a financial asset when:

- The contractual right to the cash flows from the financial asset expires or
- It transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred; or
- Bank neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognized) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognized in OCI shall be recognized in profit or loss.

Any cumulative gain/loss recognized in OCI in respect of equity investment securities designated as at FVOCI shall not be recognized in profit or loss on derecognition of such securities. Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Bank shall be recognized as a separate asset or liability.

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



Wegagen Bank S.C

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Notes to the Consolidated Financial statement for the Interim Period Ended 31 December 2025

h. Modifications of financial assets and financial liabilities

If the terms of a financial asset are modified, then the Bank shall evaluate whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset shall be deemed to have expired. In this case, the original financial asset shall be derecognised and a new financial asset shall be recognized at fair value plus any eligible transaction costs. Any fees received as part of the modification shall be accounted for as follows:

- fees that are considered in determining the fair value of the new asset and fees that represent reimbursement of eligible transaction costs shall be included in the initial measurement of the asset; and
- other fees are included in profit or loss as part of the gain or loss on derecognition.

If cash flows are modified when the borrower is in financial difficulties, then the objective of the modification is usually to maximise recovery of the original contractual terms rather than to originate a new asset with substantially different terms.

If the Bank plans to modify a financial asset in a way that would result in forgiveness of cash flows, then it shall first consider whether a portion of the asset should be written off before the modification takes place.

Where the modification of a financial asset measured at amortised cost or FVOCI does not result in derecognition of the financial asset, then the Bank shall first recalculate the gross carrying amount of the financial asset using the original effective interest rate of the asset and recognises the resulting adjustment as a modification gain or loss in profit or loss.

Any costs or fees incurred and fees received as part of the modification adjust the gross carrying amount of the modified financial asset and shall be amortised over the remaining term of the modified financial asset.

Where such a modification is carried out because of financial difficulties of the borrower, then the gain or loss shall be presented together with impairment losses. In other cases, it shall be presented as interest income calculated using the effective interest rate method.

The Bank shall derecognise a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms shall be recognised at fair value. The difference between the carrying amount of the financial liability derecognised and consideration paid is recognised in profit or loss. Consideration paid shall include non-financial assets transferred, if any, and the assumption of liabilities, including the new modified financial liability.



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Where the modification of a financial liability is not accounted for as derecognition, then the amortised cost of the liability shall be recalculated by discounting the modified cash flows at the original effective interest rate and the resulting gain or loss is recognised in profit or loss. Any costs and fees incurred are recognised as an adjustment to the carrying amount of the liability and amortised over the remaining term of the modified financial liability by re-computing the effective interest rate on the instrument.

i. Offsetting

Financial assets and financial liabilities shall be offset and the net amount presented in the statement of financial position when, and only when, the Bank currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

Income and expenses shall be presented on a net basis only when permitted under IFRS, or for gains and losses arising from a group of similar transactions such as in the Bank's trading activity.

j. Designation at fair value through profit or loss

At initial recognition, the Bank may designate certain financial assets as at FVTPL because this designation eliminates or significantly reduces an accounting mismatch, which would otherwise arise.

The Bank shall designate certain financial liabilities as at FVTPL in either of the following circumstances:

- the liabilities are managed, evaluated and reported internally on a fair value basis; or
- the designation eliminates or significantly reduces an accounting mismatch that would otherwise arise.

2.6 Interest Free Banking

Murabaha is an Islamic financing transaction which represents an agreement whereby the Bank buys a commodity/ good and sells it to a counterparty (customer) based on a promise received from that counterparty to buy the commodity according to specific terms and conditions. The selling price comprises of the cost of the commodity/ goods and a pre-agreed profit margin.

It is treated as financing receivables. Financing receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

The profit is quantifiable and contractually determined at the commencement of the contract. Murabaha Income (profit) is recognized as it accrues over the life of the contract using the effective profit method (EPRM) on the principal balance outstanding. These products are carried at amortized cost less impairment.



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2.7 Cash and Cash Equivalents

Cash and cash equivalents' include notes and coins on hand, unrestricted balances held with central banks and highly liquid financial assets with original maturities of three months or less from the date of acquisition that are subject to an 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.

2.8 Property, Plant and Equipment

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

All other repair and maintenance costs are recognised in income statement as incurred.

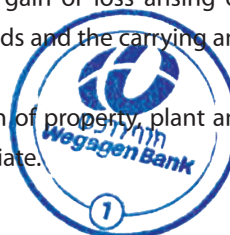
Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised.

Depreciation is calculated using the straight-line method to allocate their cost to their residual values starting from the asset is available for use over their estimated useful lives, as follows:

Asset class	Useful Lives
Buildings	50
Computer hardware	7
Furnitures and fittings	10
Equipments	5 to 20
Lifts	15
Motor Vehicles	10

Capital work-in-progress is not depreciated as these assets are not yet available for use. An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in income statement when the asset is derecognised.

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



Wegagen Bank S.C Consolidated and Separate Condensed Interim Financial Statements

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2.9 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in income statement in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life, or the expected pattern of consumption of future economic benefits embodied in the asset, are accounted for by changing the amortisation period or methodology, as appropriate, which are then treated as changes in accounting estimates. The amortisation expenses on intangible assets with finite lives is presented as a separate item in the income statement.

Amortisation is calculated using the straight-line method to write down the cost of intangible assets to their residual values over their estimated useful lives, which ranges from two to six years.

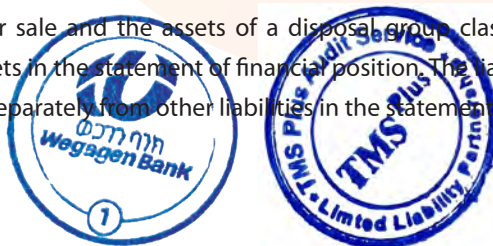
2.10 Non-current assets (or disposal groups) held for sale

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the statement of financial position. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the statement of financial position.



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Notes to the Consolidated Financial statement for the Interim Period Ended 31 December 2025

2.11 Impairment of non-financial assets

The Bank assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Bank estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account.

If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Bank bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Bank's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years.

For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

For assets an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Bank estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the income statement.



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Notes to the Consolidated Financial statement for the Interim Period Ended 31 December 2025

2.12 Other assets

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

(a) Prepayment

Prepayments are payments made in advance for services to be enjoyed in future. The amount is initially capitalized in the reporting period in which the payment is made and subsequently amortised over the period in which the service is to be enjoyed.

(b) Other receivables

Other receivables are recognised upon the occurrence of event or transaction as they arise and cancelled when payment is received.

The Bank's other receivables are receivables from mastercard, receivables from visa card and other receivables from debtors. This has been added to the carrying amounts of the investment.

2.13 Fair value measurement

The Bank measures financial instruments classified as available-for-sale at fair value at each statement of financial position date. Fair value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed are, summarised in the following notes:

- Disclosures for valuation methods, significant estimates and assumptions
- Quantitative disclosures of fair value measurement hierarchy
- Financial instruments (including those carried at amortised cost)

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

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

The principal or the most advantageous market must be accessible to by the Bank.



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

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

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

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

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

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



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Notes to the Consolidated Financial statement for the Interim Period Ended 31 December 2025

2.14 Employee benefits

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

(a) Defined contribution plan

The Bank operates the following defined contribution plans;

- Pension scheme in line with the provisions of Ethiopian pension of private organisation employees proclamation 715/2011. Funding under the scheme is 7% and 11% by employees and the Bank respectively;

The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets.

The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation.

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

Past-service costs are recognised immediately in income.

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

(b) Profit-sharing and bonus plans

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



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Notes to the Consolidated Financial statement for the Interim Period Ended 31 December 2025

(c) Defined Benefit plans

The Bank recognizes the liability for severance and other long service awards based on actuarial requirements that set assumptions for salary increases, inflation, discount rates, turnover, mortality and others.

2.15 Provisions

Provisions are recognised when the bank has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Bank expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in income statement net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as other operating expenses.

2.16 Share capital

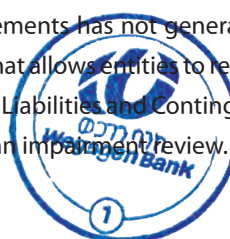
Incremental costs directly attributable to the issue of new shares or options or to the acquisition of a business are shown in equity as a deduction, net of tax, from the proceeds.

2.17 Earnings per share

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

2.18 Leases

The Bank has initially adopted IFRS 16 from 1 July 2019. The standard eliminates the classification of leases as either operating leases or finance leases under IAS 17 and introduces a single lease accounting model that requires lessees to recognize assets and corresponding liabilities. Due to the transition method chosen by the Bank in applying IFRS 16, comparative information throughout these financial statements has not generally been restated to reflect its requirements. It also elected to apply the practical expedient that allows entities to rely on its assessment of whether leases were onerous by applying IAS 37 Provisions, Contingent Liabilities and Contingent Assets immediately before the date of initial application as an alternative to performing an impairment review.



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Notes to the Consolidated Financial statement for the Interim Period Ended 31 December 2025

The effect of initially applying IFRS 16 is mainly attributed to:

- an increase in non-current assets as obligations to make future payments under leases previously classified as an operating lease were recognized on the balance sheet, along with the corresponding asset: right-of-use asset.
- Expenditure on operation has decreased and finance cost have increased, as operating lease costs have been replaced by depreciation and interest expense on lease liabilities. The adoption of IFRS 16 requires the Bank to make a number of assumptions, estimations and judgments that includes:
- lease liabilities were determined based on the value of the remaining lease payments, discounted by an appropriate incremental borrowing rate.
- term of each arrangement was based on the original lease term.
- the discount rate used to determine lease liabilities was the Bank's incremental borrowing rate. It was calculated based on observable inputs.

At the commencement date, the Bank recognized:

- all leases as right right-of-use-asset at cost. Cost of right-of-use asset includes the amount of lease liability, lease payments made at or before the commencement date (less any lease incentives received), any initial direct costs incurred and an estimate of costs to be incurred by the Bank in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.
- a lease liability at the present value of the lease payments that are not paid at that date. Present value of lease payments will be determined by discounting future lease payments at the interest rate implicit in the lease arrangement, if it is readily determined or at Bank's incremental borrowing rate.

After the commencement date, the Bank measures:

- right-of-use assets using cost model, i.e. cost at initial recognition less accumulated depreciation (in line with IAS 16: Property, plant and Equipment) and accumulated impairment losses (in line with IAS 36: Impairment of Assets).
- lease liability by increasing its carrying amount to reflect interest on the lease liability and by reducing its carrying amount to reflect lease payments made.

Interest incurred on lease liability will be recognized in the statement of profit and loss as a finance cost.



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Notes to the Consolidated Financial statement for the Interim Period Ended 31 December 2025

Determination of whether an arrangement is a lease, or contains a lease

The determination of whether an arrangement is a lease, or contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or whether the arrangement conveys a right to use the asset.

Bank as a Lessor

The Bank has rented temporary freehold space in its head office building that is mainly constructed for office use. The lease advance payments are recognized as deferred income until recognized

2.19 Income tax

(a) Current income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in Ethiopia. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(b) Deferred tax

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the statement of financial position date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Deferred tax assets and liabilities are only offset when there is both the legal right and the intention to settle on a net basis or to realise the asset and settle the liability simultaneously.



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Notes to the Consolidated Financial statement for the Interim Period Ended 31 December 2025

3. Significant accounting judgements, estimates and assumptions

The preparation of the Bank's financial statements requires management to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures, as well as the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

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

- Capital management
- Financial risk management and policies
- Sensitivity analyses disclosures

3.1 Judgements

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

Operating lease commitments - Bank as lessee

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

3.2 Estimates and assumptions

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



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Notes to the Consolidated Financial statement for the Interim Period Ended 31 December 2025

Impairment losses on financial assets at amortized cost

The Bank reviews its loan portfolios for impairment on an on-going basis. The Bank first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. Impairment provisions are also recognised for losses not specifically identified but which, experience and observable data indicate, are present in the portfolio at the date of assessment. For individually significant financial assets that has been deemed to be impaired, management has deemed that cashflow from collateral obtained would arise within 12 months where the financial asset is collateralised.

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

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

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

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



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Fair value measurement of financial instruments

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

Defined benefit plans

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

Depreciation and carrying value of property, plant and equipment

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

Taxes

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

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.



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Development cost

The Bank capitalises development costs for a project in accordance with the accounting policy. Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits. The development costs that were capitalised by the Bank relates to those arising from the development of computer software.

4. Financial Risk Management

4.1 Introduction

Risk is inherent in the Bank's activities, but is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Bank's continuing existence and profitability and each individual within the Bank is accountable for the risk exposures relating to his or her responsibilities. The Bank is exposed to credit risk, liquidity risk and market risk. It is also subject to country risk and various operating risk.

4.1.1 Risk Management Structure

"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 Risk and Compliance sub-Committee, which is 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.



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The Bank's Board of Directors is assisted in these functions by the Risk and Compliance Management unit which undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the Risk Management Committee.

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4.1.2 Risk Measurement and Reporting Systems

The Bank's risks are measured using a method that reflects both the expected loss likely to arise in normal circumstances and unexpected losses, which are an estimate of the ultimate actual loss based on statistical models. The models make use of probabilities derived from historical experience, adjusted to reflect the economic environment. The Bank also runs worst-case scenarios that would arise in the event that extreme events which are unlikely to occur do, in fact, occur.

Monitoring and controlling risks is primarily performed based on limits established by the Bank. These limits reflect the business strategy and market environment of the Bank as well as the level of risk that the Bank is willing to accept, with additional emphasis on selected regions. In addition, the Bank's policy is to measure and monitor the overall risk bearing capacity in relation to the aggregate risk exposure across all risk types and activities.

4.1.3 Risk Mitigation

Risk controls and mitigants, identified and approved for the Bank, are documented for existing and new processes and systems. The adequacy of these mitigants is tested on a periodic basis through administration of control self-assessment questionnaires, using an operational risk management tool which requires risk owners to confirm the effectiveness of established controls. These are subsequently audited as part of the review process.



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4.2 Classification of financial assets and financial liabilities

The following table shows measurement categories and amounts in accordance IFRS 9 for the Bank's financial assets and financial liabilities as at December 31,2025

		Financial assets (Birr '000)		
Financial assets	Classification under IFRS 9	31-Dec-25	31-Dec-24	30-Jun-25
		New carrying amount	carrying amount	Original carrying amount
Cash and bank balances	Amortised cost	21,645,240	14,355,783	15,436,200
Loans and advances to customers (net)	Amortised cost	61,338,422	47,137,400	51,260,502
Equity Investments at FVOCI	FVOCI	869,731	613,268	822,894
Investment securities: Loans and receivables	Amortised cost	8,658,909	6,713,456	8,311,193
Other financial assets at amortised cost	Amortised cost	5,285,115	3,527,648	5,159,025
Total financial assets		97,797,418	72,347,555	80,989,814
Financial liabilities				
Deposits from customers	Amortised cost	75,101,098	55,010,283	61,651,819
Deposit from financial institutions	Amortised cost	5,092,104	3,143,323	4,498,218
Other financial liabilities	Amortised cost	5,300,970	4,983,281	3,688,224
Total financial liabilities		85,494,172	63,136,887	69,838,261

The application of the Bank's accounting policies on the classification of financial instruments under IFRS 9 are set out in Note 2.5 resulted in the reclassifications set out in the table above and explained below.

"Further equity investment securities were reclassified out available-for-sale categories to FVOCI at their then fair values. The carrying amount of those assets was adjusted so that their amortised cost under IFRS 9 was as if those assets were accounted for at amortised cost from their inception.

On the adoption of IFRS 9, some other financial assets were reclassified out of the loans and receivable to amortized cost and some to non financial assets. The carrying amount of those assets was adjusted so that their amortised cost under IFRS 9 was as if those assets were accounted for at amortised cost from their inception.



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4.3 Credit Risk

Credit Risk is risk of financial loss to the bank if a customer or counter party to a financial instrument fails to meet its contractual obligations, and arises principally from the banks loans & advances to customers & other banks & investment securities & other financial assets the bank adopts conservative approach to credit risk.

4.3.1 Management of credit risk

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).

Exposure to credit risk is managed through periodic analysis of the ability of borrowers and potential borrowers to determine their capacity to meet principal and interest thereon.

Exposure to credit risk is also mitigated, in part, by obtaining collateral, commercial and personal guarantees. In Managing credit risk the Board of Directors approves the credit policy, risk limits, collateral requirements, risk gradings and follows up the implementation of same. The credit limits are placed on the amount of risk accepted in relation to one borrower, or groups of borrowers, to geographical regions, and to term of the financial instrument and economic sectors. The policies and limits are reviewed and modified periodically based on changes and expectations of the markets where the Bank operates, regulations, and other factors.

4.3.2 Concentrations of credit risk

Gross loans and advances to customers per sector is analysed as follows:

	31 December 2025 Birr'000	31 December 2024 Birr'000	30 June 2025 Birr'000
Manufacturing	9,367,246	7,640,193	7,855,541
Domestic Trade and Services	10,194,850	10,386,539	9,568,471
Construction	9,446,968	7,400,345	8,241,443
Transport Service	5,027,708	3,743,518	4,228,026
Export	11,842,283	7,624,058	8,791,973
Import	15,868,907	11,936,505	13,242,348
Staff loans	1,395,520	252,976	935,774
IFB-Financing & Investments	967,193	713,965	661,738
	64,110,675	49,698,099	53,525,315
Off-statement of financial position exposure;			
Active Guarantees	5,254,917	5,649,384	4,583,597
Letter of Credit	18,411,841	7,166,388	3,322,967
Undrawn loan and advances	7,197,248	2,137,732	6,100,397
	30,864,005	14,953,504	14,006,961

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4.3.3 Credit quality analysis

The following table sets out information about the credit quality of financial assets measured at amortised cost, debt investments and available-for-sale debt assets. Unless specifically indicated, for financial assets, the amounts in the table represent gross carrying amounts.

"The loss allowance for loans and advances to customers also includes the loss allowances for loan commitments, letter of credit and financial guarantee contracts."

a) Credit Quality Analysis for Loans and Advances

31-Dec-2025				Birr'000
Loans & advances to customers	Stage 1	Stage 2	Stage 3	Total
Stage 1 – Pass	58,299,074			58,299,074
Stage 2 – Special mention		3,103,879		3,103,879
Stage 3 – Non performing			2,707,722	2,707,722
Total gross exposure	58,299,074	3,103,879	2,707,722	64,110,675
Loss allowance	986,560	60,309	1,725,383	2,772,252
Net carrying amount	57,312,514	3,043,569	982,339	61,338,422

30-June-2025				Birr'000
Loans & advances to customers	Stage 1	Stage 2	Stage 3	Total
Stage 1 – Pass	47,903,236			47,903,236
Stage 2 – Special mention		2,423,494		2,423,494
Stage 3 – Non performing			3,198,586	3,198,586
Total gross exposure	47,903,236	2,423,494	3,198,586	53,525,316
Loss allowance	662,783	35,842	1,566,188	2,264,813
Net carrying amount	47,240,453	2,387,652	1,632,398	51,260,503

b) Credit Quality Analysis for Others Assets

31-Dec-25				Birr'000
	Stage	Gross Exposure	Loss allowance	Net carrying amount
Cash and balances with banks	12 Month ECL	21,645,329.18	(89)	21,645,240
Investment securities (debt instruments)	12 Month ECL	8,659,338	(429)	8,658,909
Other financial assets	Lifetime ECL	2,851,661	(723,215)	2,128,446
Totals		33,156,328	(723,733)	32,432,595

30-June-25				Birr'000
	Stage	Gross Exposure	Loss allowance	Net carrying amount
Cash and bank balances	12 Month ECL	15,436,200	(5)	15,436,200
Investment securities (debt instruments)	12 Month ECL	8,311,604	(21)	8,311,193
Other financial assets	Lifetime ECL	3,328,473	(803,424)	2,525,049
Totals		27,076,277	(808,900)	26,267,377

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4.3.4 Collateral held and their financial effect

The general creditworthiness of a customer tends to be the most relevant indicator of credit quality of a loan extended to it. However, collateral provides additional security and the Bank generally requests collateral for loans and advances granted to customers.

The Bank may take collateral in the form of a first charge over real estate, liens and guarantees. The Bank does not sell or repledge the collateral in the absence of default by the owner of the collateral. In addition to the Bank's focus on creditworthiness, the Bank aligns with its credit policy guide to periodically update the validation of collaterals held against all loans to customers.

For impaired loans, the Bank obtains appraisals of collateral because the fair value of the collateral is an input to the impairment measurement. The fair value of the collaterals are based on the last revaluations carried out by the Bank's in-house engineers, which is usually done every three years.

The valuation technique adopted for properties is in line with the Bank's valuation manual and the revalued amount is similar to fair values of properties with similar size and location.

The fair value of collaterals other than properties such as share certificates, cash, NBE bills etc. are disclosed at the carrying amount as management is of the opinion that the cost of the process of establishing the fair value of the collateral exceeds benefits accruable from the exercise.

Collateral Held ('000)

Type of financial asset	31-Dec-25	30-June-25	Principal type of collateral held
Loans and Advances	106,084,324	99,558,522	Land and Building, Vehicles, Machines, Shares and Bank Guarantees

4.3.5 Measurement of Expected Credit Losses (ECL)

i) Techniques used for estimating impairment

ECL is a probability-weighted estimate of credit losses. It shall be measured as follows:

- for financial assets that are not credit-impaired at the reporting date (stage 1 and 2); as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Bank in accordance with the contract and the cash flows that the Bank expects to receive);



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- for financial assets that are credit-impaired at the reporting date (stage 3): as the difference between the gross carrying amount and the present value of estimated future cash flows;
- for undrawn loan commitments: as the present value of the difference between the contractual cash flows that are due to the Bank if the commitment is drawn down and the cash flows that the Bank expects to receive; and
- for financial guarantee contracts: as the expected payments to reimburse the holder less any amounts that the Bank expects to recover.

ii) Incorporation of forward-looking information

The Bank incorporates forward-looking information into both the assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and the measurement of ECL.

For each segment, the Bank formulates three economic scenarios: a base case, which is the median scenario, and two less likely scenarios, one upside and one downside. For each sector, the base case is aligned with the macroeconomic model's information value output, a measure of the predictive power of the model, as well as base macroeconomic projections for identified macroeconomic variables for each sector.

The upside and downside scenarios are based on a combination of a percentage error factor of each sector model as well as simulated optimistic and pessimistic macroeconomic projections based on a measure of historical macroeconomic volatilities

External information considered includes economic data and forecasts published by Fitch Solutions, formerly known as Business Monitor International, an external and independent market intelligence and research institution. This is in addition to industry-level, semi-annual NPL trends across statistically comparable sectors.

Periodically, the Bank carries out stress testing of more extreme shocks to calibrate its determination of the upside and downside representative scenarios.

A comprehensive review is performed at least annually on the design of the scenarios by a panel of experts that advises the Bank's senior management.

The Bank has identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macroeconomic variables and credit risk and credit losses. The Bank estimates each key driver for credit risk over the active forecast period of nine years.



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The key drivers for credit risk for each of the Bank's economic sectors is summarized below

Sector/Product	Macroeconomic factors
"Cluster 1 Agriculture, Consumer Loans, Overdraft and Interest Free Financing"	M2, USD, Nominal GDP, USD (PPP), % y-o-y, STER, Economic Growth
"Cluster 2 Domestic Trade & Services, Mining and Energy, Transport, Health, Merchandise, Financial services"	Savings per capita, LCU, Nominal GDP, LCU, Transport & communications, Nominal GVA, LCU, Broad money (% of GDP) - Sovereign Scorecard, Legacy STPR, Policy Continuity, Legacy Long-Term Political Risk Index
"Cluster 3 Building & Construction, Hotel & Tourism, Manufacturing & Production Industry, Real estate, Housing & construction"	PR, Security Risk, M1, % of GDP, Consumer price index inflation, 2010= 100, eop, Total employment, M2, % of GDP, Real GDP growth, % y-o-y, Foreign reserves ex gold, EUR,
"Cluster 4 Export, Import, Advance against import bills, International Trade"	Political Risk Index, Lending rate, %, ave, Central bank policy rate, %, eop, M1, USD

The Bank defined a statistically significant correlation threshold with macro-economic of 60%.

The economic scenarios used included the following key indicators for Ethiopia for the years 2023 to 2025:

Predicted relationships between the key indicators and default rates on various portfolios of financial assets have been developed based on analysing semi – annual historical data over the past 7 years.

The below scenario weightings have been observed:

Summary of Scenario Weightings

	Base	Downturn(Downside)	Optimistic(Upside)
Cluster 1	73.33%	6.67%	20.00%
Cluster 2	73.33%	13.33%	13.33%
Cluster 3	66.67%	13.33%	20.00%
Cluster 4	66.67%	13.33%	20.00%

iii). Loss allowance

The following tables show reconciliations from the opening to the closing balance of the loss allowance by class of financial instrument. Comparative amounts for 2025 represent the allowance account for credit losses and reflect the measurement basis under IFRS 9.



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(a) Reconciliation of loan loss allowance

In Birr'000	Stage 1	Stage 2	Stage 3	Total
Balance at 1 July 2025	662,662	35,842	1,566,188	2,264,692
Transfer to 12 months ECL	638,007	(13,313)	(3,427)	621,267
Transfer to Lifetime ECL not credit impaired	(39,273)	10,000	(1,816)	(31,089)
Transfer to Lifetime ECL credit impaired	(124,265)	(25,493)	1,311,979	1,162,221
Net remeasurement of Loss allowance	1,137,131	7,036	2,872,924	4,017,091
Net financial assets originated or purchased	330,943	9,220	263,645	603,808
Financial assets derecognised	(111,527)	(9,802)	(50,374)	(171,703)
Balance at 31 December 2025	985,690	60,309	1,725,383	2,771,382

In Birr'000	Stage 1	Stage 2	Stage 3	Total
Balance at 1 July 2024	796,192	23,229	1,056,554	1,875,975
Transfer to 12 months ECL	354,744	(13,843)	(851,294)	172,151
Transfer to Lifetime ECL not credit impaired	(10,717)	4,539	(14,741)	(5,979)
Transfer to Lifetime ECL credit impaired	(14,771)	(921)	641,922	237,917
Net remeasurement of Loss allowance	1,125,448	13,004	832,441	2,280,064
Net financial assets originated or purchased	282,431	16,538	58,232	407,386
Financial assets derecognised	(190,816)	(2,873)	(7 6,786)	(267,868)
Balance at 30 June 2025	662,662	35,842	1,566,188	2,264,692

(b) Reconciliation of off-financial position allowance

In Birr'000	Stage 1	Stage 2	Stage 3	Total
Balance at 1 July 2025	121			121
Transfer to 12 months ECL	-			-
Transfer to Lifetime ECL not credit impaired				-
Transfer to Lifetime ECL credit impaired				-
Net remeasurement of Loss allowance	121			121
Net financial assets originated or purchased	748			748
Financial assets derecognised				-



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Balance at 31 December 2025	869	869
In Birr'000	Stage 1	Stage 2
	Stage 3	Total
Balance at 1 July 2024	248	248
Net financial assets originated or purchased	121	121
Financial assets derecognised	(248)	(248)
Balance at 30 June 2025	121	121

(C) Reconciliation of other assets allowance

In Birr'000	Cash and balances with banks	Investment securities (debt instruments)	Other receivables and financial assets	Total
Balance as at 1 July 2025	65	411	810,693	811,169
Net remeasurement of loss allowance	24	18	(87,478)	(87,436)
New financial assets originated or purchased	-	-	-	-
Balance as at 31 December 2025	89	429	723,215	723,733
In Birr'000	Cash and balances with banks	Investment securities (debt instruments)	Other receivables and financial assets	Total
Balance as at 1 July 2024	176	230	810,693	811,099
Net remeasurement of loss allowance	38	320	-	358
New financial assets originated or purchased	(149)	(139)	(8,269)	(8,557)
Balance as at 30 June 2025	65	411	802,424	802,900

4.3.6 Offsetting financial assets and financial liabilities

- The Bank does not offset financial assets against financial liabilities.



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4.4 Liquidity risk

4.4.1 Introduction

"Liquidity risk is the risk that the Bank cannot meet its maturing obligations when they become due, at reasonable cost and in a timely manner. Liquidity risk arises because of the possibility that the Bank might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances. Such scenarios could occur when funding needed for liquid asset positions is not available to the Bank on acceptable terms.

Liquidity risk management in the Bank 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."

4.4.2 Management of liquidity risk

Cash flow forecasting is performed by the Treasury Management Directorate. The directorate monitors rolling forecasts of liquidity requirements to ensure it has sufficient cash to meet operational needs. The Bank evaluates its ability to meet its obligations on an ongoing basis.

Based on these evaluations, the Bank devises strategies to manage its liquidity risk. Prudent liquidity risk management implies that sufficient cash is maintained and that sufficient funding is available to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk damage to the Bank's reputation.



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4.4.3 Exposure to liquidity risk

The Treasury directorate receives information from other directorates of Wegagen bank regarding the liquidity profile of their financial assets and liabilities and details of other projected cash flows arising from projected future business. It then maintain a portfolio of short-term liquid assets, largely made up of physical cash, cash with banks, 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 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 and liquidity reports are submitted weekly to the NBE. In addition to regulatory liquidity ratio requirements, the Bank has set its own internal liquidity ratio limits and monitor it accordingly.

The Bank has access to a limited funding base as there is no active primary and secondary market in Ethiopia. Funds are raised using 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 recognise 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;



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- 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, the following are considered as immediate:

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

4.4.4 Maturity analysis of financial Assets and Financial liabilities

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

Considering that **37%** of the deposits will be withdrawn within a short period, one year without any additional deposit mobilization, which is unlikely to occur, will result in a positive liquidity gap between maturing assets and liabilities. Moreover, in terms of regulatory compliance regarding liquidity position, the Bank's liquidity position as of December 31, 2025, stood at 31.23%, which is well above the regulatory requirement of 15%, indicating that the Bank is liquid to honor its commitments. This was a persistent phenomenon during the whole year.

31 December 2025 ASSETS	Below 1 year Birr'000	1-3 years Birr'000	Over 3 years Birr'000	Total
Cash and Bank Balances	21,645,240	-	-	21,645,240
Debt Securities at Amortized Cost	-	1,370,869	7,288,040	8,658,909
Loans and advances	17,174,758	27,080,914	17,082,751	61,338,422
Other assets	4,800,675	484,441	-	5,285,115
TOTAL	43,620,673	28,936,223	24,370,791	96,927,687
LIABILITIES				
Deposits	29,671,485	5,129,836	45,391,881	80,193,202
Other liabilities	5,092,564	12,504	195,902	5,300,970
Income Tax payable	585,434	-	-	585,434
TOTAL	35,349,482	5,142,340	45,587,783	86,079,605
Net Mismatch	8,271,191	23,793,883	(21,216,992)	10,848,081
Cumulative Mismatch	8,271,191	32,065,073	10,848,081	

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30 June 2025	Below 1 year	1-3 years	Over 3 years	Total
ASSETS	Birr'000	Birr'000	Birr'000	
Cash and Bank Balances	15,436,200	-	-	15,436,200
Debt Securities at Amortized Cost	-	1,184,966	7,126,227	8,311,193
Loans and advances	14,352,941	22,631,512	14,276,050	51,260,502
Other assets	4,644,152	514,873	-	5,159,025
TOTAL	34,433,293	24,331,351	21,402,277	80,166,920
LIABILITIES				
Deposits	24,475,514	5,104,161	36,570,363	66,150,037
Other liabilities	3,480,972	12,435	194,817	3,688,224
Income Tax payable	1,091,622	-	-	1,091,622
TOTAL	29,048,107	5,116,596	36,765,180	70,929,883
Net Mismatch	5,385,185	19,214,755	(15,362,903)	9,237,038
Cumulative Mismatch	5,385,185	24,599,940	9,237,038	

4.4.5 Financial assets pledged as collaterals

The Bank had no financial asset pledged as collateral during the year under review.

4.5 Market risk

Market risk is defined as the risk of loss risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market risk factors such as interest rates, foreign exchange rates, equity prices, credit spreads and their volatilities. Market risk can arise in conjunction with trading and non-trading activities of a financial institutions. The Bank does not ordinarily engage in trading activities as there are no active markets in Ethiopia.

4.5.1 Management of market risk

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.



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(i) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will be affected by changes in market interest rates. Borrowings obtained at variable rates give rise to interest rate risk.

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

The table below sets out information on the exposures to interest rate sensitive financial assets and liabilities:

31 December 2025	Fixed Birr'000	Non-interest bearing Birr'000	Total Birr'000
Financial assets			
Cash and bank balances	21,645,240	-	21,645,240
Loans and advances to customers	61,338,422		61,338,422
Equity Investments at FVOCI		869,731	869,731
Debt Securities at Amortized Cost	8,658,909		8,658,909
Other Financial Assets		2,128,446	2,128,446
Total	91,642,571	2,998,177	94,640,749
Financial liabilities			
Deposits from customers	75,101,098		75,101,098
Deposits from Financial Institutions	5,092,104		5,092,104
Guarantees issued		5,254,917	5,254,917
Letter of credit		18,411,841	18,411,841
Loan commitments	7,197,248		7,197,248
Other Financial liabilities		3,916,106	3,916,106
Total	87,390,450	27,582,863	114,973,313



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30 June 2025	Fixed Birr'000	Non-interest bearing Birr'000	Total Birr'000
Cash and bank balances	-	15,436,200	15,436,200
Loans and advances to customers	51,260,502		51,260,502
Equity Investments at FVOCI		822,894	822,894
Debt Securities at Amortized Cost	8,311,193		8,311,193
Other Financial Assets		3,328,473	3,328,473
Total	59,571,696	19,587,567	79,159,262
Financial liabilities			
Deposits from customers	61,651,819		61,651,819
Deposits from Financial Institutions	4,498,218		4,498,218
Guarantees issued		4,583,597	4,583,597
Letter of credit		3,322,967	3,322,967
Loan commitments	6,100,397		6,100,397
Other Financial liabilities		2,138,338	2,138,338
Total	72,250,434	10,044,902	82,295,337

(ii) Foreign exchange risk

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to the changes in foreign exchange rates.

The Bank is exposed to exchange rate risks to the extent of balances and transactions denominated in a currency other than the Ethiopian Birr. The Bank's foreign currency bank accounts act as a natural hedge for these transactions. Management has set up a policy to manage the Bank's foreign exchange risk against its functional currency.

The table below summarises the impact of increases/decreases of 10% on equity and profit or loss arising from the Bank's foreign denominated borrowings and cash and bank balances.

Foreign currency denominated balances

Cash and bank balances;	31 December 2025 Birr'000	30 June 2025 Birr'000
USD	6,788,284	6,417,734
GBP	50,609	3,004
Euro	189,317	205,534
Other currencies	16,145	8,828
	7,044,355	6,635,100



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Notes to the Consolidated Financial statement for the Interim Period Ended 31 December 2025

Sensitivity analysis for foreign exchange risk

The sensitivity analysis for currency rate risk shows how changes in the fair value or future cash flows of a financial instrument will fluctuate because of changes in market rates at the reporting date. The sensitivity of the Bank's earnings to fluctuations in exchange rates is reflected by varying the exchange rates at 10% as shown below:

31 December 2025		Effect of appreciation of the Birr against foreign currencies Birr'000	Effect of depreciation of the Birr against foreign currencies Birr'000
USD	10%	678,828	(678,828)
GBP	10%	5,067	(5,067)
Euro	10%	18,932	(18,932)
Total		702,827	(702,827)

30 June 2025		Effect of appreciation of the Birr against foreign currencies Birr'000	Effect of depreciation of the Birr against foreign currencies Birr'000
USD	10%	641,773	(641,773)
GBP	10%	300	(300)
Euro	10%	20,553	(20,553)
Total		662,627	(662,627)

4.6 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 operational risk by adopting the policy and procedure on operational risk management as approved by the board of directors 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 risk and control self-assessment on continuous process.

During the fiscal year, the Bank made assessment of potential operational risk areas including IT security risks, made register of operational risk incidents, investigated them and took action on perpetrators and strengthen its internal controls accordingly. Despite the number of operational risk incidents, the Bank sustained insignificant losses.



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Notes to the Consolidated Financial statement for the Interim Period Ended 31 December 2025

4.7 Fair value of financial assets and liabilities

IFRS 13 requires an entity to classify measured or disclosed fair values according to a hierarchy that reflects the significance of observable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, which comprises of three levels as described below, based on the lowest level input that is significant to the fair value measurement as a whole.

4.7.1 Valuation models

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

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

Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active, or other valuation technique in which all significant inputs are directly or indirectly observable from market data.

In conclusion, this category is for valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs). This category includes all assets and liabilities for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the asset or liability's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.



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Consolidated and Separate Condensed Interim Financial Statements

Notes to the Consolidated Financial statement for the Interim Period Ended 31 December 2025

4.7.2 Financial instruments measured at fair value - fair value hierarchy

The following table summarises the carrying amounts of financial assets and liabilities not measured at fair value and their fair value measurements as at the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorised.

The amounts are based on the values recognised in the statement of financial position.

31 Dec 2025	Carrying amount Birr'000	Fair value Birr'000	Level 1 Birr'000	Level 2 Birr'000	Level 3 Birr'000	Total Birr'000
Financial assets						
Cash and Bank Balances	21,645,240	21,645,240	21,645,240			21,645,240
Loans and advances to customers	61,338,422	61,338,422			61,338,422	61,338,422
Investment securities;					-	-
• Debt Securities at Amortized Cost	8,658,909	8,658,909			8,658,909	8,658,909
• Equity Investments at FVOCI	331,232	869,731			869,731	869,731
Other Financial Assets	2,128,446	2,128,446			2,128,446	2,128,446
Total	94,102,250	94,640,749	21,645,240	-	72,995,509	94,640,749
Financial liabilities						
Deposits from customers	75,101,098	75,101,098			75,101,098	75,101,098
Deposit from financial institutions	5,092,104	5,092,104			5,092,104	5,092,104
Other Financial liabilities	3,916,106	3,916,106			3,916,106	3,916,106
Total	84,109,307	84,109,307	-	-	84,109,307	84,109,307



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Notes to the Consolidated Financial statement for the Interim Period Ended 31 December 2025

30 June 2025	Carrying amount Birr'000	Fair value Birr'000	Level 1 Birr'000	Level 2 Birr'000	Level 3 Birr'000	Total Birr'000
Financial assets						
Cash and Bank Balances	15,436,200	15,436,200	15,436,200			15,436,200
Loans and advances to customers	51,260,502	51,260,502			51,260,502	51,260,502
Investment securities;						
• Debt Securities at Amortized Cost	8,311,193	8,311,193			8,311,193	8,311,193
• Equity Investments at FVOCI	284,396	822,894			822,894	822,894
Other Assets	3,328,473	3,328,473			3,328,473	3,328,473
Total	78,620,764	79,159,262	15,436,200	-	63,723,063	79,159,262
Financial liabilities						
Deposits from customers	61,651,819	61,651,819			61,651,819	61,651,819
Deposit from financial institutions	4,498,218	4,498,218			4,498,218	4,498,218
Other liabilities	2,138,338	2,138,338			2,138,338	2,138,338
Total	68,288,375	68,288,375	-	-	68,288,375	68,288,375

4.7.3 Transfers between the fair value hierarchy categories

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

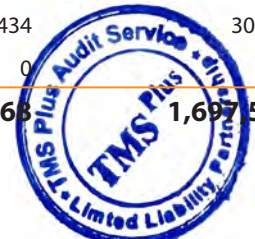


Wegagen Bank S.C

Consolidated and Separate Condensed Interim Financial Statements

Notes to the Consolidated Financial statement for the Interim Period Ended 31 December 2025

	31 December 2025 Birr'000	31 December 2024 Birr'000
5 Interest income		
Treasury Bill	10,068	47,500
Loans and advances to customers	4,629,159	3,588,228
Investment securities	820,683	376,450
Interest Income on Corrospendent Bank Accounts	65,844	5,592
	5,525,755	4,017,769
6 Interest expense		
Saving deposits	900,232	736,941
Fixed time deposits	1,125,136	629,779
Current deposits	10,455	388
Short term borrowing	3,396	27,085
Interest Incurred on lease liabilities	13,339	12,454
	2,052,558	1,406,648
7 Net fees and commission income		
Fee and Commission Income;		
Commission and fees on L/C	1,290,496	1,438,044
Commission on Guarantees	138,940	113,543
Agent Banking Fee	23,210	16,020
ATM Transaction Fees-Foreign	9,870	629
ATM Transaction Fees-Local	5,064	720
Commission on CPO issued	810	708
Loan Processing Fee	62,757	37,771
Service Charge-Local	26,321	7,269
SWIFT charges	110,821	40,118
Commission Sundries	49,979	12,472
Brokerage Commission	77,167	-
Commission & Charges from IFB	46,434	30,297
Commission and Fees on Fund transfers	0	1
	1,841,868	1,697,592



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Notes to the Consolidated Financial statement for the Interim Period Ended 31 December 2025

Fee and Commission Expense;

Visa Charge	12,598	668
Master Card Charges	19,748	115
Ethswitch Charges	1,869	1,094
Membership Fee	7,701	1,273
Broad Band Expense	14,041	8,016
Subscription & Publication	141	186
License Fee	12,346	10,642
	68,445	21,994
Balance net fee and commission income	1,773,423	1,675,598

31 December 2025
Birr'000

31 December 2024
Birr'000

8 Other operating income

Rental income	4,663	4,717
Estimation fees	2,339	1,204
Rebates	2,307	1,438
Fee on Bounced Checks	84	96
Dividend income	57,860	43,636
Gain on Disposal of Old Assets	10,996	5,194
Card purchase & replacement income	3,990	1,402
Sundries-Local	45,572	10,343
Gain on foreign exchange	383,818	1,317,267
	511,629	1,385,297

31 December 2025
Birr'000

31 December 2024
Birr'000

9 Loan impairment charge

Loans and Advances - charge for the year
(note 15b)

507,888	684,674
507,888	684,674



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Consolidated and Separate Condensed Interim Financial Statements

Notes to the Consolidated Financial statement for the Interim Period Ended 31 December 2025

	31 December 2025 Birr'000	31 December 2024 Birr'000
10 Impairment losses on other assets		
Other assets - charge for the year (note 17a)	(79,052)	40,629
	(79,052)	40,629
	31 December 2025 Birr'000	31 December 2024 Birr'000
11 Salaries and benefits		
Employee salaries	1,212,554	940,910
Outsourced employee salaries	159,386	148,329
Pension costs	126,175	103,178
Short-term employee benefits	445,970	508,578
Directors monthly allowance	1,270	-
Severance pay- Defined benefit plan	53,238	37,180
	1,998,592	1,738,174
	31 December 2025 Birr'000	31 December 2024 Birr'000
12 Other operating expenses		
Advertisement & Publicity	88,299	49,636
Agent Banking	-	2,637
Bank Charges	8,608	6,016
Card payment Charges	5,726	34,318
Consultant Fee	1,463	43,024
Communication expenses	3,088	4,172
Consumables	19,875	13,527
Donations	70,777	29,487
Stamp Duty Expense	1,055	1,146
Entertainment	4,244	2,405
Event organization expense	12,897	9,476
Insurance	11,325	10,665
IT support charges	37,561	49,269
E-banking support charges	31,024	33,376
Court related Expenses	1,252	5,069
Land and Building Tax	4,717	9,828
Loss on Disposal of fixed assets	1,564	100



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Consolidated and Separate Condensed Interim Financial Statements

Notes to the Consolidated Financial statement for the Interim Period Ended 31 December 2025

Maintenance	45,689	28,556
Money transfer charges	9,783	7,647
Perdiem and Travel	38,568	15,534
Petrol and Oil	30,037	21,330
Printing and stationary	19,784	13,840
Rental expenses	40,414	3,384
Sundries	18,451	3,773
Uniform	27,653	20,163
Utilities	11,553	6,473
Wages for non-permanent employees.	844	1,903
Loading and unloading expense	1,765	-
Loss on exchange rate negotiation	156,813	-
Deposit Insurance Expense	85,301	72,880
	790,130	499,634

On July 29, 2024, National Bank of Ethiopia issued directive no. FXD/01/2024, which permits banks and foreign currency recipients to negotiate exchange rates at the time of currency purchase. As this directive marks a significant change, there is no comparable figure from previous periods for the foreign exchange rate loss.

	31 December 2025 Birr'000	31 December 2024 Birr'000	30 June 2025 Birr'000
13 Company income and deferred tax			
13.a Current income taxw			
Company income tax	589,556	893,383	1,100,031
Deferred income tax/(credit) to profit or loss	45,011	(17,475)	(20,706)
Total charge to profit or loss	634,567	875,908	1,079,325
Tax (credit) on other comprehensive income	(0)	6,596	16,360
Total tax in statement of comprehensive income	634,567	882,505	1,095,685



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Notes to the Consolidated Financial statement for the Interim Period Ended 31 December 2025

13.b Reconciliation of effective tax to statutory tax

The tax on the Bank's profit before income tax differs from the theoretical amount that would arise using the statutory income tax rate as follows:

	31 Dec 2025 Birr'000	31 Dec 2024 Birr'000
Profit before tax	2,102,422	2,475,679
Non-allowable Expenses;		
Entertainment	4,244	2,403
Donation	1,777	200
Provision for Legal cases	-	2,453
Employee Severance benefits	53,238	37,180
Loss on disposal of fixed assets	1,564	100
Provision for loans and other assets	507,888	725,303
Depreciation for accounting purpose	123,712	101,757
Depreciaion and int. expense IFRS 16	202,444	165,153
Amortization for accounting purpose	125,452	22,160
Loss on FCY revaluation	1,437	785,957
Life Insurance	10,593	9,513
Staff Loan Fair valuation expense	7,329	(1,720)
Accrud leave Expense	-	94,593
	1,039,677	1,945,053
Allowable Expenses;		
Depreciation for tax purpose	(132,808)	(121,133)
Amortization for tax purpose	(101)	(17,250)
Rent expense	(240,998)	(180,990)
Employee severance paid in cash	(12,805)	(16,740)
Provision for loans and other assets as per NBE	(342,363)	(630,170)
Dividend income taxed at source	(57,860)	(43,637)
Interest income exempt/taxed at Sources	(402,111)	(423,950)
Interest from correspondent bank taxed at 5%	-	(5,590)
	(1,189,046)	(1,439,460)
Taxable Income	1,953,053	2,981,272
Statutory tax at rate 30%	585,916	894,382



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Consolidated and Separate Condensed Interim Financial Statements

Notes to the Consolidated Financial statement for the Interim Period Ended 31 December 2025

	31 December 2025 Birr'000	31 December 2024 Birr'000	31 June 2025 Birr'000
13.c Current income tax liability			
Balance at the beginning of the year	1,091,622	641,203	641,203
Charge for the year:			
Income tax expense	585,916	893,383	1,100,031
Payment during the year	(1,091,622)	(641,203)	(641,203)
Withholding tax	(482)	(230)	(8,409)
Balance at the end of the year	585,434	893,153	1,091,622

The income tax payable during the period are current in nature.

13.d Deferred income tax

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

Deferred income tax (assets)/ liabilities:	At 1 July 2025 Birr'000	Credit/ (charge) to P/L Birr'000	Credit/ (charge) to OCI Birr'000	31 Dec 2025 Birr'000
Property, Plant and Equipment	142,792	56,087		198,879
Post employment benefit obligation	(151,460)	(12,148)	-	(163,608)
Accrued Leave	(53,728)	785		(52,943)
Equity Investments	161,550	-	(0)	161,550
Total deferred tax (assets)/ liabilities	99,152	44,725	(0)	143,879
	At 1 July 2024 Birr'000	Credit/ (charge) to P/L Birr'000	Credit/ (charge) to equity Birr'000	30 June 2025 Birr'000
Deferred income tax assets/ (liabilities):	119,913	22,879		142,792
Post employment benefit obligation	(86,537)	(13,585)	(51,338)	(151,460)
Accrued Leave	(23,729)	(29,999)		(53,728)
Equity Investments	93,851		67,699	161,550
Total deferred tax assets/ (liabilities)	103,498	(20,706)	16,360	99,152



Wegagen Bank S.C

Consolidated and Separate Condensed Interim Financial Statements

Notes to the Consolidated Financial statement for the Interim Period Ended 31 December 2025

14 Cash and bank balances

	31 Dec 2025 Birr'000	31 Dec 2024 Birr'000	30 June 2025 Birr'000
Cash in hand	1,460,751	1,314,963	1,724,075
Deposit with local commercial banks	1,893,842	2,460,559.0	1,415,309
Deposit with foreign banks	7,044,415	6,074,877	6,610,730
Deposit with National Bank of Ethiopia	7,342,334	4,505,434	5,718,906
Deposit with Open Market Operation	501,233	-	-
Deposit with Interbank Money Market	3,402,753	-	300,000
Gross cash and bank balances	21,645,329	14,355,833	15,436,265
Impairment Allowance for cash	(89)	(50)	(65)
	21,645,240	14,355,783	15,436,200

Maturity analysis

Current	21,645,240	14,355,783	15,436,200
Non-Current	-	-	-
	21,645,240	14,355,783	15,436,200

15 Loans and advances

15.a Loans and advances to customers

	31 Dec 2025 Birr'000	31 Dec 2024 Birr'000	30 June 2025 Birr'000
Manufacturing	9,367,246	7,640,193	7,855,541
Domestic Trade and Services	10,194,850	10,386,539	9,568,471
Construction	9,446,968	7,400,345	8,241,443
Transport Service	5,027,708	3,743,518	4,228,026
Export	11,842,283	7,624,058	8,791,973
Import	15,868,907	11,936,505	13,242,348
Staff loans	1,395,520	252,976	935,774
IFB-Financing & Investments	967,193	713,965	661,738
Gross loans and advances	64,110,675	49,698,099	53,525,315
Less: Impairment allowance (note 15b)	(2,772,252)	(2,560,698)	(2,264,813)
	61,338,422	47,137,401	51,260,502

Net loans and advances

Maturity analysis

Current	17,114,758	11,373,712	14,352,941
Non-Current	44,163,664	35,764,088	36,907,562
	61,338,422	47,137,401	51,260,502

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Consolidated and Separate Condensed Interim Financial Statements

Notes to the Consolidated Financial statement for the Interim Period Ended 31 December 2025

15.b Impairment allowance on loans and advances to customers

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

Allowance for loan impairment	As at 1 July 2025 Birr'000	Write offs during the year Birr'000	Charge for the year Birr'000	As at 31 Dec 2025 Birr'000
Construction	345,297	-	(3,430)	341,867
Domestic Trade and Services	723,808	-	262,253	986,061
Export	215,399	-	(823)	214,576
Import	698,648	-	222,258	920,906
Manufacturing	197,024	-	50,599	247,623
Staff loans	5,225	-	782	6,007
Transport Service	63,702	-	(21,492)	42,210
Letter of Guarantee	83	-	182	265
Letter of Credit	39	-	565	604
IFB Financing	15,589	-	(3,456)	12,133
	2,264,814	-	507,888	2,772,252
Allowance for loan impairment	As at 1 July 2024 Birr'000	Write offs during the year Birr'000	Charge for the year Birr'000	As at 30 June 2025 Birr'000
Construction	236,832	-	108,465	345,297
Domestic Trade and Services	788,064	(11,120)	(53,135)	723,808
Export	315,878	(53,663)	(46,816)	215,399
Import	209,921	-	488,727	698,648
Manufacturing	236,162	-	(39,137)	197,024
Staff loans	5,869	(1,116)	472	5,225
Transport Service	73,672	-	(9,970)	63,702
Guarantee	88	-	(5)	83
Letter of Credit	160	-	(121)	39
IFB Financing	6,578	(11,378)	17,388	15,589
	1,873,223	(77,277)	465,867	2,264,813



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Notes to the Consolidated Financial statement for the Interim Period Ended 31 December 2025

16 Investment Securities

16.a Equity Investment securities at FVOCI

	31 December 2025 Cost Birr'000	Fair Value(FV) Adjustment	31 December 2025 FV Birr'000	30 June 2025 FV Birr'000
Ethio switch	150,876	538,458	689,334	665,074
Africa Insurance S.C	49,637	(2,707)	46,930	28,359
Addis Ababa Exhibition & Con. Center	56,666	2,084	58,750	58,750
Ethiopian Reinsurance S.C	25,090	5,814	30,904	26,899
Capital Finance Excellence Center	5,000	1,352	6,352	6,352
Allenatech Electronics S.C.	5,000	(1,950)	3,050	3,050
Ethiopian Securities Exchange S.C	38,963	(4,552)	34,411	34,411
	331,232	538,499	869,731	822,895

All the above equity investmnets are made in unquoted companies whose fair value is determined on net asset basis. Valuation of these investments have made by independent consultant for the reporting period.

	Fair Value Adjustment as at July 1, 2025 Birr'000	Adjustment during reporting period	Fair Value Adjustment as at December 31, 2025 Birr'000
Ethswitch	538,458	-	538,458
Africa Insurance S.C	(2,707)	-	(2,707)
Addis International Convention Center	2,084	-	2,084
Ethiopian Reinsurance S.C	5,814	-	5,814
Capital Finance Excellence Center	1,352	-	1,352
Allenatech Electronics S.C.	(1,950)	-	(1,950)
Ethiopian Securities Exchange S.C	(4,552)	-	(4,552)
Balance at the end of reporting period	538,499	-	538,499



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Notes to the Consolidated Financial statement for the Interim Period Ended 31 December 2025

	31 Dec 2025 Birr'000	31 Dec 2024 Birr'000	30 June 2025 Birr'000
16.b Investment in Debt Securities			
Ethiopian Government Securities	8,659,338	6,713,788	8,311,604
Impairment Allowance for debt Securities	(429)	(332)	(411)
Balance at the end of reporting period	8,658,909	6,713,456	8,311,193
	31 December 2025 Birr'000	31 December 2024 Birr'000	30 June 2025 Birr'000
Maturity analysis			
Current	-	-	-
Non-Current	8,658,909	6,713,456	8,311,193
	8,659,338	6,713,788	8,311,604
	31 December 2025 Birr'000	31 December 2024 Birr'000	30 June 2025 Birr'000
17 Other assets			
Financial assets			
Staff receivables	1,994	1,780	2,352
Receivable from money transfer agents	104,051	172,982	99,112
Receivable from VISA	65,129	40,776	10,815
Receivable from Master Card	14,716	26,957	2,151
Eth-switch Receivable	162,090	219,002	137,388
Emergency salary advance	948,129	-	896,452
Receivable from employment agencies	981,654	-	835,589
Other receivables	1,099,927	2,240,555	1,950,471
Receivables due to cash shortage	197,187	192,811	196,567
Gross financial assets	3,574,876	2,894,863	4,130,896
Less: Impairment allowance (note 17a)	(723,215)	(851,346)	(802,424)
Net financial assets	2,851,661	2,043,517	3,328,472
Non-financial assets;			
Prepayments	1,323,424	551,445	794,989
Prepaid expenses on staff loans	666,079	630,789	509,543
Inventory	186,048	122,564	123,247
Repossessed properties	337,904	179,332	402,774
Gross Non-financial assets	2,433,454	1,484,130	1,830,552
	5,285,115	3,527,647	5,159,025



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Notes to the Consolidated Financial statement for the Interim Period Ended 31 December 2025

Maturity analysis

	31 December 2025 Birr'000	31 December 2024 Birr'000	30 June 2025 Birr'000
Current	4,800,675	1,447,290	4,644,152
Non-Current	484,441	294,959	514,873
	5,285,115	3,527,647	5,159,025

Emergency salary advance and receivable from employment agencies are non-interest bearing financial assets reclassify from loan and advance to financial assets during previous reporting period

17.a Impairment allowance on other assets

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

	31 Dec 2025 Birr'000	31 Dec 2024 Birr'000	30 June 2025 Birr'000
Balance at the beginning of the year	802,424	810,693	810,693
Reversal/Written off during the year	(157)	40,653	(1,974)
Charge for the year	(79,052)	-	(6,295)
Balance at the end of the year	723,215	851,346	802,424

17.b Inventory

A breakdown of the items included within inventory is as follows:

	31 Dec 2025 Birr'000	31 Dec 2024 Birr'000	30 June 2025 Birr'000
Stationery	19,895	38,554	23,200
Office supplies	35,821	28,172	45,163
Visa cards	13,414	22,645	18,754
Other stock	36,757	33,031	35,969
Memorial Coins	161	161	161
	106,048	122,563	123,247



Wegagen Bank S.C

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Notes to the Consolidated Financial statement for the Interim Period Ended 31 December 2025

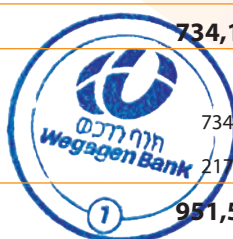
18	Investment property re-classified to Property and Equipments	31 Dec 2025 Birr'000	31 Dec 2024 Birr'000	30 June 2025 Birr'000
	Cost:			
	At at July 01	-	3,027	3,027
	Re-classification	-	-	(3,027)
	At the end of the interim period	-	3,027	-
	Accumulated depreciation:			
	At at July 01	-	441	441
	Charge for the year	-	29	58
	Re-classification	-	-	(499)
	At the end of the interim period	-	470	-
	Net book value	-	2,557	-

Kombolcha building, previously held by the bank for rental purposes and generating income, experienced tenant departures during the year. As a result, the bank has decided to renovate the property for its own operational use. Accordingly, the asset has been reclassified from investment property to property, plant, and equipment in line with applicable accounting standards.

19	Investment in Wegagen capital investment bank	31 Dec 2025 Birr'000	31 Dec 2024 Birr'000	30 June 2025 Birr'000
	Wegagen Capital Investment Bank	334,250	-	334,250

The bank invests in a new company, Wegagen Capital Investment Bank, with a 86.82% shareholding. Wegagen Capital Investment Bank has started operations at the end of the last reporting period (refer to note 31c).

	"Purchased Software" Birr'000	Software Under Development Birr'000	Total Birr'000 I
20 Intangible Assets			
Cost:			
As at 1 July 2024	205,467	-	205,467
Acquisitions	528,711	-	528,711
As at 30 June 2025	734,178	-	734,178
As at 1 July 2025	734,178	-	734,178
Acquisitions	217,376	-	217,376
As at 31 December 2025	951,554	-	951,554



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Notes to the Consolidated Financial statement for the Interim Period Ended 31 December 2025

Accumulated amortisation

As at 1 July 2024	157,399	-	157,399
Amortisation	83,282		83,282
As at 30 June 2025	240,681	-	240,681
As at 1 July 2025	240,681	-	240,681
Amortisation	125,452	-	125,452
As at 31 December 2025	366,133	-	366,133
Net book value			
As at 30 June 2025	493,497	-	493,497
As at December 31, 2025	585,421	-	585,421

21 Property and Equipment

Cost:

	Office Equipments Birr'000	Building Birr'000	Motor vehicles Birr'000	Furniture and Fittings Birr'000	Computer Equipment Birr'000	Capital work in Progress Birr'000	Total Birr'000
As at 1 July 2024	550,784	855,764	424,481	336,712	607,451	13,395	2,788,586
Additions	112,687	-	35,336	190,837	128,388	1,466	468,713
Disposals	(1,416)	-	(1,386)	(7,593)	(8,206)	-	(18,601)
Write-off	-	-	-	(186)	-	-	(186)
Reclassification	(36,614)	3,027	(3,343)	(15,331)	(36,946)	-	(89,207)
As at 30 June 2025	625,440	858,791	455,087	504,439	690,687	14,861	3,149,305
As at 1 July 2025	625,440	858,791	455,087	504,439	690,687	14,861	3,149,305
Additions	52,067	246,965	112,071	48,396	272,984	428,316	1,160,799
Disposals	(8,607)	-	-	(9,956)	(3,589)	-	(22,152)
Reclassification	(10,707)	-	(4,034)	(24,594)	(15,740)	-	(55,075)
As at 31 December 2025	658,193	1,105,756	563,124	518,286	944,342	443,177	4,232,877



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Consolidated and Separate Condensed Interim Financial Statements

Notes to the Consolidated Financial statement for the Interim Period Ended 31 December 2025

Accumulated depreciation;							
As at 1 July 2024	298,245	104,655	204,382	154,603	339,259	-	1,101,144
Charge for the year	48,729	16,317	31,754	36,138	70,177	-	203,115
Write-off				(110)		-	(110)
Disposals	(1,386)	-	(1,293)	(5,989)	(8,070)	-	(16,737)
Reclassification		441					441
As at 30 June 2025	345,588	121,413	234,843	184,641	401,366	-	1,287,852
As at 1 July 2025	345,588	121,413	234,843	184,641	401,366	-	1,287,852
Charge for the year	30,157	9,172	17,740	23,386	43,256	-	123,712
Write-off				-		-	-
Disposals	(8,211)	-	-	(8,117)	(3,385)	-	(19,714)
As at 31 December 2025	367,533	130,586	252,584	199,910	441,237	-	1,391,850
Net book value							
As at 30 June 2025	279,853	737,378	220,243	319,798	289,320	14,861	1,861,453
As at 31 December 2025	290,660	975,170	310,540	318,376	503,104	443,177	2,841,028

21a Leases

Amount recognized in statement or profit or loss in respect of leases for which the bank is lessee;

	31 Dec 2025 Birr'000	31 Dec 2024 Birr'000	30 June 2025 Birr'000
Depreciation charge for right-of-use assets	189,105	152,698	310,569
Interest Expense on lease liabilities	13,339	86,089	27,984
Expense related to short-term leases	40,414	3,384	65,766
Cost of lease contracts - stamp duty	1,071	1,146	2,160
	243,929	243,317	406,480

Amount recognized in statement of financial position in respect of leases for which the bank is lessee;



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Consolidated and Separate Condensed Interim Financial Statements

Notes to the Consolidated Financial statement for the Interim Period Ended 31 December 2025

	31 Dec 2025 Birr'000	31 Dec 2024 Birr'000	30 June 2025 Birr'000
Right of use assets			
• Office building	954,536	900,138	984,040
Lease liabilities			
• Office building	274,219	236,892	272,700
Maturity analysis of lease liabilities			
Less than one year	65,812	56,854	65,448
More than one year	208,406	180,038	207,252
	274,219	236,892	272,700

22 Deposits from customers	31 Dec 2025 Birr'000	31 Dec 2024 Birr'000	30 June 2025 Birr'000
Demand deposits	27,186,947	19,071,265	20,746,597
Saving deposits	38,784,605	30,599,106	32,949,781
Fixed term deposits	9,129,546	5,339,912	7,955,441
Total	75,101,098	55,010,283	61,651,819

Maturity analysis	31 Dec 2025 Birr'000	31 Dec 2024 Birr'000	30 June 2025 Birr'000
Current	27,787,406	8,624,716	22,811,173
Non-Current	47,313,692	39,793,235	38,840,646
	75,101,098	55,010,283	61,651,819

23 Deposit from financial institutions	31 Dec 2025 Birr'000	31 Dec 2024 Birr'000	30 June 2025 Birr'000
Saving Deposit	1,100,937	127,499	816,916
Demand Deposit	937,039	334,680	939,663
Fixed Term deposit	3,054,128	2,681,143	2,742,198
Total	5,092,104	3,143,322	4,498,218

Maturity analysis	31 Dec 2025 Birr'000	31 Dec 2024 Birr'000	30 June 2025 Birr'000
Current	1,884,078	660,290	1,604,341
Non-Current	3,208,025	3,046,484	2,883,877
	5,092,104	3,143,322	4,498,218

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Consolidated and Separate Condensed Interim Financial Statements

Notes to the Consolidated Financial statement for the Interim Period Ended 31 December 2025

	31 Dec 2025 Birr'000	31 Dec 2024 Birr'000	30 June 2025 Birr'000
24 Other liabilities			
Financial liabilities			
Blocked Account	9,484	9,484	9,488
Cash payment order payable	276,262	184,089	231,578
Customer deposits for letter of credit	2,974,834	1,957,999	1,564,389
Deferred revenue	288,916	123,859	128,681
Deposit for Guarantees Issued	28,566	13,907	11,003
Dividend payable	161,203	376,905	82,956
Exchange payable to NBE	75,060	71,208	9,178
Nostro Account	-	5	-
Old draft payables	59,002	61,092	59,966
Payable to Ethio switch	24,714	11,745	19,151
Prepaid card control account	5,668	11,088	9,551
Telegraphic transfer payable	12,397	12,400	12,397
Borrowing	-	1,000,000	-
	3,916,106	3,833,781	2,138,338
Non-financial liabilities			
Provision for court cases	70,355	62,568	70,355
Pension Contribution Pay	29,582	24,450	20,301
Stamp duty payable	4,401	4,522	5,746
Interest Tax Payable	37,091	13,019	20,907
Withholding tax payable	7,929	4,137	1,326
Employee income Tax Payable	68,115	57,565	105,726
VAT payable	73,224	95,274	46,376
Cost Sharing Payable	379	339	290
Technical Service Payable	1,299	7,178	5,801
Accrued leave pay	176,475	170,530	179,323
Sundry payables	634,461	473,029	553,145
Lease Liability	281,552	236,892	281,381
Employee Bonus Payable	-	-	259,210
	1,384,864	1,149,503	1,549,887
	5,300,970	4,983,284	3,688,225



Wegagen Bank S.C

Consolidated and Separate Condensed Interim Financial Statements

Notes to the Consolidated Financial statement for the Interim Period Ended 31 December 2025

	31 Dec 2025 Birr'000	31 Dec 2024 Birr'000	30 June 2025 Birr'000
Maturity analysis			
Current	5,092,564	4,803,245	3,480,972
Non-Current	208,406	180,039	207,252
	5,300,970	4,983,284	3,688,224

25. Employee benefit obligations

25.a Defined benefits liabilities:	31 Dec 2025 Birr'000	31 Dec 2024 Birr'000	30 June 2025 Birr'000
-Severance benefits	545,359	308,898	504,869
Liability in the statement of financial position	545,359	308,898	504,869
Income statement charge included in personnel expenses:	31 Dec 2025 Birr'000	31 Dec 2024 Birr'000	30 June 2025 Birr'000
- Severance pay	53,238	37,180	74,880
Total defined benefit expenses	53,238	37,180	74,880
Remeasurements for:			
- Severance pay	-	-	(119,790)
	-	-	(119,790)

The income statement charge included within personnel expenses includes current service cost, interest cost, past service costs on the defined benefit schemes.

25.a Severance pay

The Bank operates an unfunded severance pay plan for its employees who have served the Bank for 5 years and above and are below the retirement age (i.e. has not met the requirement to access the pension fund and provident fund). The final pay-out is determined by reference to current benefit's level (monthly salary) and number of years in service and is calculated as 1 month salary for the first year in employment plus 1/3 of monthly salary for each subsequent in employment to a maximum of 12 months final monthly salary. Below are the details of movements and amounts recognised in the financial statements:



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Consolidated and Separate Condensed Interim Financial Statements

Notes to the Consolidated Financial statement for the Interim Period Ended 31 December 2025

	31 Dec 2025 Birr'000	30 Dec 2024 Birr'000	30 June 2025 Birr'000
A Liability recognized in the statement of financial position	545,359	308,898	504,869
	31 Dec 2025 Birr'000	30 June 2024 Birr'000	30 June 2025 Birr'000
B Amount recognized in profit or loss statement			
Current and past service cost	16,295	10,012	19,698
Interest cost	36,944	27,168	55,182
	53,238	37,180	74,880
	31 Dec 2025 Birr'000	30 Dec 2024 Birr'000	30 June 2025 Birr'000
C Amount recognized in other comprehensive income:			
Remeasurement gain arising from experience	-	-	(93,703)
Remeasurement losses arising from changes in the financial assumptions	-	-	(77,425)
	-	-	(171,128)
Tax Credit/Charge at 30%	-	-	51,338
	-	-	(119,790)

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

	31 Dec 2025 Birr'000	30 Dec 2024 Birr'000	30 June 2025 Birr'000
At the beginning of the year	504,869	288,457	288,457
Current and past service cost	16,295	10,012	19,698
Interest cost	36,944	27,168	55,182
Re-measurement (gains)/ losses	-	-	171,128
Benefits paid	(12,805)	(16,739)	(29,596)
At the end of the period	545,302	308,898	504,869

The significant actuarial assumptions were as follows:



Wegagen Bank S.C

Consolidated and Separate Condensed Interim Financial Statements

Notes to the Consolidated Financial statement for the Interim Period Ended 31 December 2025

i) Financial Assumption Long term Average

	31 Dec 2025 Birr'000	30 Dec 2024 Birr'000	30 June 2025 Birr'000
Discount Rate	14.50%	18.80%	14.50%
Salary Increase rate	14.20%	16.30%	14.20%
Inflation rate	12.20%	14.30%	12.20%

ii) Mortality in Service

Mortality rates are commonly set with reference to standard tables published by reputable institutions (such as the Actuarial Society of South Africa and the Central Statistics Agency ("CSA")) who have access to statistically significant data from which to derive mortality rates. Sample mortality rates are as follows:

Age	Mortality rate	
	Males	Females
20	0.30%	0.23%
25	0.36%	0.31%
30	0.41%	0.28%
35	0.52%	0.32%
40	0.45%	0.43%
45	0.63%	0.63%
50	0.98%	0.98%
55	1.54%	1.54%
60	1.54%	1.54%

iii) Withdrawal/Resignation from Service

The withdrawal rates are believed to be reasonably representative of the Ethiopian experience. The valuation assumed that resignation rates decrease by 2.5% for each age from 15% at age 20 (and below) to 0% at age 50. A sample of the resignation rates is summarised in the table below.

Age	Resignation rates per annum
20	15.00%
25	12.50%
30	10.00%
35	7.50%
40	5.00%
45	2.50%
50	0.00%



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Consolidated and Separate Condensed Interim Financial Statements

Notes to the Consolidated Financial statement for the Interim Period Ended 31 December 2025

The sensitivity of the main results to changes in the assumed salary escalation rates and the discount rate have been calculated based on the duration of the liabilities. The changes in the 30 June 2025 Defined Benefit Obligation and the assets are reflected below:

	Base DBO Birr'000	Current service cost one year impact Birr'000	% Change
Discount rate + 1%	545,302	462,437	-15.2%
Discount rate - 1%	545,302	551,739	1.2%
Salary Increase +1%	545,302	551,439	1.1%
Salary Increase +1%	545,302	461,974	-15.3%

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position.

26 Share capital

Authorised:

Ordinary shares of Birr
1000 each

20,000,000

20,000,000

20,000,000

Issued and fully paid:

Ordinary shares of Birr
1000 each

10,094,666

6,213,504

7,028,357

Share premium

103,315

83,241

87,819

10,197,981

6,296,745

7,116,176



Wegagen Bank S.C

Consolidated and Separate Condensed Interim Financial Statements

Notes to the Consolidated Financial statement for the Interim Period Ended 31 December 2025

27 Earnings per share

Basic earnings per share (EPS) is calculated by dividing the profit after tax attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the reporting period

	31 Dec 2025 Birr'000	30 Dec2024 Birr'000	30 June 2025 Birr'000
Profit attributable to shareholders	1,452,595	1,599,771	2,778,853
Non-controlling interest	5,071		(1,343)
Weighted average number of ordinary shares in issue	8,262,959	5,539,904	6,028,243
Basic earnings per share (%age)	17.58%	28.88%	46.10%

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. There were no potentially dilutive shares at the reporting date and the year before, hence the basic and diluted profit per share have the same value.

	31 Dec 2025 Birr'000	30 Dec2024 Birr'000	30 June 2025 Birr'000
28 Retained earnings			
At the beginning of the year	1,944,300	581,796	1,246,781
Dividend Paid/Capitalized	(1,944,300)	(581,796)	(1,246,781)
Board of directors remuneration	-	-	(1,500)
Profit/(Loss)for the year	1,457,666	1,599,771	2,777,510
Transfer to Legal Reserve	(364,416)	(399,943)	(694,378)
Transfer to Regulatory Reserve	(20,578)	(65,906)	(20,536)
Non-distributable reserve adjustment	-	-	(118,140)
Non-controlling interest	-	-	1,343
Balance at the end of the year	1,072,671	1,133,922	1,944,300

	31 Dec 2025 Birr'000	30 Dec2024 Birr'000	30 June 2025 Birr'000
29 Reserve			
29.a Legal Reserve			
At the beginning of the year	2,886,000	2,191,622	2,191,622
Transfer from profit or loss	364,416	399,943	694,378
At the end of the year	3,250,417	2,591,565	2,886,000

Banking Business Proclamation No. 1360/2025 article 22(1) and NBE Directive Number SB/4/95 requires the Bank to transfer annually 25% of its annual net profit to its legal reserve account.

Wegagen Bank S.C

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Notes to the Consolidated Financial statement for the Interim Period Ended 31 December 2025

29.b Regulatory Risk Reserve

This includes interest on Non performing loans/Stage 3 loans that are recognized per IFRS but not available for dividend distribution as required by National Bank of Ethiopia directive and the excess of provision per NBE directive over that of IFRS 9 which is not accounted as bad debt expense.

	31 Dec 2025 Birr'000	30 Dec2024 Birr'000	30 June 2025 Birr'000
Opening Balance	646,558	507,882	507,882
Additional provision per NBE	42	36,126	-
Prior period adjustment	-	-	118,141
Interest income on Non Performing Loans(NPL)	20,536	29,779	20,536
	667,136	573,787	646,558

29.c Other Reserve

The other reserve includes the fair value gain/loss on equity instruments classified at FVOCI and remeasurement gains/losses on defined benefit obligations of the Bank.

	31 Dec 2025 Birr'000	30 Dec2024 Birr'000	30 June 2025 Birr'000
Opening Balance	165,534	127,360	127,360
Fair Value gain of Equity Instruments	-	15,391	157,963
Remeasurement loss on defined benefit plans(net of tax)	-	-	(119,790)
	165,534	142,751	165,534

29.d Non-controlling interest

	31 Dec 2025 Birr'000	30 Dec2024 Birr'000	30 June 2025 Birr'000
Paid-up capital	50,750	-	50,750
Retaining earnings	5,071	-	(1,343)
	55,821	-	49,407



Wegagen Bank S.C

Consolidated and Separate Condensed Interim Financial Statements

Notes to the Consolidated Financial statement for the Interim Period Ended 31 December 2025

	31 Dec 2025	30 Dec2024	30 June 2025
	Birr'000	Birr'000	Birr'000
Cash generated from operating activities			
30 Profit before tax	2,102,422	2,475,679	3,866,956
Adjustments for non-cash items:			
Depreciation of property and equipment	123,712	101,727	201,786
Depreciation of investment property	-	29	-
Amortisation of intangible assets	125,452	22,160	83,282
Depreciation of right of use assets	189,105	152,698	309,316
(Gain)/Loss on disposal of property, plant and equipment	1,564	(5,094)	-
Impairment on loans and receivables	429,355	725,303	460,048
Foreign currency exchange rate gain on cash and cash equivalents	-	(150,976)	-
Employee benefit obligations	53,238	131,773	179,801
Dividend income	(57,860)	(43,636)	(49,877)
Changes in working capital:			
-Decrease/ (Increase) in loans and advances	(10,585,359)	(4,521,465)	(8,348,682)
-Decrease/ (Increase) in other assets	(46,882)	(1,826,051)	(3,400,243)
-Increase/ (Decrease) in deposits from customers	13,449,279	6,592,332	13,233,869
-Increase/ (Decrease) in deposits from financial institutions	593,886	(563,451)	784,448
-Increase/ (Decrease) in other liabilities	1,612,746	1,615,064	307,015
	7,990,651	4,706,093	7,627,719



Wegagen Bank S.C

Consolidated and Separate Condensed Interim Financial Statements

Notes to the Consolidated Financial statement for the Interim Period Ended 31 December 2025

31 Investment in Wegagen-Capital Investment Bank

Wegagen Capital Investment Bank S.C. (WCIB) is Ethiopia's first investment bank licensed by Ethiopian capital market authority on March 2025, established to shape the future of the country's financial markets. Guided by the visionary leadership of Chief Executive Officer Mrs. Brutawit Dawit Abdi, WCIB is committed to delivering trusted, forward-looking, and innovative financial solutions that align global best practices with local market realities.

With a strong capital foundation of ETB 385 million in initial paid-up capital, WCIB is wellpositioned to offer reliable, transparent, and high-quality investment banking services tailored to the needs of both institutional and individual investors.

In May 2025 Wegagen capital officially receive its trading membership certificate from the Ethiopian security exchange. Services provided by Wegagen Capital Investment bank S.C are capital raising, business advisory, stock brokerage and research

	31 December 2025 Birr'000	June 30, 2025 Birr'000
Wegagen bank Investment	334,250	334,250
Total paid-up capital in investment company	385,000	385,000
Percentage holdings	86.82%	86.82%
Transaction with Wegagen Investment bank		
Deposit balance;	332,295	370,598
Subsidiary		
	31 December 2025 Birr'000	June 30, 2025 Birr'
Profit or loss after taxation	38,467	(10,189)
Total assets	445,061	383,589

The total number of persons employed by the Bank during the year was as follows:

32 Employees

The total number of persons employed during the year was as follows:

	31-Dec-2025 Number	31-Dec-2025	31-Dec-2025 Number
Staffs at Wegagen Bank	5,543	5,426	5,553
Staffs at Wegagen Capital Investment Bank	37	-	33
Total staffs	5,580	5,426	5,586



Wegagen Bank S.C

Consolidated and Separate Condensed Interim Financial Statements

Notes to the Consolidated Financial statement for the Interim Period Ended 31 December 2025

33 Contingent liabilities and assets

33a Claims and litigation

The Bank is involved in a number of legal proceedings initiated by various organizations and individuals in the ordinary course of its business. As at 31 December 2025, the Bank's maximum potential exposure in respect of these cases amounts to Birr 711.6 million. The Bank has made assesmenet of these legal cases, and held Br. 70.35 million provision, where an outflow of economic resources is considered probable. The remaining cases are assessed as having a low ikelihood of resulting in an unfavorable outcome, and no such events occurred during the financ ial year and in certain cases, the bank expects a a favorable resolution. Accordingly, no additional obligation has been recognized by the Bank.

33b Guarantees and letters of credit

"The Bank conducts business involving issuance of various bid bond, performance bonds and advance payment guarantees. These instruments are given as a security to support the performance of a customer to third parties. The Bank also issued letter of credit facilities to importers, whcih created committment to the Bank to settle the obligation in foreign currency when the L/C documents are clearly presented to the Bank and recover the amount from custmers in local currency. As the Bank will only be required to meet these obligations in the event of the customer's default, the cash requirements of these instruments are expected to be considerably below their nominal amounts.

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

	31-Dec-2025	31-Dec-2024	30-Jun-2025
	Birr'000	Birr'000	Birr'000
Guarantees issued	5,254,917	5,649,384	4,583,597
Letter of credit	18,411,841	7,166,388	3,322,967
	23,666,757	12,815,772	7,906,564

33c Commitments

	31-Dec-2025	31-Dec-2024	30-Jun-2025
	Birr'000	Birr'000	Birr'000
Loan commitments;			
Unutilized overdraft and other facilities	7,197,248	2,137,732	6,100,397
	7,197,248	2,137,732	6,100,397



Wegagen Bank S.C

Consolidated and Separate Condensed Interim Financial Statements

Notes to the Consolidated Financial statement for the Interim Period Ended 31 December 2025

34 Events after reporting period

In the opinion of the directors, there were no significant post-balance sheet events which could have a material effect on the state of affairs of the Bank as at 31 December 2025 and on the profit for the half year ended on that date, which have not been adequately provided for or disclosed.

35 Segment Reporting

A segment is a distinguishable component of the Bank that is engaged in providing products or services within a particular economic environment which is subject to risks and rewards that are different from those of other segments . Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The chief operating decision maker is the person of the Bank that allocates resources to and assesses the performance of the operating segments of an entity.

The Bank has determined the Board of Directors as its chief operating decision maker. All transactions between business segments are conducted on commercial terms basis with intra-segment revenue and costs being eliminated at Bank level.

Segment information

IFRS 8 requires operating segments to be identified on the bases of internal reports about components of the bank that are regularly reviewed by the board of directors in order to allocate resources to the segment and to assess its performance

Information reported to the Bank's Board of Directors for the purposes of resource allocation and assessment of segment performance is focused on products and services.

The accounting policies of the reportable segments are the same as the Bank's accounting policies described in note 2

For management purposes, the Bank has been organised into two operating segments based on products and services, as follows:

1• Interest Free Banking- All Islamic banking products offered to customers are included under the Islamic Banking segment. These products include Wadiah deposits, Amanah deposits and mudarabah investments, Murabaha and Qard Financing.

2• Conventional Banking- The conventional banking segment comprises of corporate, retail and institutional banking customers in various sectors which include agriculture, manufacturing, domestic trade, construction, hotel and tourism, microfinance institutions, mortgage loans and personal loans. It also comprises public, private cooperative, government and non-governmental organizations deposits.



Wegagen Bank S.C

Consolidated and Separate Condensed Interim Financial Statements

Notes to the Consolidated Financial statement for the Interim Period Ended 31 December 2025

The Executive Management Committee have monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profits or losses and is measured consistently with operating profits or losses in the consolidated financial statements.

However, income taxes are managed at bank level and are not allocated to operating segments.

Transfer prices between operating segments are based on the Bank's internal pricing framework.

No revenue from transactions with single external customer or Counterparty amounted to 10% or more of the bank's total revenue in 2025

Half-year ended 31 December 2025

35a Statement of Profit or Loss

	Conventional Banking Birr '000	Interest Free Banking Birr '000	The Bank Birr '000
Interest income	5,484,274	-	5,484,274
Income from Interest free financing and investment products	-	41,482	41,482
Interest expense	(1,977,763)		(1,977,763)
Distribution to depositors- Interest Free Banking Products		(74,795)	(74,795)
Net interest income and income from Interest Free Banking products net of distribution to depositors	3,506,511	(33,313)	3,473,197
Fee and commission income	1,769,319	4,104	1,773,423
Other operating income	510,781	848	511,629
Gain from sale of aquired properies	-	-	-
Loan and Other asset impairment charge	(427,256)	(1,580)	(428,836)
Net operating income	5,359,354	(29,941)	5,329,413
Amortization of intangible assets	(125,452)	-	(125,452)
Depreciation of property,plant and equipment	(123,240)	(472)	(123,712)
Personnel and Other operating expenses	(2,960,449)	(17,378)	(2,977,827)
Segment Profit before tax	2,150,213	(47,791)	2,102,422
Income tax expense	(634,567)	-	(634,567)
Segment profit after tax	1,515,646	(47,791)	1,467,855



Wegagen Bank S.C

Consolidated and Separate Condensed Interim Financial Statements

Notes to the Consolidated Financial statement for the Interim Period Ended 31 December 2025

As at 12/31/2025

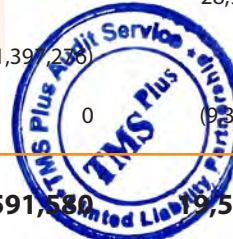
35b Statement of Financial Position

	Conventional Banking Birr '000	Interest Free Banking Birr '000	The Bank Birr '000
Assets			
Cash and bank balances	21,583,760	61,480	21,645,240
Loans and advances to customers	60,382,372		60,382,372
IFB financings	-	956,050	956,050
Investment securities	9,528,640	-	9,528,640
Other assets	705,595	4,579,520	5,285,115
Property and Equipments	4,365,345	15,640	4,380,985
Total assets	96,565,7131	5,612,690	102,178,403
Liabilities			
Deposit from customers	74,541,582	-	74,541,582
IFB deposits	-	5,651,620	5,651,620
Current tax liabilities	585,434	-	585,434
Other liabilities	5,981,658	8,550	5,990,208
Total liabilities	81,108,673	5,660,170	86,768,843
EQUITY			
Share capital	10,094,666	-	10,094,666
Share premium	103,315	-	103,315
Retained earnings and reserves	5,203,238	(47,480)	5,155,758
Non-controlling Interest	-	-	55,821
Total equity	15,401,219	(47,480)	15,409,560
Total equity and liabilities	96,509,892	5,612,690	102,178,402

Haly-year ended 31 December 2024

35c Statement of Profit or Loss

	Conventional Banking Birr '000	Interest Free Banking Birr '000	The bank Birr '000
Interest income	3,988,856	-	3,988,856
Income from Interest free financing and investment products	-	28,913	28,913
Interest expense	(1,397,276)	0	(1,397,276)
Distribution to depositors- Interest Free Banking Products	0	(9,372)	(9,372)
Net interest income and income from Interest Free Banking products net of distribution to depositors	2,591,580	19,541	2,611,122



Wegagen Bank S.C

Consolidated and Separate Condensed Interim Financial Statements

Notes to the Consolidated Financial statement for the Interim Period Ended 31 December 2025

Fee and commission income	1,696,776	816	1,697,592
Other operating income	1,384,728	567	1,385,295
Gain from sale of acquired Properties	-	-	-
Loan and Other asset impairment charge	(725,037)	(266)	(725,303)
Net operating income	4,948,048	20,658	4,968,707
Armortisation of intangible assets	(22,160)	-	(22,160)
Depreciation of property and equipment	(100,671)	(1,085)	(101,756)
Personal and Other operating expenses	(2,353,413)	(15,698)	(2,369,111)
Segment Profit before tax	2,471,804	3,874	2,475,680
Income tax expense	(874,746)	(1,162)	(875,908)
Segment profit after tax	1,597,058	2,712	1,599,772

30-Jun-25

35d Statement of Financial Position

	Conventional Banking	Interest Free Banking	The Bank
Asset			
Cash and bank balances	11,613,266	3,822,934	15,436,200
Loans and advances to customers	50,625,945		50,625,945
IFB financings	-	634,558	634,558
Investment securities	9,134,087	-	9,134,087
Other assets	4,859,715	299,309	5,159,024
Fixed assets	3,331,233	16,548	3,347,781
Total assets	79,564,246	4,773,349	84,337,595
LIABILITIES			
Deposit from customers	61,36,138	-	61,368,138
IFB deposits	-	4,781,899	4,781,899
Current tax liabilities	1,091,622	-	1,091,622
Other liabilities	4,274,338	13,624	4,287,962
Total liabilities	67,734,098	4,795,523	71,529,621
EQUITY			
Share capital	7,028,357	-	7,028,357
Share premium	87,819	-	87,819
Retained earnings and reserves	5,664,564	(22,174)	5,642,390
Non-controlling Interest	49,407		49,407
Total equity	12,830,147	(22,174)	12,807,973
Total equity and liabilities	79,564,246	4,773,349	84,337,595

Separate Financial Statements

For the six months Ended 31 December 2025

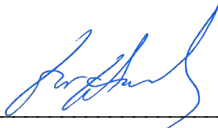
Wegagen Bank S.C

Separate Condensed Interim Financial Statements

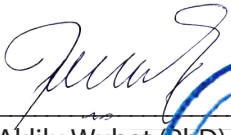
Separate Statement of Profit or Loss and Other Comprehensive Income For the six months ended 31 December 2025

		12/31/2025	12/31/2024	6/30/2025
	Notes	Birr'000	Birr'000	Birr'000
Interest income	5	5,525,755	4,017,769	8,459,357
Interest expense	36	(2,071,754)	(1,406,648)	(3,155,997)
Net interest income		3,454,001	2,611,121	5,303,361
Fee and Commission Income	37	1,764,701	1,697,592	2,464,926
Fee and Commission Expense	37	(68,445)	21,994	(106,374)
Net fee and commission income	37	1,696,256	1,719,586	2,358,553
Net Trading Income		5,150,258	4,330,707	7,661,914
Other operating income	38	512,455	1,385,297	2,554,484
Loan impairment charge	9	(507,888)	(684,674)	(465,867)
Impairment losses on other assets	10	79,052	(40,629)	6,295
Net operating income		5,233,876	4,990,701	9,756,826
Salaries and benefits	39	(1,972,429)	(1,738,174)	(3,953,215)
Amortization of intangible assets	20	(125,452)	(22,160)	(83,282)
Depreciation of property & equipment	47	(121,847)	(101,756)	(201,786)
Depreciation of right-of-use asset	47a	(187,245)	(152,698)	(309,316)
Other operating expenses	40	(776,776)	(499,634)	(1,341,299)
Audit fees		-	-	(972)
Directors related expenses			(600)	
Total Operating Expenses		(3,183,750)	(2,515,022)	(5,889,871)
Profit before income tax		2,050,126	2,475,679	3,866,956
Income tax expense	41a	(613,835)	(875,908)	(1,082,556)
Profit after tax		1,436,291	1,599,771	2,784,400
Other Comprehensive Income (OCI) net of income tax				
Remeasurement gain or(loss) on retirement	25b	-	-	(119,790)
Fair value gain of equity investments	29c	-	15,391	157,963
Total other comprehensive income (net of tax)		-	15,391	38,174
Total comprehensive income for the period		1,436,291	1,615,162	2,822,574
Basic & diluted earnings per share	49	17.38%	28.88%	46.19%

The accompanying notes are an integral part of these financial statements. The financial statements were approved and authorized for issue by the directors and management on January 29, 2026 and signed on their behalf by:


Mr. Abdishu Hussein
Chairperson, Board of Directors




Aklilu Wubet (PhD)
Chief Executive Officer

Wegagen Bank S.C

Separate Condensed Interim Financial Statements

Separate Statement of Financial Position As at 31 December 2025

		12/31/2025	12/31/2024	6/30/2025
	Note	Birr'000	Birr'000	Birr'000
ASSETS				
Cash and bank balances	42	21,645,240	14,355,783	15,436,200
Loans and advances to customers	15a	61,338,422	47,137,400	51,260,502
Investment securities:				
- Equity Investments at FVOCI	16a	869,731	613,268	822,894
- Debt Securities at Amortized Cost	16b	8,658,909	6,713,456	8,311,193
Other assets	45	5,262,307	3,527,648	5,150,762
Investment property	18	-	2,556	-
Investment in Subsidiary	18	334,250	-	334,250
Intangible assets	20	585,421	218,515	493,497
Property and Equipment	47	2,808,814	1,701,563	1,827,673
Right-of-Use Asset	47a	946,583	900,138	984,040
Total assets		102,449,677	75,170,327	84,621,011
LIABILITIES				
Deposit from customers	22	75,101,098	55,010,283	61,651,819
Deposit from financial institutions	23	5,472,712	3,143,323	4,830,973
Current tax liabilities	41c	568,628	893,153	1,094,852
Other liabilities	48	5,283,917	4,983,281	3,675,232
Employee benefit obligations	25	545,359	308,898	504,869
Deferred tax liabilities	41d	143,879	92,619	99,152
Total liabilities		87,115,593	64,431,557	71,856,898
EQUITY				
Share capital	26	10,094,666	6,213,504	7,028,357
Share premium	26	103,315	83,241	87,819
Retained earnings	50	1,056,641	1,133,922	1,948,124
Legal reserve	51a	3,246,794	2,591,565	2,887,722
Regulatory risk reserve	51b	667,136	573,787	646,558
Other reserve	51c	165,534	142,751	165,534
Total equity		15,334,086	10,738,770	12,764,113
Total liabilities and equity		102,449,677	75,170,327	84,621,011



Mr. Abdishu Hussein

Chairperson, Board of Directors



Aklilu Wubet (PhD)

Chief Executive Officer

Wegagen Bank S.C

Separate Condensed Interim Financial Statements

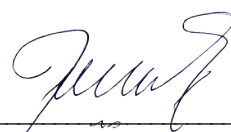
Separate Statement of Changes in Owners Equity For the six months ended 31 December 2025

	Share capital Birr'000	Share premium Birr'000	Retained earnings Birr'000	Legal reserve Birr'000	Regulatory Risk Reserve Birr'000	Other Reserve Birr'000	Total Birr'000
As at 1 July 2024	5,058,890	74,917	1,246,781	2,191,622	507,882	127,360	9,207,451
Dividend declared			(1,246,781)				(1,246,781)
New shares issued	1,154,614	8,324					1,162,938
Fair value gain of Equity investments (net of tax)						15,391	15,391
Profit for the year			1,599,771				1,599,771
Transfer to legal reserve			(399,943)	399,943			-
Transfer to Regulatory Risk Reserve			(65,906)		65,906		-
As at 31 December 2024	6,213,504	83,241	1,133,922	2,591,565	573,787	142,751	10,738,770

The accompanying notes are an integral part of these financial statements. The interim financial statements were approved by the directors and management on January 29, 2026 and signed on their behalf by:




Mr. Abdishu Hussein
Chairperson, Board of Directors


Akilu Wubet (PhD)
Chief Executive Officer

Wegagen Bank S.C

Separate Condensed Interim Financial Statements

The accompanying notes are an integral part of these financial statements. The financial statements were approved and authorized for issue by the directors and management on January 29, 2026 and signed on their behalf by:



Mr. Abdishu Hussein
Chairperson, Board of Directors



Mr. Wubet (PhD)
Executive Officer

Wegagen Bank S.C

Separate Condensed Interim Financial Statements

Notes to the Separate Financial Statement for the Interim Period Ended 31 December 2025

Separate Statement of Changes in Owners Equity For the six months Ended 31 December 2025

	Share capital	Share premium	Retained earnings	Legal reserve	Regulatory Risk Reserve	Other Reserve	Total
	Birr'000	Birr'000	Birr'000	Birr'000	Birr'000	Birr'000	Birr'000
Balance at July, 2024	5,058,890	74,917	1,246,781	2,191,623	507,882	127,360	9,207,451
Dividend declared			(1,246,781)	-	-	-	(1,246,781)
New shares issued	1,969,467	12,902	-	-			1,982,369
Fair value gain of Equity investments	-	-	-	-	-	157,963	157,963
Remeasurement of Defined Benefit plans (net of tax)	-	-	-	-		(119,790)	(119,790)
Prior period tax adjustment	-	-	(1,500)	-	-	-	(1,500)
Transfer to legal reserve	-		(696,100)	696,100		-	-
Transfer from Regulatory Risk Reserve	-		(138,677)		138,677		-
Balance at the end of 30 June 2025	7,028,357	87,819	1,948,123	2,887,723	646,559	165,534	12,764,113
Dividend declared			(1,948,123)				(1,948,123)
New shares issued	3,066,309	15,496					3,081,805
Profit for the interim			1,436,291				1,436,291
Transfer to legal			(359,073)	359,073			-
Transfer to			(20,578)		20,578		-



Wegagen Bank S.C

Separate Condensed Interim Financial Statements

Notes to the Separate Financial Statement for the Interim Period Ended 31 December 2025

Balance at the end of the Interim period	10,094,666	103,315	1,056,641	3,246,795	667,137	165,534	15,334,086
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The accompanying notes are an integral part of these financial statements. The financial statements were approved and authorized for issue by the directors and management on January 29, 2026 and signed on their behalf by:



Wegagen Bank S.C

Separate Condensed Interim Financial Statements

Notes to the Separate Financial Statement for the Interim Period Ended 31 December 2025

Separate Statement of Cash Flows

For the six months ended 31 December 2025

		12/31/2025	12/31/2024	30 June 2025
	Notes	Birr'000	Birr'000	Birr'000
Cash flows from operating activities				
Cash generated from operations	52	7,992,974	4,706,093	7,967,470
Profit tax assesment paid		-	-	-
Income tax paid	41c	(1,095,334)	(641,432)	(649,612)
Net cash (outflow)/inflow from operating activities		6,897,640	4,064,661	7,317,858
Cash flows from investing activities				
Purchase of investment securities	44	(46,836)	-	(390,787)
Purchase of intangible assets	51	(91,924)	(192,606)	(528,711)
Purchase of property and equipment	47	(981,141)	(116,140)	(433,606)
Payment for asset use right acquisitions	47a	(354,666)	(339,486)	(688,103)
Proceeds from matured debt securities	47b	(347,716)	(2,100,302)	(3,698,038)
Net cash (outflow)/inflow from investing activities		(1,822,282)	(2,748,534)	(5,739,246)
Cash flows from financing activities				
Share premium collected	50	15,496	8,324	12,902
New shares issued	50	3,066,309	1,154,614	1,969,467
Directors' remuneration paid	50	-	-	(1,500)
Dividend paid	50	(1,948,123)	(1,246,781)	(1,246,781)
Net cash (outflow)/inflow from financing activities		1,133,682	(83,843)	734,088
Net increase/(decrease) in Cash and bank balances		6,209,039	1,232,284	2,312,700
Cash and bank balances at the beg. of the reporting period	42	15,436,200	13,123,499	13,123,499
Cash and bank balances at the end of the reporting period		21,645,240	14,355,783	15,436,200

The accompanying notes are an integral part of these financial statements. The financial statements were approved and authorized for issue by the directors and management on January 29, 2026 and signed on their behalf by:



Wegagen Bank S.C

Separate Condensed Interim Financial Statements For the Interim period ended 31 December 2025

	31 Dec. 2025 Birr'000	31 Dec. 2024 Birr'000
36 Interest expense		
Saving deposits	919,428	736,941
Fixed time deposits	1,125,136	629,779
Current deposits	10,455	388
Short term borrowing	3,396	27,085
Interest Incurred on lease liabilities	13,339	12,454
	2,071,754	1,406,648
37 Net fees and commission income		
Fee and Commission Income;		
Commission and fees on L/C	1,290,496	1,438,044
Commission on Gurantees	138,940	113,543
Agent Banking Fee	23,210	16,020
ATM Transaction Fees-Foreign	9,870	629
ATM Transaction Fees-Local	5,064	720
Commission on CPO issued	810	708
Loan Processing fee	62,757	37,771
Service Charge-Local	26,321	7,269
SWIFT charges	110,821	40,118
Commission Sundries	49,979	12,472
Commission & Charges from IFB	46,434	30,297
Commission & Fees on Fund transfers	0	1
	1,764,701	1,697,592
Fee and Comission Expense;		
Visa Charge	12,598	668
Master Card Charges	19,748	115
Ethswitch Charges	1,869	1,094
Membership Fee	7,701	1,273
Broad Band Expense	14,041	8,016
Subscription & Publication	141	186
License Fee	12,346	10,642
	68,445	21,994
Net fee and commission income	1,696,256	1,675,598
38 Other operating income		
Rental income	5,489	4,717
Estimation fees	2,339	1,204



Wegagen Bank S.C

Separate Condensed Interim Financial Statements For the Interim period ended 31 December 2025

Rebates	2,307	1,438
Fee on Bounced Checks	84	96
Dividend income	57,860	43,636
Gain on Disposal of Old Assets	10,996	5,194
Card purchase & replacement income	3,990	1,402
Sundries-Local	45,572	10,343
Gain on foreign exchange Dealing	383,818	1,317,267
	512,455	1,385,297

39 Salaries and benefits

	31 Dec. 2025	31 Dec. 2024
	Birr'000	Birr'000
Employee salaries	1,187,071	940,910
Outsourced employee salaries	159,386	148,329
Pension costs	126,175	103,178
Short-term employee benefits	445,970	508,578
Directors monthly allowance	590	-
Severance pay- Defined benefit plan	53,238	37,180
	1,972,429	1,738,174



Wegagen Bank S.C

Separate Condensed Interim Financial Statements

For the Interim Period Ended 31 December 2025

	31 Dec. 2025 Birr'000	31 Dec. 2024 Birr'000
40 Other operating expenses		
Advertisement & Publicity	88,299	49,636
Agent Banking	-	2,637
Bank Charges	8,608	6,016
Card payment Charges	5,726	34,318
Consultant Fee	1,463	43,024
Communication expenses	3,088	4,172
Consumables	19,875	13,527
Donations	70,777	29,487
Stump Duty Expense	1,055	1,146
Entertainment	4,244	2,405
Event organization expense	12,897	9,476
Insurance	11,325	10,665
IT support charges	37,561	49,269
E-banking support charges	31,024	33,376
Court related Expenses	1,252	5,069
Land and Building Tax	4,717	9,828
Loss on Disposal of fixed assets	1,564	100
Maintenance	45,689	28,556
Money transfer charges	9,783	7,647
Perdiem and Travel	38,568	15,534
Petrol and Oil	30,037	21,330
Printing and stationary	19,784	13,840
Rental expenses	40,414	3,384
Sundries	5,097	3,773
Uniform	27,653	20,163
Utilities	11,553	6,473
Wages for non-permanent employees.	844	1,903
Loading and Unloading Expense	1,765	-
Loss on exchange rate negotiation	156,813	-
Deposit Insurance Expense	85,301	72,880
	776,776	499,634

On July 29, 2024, National Bank of Ethiopia issued directive no. FXD/01/2024, which permits banks and foreign currency recipients to negotiate exchange rates at the time of currency purchase. As this directive marks a significant change, there is no comparable figure from previous periods

Wegagen Bank S.C

Separate Condensed Interim Financial Statements

For the Interim Period Ended 31 December 2025

41 Income and deferred tax	31-Dec-2025 Birr'000	31-Dec-2024 Birr'00	30-Jun-2025 Birr'00
41a Current income tax			
Income tax	569,110	893,383	1,103,261
Deferred income tax/(credit) to profit or loss	44,725	(17,475)	(20,706)
Total charge to profit or loss	613,835	875,908	1,082,555
Tax (credit) on other comprehensive income	(0)	6,596	16,360
Total tax in statement of comprehensive income	613,835	882,505	1,098,915

41b Reconciliation of effective tax to statutory tax

The tax on the Bank's profit before income tax differs from the theoretical amount that would arise using the statutory income tax rate as follows:

	31 Dec. 2025 Birr'000	31 Dec. 2024 Birr'000
Profit before tax	2,050,126	2,475,679
Non-allowable Expenses;		
Entertainment	4,244	2,403
Donation	1,777	200
Provision for Legal cases	-	2,453
Employee Severance benefits expensed	53,238	37,180
Loss on disposal of fixed assets	1,564	100
Provision for loans and other assets	507,888	725,303
Depreciation for accounting purpose	121,847	101,757
Depreciaion and int. expense as per IFRS 16	200,585	165,153
Amortization for accounting purpose	125,452	22,160
Loss on FCY revaluation	1,437	785,957
Life Insurance	10,593	9,513
Staff loan Fair valuation expense	7,329	(1,720)
Accrud leave Expense	-	94,593
	1,035,952	1,945,053
Allowable Expenses;		
Depreciation for tax purpose	(132,808)	(121,133)
Amortization for tax purpose	(101)	(17,250)
Rent expense	(240,998)	(180,990)
Employee severance paid in cash	(12,805)	(16,740)
Provision for loans and other assets	(342,363)	(630,170)
Dividend income taxed at source	(57,860)	(43,637)
Interest income exempt/taxed at Sources	(402,111)	(423,950)
Interest from correspondent banks taxed at 5%	-	(5,590)
	(1,189,046)	(1,439,460)
Taxable Income	1,897,032	2,981,272



Wegagen Bank S.C

Separate Condensed Interim Financial Statements

For the Interim Period Ended 31 December 2025

Statutory tax at rate 30%

569,110

894,382

	31 Dec. 2025 Birr'000	31-Dec-2024 Birr'000	30-Jun-2025 Birr'000
41c Current income tax liability			
Balance at the beginning of the period	1,094,852	641,203	641,203
Charge for the year:			
Income tax expense	569,110	893,383	1,103,261
Payment during the year	(1,094,852)	(641,203)	(641,203)
Withholding tax	(482)	(230)	(8,409)
Balance at the end of the year	568,628	893,153	1,094,852

The income tax payable during the period are current in nature.

41d Deferred income tax

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

	At 1 July 2025 Birr'000	Credit/ (charge) to P/L Birr'000	Credit/ (charge) to OCI Birr'000	31 Dec 2025 Birr'000
Deferred income tax (assets)/ liabilities:				
Property and Equipment	142,792	56,087		198,879
Post employment benefit obligation	(151,460)	(12,148)	-	(163,608)
Accrued Leave	(53,728)	785		(52,943)
Equity Investments	161,550		-	161,550
Total deferred tax (assets)/liabilities	99,152	44,725	(0)	143,879
	At 1 July 2024 Birr'000	Credit/ (charge) to P/L Birr'000	Credit/ (charge) to equity Birr'000	30 June 2025 Birr'000
Deferred income tax assets/ (liabilities):				
Property, plant and equipment	119,913	22,879		142,792
Post employment benefit obligation	(86,537)	(13,585)	(51,338)	(151,460)
Accrued Leave	(23,729)	(29,999)		(53,728)
Equity Investments	93,851	-	67,699	161,550
Total deferred tax assets/(liabilities)	103,498	(20,706)	16,360	99,152

	31 Dec. 2025 Birr'000	31-Dec-2024 Birr'000	30-Jun-2025 Birr'000
42 Cash and bank balances			
Cash in hand	1,460,751	1,314,963	1,391,320
Deposit with local commercial banks	1,893,842	2,460,559	1,415,309
Deposit with foreign banks	7,044,415	6,074,877	6,610,730
Deposit with National Bank of Ethiopia	7,342,334	4,505,434	5,718,906
Deposit with Open Market Operation	501,233	-	-
Deposit with Interbank Money Market	3,402,753	-	-
Gross cash and bank balances	21,645,329	14,355,833	15,436,265

Wegagen Bank S.C

Separate Condensed Interim Financial Statements For the Interim Period Ended 31 December 2025

Impairment Allowance for cash	(89)	(50)	(65)
	21,645,240	14,355,783	15,436,200

Maturity analysis

	31 Dec. 2025 Birr'000	31 Dec. 2024 Birr'000	30-Jun-2025 Birr'000
Current	21,645,240	14,355,783	15,768,955
Non-Current	-	-	-
	21,645,240	14,355,783	15,768,955

45 Other assets

Financial assets;

Staff receivables	1,994	1,780	2,352
Receivable from money transfer agents	104,051	172,982	99,112
Receivable from VISA	65,129	40,776	10,815
Receivable from Master Card	14,716	26,957	2,151
Eth-switch Receivable	162,090	219,002	137,388
Emergency salary advance	948,129	-	896,452
Receivable from employment agencies	981,654	-	835,589
Other receivables	1,081,348	2,240,555	1,942,208
Receivables due to cash shortage	197,187	192,811	196,567

Gross financial assets

	3,556,297	2,894,863	4,122,633
--	------------------	------------------	------------------

Less: Impairment allowance (note 45a)

Net financial assets

Non-financial assets;

Prepayments	1,319,195	551,445	794,989
Prepaid expenses on staff loans	666,079	630,789	509,543
Inventory	106,048	122,564	123,247
Repossessed properties	337,904	179,332	402,774

Gross Non-financial assets

	2,429,225	1,484,130	1,830,552
--	------------------	------------------	------------------

Balance at the end of reporting period

	5,262,307	3,527,647	5,150,761
--	------------------	------------------	------------------

	31 Dec 2025 Birr'000	31 Dec 2024 Birr'000	30-Jun-2025 Birr'000
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Maturity analysis

Current	4,777,866	1,447,290	4,644,152
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Wegagen Bank S.C

Separate Condensed Interim Financial Statements For the Interim Period Ended 31 December 2025

Non-Current	484,441	294,959	514,873
	5,262,307	3,527,647	5,150,761

Emergency salary advance and receivable from employment agencies are non-interest bearing financial assets reclassify from loan and advance to financial assets during the reporting period

45a Impairment allowance on other assets

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

	31 Dec. 2025	31 Dec. 2024	30-Jun-2025
	Birr'000	Birr'000	Birr'000
Balance at the beginning of the year	802,424	810,693	810,693
Reversal/Written off during the year	(157)	40,653	(1,974)
charge for the year	(79,052)	-	(6,295)
Balance at the end of the period	723,215	851,346	802,424

45b Inventory

A breakdown of the items included within inventory is as follows:

	31 Dec. 2025	31 Dec. 2024	30-Jun-2025
	Birr'000	Birr'000	Birr'000
Stationery	19,895	38,554	23,200
Office supplies	35,821	28,172	45,163
Visa cards	13,414	22,645	18,754
Other stock	36,757	33,031	35,969
Memorial Coins	161	161	161
	106,048	122,563	123,247

47 Property and Equipment

	Office Equipments	Building	Motor vehicles	Furniture and Fittings	Computer Equipment	Capital work in Progress	Total
Cost:	Birr'000	Birr'000	Birr'000	Birr'000	Birr'000	Birr'000	Birr'000
As at 1 July 2024	550,784	855,764	424,481	336,712	607,451	13,395	2,788,586
Additions	111,411	-	12,379	186,478	121,871	1,466	433,605
Disposals	(1,416)	-	(1,386)	(7,593)	(8,206)	-	(18,601)
Write-off	-	-	-	(186)	-	-	(186)
Reclassification	(36,614)	3,027	(3,343)	(15,331)	(36,946)	-	(89,207)

Wegagen Bank S.C

Separate Condensed Interim Financial Statements

For the Interim Period Ended 31 December 2025

As at 30 June 2025	624,164	858,791	432,130	500,081	684,170	14,861	3,114,197
As at 1 July 2025	624,164	858,791	432,130	500,081	684,170	14,861	3,114,197
Additions	51,965	246,965	112,071	48,199	272,984	428,316	1,160,500
Disposals	(8,607)	-	-	(9,956)	(3,589)	-	(22,152)
Write-off	-	-	-	-	-	-	-
Reclassification	(10,707)	-	(4,034)	(24,594)	(15,740)	-	(55,075)
As at 31 Dec. 2025	656,815	1,105,756	540,167	513,730	937,825	443,177	4,197,470
Accumulated depreciation;							
As at 1 July 2024	298,245	104,655	204,382	154,603	339,259	-	1,101,144
Charge for the year	48,645	16,317	30,929	35,983	69,912	-	201,786
Write-off	-	-	-	(110)	-	-	(110)
Disposals	(1,386)	-	(1,293)	(5,989)	(8,070)	-	(16,737)
Reclassification	-	441	-	-	-	-	441
As at 30 June 2025	345,504	121,413	234,019	184,486	401,101	-	1,286,523
As at 1 July 2025	345,504	121,413	234,019	184,486	401,101	-	1,286,523
Charge for the year	29,185	9,172	17,191	23,275	43,024	-	121,847
Write-off	-	-	-	-	-	-	-
Disposals	(8,211)	-	-	(8,117)	(3,385)	-	(19,714)
As at 31 Dec. 2025	366,478	130,586	251,210	199,644	440,739	-	1,388,656
Net book value							
As at 30 June 2025	278,661	737,378	198,111	315,594	283,068	14,861	1,827,673
As at 31 Dec. 2025	290,337	975,170	288,958	314,086	497,085	443,177	2,808,814

47a Leases

Amount recognized in statement or profit or loss in respect of leases for which the bank is lessee;

	31 Dec 2025	31 Dec 2024	30-Jun-2025
	Birr'000	Birr'000	Birr'000
Depreciation charge for right-of-use assets	187,245	152,698	310,569
Interest Expense on lease liabilities	13,339	86,089	27,984
Expense related to short-term leases	40,414	3,384	65,766
Cost of lease contracts - stamp duty	1,071	1,146	2,160
	242,070	243,317	406,480



Wegagen Bank S.C

Separate Condensed Interim Financial Statements

For the Interim Period Ended 31 December 2025

Amount recognized in statement of financial position in respect of leases for which the bank is lessee;

	31 Dec 2025	31 Dec 2024	30 Jun 2025
	Birr'000	Birr'000	Birr'000
Right of use assets			
• Office building	946,583	900,138	984,040
Lease liabilities			
• Office building	274,219	236,892	272,700
Maturity analysis of lease liabilities			
Less than one year	65,812	56,854	65,448
More than one year	208,406	180,038	207,252
	274,219	236,892	272,700



Wegagen Bank S.C

Separate Condensed Interim Financial Statements

For the Interim Period Ended 31 December 2025

	31 Dec 2025 Birr'000	31 Dec 2024 Birr'000	30-Jun-2025 Birr'000
48 Other liabilities			
Financial liabilities			
Blocked Account	9,484	9,484	9,488
Cash payment order payable	276,262	184,089	231,578
Customer deposits for letter of credit	2,974,834	1,957,999	1,564,389
Deferred revenue	288,916	123,859	128,681
Deposit for Guarantees Issued	28,566	13,907	11,003
Dividend payable	161,203	376,905	82,956
Exchange payable to NBE	75,060	71,208	9,178
Nostro Account	-	5	-
Old draft payable	59,002	61,092	59,966
Payable to Ethio switch	24,714	11,745	19,151
Prepaid card control account	5,668	11,088	9,551
Telegraphic transfer payable	12,397	12,400	12,397
Borrowing	-	1,000,000	-
	3,916,106	3,833,781	2,138,338
Non-financial liabilities			
Provision for court cases	70,355	62,568	70,355
Pension Contribution Pay	29,582	24,450	20,301
Stamp duty payable	4,401	4,522	5,746
Interest Tax Payable	37,091	13,019	20,907
Withholding tax payable	7,929	4,137	1,326
Employee income Tax Payable	68,115	57,565	105,726
VAT payable	73,224	95,274	46,376
Cost Sharing Payable	379	339	290
Technical Service Payable	1,299	7,178	5,801
Accrued leave pay	176,475	170,530	179,093
Sundry payables	624,742	473,029	549,063
Lease Liability	274,219	236,892	272,700
Employee Bonus Payable	-	-	259,210
	1,367,811	1,149,503	1,536,894
Gross amount	5,283,917	4,983,284	3,675,232
Maturity analysis			
	31 Dec 2025 Birr'000	31 Dec 2024 Birr'000	30-Jun-2025 Birr'000
Current	5,075,511	4,803,243	3,480,972
Non-Current	208,406	180,038	207,252
	5,283,917	4,983,281	3,688,224

49 Earnings per share

Basic earnings per share (EPS) is calculated by dividing the profit after tax attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the reporting period



B. Annual Report and Audited Annual Financial Statements of the Bank as at and for the year ended 30 June 2025

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Wegagen Bank





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Vision

To be a champion of excellence in banking business in Ethiopia

Mission

Maximize stakeholders' value by providing diversified banking services through competent and motivated employees and up-to-date technology

Core values

TEAMWORK

We collaborate and work collectively to meet our common goals
We promote and support a diverse, yet unified team

INTEGRITY

We do the right thing, even when no one is watching
We keep our word and honor our commitments
We maintain confidentiality and privacy of all stakeholders

INNOVATION

We adapt and respond rapidly to changes
We encourage creativity and new ideas

RESPONSIVENESS

We provide prompt and convenient customer service



Abdishu Hussein

Chairperson

Board of Directors



Woldegabriel Naizghi

Vice, Chairperson



Fithanegest Gebru

Member



Hassen Yesuf

Member



Fikru Jiregna

Member



Gebregziabher Hadush

Member



Surafeal Berhe

Member



Tesfatsyon Desta

Member



Alemseged Assefa

Member



Zenfu Asfaw

Member



Board of Directors



Aklilu Wubet (PhD)

Chief Executive Officer

Core Management



Yehwalashet Zewdu

Deputy CEO - Enterprise
Services



Solomon Tesfaye

Deputy CEO - Technologies



Kidane G/Sellassie

Deputy CEO - Operations



Senior Management Team



Aregash Gudeta
Chief Finance & Material
Management Officer



Haile G/Egziabher
Chief Human Capital Officer



Hussen Amde
Chief Digital Banking Officer



Kibeb G/Egziabher
Chief International Banking
Officer



Geteye Mekuria
Chief Marketing and Strategy
Officer



Yoseph G/Yohannes
Chief Credit Officer



Habtom G/Egziabher
Chief Officer, Northern Regional
Office



Mengistu Tadesse
Chief Resource Mobilization &
Branch Banking Officer



Goitom G/Tsadkan
Chief Information Officer



Debela Merga
Chief Risk & Compliance Officer



Negassi G/Aregawi
Chief Internal Auditor



Zeray G/Wahid
Director, Legal Services

Senior Management Team



Tajudin Hussen
Director, Interest Free Banking



Mengesha Fisseha
Executive Assistant



Haddush Hintsay
Company Secretary

Management Team



Genet Daba

Director, Talent Development



Abebaw G/Tsadik

Director, Treasury Management



Kaleb Tadesse

Director, Marketing & Corporate Communications



Tekle Eticha

Director, Corporate Strategy and Change Management



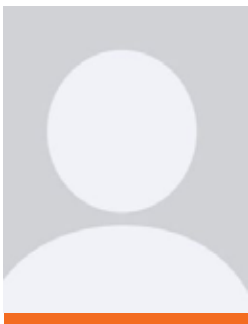
Negassi Fisseha

Director, Digital Banking Operation



Fantahun Demissie

Director, Personal and SME Relationship Management



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Director, Talent Management



Meried Haile

Director, Credit Analysis and Portfolio Management



Niguss Girma

Director, Employee Benefit & Performance Management

Management Team



Bahiru Demissie

Director, Research and Business Development



Amanuel Birhane

Director, Corporate and Business Relationship Management



Sebsibie Zebro

Director, Engineering & Facility Management



Yonas Alemeyehu

Director, Program Management



Tesfatsion Gebreyohannes

Director, Digital Innovation & Marketing



Million Legesse

Director, Resource Mobilization and Branch Banking



Desalegn Haile

Director, IT Security



Yishak Yilma

Director, Core Infrastructure Management



Abadi Leake

Director, Core Applications Management

Management Team



Yimegnushal Teshome
Director, Import & Payments



Paulos G/Mariam
Director, Export & Remittance



Defaru Afework
Director, Digital Banking
Technology Management



Mahalet Hailemariam
Director, Management
Information System



Tewodros Assefa
Director, Supply Chain
Management



Muluken Asmare
Director, Financial Accounting



Abay Gebreleul
Director, Loan Recovery

District Director Team



Genet B/Meskel
Director, East Addis Ababa District



Ashenafi Gidey
Director, West Addis Ababa District



Agere Belay
Director, North Addis Ababa District



Temesgen Berhe
Director, South Addis Ababa District



Yohannes Assefa
Director, Mekelle District



Zenebe Asayehegn
Director, Shire District



Daniel Liben
Director, Dire Dawa District



Kassanew Alem
Director, Bahir Dar District



Mulugeta Zerga
Director, Jimma District



Habtamu Nigussie
Director, Hawassa District



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Message from Chairperson of the Board of Directors

Honorable Shareholders,



As we convene today to review the fiscal year 2024/25, I am deeply honored to present, on behalf of the Board of Directors, the notable achievements of our Bank within a dynamic global and national economic environment. The year under review was marked by resilience and strategic progress, in alignment with Ethiopia's broader economic recovery and the steady, albeit slow, growth of the global economy. Despite the challenges posed by inflation and intensifying trade tensions, our Bank has demonstrated commendable performance, reaffirming our unwavering commitment to creating sustainable value for our stakeholders.

Globally, the fiscal year 2024/25 was characterized by economic divergence, with advanced economies facing slowdowns while emerging markets witnessed growth. Ethiopia's economy, however, registered a remarkable growth of 8.1%, supported by robust government spending and a resurgence in private consumption. This growth is a testament to the resilience of our nation and the effectiveness of policies aimed at fostering economic stability. Inflation, which peaked at 19.9% at the outset of the fiscal year, moderated to 13.9% by June 2025, reflecting the positive impact of monetary measures implemented by the National Bank of Ethiopia.

Crucially, foundational reforms within the financial sector, most notably the liberalization of foreign exchange and the establishment of the nation's first capital market, have unlocked unprecedented opportunities for financial institutions and investors alike. We are particularly proud that our Bank became the first listed company on the Ethiopian Securities Exchange, a historic milestone that not only enhances our visibility and credibility but also represents a significant step forward in the evolution of Ethiopia's financial sector. Furthermore, the launch of Wegagen Capital Investment Bank S.C, a subsidiary of Wegagen Bank and Ethiopia's first licensed investment bank, exemplifies our leadership in this transformative period and underscores our commitment to offering comprehensive financial services that meet the diverse needs of our clients.

Against this backdrop, our Bank achieved outstanding results across all key indicators. Our profitability soared, with profit before tax surging by an impressive 73% to Birr 3.85 billion. This exceptional performance elevated our Return on Average Assets (ROA) to 3.7% and Return on Average Equity (ROE) to a robust 25.3%. Such results not only underscore our operational efficiency but also translate into value creation for shareholders, as Earnings per Share (EPS) climbed to 46.10%, from 36.89% in the prior year.

This performance is built on a foundation of strong and sustainable growth. Our deposit mobilization efforts proved effective, expanding the Bank's deposit base by 28% to Birr 66.5 billion. This growth in deposits is a clear indication of the trust our customers placed in us. Simultaneously, our loan portfolio grew responsibly, with outstanding loans and advances rising by 18% to Birr 53.5 billion in line with the regulatory credit cap. Throughout this expansion, we upheld our steadfast commitment to prudent risk management as non-performing loan (NPL) ratio remained below the maximum threshold set by the National Bank of Ethiopia (NBE). Although our foreign currency generation of USD 273 million saw a slight decrease due to global trade slowdowns and commodity pressures, the Bank's ability to deliver record profits underscores the strength and diversity of our income streams.

Our non-financial performance was equally commendable. Deposit accounts grew by 20% to 4.4 million while the number of cardholders increased by 29% to 369,872. Mobile wallet subscribers reached 229,281 while mobile banking subscribers grew to 3.4 million, underscoring the growing adoption of our digital platforms. Our network also expanded significantly, with 455 branches, 398 ATMs, and 467 point-of-sale terminals, significantly enhancing accessibility to our customers. Our efforts in digital excellence position us well for the future, as the global remittance market is projected to grow at compound annual growth rate (CAGR) of 6.4% through 2029, perfectly aligning with our advancements in digital banking. In today's interconnected world, our role extends far beyond traditional banking, encompassing a profound responsibility to advance environmental, social, and governance (ESG) priorities. At the heart of this commitment lies our deliberate ESG Policy, which creates enduring value through initiatives such as cornerstone green financing projects that support a sustainable future, reinforced by a robust governance framework rooted in transparency, ethical conduct, and accountability, with the Board providing active oversight to ensure that our commitments are translated into tangible impact for a greener, more inclusive, and prosperous Ethiopia.

Equally central to our ESG journey is the social dimension, where both our employees and our communities are at the core of the progress we made during the fiscal year, we invested Birr 87 million in training and development programs to strengthen employee competencies and prepare them for the demands of a rapidly evolving financial sector, with our 5,553 dedicated professionals serving as our most valuable asset and the driving force behind our achievements. Beyond our workforce, we actively participate in Corporate Social Responsibility initiatives that address community needs, promote financial inclusion, and contribute to poverty reduction and sustainable development, ensuring that our impact extends well beyond financial performance to shape a future that is environmentally responsible, socially inclusive, and governed with integrity.

Looking ahead to fiscal year 2025/26, we remain optimistic about sustaining our growth trajectory. We will leverage opportunities present within Ethiopia's financial sector reforms, accelerate digital transformation initiatives, and expand investment banking capabilities through Wegagen Capital. Our focus will remain on enhancing customer experience, strengthening risk management, and driving sustainable growth. We are committed to navigating global economic uncertainties, including trade tensions and commodity market volatility, with agility and foresight.

Lastly, I wish to extend my heartfelt gratitude to our shareholders for their continued support, to our esteemed customers for their trust, and to our employees for their unwavering dedication. As we pursue our vision to be champions of excellence in banking business in Ethiopia, together, we will continue to build a resilient and innovative Bank that contributes to Ethiopia's economic prosperity. I am confident that the fiscal year 2025/26 will be a year of even greater achievements as we pursue our vision with determination and unity.

Thank you.



Abdishu Hussein
Chairperson, Board of Directors



Message from the Sharia Advisory Committee (SAC)

For the Fiscal Year Ended June 30, 2025

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

In alignment with the Interest Free Banking (IFB) provisions outlined in Wegagen Bank's Corporate Governance Framework and in accordance with the Sharia compliance standards established by the Accounting and Auditing Organization for Islamic Financial Institutions, the Sharia Advisory Committee is honored to address the esteemed shareholders of Wegagen Bank S.C.

Wegagen Bank continues to expand its IFB operations through an extensive network of over 455 branches, offering a diverse range of IFB services, including fund mobilization, financing, and service-based products. Under the "Wegagen Amana" brand, selected branches function as full-fledged IFB units while others provide IFB services through dedicated windows and partitions ensuring broad accessibility to Sharia compliant financial solutions.

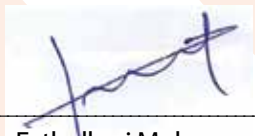
In fulfilling our mandate, the Committee has provided guidance (Fatwa) on critical operational matters pertaining to IFB services. Our oversight extends to ensuring Sharia compliance across the Resource Mobilization and Financing Divisions, addressing issues as they arise. We maintain a structured approach to our responsibilities, conducting well-planned meetings with clear agendas and meticulously documenting discussions through formal minutes. This disciplined approach ensures accountability and facilitates future compliance assessments.

As part of ongoing responsibilities, we have carefully reviewed and certified the Bank's IFB operational and financing procedures, contracts and product related agreements. This rigorous scrutiny guarantees that all IFB related banking activities strictly adhere to Islamic financial principles, reinforcing the integrity of our services.

Based on a thorough evaluation of operational data for the fiscal year ending June 30, 2025, we confirm that Wegagen Bank S.C. has consistently adhered to Sharia principles in its Interest-Free banking services. This compliance underscores the Bank's unwavering commitment to ethical and Sharia-compliant financial practices, strengthening stakeholder confidence in its operations.

We extend our sincere gratitude to the Board of Directors, management, and staff of Wegagen Bank for their unwavering commitment to upholding Sharia principles. Their leadership, guidance, and diligent efforts have been pivotal in ensuring the Bank's compliance with regulatory standards and its continued success in delivering ethical, Sharia-compliant financial solutions

Thank You!

Sheikh Ibrahim Dawud
Chairperson, SAC

Ustaz Mohammed Ferej
Member, SAC

Sheikh Fethulbari Mohammednur
Member, SAC

Sharia Advisory Committee



Sheikh Ibrahim Dawud
Chairperson



Ustaz Mohammed Ferej
Member



Sheikh Fethulbari Mohammednur
Member



3,377,554
Mobile Banking Subscribers



22,347
Internet Banking Users



229,281
E-Float Accounts



53.5 Billion Outstanding
Loans & Advances



369,872
Card Holders



USD 273 Million
Foreign Currency Generation



455 Branches



4,376,641
Deposit Accounts



66.5 Billion
Total Deposit



398 ATM



467 POS

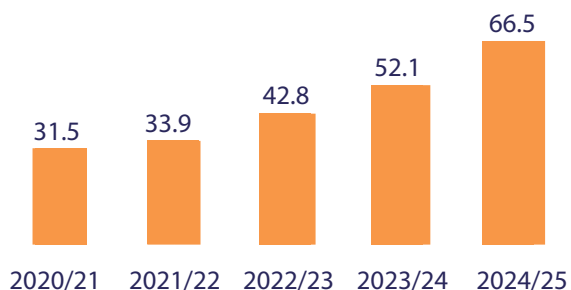


1,716 Agents

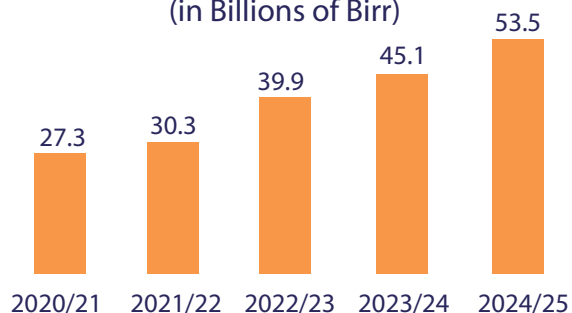
WEGAGEN IN NUMBERS

Performance Highlights

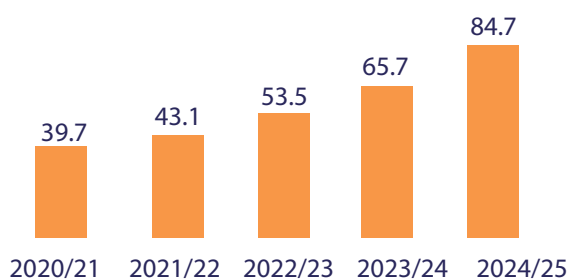
Total Deposit
(in Billions of Birr)



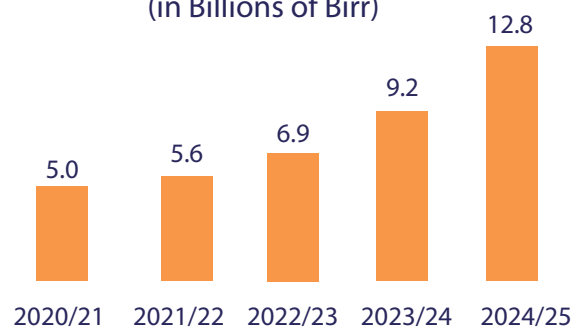
Loans & Advances
(in Billions of Birr)



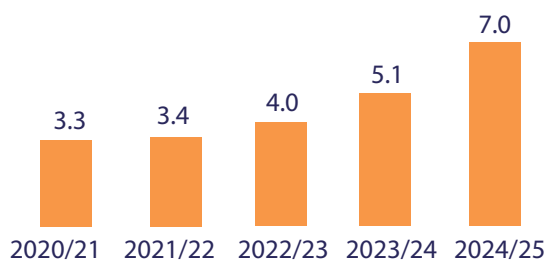
Total Assets
(in Billions of Birr)



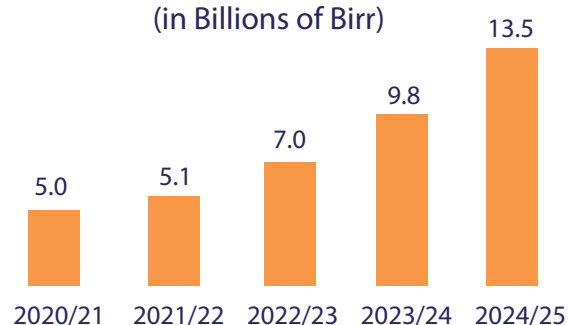
Total Equity
(in Billions of Birr)



Paid-up Capital
(in Billions of Birr)

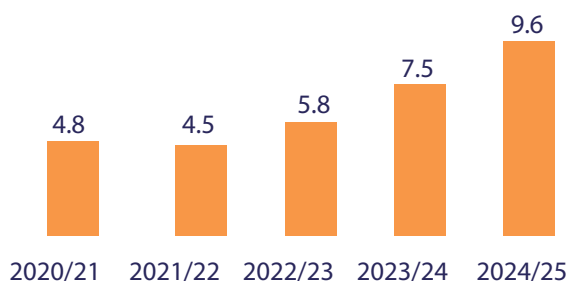


Total Income
(in Billions of Birr)

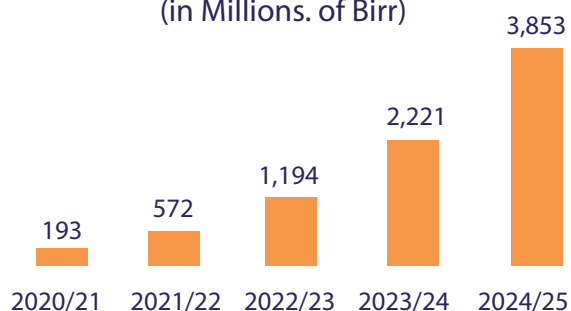


Total Expense

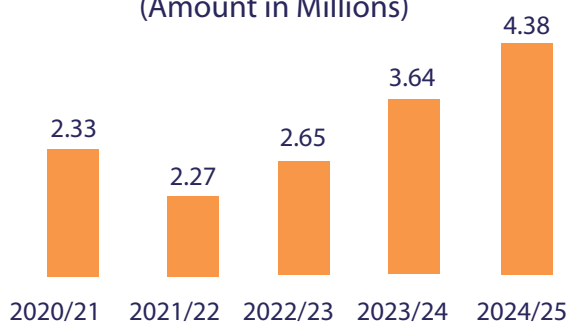
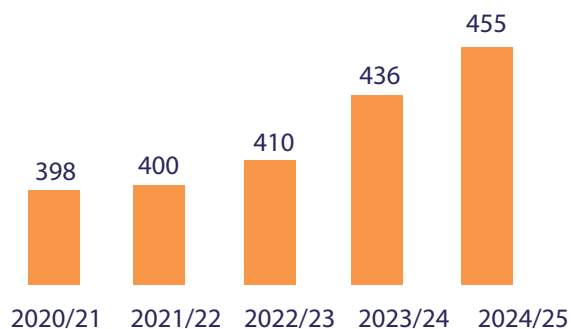
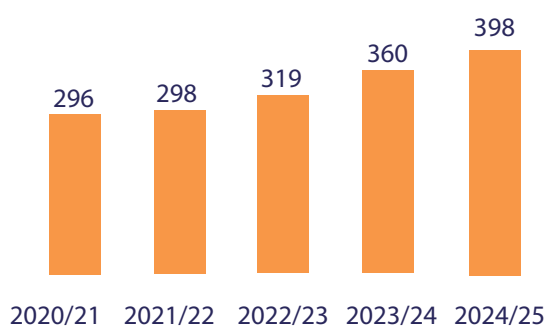
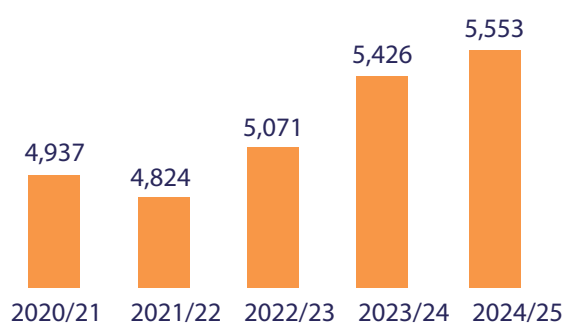
(in Billions of Birr)

**Profit before Tax**

(in Millions. of Birr)

**Number of Deposit Accounts**

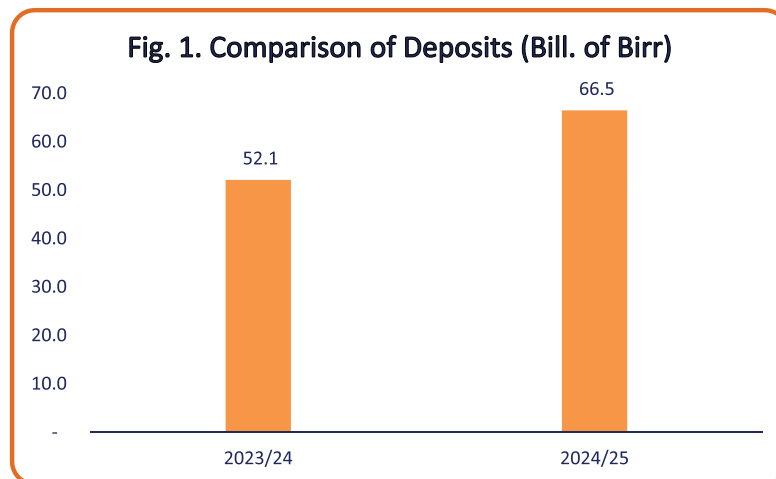
(Amount in Millions)

**No. of Branches****No. of ATMs****No. of Employees**

1. OPERATIONAL PERFORMANCE

1.1 Deposit Mobilization

Despite the challenges and volatility arising from adverse business and economic circumstances, the Bank successfully mobilized a net deposit of Birr 14.4 billion, marking a significant increase of 28%, as the Bank's outstanding deposit balance reached Birr 66.5 billion. This growth can be attributed to a broader array of products and services, enhanced community engagement, and fortified partnerships with various stakeholders. Collectively, these factors have contributed to the Bank's success, allowing us to better meet the needs of our customers and strengthen our presence and contribution in the market.



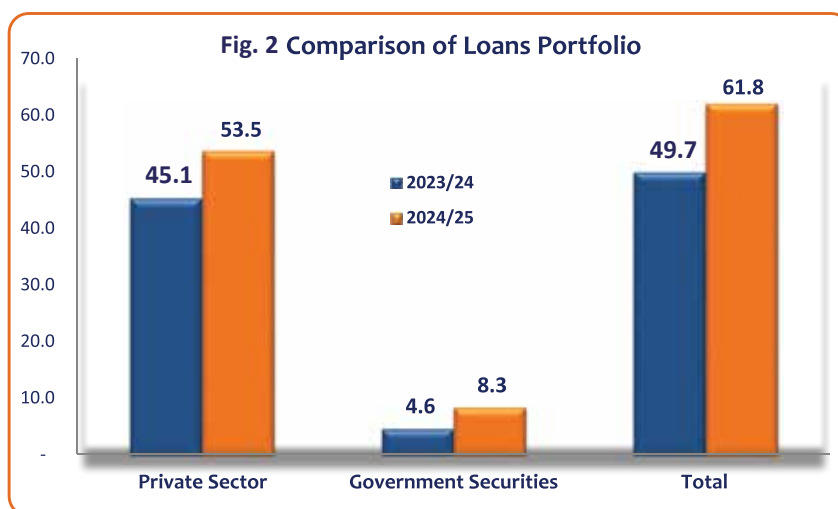
Compared to the previous year's performance, all types of deposit demonstrated positive growth, albeit to varying extents. This growth was mirrored by a 20% expansion in our customer base as 737,712 new clients were on-boarded, bringing the total to 4,376,461 account holders by June 30, 2025. This notable expansion demonstrates our continued dedication to growing our customer base and improving the services we provide to meet the evolving needs of our clients.

1.2 Interest Free Banking Service

In addition to conventional deposit mobilization, the Bank has strong emphasis on attracting Interest Free Deposits. During the fiscal year, a net deposit amount of Birr 2.3 billion was mobilized, resulting in a remarkable 94% year-on-year growth, as deposit from interest free banking sector reached Birr 4.8 billion as of June 30, 2025. This performance was driven by a strategic reorganization aimed at expanding customer access through dedicated IFB branches, sub- branches, and windows.

1.3 Loans and Advances

The outstanding loans and advances extended to various sectors of the economy stood at Birr 53.5 billion, reflecting a remarkable increase of 18% compared to the same period last year. This growth underscores the Bank's commitment to supporting economic development through strategic lending initiatives across diverse sectors. In addition to the increase in loans and advances, the Bank's stock of debt securities also demonstrated significant progress marking an increment of Birr 3.7 billion from the previous year's balance and reaching Birr 8.3 billion. This highlights the Bank's proactive approach to enhancing its investment portfolio and financial stability. These developments illustrate the Bank's ongoing efforts to strengthen its position in the market while contributing to broader economic growth.



Financed Projects

Import



Manufacturing



Export

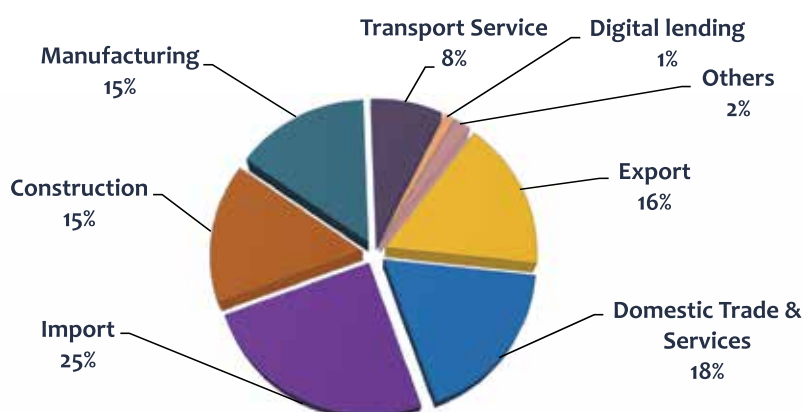


Construction



The Bank makes substantial contribution in stimulating economic activity and fostering development through the prudent allocation of funds across various sectors. Accordingly, as of June 30, 2025, the Bank's loan portfolio was well-diversified as the import sector constituted the largest share of the portfolio at 25%, followed by domestic trade and services (18%), export (16%), construction (15%), and manufacturing (15%). The remainder was allocated to transport services (8%), Digital lending (1%) and other sectors (2%). These allocations demonstrate the Bank's commitment to supporting a broad spectrum of industries, thereby enhancing economic stability and contributing to sustainable growth.

Fig. 3 Composition of Loans Portfolio



1.4 International Banking Operations

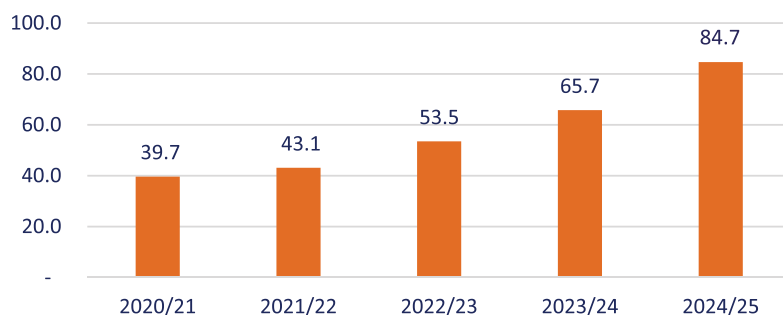
The Bank generated a total of USD 273 million during the fiscal year, highlighting its ability to navigate a variety of local and global challenges impacting international banking operations. Despite facing economic fluctuations, regulatory changes, and competitive pressures, the Bank has demonstrated resilience and strategic foresight in managing its resources effectively. These efforts have not only bolstered overall financial performance but also reinforced the Bank's commitment to sustaining its presence in the global market.

2. FINANCIAL PERFORMANCE

2.1 Asset Expansion

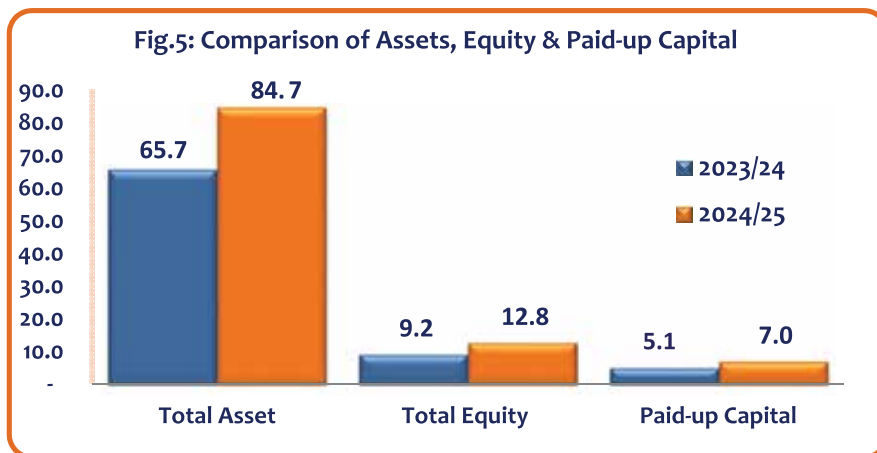
The Bank concluded the fiscal year with a robust financial standing, as total assets surged by an impressive 29%, reaching Birr 84.7 billion, up from Birr 65.7 billion in the prior year. This significant growth reflects the Bank's effective strategies and strong market position. The asset portfolio was predominantly composed of outstanding loans and advances, which constituted 60% of the total, underscoring the Bank's focus on lending activities. Other crucial components of the asset mix included cash and bank balances at 19%, providing liquidity to support operational needs; investment securities at 11%, which enhance the Bank's income-generating capabilities; and property, plant, and equipment at 2%, contributing to its long-term asset base. The remaining 8% was made up of various other assets, including investment in subsidiary (Wegagen Capital Investment Bank).

Fig. 4: Total Assets (In bill. of Birr)



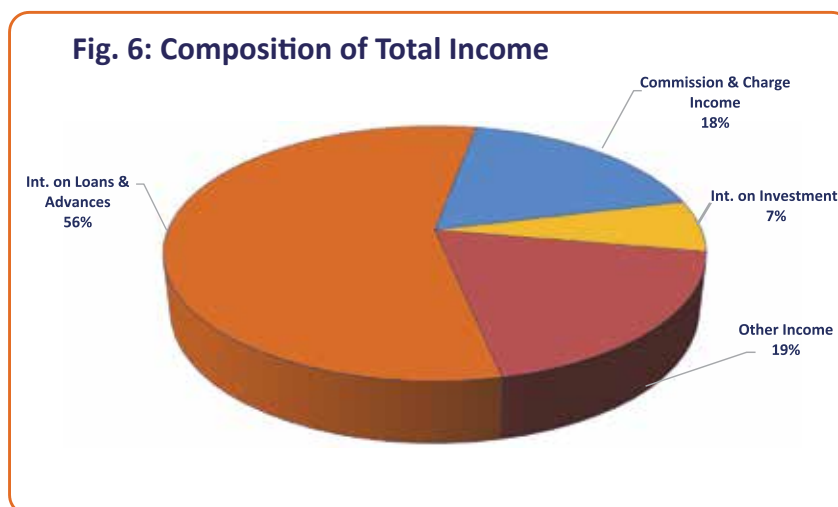
2.2 Equity Growth

The Bank significantly enhanced its equity position in the fiscal year 2024/25, with total equity rising by a remarkable 39% to reach Birr 12.8 billion. This impressive growth is attributed to a substantial Birr 2 billion increase in paid-up capital, which stood at Birr 7 billion as of June 30, 2025. This strengthened capital base not only bolsters the Bank's financial stability but also enhances its ability to support future growth initiatives. The improved position is further reflected in the Bank's capital adequacy ratio of 14.97%, which demonstrates a healthy buffer against potential risks and challenges. This ratio is nearly double the National Bank of Ethiopia's minimum requirement of 8%, indicating the Bank's strong commitment to maintaining robust financial health and regulatory compliance while positioning itself for sustainable expansion.



2.3 Total Income

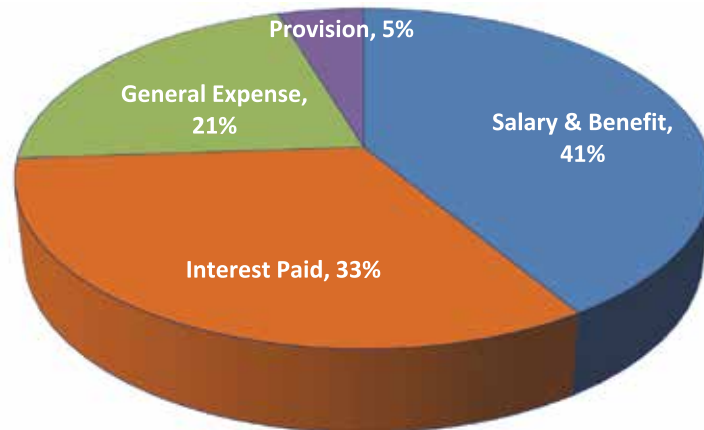
During the fiscal year under review, the Bank recorded a total income of Birr 13.5 billion, marking a robust 38% growth compared to the prior year's income of Birr 9.8 billion. This impressive performance, representing an absolute increase of Birr 3.7 billion, was attributed to significant increase across all income components, reflecting the Bank's effective revenue-generating strategies. The income portfolio was primarily composed of interest on loans and advances, which accounted for 56% of the total income, highlighting the Bank's strong lending activities and customer base. Income from Commission and charges stood at 18% while other incomes constitute 19%, indicating a successful diversification of income sources through fee-based services. Additionally, interest on investments contributed 7%, showcasing the Bank's prudent investment strategies. Overall, this diverse income mix not only underscores the Bank's operational efficiency but also positions it for sustained financial growth in the future.



2.4 Total Expense

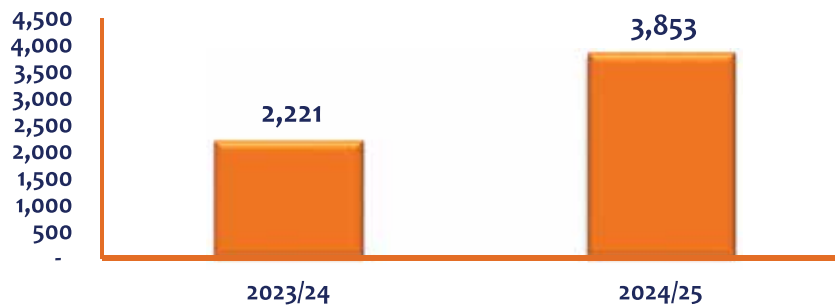
During the fiscal year 2024/25, the Bank's total expenses rose by 27%, reaching Birr 9.6 billion, up from Birr 7.5 billion in the prior year. This increase was driven by surge across most expense categories, reflecting the Bank's expansion and increased operational activities. Employee salaries and benefits emerged as the largest component of total expenses, accounting for 41%, which highlights the Bank's commitment to attracting and retaining talent in a competitive market. Following closely was interest expense, which constituted 33% of total expenses, indicating the Bank's cost of funding. Overall, the increase in expenses signifies the Bank's strategic investments in human resources and operational capabilities to support its growth objectives.

Fig. 7 Composition of the Total Expense



2.5 Profit before Tax

The Bank achieved a record profit before tax of Birr 3.85 billion in the fiscal year 2024/25, surpassing expectations and marking a remarkable increase of 73% compared to the previous year's profit of Birr 2.22 billion. This outstanding performance reflects the Bank's effective strategic initiatives and operational efficiencies that have driven revenue growth while managing expenses. The significant rise in profitability can be attributed to a combination of factors, including robust income generation from lending activities, a diversified income portfolio, and prudent cost management practices. Such impressive financial results not only demonstrate the Bank's resilience in a competitive market but also enhance its capacity for future investments and shareholder returns, solidifying its position in the banking sector.

Fig. 8 Comparison of Profit before Tax (In Millions of Birr)

3. CUSTOMER BASE EXPANSION

In line with its strategic objective to expand its customer base, the Bank achieved significant growth across all channels during the fiscal year 2024/25. As a result, the Bank added an impressive 737,712 new deposit accounts, representing a notable 20% increase from the prior year. This surge brought the total number of accounts to 4,376,461, reflecting the Bank's successful efforts to attract and retain customers.

The expansion in customer base was further complemented by robust growth in digital engagement, a crucial area for modern banking. Mobile banking subscription increased by 25%, reaching 3,377,554, signifying the growing preference for convenient and accessible banking solutions. Similarly, internet banking subscription saw a remarkable 33% growth, climbing to 22,347, indicating a shift towards online financial services.

Additionally, the number of cardholders rose by 29%, reaching 369,872, which underscores the Bank's commitment to providing diverse payment options for its customers. The launch of a new digital wallet partnership with E-Birr during the fiscal year further enhanced the Bank's digital ecosystem, adding 229,281 e-float accounts and establishing 1,716 agents to facilitate transactions. This strategic move not only expands the Bank's service offerings but also positions it in the rapidly evolving digital banking landscape.

4. ACCESSIBILITY

During the fiscal year 2024/25, the Bank made significant strides in expanding its physical network by opening 19 new branches across various regions. This strategic move aimed to enhance accessibility for customers and strengthen the Bank's presence in key markets. As a result, the total number of branches reached 455 as of June 30, 2025, showcasing the Bank's commitment to serving its growing customer base.

In addition to branch expansion, the Bank also focused on enhancing its self-service terminal network. It deployed 38 additional ATMs, which brought the total number of ATMs to 398. This expansion not only provides customers with greater convenience but also supports the Bank's goal of improving customer service by offering 24/7 access to cash and banking services.

Furthermore, the Bank introduced 31 new Point of Sale (POS) machines, increasing the total number of terminals to 467 by the end of the period. This growth in POS terminals is indicative of the Bank's efforts to promote cashless transactions and support local businesses, further elevating its digital presence. Overall, these initiatives reflect the Bank's dedication to enhancing customer experience and adapting to the evolving needs of the market.

5. HUMAN CAPITAL

The Bank considers its human capital as a key driver of competitive advantage and overall performance. During the fiscal year 2024/25, the Bank continued to prioritize investments in its workforce, aligning with its strategic vision of becoming a champion of excellence in the financial sector. Recognizing that a skilled and motivated workforce is essential for achieving its goals, the Bank focused on enhancing the capability of its employees.

As of June 30, 2025, the total workforce including contract employees grew by 2%, reaching 5,553 employees. This growth underscores the Bank's commitment to enhancing its talent pool in response to rising operational demands. The workforce is notably diverse, comprising 63% male and 37% female employees.

In a bid to ensure that its workforce remains competent and motivated, the Bank made substantial investment in comprehensive staff development programs, both locally and internationally aiming at enhancing technical and professional skills. Such initiatives underscore the Bank's commitment to sustained growth through a highly capable workforce, equipping employees with the knowledge and skills needed to excel in a competitive environment. By fostering a culture of continuous learning and development, the Bank positions itself for future success and innovation.



Wegagen Bank Becomes the First Company to be Listed
During the Grand Launch of the Ethiopian Securities Exchange on January 10, 2025.



Wegagen Bank's CEO, Aklilu Wubet (PhD), Honoured with Africa Banking Leadership Excellence Award and U.S. Congressional Commendation at Prestigious Africa Summit London 2025.



Partnership Agreement Signing Ceremony Between Wegagen Bank and Visa International



Wegagen Bank Partners with International Finance Corporation (IFC) to Revamp its Internal Operations.

6. BANKING TECHNOLOGY

In line with its objective of digital excellence, the Bank made significant enhancements to its IT and digital banking operations during the fiscal year. These improvements led to substantial growth in both the volume and value of transactions across all digital platforms, including ATMs, POS terminals, mobile banking, and internet banking. This surge in digital operations not only reflects the Bank's commitment to innovation but also demonstrates its ability to meet the evolving needs of its customers in an increasingly digital world.

In parallel, the Bank took proactive measures to strengthen its information security framework. Major initiatives were implemented to protect sensitive information, ensuring the confidentiality, integrity, and availability of critical data. By prioritizing cybersecurity, the Bank aims to build customer trust and mitigate risks associated with digital transactions, which are paramount in today's banking business environment.

Additionally, the Bank's IT service team effectively managed and resolved a high volume of technical support requests from both employees and customers. This responsiveness not only improved operational efficiency but also enhanced user experiences, allowing customers to navigate digital services with confidence and ease.

7. INVESTMENT IN PROPERTY

In alignment with the national growth strategy, the Bank is making strategic investments in property ownership to reduce long-term costs and secure its presence in key regions. This successful model is now being extended to major regional cities, further solidifying our commitment to growth and sustainability.

A significant milestone in this expansion is the initiative of construction of a state-of-the-art 25-story building on a 3,500 square meter plot in Mekelle. This new facility not only symbolizes the Bank's strategic investment but also reflects its commitment to delivering enhanced banking services to our customers. The building will incorporate modern amenities and advanced technology, designed to provide a welcoming and efficient environment for both employees and clients.

To ensure the successful execution of this ambitious project, the Bank has contracted a reputable construction firm known for its commitment to quality and timely delivery. This partnership will facilitate the timely completion of the building, enabling the Bank to establish a strong foothold and contribute to the national economy. Through the expansion of its physical presence, the Bank aims to enhance service offerings, foster community engagement, and support the financial needs of both individuals and businesses.

8. RISK AND COMPLIANCE MANAGEMENT

In response to a volatile and rapidly evolving financial landscape, the Bank has made robust risk management a strategic priority. Recognizing the critical role of risk management for long-term sustainability, the Bank conducted a comprehensive review and update of its entire risk

management framework during the fiscal year. This included a thorough examination of all policies, procedures, and practices to foster a proactive risk culture across the Bank. By instilling this culture, every employee is empowered to identify and address potential risks, ensuring that risk awareness becomes an integral part of our operational mindset.

The enhanced framework has significantly strengthened governance within the Bank, enabling the Board of Directors to effectively monitor risks in line with the Bank's defined appetite and strategic goals. This ensures that risk considerations are incorporated into decision-making at the highest level, allowing for timely interventions and adjustments that safeguard the Bank's interests and enhance stakeholder confidence.

Furthermore, the updated framework has empowered management to make informed, calculated decisions that align with both our strategic objectives and regulatory requirements. With clear guidelines in place, management can navigate uncertainties while ensuring full adherence to national and international standards. As a result of these initiatives, the Bank successfully mitigated compliance risks and maintained its operational integrity throughout the reviewed period. This commitment to robust risk management not only protects the Bank's assets but also strengthens its competitive position, fostering resilience and adaptability in the face of dynamic business environment.

9. INTERNAL AUDIT

The Bank's internal audit function plays a critical role in providing independent assurance and advisory services designed to add value and enhance operational efficiency. This function is mandated to ensure compliance with regulatory requirements and internal policies through objective examinations across the Bank, thereby promoting transparency and accountability in all operations.

During the 2024/25 fiscal year, the Bank diligently executed its risk-based audit plan, which involved a thorough review of both branch and head office operations. This comprehensive approach allowed the identification of areas for improvement and the assessment of the effectiveness of existing controls. In addition to planned audit activities, the Bank also conducted special investigations into reported fraud cases, demonstrating its steadfast commitment to safeguarding integrity and maintaining trustworthiness.

The findings from these audits were meticulously documented in detailed audit reports, which outlined key findings and recommended corrective actions. These reports were submitted to relevant bodies within the Bank, ensuring that all levels of management remained informed and actively engaged in the process. In response, action plans have been developed and are currently being implemented to address all identified issues. This proactive approach not only rectifies current shortcomings but also strengthens our overall risk management framework, enhancing our operational resilience and fostering a culture of continuous improvement throughout the Bank.

10. ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG)

The Bank has approved an ESG Policy and Procedure that enables the seamless integration of environmental and social factors into its business operations, with sustainability-related risks and opportunities managed through a rigorous environmental and social due diligence process conducted prior to project financing. As of June 30, 2025, the Bank conducted thorough environmental and social due diligence on projects across its loan portfolios, demonstrating its commitment to sustainable financing while systematically integrating sustainability risks and opportunities into its risk management framework in line with NBE's Corporate Governance Directive SBB/91/2024.

The Bank has developed financial products that support environmentally beneficial projects, including USD 1.3 million in loans under the ADELE project to promote rural electrification through solar energy, with compliance ensured via environmental and social management plans. It also launched "Efoyta," an uncollateralized digital lending product primarily targeting women, SMEs, and informal businesses, disbursing more than Birr 3.2 billion to over 201,000 borrowers and earning second place on NBE's Advancing Women's Financial Inclusion Index in May 2025. Moreover, the Bank finances projects addressing social challenges such as affordable housing, healthcare, and education, while partnering with institutions like the MasterCard Foundation, World Bank Group, DBE, Afrexim Bank, TDB, and other international correspondent banks to co-finance sustainable initiatives and leverage innovation.

The Bank is deeply committed to the communities it serves, recognizing that strong social relationships are essential to its success. This commitment is embodied in its active corporate social responsibility (CSR) initiatives, which are designed to contribute meaningfully to the nation's socio-economic development and improve the quality of life for all citizens.

During the fiscal year 2024/25, the Bank donated a total of Birr 30 million to various community programs initiated by multiple governmental and non-governmental organizations nationwide, enabling the Bank to leverage resources and expertise for maximum impact. Funds were strategically allocated to

community programs that promote financial literacy, health, and education, while extending support to WASH initiatives, women's empowerment, Ekub and Edir associations, and vulnerable students. The Bank contributed to projects with significant social and environmental impact, including feeding programs for disadvantaged students and the installation of smart light poles to enhance corridor development. It also sponsored a wide range of community-focused activities such as youth empowerment summits, SACCOs, SME bazaars, industry expos, and staff associations.

The Bank remains dedicated to fulfilling its social responsibility through ongoing philanthropic endeavors, continually seeking opportunities to enhance its societal impact. By investing in communities, the Bank not only contribute to their growth but also reinforces its position as a responsible and caring financial institution. This commitment to social responsibility is integral to the Bank's identity and reflects the belief that a prosperous society ultimately leads to a thriving economy.

As a responsible employer, Wegagen Bank fosters inclusive growth by creating employment opportunities, promoting gender diversity, and maintaining a supportive workplace culture. As of June 30, 2025, the Bank employed 5,553 individuals (63% male, 37% female), including 547 new hires during the fiscal year. Seventy-seven women held leadership positions ranging from Chief Officers to Branch Managers, with all participating in local and international leadership training. The Bank also ensures fairness and accountability through a formal grievance policy and an independent committee for dispute resolution, strengthening trust, equity, and empowerment across its workforce.

The Bank places strong governance at the core of its ESG practice, embedding sustainability into decision-making, risk management, and strategic planning through a transparent and accountable framework. The Board of Directors, supported by the Risk and Compliance Sub-Committee in line with NBE Directive SBB 91/2024, oversees sustainability-related risks and ensures environmental and social considerations are integrated across operations. Active Board and Senior Management involvement reinforces regulatory compliance, stakeholder confidence, and alignment with long-term objectives. As of June 30, 2025, the total value of loan and advance transactions with related parties was Birr 2.3 billion while the total deposit transactions were valued at Birr 985 million. On other aspect, total annual compensation for key management amounted to Birr 37 million, reflecting fair and responsible governance practices.



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WEGAGEN VISA
INTERNATIONAL CARD



ህልምዎን እንጋራለን



ለወጣቶች በተዘጋጀው ወለዱ ከቁጠባው
መጠን ጋር አብሮ በሚያድገው ብሩህ
የቁጠባ ሂሳብ ይቆጥቡ

**Wegagen Bank Share Company
Annual Consolidated and Separate
Financial Statements
For the Year Ended 30 June 2025**

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Wegagen Bank®



Wegagen Bank S.C

Annual Consolidated and Separate Financial Statements

For the Year Ended 30 June 2025

Directors, Executive Management, Auditor and Principal Correspondent Banks

Name	Title in the Board	Membership on Board Committees	Date Appointed
Mr. Abdishu Hussein	Chairperson	Audit Sub-Committee	April 19,2024
Mr. Woldegebreiel Naizghi	Vice Chairperson	Nomination, Remuneration and Credit sub-Committee	April 19,2024
Mr. Gebregzabher Hadush	Member	Nomination, Remuneration and Credit Sub-Committee	April 19,2024
Mr. Surafel Berhe	Member	Nomination and Remuneration Sub-Committee	April 19,2024
Mr. Fikru Jiregna	Member	Risk Management, Compliance and Credit Sub-committee	April 19,2024
Mr. Hassen Yesuf	Member	Audit Sub-Committee	April 19,2024
Mr. Zenfu Asefaw	Member	Risk Management and Compliance Sub-Committee	April 19,2024
Mr. Fithanegest Gebru	Member	Audit Sub-Committee	April 19,2024
Mr. Alemseged Assefa	Member	Risk Management, Compliance and Credit Sub-committee	April 19,2024
Mr. Tesfatsion Desta	Member	Nomination and Remuneration Sub-Committee	April 19,2024

Executive Management

Name	Title	Date Appointed
Aklilu Wubet (PhD)	Chief Executive Officer	January 11,2022
Mr. Yehwalashet Zewdu	Deputy Chief Executive Officer - Enterprise Services	August 5, 2023
Mr. Solomon Tesfaye	Deputy Chief Executive Officer - Technologies	August 5, 2023
Mr. Kidane G/Sellassie	Deputy Chief Executive Officer - Operations	August 5, 2023
Mr. Debela Merga	Chief Risk and Compliance Officer	November 17, 2021
Mr. Negasi G/Aregawi	Chief Internal Auditor	April 11, 2022

Company Secretary

Mr. Haddush Hintsay

Independent Auditor

Tafesse, Shisema and Ayalew Audit Service Partnership (TMS Plus)
Chartered Certified Accountants and Authorized Auditors
Telephone: +251-930034356 Email: tmsplus@ethionet.et tafessef@hotmail.com
Addis Ababa, Ethiopia

Corporate Registered Address

Wegagen Bank Share Company
Ras Mekonnen Street, Infront of Addis Ababa Stadium, Swift: WEGAETAA
Tel.+251 115523800,+251 115 177500,P.O.Box 1018,www.wegagen.com
NBE Registration No. LBB/004/97 TIN 0000017936
Addis Ababa, Ethiopia

Principal Correspondent Banks

Citi Bank	UniCredit Bank
Commerz Bank	African Export Import Bank
CAC International Bank	Natixis Bank
Mashreq Bank	Bank of Africa
Exim Bank	Bank of China, South Africa
East Africa Bank, Djibouti	



Wegagen Bank S.C

Annual Consolidated and Separate Financial Statements

For the Year Ended 30 June 2025

Report of the Directors

The directors submit their report together with the financial statements for the year ended 30 June 2025, to the members of Wegagen Bank ("Wegagen" or the Bank"). This report discloses the financial performance and state of affairs of the Bank.

Incorporation and address

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, 2025, the paid up capital of the Bank reached Birr 7.03 Billion. As at June 30, 2025, the Bank has 14,871 shareholders and a network of 455 branches.

Principal activities

The mandate of the Bank is to provide efficient and effective full-fledged commercial banking services by utilizing qualified, honest and motivated staff and state-of-the-art technology and thereby optimize shareholders interest.

Results and dividends

The Bank's results for the year ended 30 June 2025 are set out on page **44 and 132**. The profit for the year has been transferred to retained earnings. The summarized results are presented below.

	Consolidated		Separate	
	30-Jun-2025 Birr'000	30-Jun-2024 Birr'000	30-Jun-2025 Birr'000	30-Jun-2024 Birr'000
Net Interest Income	5,303,178	4,800,825	5,303,361	4,800,825
Net operating income	9,764,359	6,673,076	9,756,826	6,673,076
Profit before tax	3,852,553	2,220,847	3,866,956	2,220,847
Tax charge	(1,075,043)	(617,646)	(1,082,556)	(617,646)
Profit for the year	2,777,510	1,603,201	2,784,400	1,603,201
Other comprehensive income net of taxes	38,174	76,729	38,174	76,729
Total comprehensive income for the year	2,815,684	1,679,929	2,822,574	1,679,929
Earnings Per Share	46.10%	36.89%	46.19%	36.89%

Mr. Abdishu Hussein
Chairperson, Board of Directors



Wegagen Bank S.C

Annual Consolidated and Separate Financial Statements

For the Year Ended 30 June 2025

Statement of Directors' Responsibilities

In accordance with the Financial Reporting Proclamation No. 847/2014 the Accounting and Auditing Board of Ethiopia (AABE) may direct the Bank to prepare financial statements in accordance with International Financial Reporting Standards, whether their designation changes or they are replaced, from time to time.

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

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

The Directors accepts responsibility for the annual financial statement, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards, Banking Business Proclamation, Commercial code of 2013 E.C and the relevant Directives issued by the National Bank of Ethiopia.

The Directors are the opinion that the financial statements give a true and fair view of the state of the financial affairs of the company and of its profit or loss.

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

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

The financial statements on pages 44 to 161 were approved and authorized for issue by the board of directors and management on September 22,2025 and signed on their behalf by:

Mr. Abdishu Hussein
Chairperson, Board of Directors

Aklilu Wubet (PhD)
Chief Executive Officer



Independent Auditor's Report to the shareholders of Wegagen Bank Share CompanyW**Report on the Audit of the Consolidated and Separate Financial Statements****OUR OPINION**

We have audited the consolidated and separate financial statements of Wegagen Bank Share Company specified on page 44-161, which comprise the consolidated and company statement of financial position as at 30 June 2025, the consolidated and company statement profit or loss and other comprehensive income, the consolidated and company statement of cash flows and the consolidated and company statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of the company as at 30 June 2025, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Ethiopia, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence, we have obtained, is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

As described in notes 15a and 15b to the financial statements, the impairment losses have been determined in accordance with IFRS 9 Financial Instruments. This was considered a key audit matter as IFRS 9 is a complex accounting standard which requires significant judgment to determine the impairment losses.

IFRS 13 - fair value measurement requires entities to measure fair value using observable inputs whenever possible, and unobservable inputs only when observable inputs are not available. In the case of the Bank's investment in other entities, the Bank has determined that there are no observable inputs available to measure fair value. Therefore, the Bank has used a valuation model that incorporates unobservable inputs, such as the discount rate and future cash flows.

The use of unobservable inputs in the valuation model poses a risk of material misstatement, as the Bank's judgment in determining these inputs could be biased or inaccurate. We have identified this as a key audit matter because of the following factors:



- The Bank's investment in other entities is significant, is material to the financial statements.
- The valuation of the investment is complex and requires the use of a number of unobservable inputs.
To address this key audit matter, we have performed the following audit procedures:
- We assessed the Bank's valuation methodology and evaluated the reasonableness of the key assumptions used in the valuation model.
- We compared the Bank's valuation results to those of independent market participants.

Based on our audit procedures, we believe that the Bank's valuation of its investment in other entities is reasonable and in accordance with IFRS 13. However, we recommend that the Bank consider the following actions to mitigate the risk of material misstatement in the future:

- Consider using a valuation methodology that incorporates more observable inputs.
- Regularly monitor the performance of the investment and update the valuation model as needed.

Responsibilities of directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards (IFRSs) and for such internal control as directors determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

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

Report on other Legal and Regulatory requirement

We have no comment to make on the report of your Board of Directors so far as it relates to these financial statements in accordance with the Commercial Code of Ethiopia of 2021 (Proclamation No-1243/2021), recommend approval of the consolidated and separate financial statements. In addition, we have no objection on the amount of dividend proposed by the directors and hence in accordance with article 349 (3) of the commercial code of Ethiopia of 2021 recommended approval of the proposed dividend distribution.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Ayalew Asres FCCA.

Taf. Shisema & Ayalew

Tafesse, Shisema and Ayalew Certified Audit Partnership
Chartered Certified Accountants (UK)
Authorized Auditors (ETH)



Addis Ababa, Ethiopia
24 September 2025

Wegagen Bank S.C**Annual Consolidated and Separate Financial Statements****For the Year Ended 30 June 2025****Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the Reporting period Ended 30 June 2025**

	Notes	30 June 2025 Birr'000	30 June 2024 Birr'000
Interest income	5	8,459,357	7,179,283
Interest expense	6	(3,156,179)	(2,378,457)
Net interest income		5,303,178	4,800,825
Fee and Commission Income	7	2,464,927	2,146,327
Fee and Commission Expense	7	(99,689)	(30,697)
Net fee and commission income	7	2,365,238	2,115,630
Net Trading Income		7,668,417	6,916,455
Other operating income	8	2,555,514	436,736
Loan impairment charge	9	(465,867)	(269,292)
Impairment losses on other assets	10	6,295	(410,823)
Net operating income		9,764,359	6,673,076
Salaries and benefits	11	(3,962,431)	(3,208,710)
Amortization of intangible assets	20	(83,282)	(34,061)
Depreciation of property and equipment	21	(202,212)	(176,525)
Depreciation of right-of-use asset	21a	(310,569)	(352,663)
Other operating expenses	12	(1,352,225)	(679,364)
Audit fees		(1,087)	(906)
Total Operating Expenses		(5,911,807)	(4,452,229)
Profit before income tax		3,852,553	2,220,847
Income tax expense	13a	(1,075,043)	(617,646)
Profit after tax		2,777,510	1,603,201
Profit attributable to:			
Ordinary equity holders		2,778,853	-
Non-controlling interest	29d	(1,343)	-
Other Comprehensive Income (OCI) net of income tax			
Remeasurement loss on retirement benefits	25b	(119,790)	9,080
Fair value gain or (loss) of equity investments	29c	157,963	67,649
Total other comprehensive income (net of tax)		38,174	76,729
Total comprehensive income for the period		2,815,684	1,679,929
Basic & diluted earnings per share	27	46.10%	36.89%

The accompanying notes are an integral part of these financial statements

The financial statements were approved and authorized for issue by the directors and management on September 22, 2025 and signed on their behalf by:



Mr. Abdishu Hussein
Chairperson, Board of Directors



Abilil Wubet (PhD)
Chief Executive Officer



Wegagen Bank S.C

Annual Consolidated and Separate Financial Statements

For the Year Ended 30 June 2025

Consolidated Statement of Financial Position as at 30 June 2025

	Note	30 June 2025 Birr'000	30 June 2024 Birr'000
ASSETS			
Cash and bank balances	14	15,768,955	13,123,499
Loans and advances to customers	15a	51,260,502	43,300,410
Investment securities:			
- Equity Investments at FVOCI	16a	822,894	540,695
- Debt Securities at Amortized Cost	16b	8,311,193	4,613,155
Other assets	17	5,159,025	1,742,250
Investment property	18	-	2,585
Intangible assets	20	493,497	48,068
Property and Equipment	21	1,860,431	1,687,442
Right-of-Use Asset	21a	993,853	675,445
Total assets		84,670,350	65,733,550
LIABILITIES			
Deposit from customers	22	61,651,819	48,417,951
Deposit from financial institutions	23	4,830,973	3,706,774
Current tax liabilities	13c	1,091,622	641,203
Other liabilities	24	3,688,224	3,368,216
Employee benefit obligations	25	504,869	288,457
Deferred tax liabilities	13d	94,807	103,498
Total liabilities		71,862,376	56,526,098
EQUITY			
Capital and reserves			
Share capital	26	7,028,357	5,058,890
Share premium	26	87,819	74,917
Retained earnings	28	1,944,300	1,246,781
Legal reserve	29a	2,885,999	2,191,622
Regulatory risk reserve	29b	646,558	507,882
Other reserve	29c	165,534	127,360
		12,758,566	9,207,451
Non-controlling interest	29d	49,407	-
Total equity		12,807,973	9,207,451
Total liabilities and equity		84,670,350	65,733,550

The accompanying notes are an integral part of these financial statements

The financial statements were approved and authorized for issue by the directors and management on September 22, 2025 and signed on their behalf by:



Mr. Abdishu Hussein
Chairperson, Board of Directors



Akulu Wubet (PhD)
Chief Executive Officer



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Wegagen Bank S.C

Annual Consolidated and Separate Financial Statements

For the Year Ended 30 June 2025

Consolidated Statement of Changes in Owners Equity for the Reporting Period Ended 30 June 2025

	Share capital	Share premium	Retained earnings	Legal reserve	Regulatory Risk Reserve	Other Reserve	Non-controlling Interest	Total
	Birr'000	Birr'000	Birr'000	Birr'000	Birr'000	Birr'000	Birr'000	Birr'000
Balance at the beginning of the reporting period	3,982,139	57,736	472,937	1,790,822	552,262	50,631	-	6,906,527
Dividend declared			(472,937)					(472,937)
New shares issued	1,076,751	17,181						1,093,932
Fair value gain of Equity investments (net of tax)						67,649		67,649
Profit for the year			1,603,201					1,603,201
Remeasurement of Defined Benefit plans (net of tax)			(400,800)	400,800		9,080		9,080
Transfer to legal reserve			44,380		(44,380)			-
Transfer from Regulatory Risk Reserve								-
Balance at the end of 30 June 2024	5,058,890	74,917	1,246,781	2,191,623	507,882	127,360	-	9,207,451
Dividend declared			(1,246,781)					(1,246,781)
New shares issued	1,969,467	12,902						1,982,369
Fair value gain of Equity investments (net of tax)						157,963		157,963
Profit for the year			2,777,510					2,777,510
Re-measurement of Defined Benefit plans (net of tax)						(119,790)		(119,790)
Non-controlling interest			1,343					1,343
Directors' share of profit			(1,500)					(1,500)
Non-distributable reserve adjustment			(118,140)					-
Transfer to legal reserve			(694,378)	694,378				-
Transfer to regulatory risk reserve			(20,536)					-
Non-controlling interest							49,407	49,407
Balance at the end of the reporting period	7,028,357	87,819	1,944,300	2,886,001	646,288	165,534	49,407	49,407 12,807,973

The accompanying notes are an integral part of these financial statements

The financial statements were approved and authorized for issue by the directors and management on September 23, 2025 and signed on their behalf by:



[Signature]
Mr. Abdishu Hussein
Chairperson, Board of Directors



[Signature]
Akilu Wubet (PhD)
Chief Executive Officer



Wegagen Bank S.C

Annual Consolidated and Separate Financial Statements

For the Year Ended 30 June 2025

Consolidated Statement of Cash Flows for the Reporting Period Ended 30 June 2025

	Notes	30 June 2025 Birr'000	30 June 2024 Birr'000
Cash flows from operating activities			
Cash generated from operations	30	7,960,473	7,197,323
Profit tax assesment paid		-	-
Income tax paid	13c	(649,612)	(355,126)
Net cash (outflow)/inflow from operating activities		7,310,862	6,842,197
Cash flows from investing activities			
Purchase of investment securities	16	(56,537)	(131,536)
Purchase of intangible assets	20	(528,711)	(33,311)
Purchase of property, plant and equipment	21	(469,816)	(340,608)
Payment for asset use right acquisitions	21a	(646,391)	(357,782)
Proceeds from matured debt securities	16b	(3,698,038)	(2,551,365)
Proceeds from sale of PPEs		-	12,745
Net cash (outflow)/inflow from investing activities		(5,399,494)	(3,401,857)
Cash flows from financing activities			
Share premium collected	26	12,902	17,181
New shares issued	26	1,969,467	1,076,751
Directors' remuneration paid	28	(1,500)	-
Dividend paid	28	(1,246,781)	(472,937)
Net cash (outflow)/inflow from financing activities		734,088	620,995
Net increase/(decrease) in Cash and bank balances		2,645,456	4,061,334
Cash and bank balances at the beg. of the year	14	13,123,499	9,059,264
Effect of exchange rate movement on Cash and bank balances		-	2,901
Cash and bank balances at the end of the year		15,768,955	13,123,499

The accompanying notes are an integral part of these financial statements

The financial statements were approved and authorized for issue by the directors and management on September 22, 2025 and signed on their behalf by:


Mr. Abdishu Hussein
Chairperson, Board of Directors


Aklilu Wubet (PhD)
Chief Executive Officer



Wegagen Bank S.C**Annual Consolidated and Separate Financial Statements****For the Year Ended 30 June 2025****Notes to the Consolidated Financial Statement for the Reporting Period Ended 30 June 2025****1 General information**

Wegagen Bank S.C. ("Wegagen Bank or the Bank") is a private commercial Bank that was established in June 1997 in accordance with the provisions of the Commercial code of Ethiopia of 1960 (which was latter replaced by Commercial code of Ethiopia of 1243/2021) and the Licensing and Supervision of Banking Business Proclamation No. 84/1994 (as amended by 1360/2025). As at June 30, 2025, the paid up capital of the Bank reached Birr 7.03 billion contributed by 14,871 shareholders.

The Bank's registered office is at Kirkos sub city, Wereda 10, in front of National Stadium, in Addis Ababa, Ethiopia. Besides, it operates in all the twelve regions and two city administrations of Ethiopia by opening 455 branches.

The Bank is principally engaged in the provision of diverse range of financial services ranging from accepting deposits from the public and lending to a wide range of sectors that mainly includes manufacturing, import, export, construction, domestic trade and transport areas. It also performs trade services activities to facilitate the import and export process of the Country. Moreover, it facilitates local and international remittance activities through various partners. Last but not least, the Bank reaches its customers through various electronic banking channels like ATM, internet banking, mobile banking, mobile wallet and agency banking platforms.

2 Summary of Significant Accounting Policies**2.1 Introduction to summary of significant accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

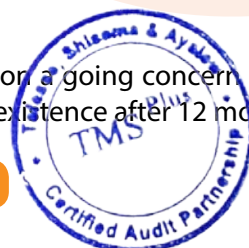
2.2 Basis of preparation

The financial statements for the year ended 30 June 2025 have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The financial statements comprise the statement of profit or loss and other comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and the notes to the financial statements.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates, assumptions and management judgment in applying the Bank's accounting policies. Changes in estimates and assumptions may have a significant impact on the financial statements in the period the assumptions changed. Management believes that the underlying estimates and assumptions are appropriate and that the Bank's financial statements therefore present the financial position and results fairly. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

2.2.1 Going concern

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



Wegagen Bank S.C

Annual Consolidated and Separate Financial Statements

For the Year Ended 30 June 2025

2.2.2 Changes in accounting policies and disclosures

The Bank has consistently applied the accounting policies to all periods presented in these financial statements. The below are amendments to standards that are effective for annual periods beginning after 1 July 2024, and have not been applied in preparing these financial statements.

Standard	Description	Effective date	Impact
Amendments to IAS 21 - Lack of Exchangeability	An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.	Applicable to annual reporting periods beginning on or after 1 January 2025	The Bank opted to apply the amendments when due.
Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7)	In December 2024 the IASB issued amendments to IFRS 9 and IFRS 7 to address issues with accounting for contracts associated that involve renewable energy. Contracts that reference nature-dependent electricity production, also known as power purchase agreements (PPAs), are contracts to buy and take delivery of electricity that is produced from nature-dependent sources. As generation of renewable energy has increased, so has the number of PPAs.	The amendments are effective for periods starting on or after 1 January 2026	The bank may apply the amendment when it is application on or after the effective date
IFRS 19 Subsidiaries without Public Accountability: Disclosures	This new standard works alongside other IFRS Accounting Standards. An eligible subsidiary applies the requirements in other IFRS Accounting Standards except for the disclosure requirements and instead applies the reduced disclosure requirements in IFRS 19. IFRS 19's reduced disclosure requirements balance the information needs of the users of eligible subsidiaries' financial statements with cost savings for preparers. IFRS 19 is a voluntary standard for eligible subsidiaries. A subsidiary is eligible if: it does not have public accountability; and it has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.	The amendment is effective from annual reporting periods beginning on or after 1 January 2027	The Bank opted to apply the amendments when due.



Wegagen Bank S.C

Annual Consolidated and Separate Financial Statements

For the Year Ended 30 June 2025

IFRS 18 Presentation and Disclosure in Financial Statements	This is the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to: the structure of the statement of profit or loss; required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.	Effective for annual reporting periods beginning on or after 1 January 2027.	The bank shall apply the amendment when due. The amendments are expected to have an impact on the bank's financial statements.
Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments	These amendments clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system; clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion; add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).	Effective for annual reporting periods beginning on or after 1 January 2026.	The Bank opted to apply the amendments when due.

2.3 Foreign currency translation

a. Functional and presentation currency

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

b. Transactions and Balances

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



Wegagen Bank S.C

Annual Consolidated and Separate Financial Statements

For the Year Ended 30 June 2025

2.4 Recognition of income and expenses

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

The Bank, earns income from interest on loans and commission and service charges from the various services it provides to customers. The Bank's main expenses includes the interest it paid to deposits from customers, the impairment allowance for loans and the operating expenses it incurs to run the day to day operations of the Bank.

2.4.1 Net Interest Income

2.4.1.1. Policy applicable

a. Effective interest rate and amortized cost

Interest income and expense are recognized in profit or loss using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset; or the amortized cost of the financial liability.

When calculating the effective interest rate for financial instruments other than credit-impaired assets, the Bank estimates future cash flows considering all contractual terms of the financial instrument, but not expected credit losses. For credit-impaired financial assets, a credit-adjusted effective interest rate is calculated using estimated future cash flows including expected credit losses. The calculation of the effective interest rate includes transaction costs and fees and points paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability

b. Amortized cost and gross carrying amount

The 'amortized cost' of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any expected credit loss allowance. The 'gross carrying amount of a financial asset' is the amortized cost of a financial asset before adjusting for any expected credit loss allowance.

c. Calculation of interest income and expense

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortized cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis. For financial assets that were credit-impaired on initial recognition, interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of the asset. The calculation of interest income does not revert to a gross basis, even if the credit risk of the asset improves.



Wegagen Bank S.C

Annual Consolidated and Separate Financial Statements

For the Year Ended 30 June 2025

d. Presentation

Interest income and expense presented in the statement of profit or loss and OCI include

- interest on financial assets and financial liabilities measured at amortized cost calculated on an effective interest basis;
- interest on debt instruments measured at FVTPL calculated on an effective interest basis;

Interest income and expense on all trading assets and liabilities are considered to be incidental to the Bank's trading operations and are presented together with all other changes in the fair value of trading assets and liabilities in net trading income. Interest income and expense on other financial assets and financial liabilities at FVTPL are presented in net income from other financial instruments at FVTPL.

2.4.2 Fees and commission

Fees and commission income and expenses that are integral to the effective interest rate on a financial asset or liability are included in the measurement of the effective interest rate. Other fees and commission income (for example commission on drafts, cash payment order (CPO), letter of credit (LC), letter of guarantee, etc) are recognised as the related services are performed.

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

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

2.4.3 Dividend income

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

2.4.4 Foreign exchange revaluation gains or losses

These are gains and losses arising on settlement and translation of monetary assets and liabilities denominated in foreign currencies at the functional currency's spot rate of exchange at the reporting date. The monetary assets and liabilities include financial assets within the foreign currencies deposits received and held on behalf of third parties etc.

2.4.5 Other income and expense

Other expenses are recognized when they are incurred by the Bank and other revenues recognized when they are earned which usually occurs simultaneously with cash collection.

2.5 Financial instruments

a. Recognition and initial measurement-

The Bank shall initially recognize loans and advances, deposits, debt securities issued and subordinated liabilities on the date on which they are originated. All other financial instruments (including regular-way purchases and sales of financial assets) shall be recognized on the trade date, which is the date on which the Bank becomes a party to the contractual provisions of the instrument. A financial asset or financial liability shall be measured initially at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.



Wegagen Bank S.C

Annual Consolidated and Separate Financial Statements

For the Year Ended 30 June 2025

b. Classification and subsequent measurement

Financial assets- On initial recognition, a financial asset shall be classified either as measured at either amortized cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL).

The Bank shall measure a financial asset at amortized cost if it meets both of the following conditions and is not designated at FVTPL:

- the asset is held within a business model whose objective is to hold it to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI).

A debt instrument shall be measured at FVOCI only if it meets both of the following conditions and is not designated at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI.

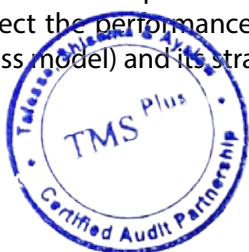
On initial recognition, an equity investment that is held for trading shall be classified at FVTPL. However, for equity investment that is not held for trading, the Bank may irrevocably elect to present subsequent changes in fair value in other comprehensive income (OCI). This election is made on an investment-by-investment basis.

All other financial assets that do not meet the classification criteria at amortized cost or FVOCI, above, shall be classified as measured at FVTPL.

In addition, on initial recognition, the Bank may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Business model assessment- The Bank shall make an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realizing cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Bank's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and its strategy for how those risks are managed;



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- How managers of the business are compensated (e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected); and
- The frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Bank's stated objective for managing the financial assets is achieved and how cash flows are realized.

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis shall be measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

Financial assets shall not be reclassified subsequent to their initial recognition, except in the period after the Bank changes its business model for managing financial assets.

Assessment of whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' shall be defined as the fair value of the financial asset on initial recognition. 'Interest' shall be defined as the consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are SPPI, the Bank considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Bank considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Bank's claim to cash flows from specified assets (e.g. non-recourse loans); and
- features that modify consideration of the time value of money (e.g. periodical reset of interest rates).

Financial liabilities

The Bank shall classify its financial liabilities, other than financial guarantees and loan commitments, as measured at amortized cost or FVTPL.

A financial guarantee is an undertaking/commitment that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified party fails to meet its obligation when due in accordance with the contractual terms.

Financial guarantees issued by the Bank are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of: the amount of the obligation under the guarantee, as determined in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets; and the amount initially recognized less, where appropriate, cumulative amortization recognized in accordance with the revenue recognition policies.



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c. Impairment-

At each reporting date, the Bank shall assess whether there is objective evidence that financial assets (except equity investments), other than those carried at FVTPL, are impaired. The Bank shall recognize loss allowances for expected credit losses (ECL) on the following financial instruments that are not measured at FVTPL:

- financial assets that are debt instruments;
- lease receivables;
- financial guarantee contracts issued; and
- loan commitments issued.

No impairment loss shall be recognized on equity investments.

The Bank shall measure loss allowances at an amount equal to lifetime ECL, except for the following, which are measured as 12-month ECL:

- debt investment securities that are determined to have low credit risk at the reporting date; and
- other financial instruments (other than lease receivables) on which credit risk has not increased significantly since their initial recognition.

Loss allowances for lease receivables shall always be measured at an amount equal to lifetime ECL.

12-month ECL is the portion of ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Financial instruments for which a 12-month ECL is recognized are referred to as 'Stage 1 financial instruments'.

Life-time ECL is the ECL that result from all possible default events over the expected life of the financial instrument. Financial instruments for which a lifetime ECL is recognized but which are not credit-impaired are referred to as 'Stage 2 financial instruments'. Financial instruments that are credit impaired and for which a lifetime ECL is recognized are referred to as 'Stage 3 financial instruments'.

i. Measurement of ECL- it is probability-weighted estimate of credit losses & shall be measured as follows:

- for financial assets that are not credit-impaired at the reporting date (stage 1 and 2): as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Bank in accordance with the contract and the cash flows that the Bank expects to receive);
- for financial assets that are credit-impaired at the reporting date (stage 3): as the difference between the gross carrying amount and the present value of estimated future cash flows;
- for undrawn loan commitments: as the present value of the difference between the contractual cash flows that are due to the Bank if the commitment is drawn down and the cash flows that the Bank expects to receive; and
- for financial guarantee contracts: as the expected payments to reimburse the holder less any amounts that the Bank expects to recover.



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Where the terms of a financial asset are renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the borrower, then the Bank shall assess whether the financial asset should be derecognized and ECL are measured as follows:

- If the expected restructuring will not result in derecognition of the existing asset, then the expected cash flows arising from the modified financial asset are included in calculating the cash shortfalls from the existing asset

- If the expected restructuring will result in derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flow from the existing financial asset at the time of its derecognition. This amount is included in calculating the cash shortfalls from the existing financial asset that are discounted from the expected date of derecognition to the reporting date using the original effective interest rate of the existing financial asset.

The key inputs into the measurement of ECL are the term structure of probability of default (PD), loss given default (LGD); and exposure at default (EAD).

ECL for exposures in Stage 1 is calculated by multiplying the 12-month PD by LGD and EAD. Lifetime ECL is calculated by multiplying the lifetime PD by LGD and EAD.

Probability of Default (PD)-It provides an estimate of the likelihood that a borrower will be unable to meet its debt obligations. The methodology of estimating PDs .

i) Significant increase in credit risk- When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Bank considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Bank's historical experience and expert credit assessment and including forward-looking information.

The objective of the assessment is to identify whether a significant increase in credit risk has occurred for an exposure by comparing:

- the remaining lifetime probability of default (PD) as at the reporting date; with the remaining lifetime PD for this point in time that was estimated at the time of initial recognition of the exposure (adjusted where relevant for changes in prepayment expectations).
- the Bank uses three criteria for determining whether there has been a significant increase in credit risk:
 - quantitative test based on movement in PD;
 - qualitative indicators; and
 - a backstop of 30 days past due,

The Bank allocates each exposure to a credit risk grade based on a variety of data that is determined to be predictive of the risk of default and applying experienced credit judgement.

Credit risk grades are defined using qualitative and quantitative factors that are indicative of risk of default. These factors vary depending on the nature of the exposure and the type of borrower.



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Credit risk grades are defined and calibrated such that the risk of default occurring increases exponentially as the credit risk deteriorates so, for example, the difference in risk of default between credit risk grades 1 and 2 is smaller than the difference between credit risk grades 2 and 3. Each exposure is allocated to a credit risk grade on initial recognition based on available information about the borrower. Exposures are subject to ongoing monitoring, which may result in an exposure being moved to a different credit risk grade. The monitoring typically involves use of the following data;

a. Term loan exposures

- Information obtained during periodic review of customer files – e.g. audited financial statements, management accounts, budgets and projections. Examples of areas of particular focus are: gross profit margins, financial leverage ratios, debt service coverage, compliance
- Data from credit reference agencies, press articles, changes in external credit ratings
- Actual and expected significant changes in the political, regulatory and technological environment of the borrower or in its business activities
- Internally collected data on customer behaviour – e.g. utilisation of credit card facilities
- Affordability metrics

b. Overdraft exposures

- Payment record – this includes overdue status as well as a range of variables about payment ratios
- Utilisation of the granted limit
- Requests for and granting of forbearance
- Existing and forecast changes in business, financial and economic conditions

The maximum contractual period extends to the date at which the Bank has the right to require repayment of an advance or terminate a loan commitment or guarantee.

As described above, and subject to using a maximum of a 12-month PD for Stage 1 financial assets, the Bank measures ECL considering the risk of default over the maximum contractual period (including any borrower's extension options) over which it is exposed to credit risk, even if, for credit risk management purposes, the Bank considers a longer period. However, for overdrafts that include both a loan and an undrawn commitment component, the Bank measures ECL over a period longer than the maximum contractual period if the Bank's contractual ability to demand repayment and cancel the undrawn commitment does not limit the Bank's exposure to credit losses to the contractual notice period. These facilities do not have a fixed term or repayment structure and are managed on a collective basis. The Bank can cancel them with immediate effect but this contractual right is not enforced in the normal day-to-day management, but only when the Bank becomes aware of an increase in credit risk at the facility level. This longer period is estimated taking into account the credit risk management actions that the Bank expects to take, and that serve to mitigate ECL. These include a reduction in limits, cancellation of the facility and/or turning the outstanding balance into a loan with fixed repayment terms.



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Credit risk grades are a primary input into the determination of the term structure of PD for exposures. The Bank collects performance and default information about its credit risk exposures analysed by type of product and borrower as well as by credit risk grading. The Bank employs statistical models to analyse the data collected and generate estimates of the remaining lifetime PD of exposures and how these are expected to change as a result of the passage of time.

The Bank assesses whether credit risk has increased significantly since initial recognition at each reporting date. Determining whether an increase in credit risk is significant depends on the characteristics of the financial instrument and the borrower.

The credit risk may also be deemed to have increased significantly since initial recognition based on qualitative factors linked to the Bank's credit risk management processes that may not otherwise be fully reflected in its quantitative analysis on a timely basis. This will be the case for exposures that meet certain heightened risk criteria, such as placement on a watch list. Such qualitative factors are based on its expert judgment and relevant historical experiences.

As a backstop, the Bank considers that a significant increase in credit risk occurs no later than when an asset is more than 30 days past due. Days past due are determined by counting the number of days since the earliest elapsed due date in respect of which full payment has not been received. Due dates are determined without considering any grace period that might be available to the borrower.

If there is evidence that there is no longer a significant increase in credit risk relative to initial recognition, then the loss allowance on an instrument returns to being measured as 12-month ECL. Some qualitative indicators such as delinquency or forbearance, may be indicative of an increased risk of default that persists after the indicator itself has ceased to exist. In these cases, the Bank determines a probation period during which the financial asset is required to demonstrate good behaviour to provide evidence that its credit risk has declined sufficiently.

When contractual terms of a loan have been modified, evidence that the criteria for recognising lifetime ECL are no longer met includes a history of up-to-date payment performance against the modified contractual terms.

The Bank monitors the effectiveness of the criteria used to identify significant increases in credit risk by regular reviews to confirm that:

- the criteria are capable of identifying significant increases in credit risk before an exposure is in default;
 - the criteria do not align with the point in time when an asset becomes 30 days past due;
 - the average time between the identification of a significant increase in credit risk and default appears reasonable;
- exposures are not generally transferred directly from 12-month ECL measurement to credit-impaired; and
- there is no unwarranted volatility in loss allowance from transfers between 12-month PD (Stage 1) and lifetime PD (Stage 2)



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Definition of default- The Bank considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Bank in full, without recourse by the Bank to actions such as realising security (if any is held);
- the borrower is more than 90 days past due on any material credit obligation to the Bank.
- overdrafts are considered as being past due once the customer has breached an advised limit or been advised of a limit smaller than the current amount outstanding; or
- it is becoming probable that the borrower will restructure the asset as a result of bankruptcy due to the borrower's inability to pay its credit obligations.

In assessing whether a borrower is in default, the Bank considers indicators that are:

- qualitative: e.g. breaches of covenant;
- quantitative: e.g. overdue status and non-payment on another obligation of the same issuer to the Bank; and
- based on data developed internally and obtained from external sources.
- Inputs into the assessment of whether a financial instrument is in default and their significance may vary over time to reflect changes in circumstances.

The definition of default largely aligns with that applied by the Bank for regulatory capital purposes

The Bank incorporates forward-looking information into both the assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and the measurement of ECL.

For each segment, the Bank formulates three economic scenarios: a base case, which is the median scenario, and two less likely scenarios, one upside and one downside. For each sector, the base case is aligned with the macroeconomic model's information value output, a measure of the predictive power of the model, as well as base macroeconomic projections for identified macroeconomic variables for each sector. The upside and downside scenarios are based on a combination of a percentage error factor of each sector model as well as simulated optimistic and pessimistic macroeconomic projections based on a measure of historical macroeconomic volatilities.

External information considered includes economic data and forecasts published by Business Monitor International, an external and independent macroeconomic data body. This is in addition to industry – level, semi – annual NPL trends across statistically comparable sectors. Periodically, the Bank carries out stress testing of more extreme shocks to calibrate its determination of the upside and downside representative scenarios. A comprehensive review is performed at least annually on the design of the scenarios by a panel of experts that advises the Bank's senior management.

The Bank has identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses.

LGD is the magnitude of the likely loss if there is a default. The Bank estimates LGD parameters based on the history of recovery rates of claims against defaulted counterparties. The LGD models consider the structure, collateral, seniority of the claim, counterparty industry and recovery costs of any collateral that is integral to the financial asset.



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EAD represents the expected exposure in the event of a default. The Bank derives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract and arising from amortisation. The EAD of a financial asset is its gross carrying amount at the time of default. For lending commitments, the EADs are potential future amounts that may be drawn under the contract, which are estimated based on historical observations and forward-looking forecasts. For financial guarantees, the EAD represents the amount of the guaranteed exposure when the financial guarantee becomes payable. For some financial assets, EAD is determined by modelling the range of possible exposure outcomes at various points in time using scenario and statistical techniques.

Where modelling of a parameter is carried out on a collective basis, the financial instruments are grouped on the basis of shared risk characteristics that include:

- instrument type;
- credit risk grading;
- collateral type;
- LTV ratio for retail mortgages;
- date of initial recognition;
- remaining term to maturity;
- industry; and
- geographic location of the borrower.

The groupings are subject to regular review to ensure that exposures within a particular group remain appropriately homogeneous.

C. Credit-impaired financial assets

At each reporting date, the Bank shall assess whether financial assets carried at amortized cost, debt financial assets carried at FVOCI, and finance lease receivables are credit impaired (referred to as 'Stage 3 financial assets').

A financial asset shall be considered 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the restructuring of a loan or advance by the Bank on terms that the Bank would not consider otherwise;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

A loan that has been renegotiated due to a deterioration in the borrower's condition shall be considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment. In addition, a retail loan that is overdue for 90 days or more shall be considered credit-impaired even when the regulatory definition of default is different.



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d. Presentation of allowance for ECL in the statement of financial position

Loss allowances for ECL shall be presented in the statement of financial position as follows:

- for financial assets measured at amortized cost: as a deduction from the gross carrying amount of the assets;
- for loan commitments and financial guarantee contracts: generally, as a provision;
- where a financial instrument includes both a drawn and an undrawn component, and the bank cannot identify the ECL on the loan commitment component separately from those on the drawn component: the Bank presents a combined loss allowance for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component. Any excess of the loss allowance over the gross amount of the drawn component is presented as a provision; and
- for debt instruments measured at FVOCI: no loss allowance is recognized in the statement of financial position because the carrying amount of these assets is their fair value. However, the loss allowance shall be disclosed and is recognized in the fair value reserve.

e. Write-off

Loans and debt securities shall be written off (either partially or in full) when there is no reasonable expectation of recovering the amount in its entirety or a portion thereof. This is generally the case when the Bank determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. This assessment shall be carried out at the individual asset level.

Recoveries of amounts previously written off shall be included in 'impairment losses on financial instruments' in the statement of profit or loss and OCI.

Financial assets that are written off could still be subject to enforcement activities in order to comply with the Bank's procedures for recovery of amounts due.

f. Non-integral financial guarantee contracts

The Bank shall assess whether a financial guarantee contract held is an integral element of a financial asset that is accounted for as a component of that instrument or is a contract that is accounted for separately.

Where the Bank determines that the guarantee is an integral element of the financial asset, then any premium payable in connection with the initial recognition of the financial asset shall be treated as a transaction cost of acquiring it. The Bank shall consider the effect of the protection when measuring the fair value of the debt instrument and when measuring ECL. Where the Bank determines that the guarantee is not an integral element of the debt instrument, then it shall recognize an asset representing any prepayment of guarantee premium and a right to compensation for credit losses.



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g. Derecognition

The Bank shall derecognise a financial asset when:

- The contractual right to the cash flows from the financial asset expires or
- It transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred; or
- Bank neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognized) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognized in OCI shall be recognized in profit or loss.

Any cumulative gain/loss recognized in OCI in respect of equity investment securities designated as at FVOCI shall not be recognized in profit or loss on derecognition of such securities. Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Bank shall be recognized as a separate asset or liability.

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

h. Modifications of financial assets and financial liabilities

If the terms of a financial asset are modified, then the Bank shall evaluate whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset shall be deemed to have expired. In this case, the original financial asset shall be derecognised and a new financial asset shall be recognized at fair value plus any eligible transaction costs. Any fees received as part of the modification shall be accounted for as follows:

- fees that are considered in determining the fair value of the new asset and fees that represent reimbursement of eligible transaction costs shall be included in the initial measurement of the asset; and
- other fees are included in profit or loss as part of the gain or loss on derecognition.

If cash flows are modified when the borrower is in financial difficulties, then the objective of the modification is usually to maximise recovery of the original contractual terms rather than to originate a new asset with substantially different terms.

If the Bank plans to modify a financial asset in a way that would result in forgiveness of cash flows, then it shall first consider whether a portion of the asset should be written off before the modification takes place.

Where the modification of a financial asset measured at amortised cost or FVOCI does not result in derecognition of the financial asset, then the Bank shall first recalculate the gross carrying amount of the financial asset using the original effective interest rate of the asset and recognises the resulting adjustment as a modification gain or loss in profit or loss.



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Any costs or fees incurred and fees received as part of the modification adjust the gross carrying amount of the modified financial asset and shall be amortised over the remaining term of the modified financial asset.

Where such a modification is carried out because of financial difficulties of the borrower, then the gain or loss shall be presented together with impairment losses. In other cases, it shall be presented as interest income calculated using the effective interest rate method.

The Bank shall derecognise a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms shall be recognised at fair value. The difference between the carrying amount of the financial liability derecognised and consideration paid is recognised in profit or loss. Consideration paid shall include non-financial assets transferred, if any, and the assumption of liabilities, including the new modified financial liability.

Where the modification of a financial liability is not accounted for as derecognition, then the amortised cost of the liability shall be recalculated by discounting the modified cash flows at the original effective interest rate and the resulting gain or loss is recognised in profit or loss. Any costs and fees incurred are recognised as an adjustment to the carrying amount of the liability and amortised over the remaining term of the modified financial liability by re-computing the effective interest rate on the instrument.

i. Offsetting

Financial assets and financial liabilities shall be offset and the net amount presented in the statement of financial position when, and only when, the Bank currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

Income and expenses shall be presented on a net basis only when permitted under IFRS, or for gains and losses arising from a group of similar transactions such as in the Bank's trading activity.

j. Designation at fair value through profit or loss

At initial recognition, the Bank may designate certain financial assets as at FVTPL because this designation eliminates or significantly reduces an accounting mismatch, which would otherwise arise.

The Bank shall designate certain financial liabilities as at FVTPL in either of the following circumstances:

- the liabilities are managed, evaluated and reported internally on a fair value basis; or
- the designation eliminates or significantly reduces an accounting mismatch that would otherwise arise.



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2.6 Interest free banking

Murabaha is an Islamic financing transaction which represents an agreement whereby the Bank buys a commodity/good and sells it to a counterparty (customer) based on a promise received from that counterparty to buy the commodity according to specific terms and conditions. The selling price comprises of the cost of the commodity/goods and a pre-agreed profit margin.

It is treated as financing receivables. Financing receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The profit is quantifiable and contractually determined at the commencement of the contract. Murabaha Income (profit) is recognized as it accrues over the life of the contract using the effective profit method (EPRM) on the principal balance outstanding. These products are carried at amortized cost less impairment.

2.7 Cash and Cash Equivalents

Cash and cash equivalents' include notes and coins on hand, unrestricted balances held with central banks and highly liquid financial assets with original maturities of three months or less from the date of acquisition that are subject to an 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.

2.8 Property, Plant and Equipment

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised.

Depreciation is calculated using the straight-line method to allocate their cost to their residual values starting from the asset is available for use over their estimated useful lives, as follows:

Asset class	Useful Lives (years)
Buildings	50
Computer hardware	7
Furnitures and fittings	10
Equipments	5 to 20
Lifts	15
Motor Vehicles	10

Capital work-in-progress is not depreciated as these assets are not yet available for use.



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

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

2.9 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in income statement in the period in which the expenditure is incurred .

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life, or the expected pattern of consumption of future economic benefits embodied in the asset, are accounted for by changing the amortisation period or methodology, as appropriate, which are then treated as changes in accounting estimates. The amortisation expenses on intangible assets with finite lives is presented as a separate item in the income statement.

Amortisation is calculated using the straight-line method to write down the cost of intangible assets to their residual values over their estimated useful lives, which ranges from two to six years.

2.10 Non-current assets (or disposal groups) held for sale

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.



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Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the statement of financial position. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the statement of financial position.

2.11 Impairment of non-financial assets

The Bank assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Bank estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Bank bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Bank's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

For assets an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Bank estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the income statement.



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2.12 Other assets

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

(a) Prepayment

Prepayments are payments made in advance for services to be enjoyed in future. The amount is initially capitalized in the reporting period in which the payment is made and subsequently amortised over the period in which the service is to be enjoyed.

(b) Other receivables

Other receivables are recognised upon the occurrence of event or transaction as they arise and cancelled when payment is received.

The Bank's other receivables are receivables from mastercard, receivables from visa card and other receivables from debtors. This has been added to the the carrying amounts of the investment.

2.13 Fair value measurement

The Bank measures financial instruments classified as available-for-sale at fair value at each statement of financial position date. Fair value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed are, summarised in the following notes:

- Disclosures for valuation methods, significant estimates and assumptions
- Quantitative disclosures of fair value measurement hierarchy
- Financial instruments (including those carried at amortised cost)

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

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

The principal or the most advantageous market must be accessible to by the Bank.



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

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

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

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

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

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

2.14 Employee benefits

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

(a) Defined contribution plan

The Bank operates defined contribution plan;

pension scheme in line with the provisions of Ethiopian pension of private organisation employees proclamation 715/2011 (as ammended no. 1268/2022). Funding under the scheme is 7% and 11% by employees and the Bank respectively;



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(b) **Defined benefit plan**

The liability or asset recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

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

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

Past-service costs are recognised immediately in income statement

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

(c) **Profit-sharing and bonus plans**

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

2.15 Provisions

Provisions are recognised when the bank has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Bank expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in income statement net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as other operating expenses.



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2.16 Share capital

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

2.17 Earnings per share

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

2.18 Leases

The Bank has initially adopted IFRS 16 from 1 July 2019. The standard eliminates the classification of leases as either operating leases or finance leases under IAS 17 and introduces a single lease accounting model that requires lessees to recognize assets and corresponding liabilities. Due to the transition method chosen by the Bank in applying IFRS 16, comparative information throughout these financial statements has not generally been restated to reflect its requirements.

It also elected to apply the practical expedient that allows entities to rely on its assessment of whether leases were onerous by applying IAS 37 Provisions, Contingent Liabilities and Contingent Assets immediately before the date of initial application as an alternative to performing an impairment review.

The effect of initially applying IFRS 16 is mainly attributed to:

- an increase in non-current assets as obligations to make future payments under leases previously classified as an operating lease were recognized on the balance sheet, along with the corresponding asset: right-of-use asset.
- Expenditure on operation has decreased and finance cost have increased, as operating lease costs have been replaced by depreciation and interest expense on lease liabilities.

The adoption of IFRS 16 requires the Bank to make a number of assumptions, estimations and judgments that includes:

- lease liabilities were determined based on the value of the remaining lease payments, discounted by an appropriate incremental borrowing rate.
- term of each arrangement was based on the original lease term.
- the discount rate used to determine lease liabilities was the Bank's incremental borrowing rate. It was calculated based on observable inputs.

At the commencement date, the Bank recognized:

all leases as right right-of-use-asset at cost. Cost of right-of-use asset includes the amount of lease liability, lease payments made at or before the commencement date (less any lease incentives received), any initial direct costs incurred and an estimate of costs to be incurred by the Bank in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.



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- a lease liability at the present value of the lease payments that are not paid at that date. Present value of lease payments will be determined by discounting future lease payments at the interest rate implicit in the lease arrangement, if it is readily determined or at Bank's incremental borrowing rate.

After the commencement date, the Bank measures:

- right-of-use assets using cost model, i.e. cost at initial recognition less accumulated depreciation (in line with IAS 16: Property, plant and Equipment) and accumulated impairment losses (in line with IAS 36: Impairment of Assets).
- lease liability by increasing its carrying amount to reflect interest on the lease liability and by reducing its carrying amount to reflect lease payments made.

Interest incurred on lease liability will be recognized in the statement of profit and loss as a finance cost.

Determination of whether an arrangement is a lease, or contains a lease

The determination of whether an arrangement is a lease, or contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or whether the arrangement conveys a right to use the asset.

Bank as a Lessor

The Bank has rented temporary freehold space in its head office building that is mainly constructed for office use. The lease advance payments are recognized as deferred income until recognized.

2.19 Income taxation

(a) Current income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in Ethiopia. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(b) Deferred tax

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.



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Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the statement of financial position date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Deferred tax assets and liabilities are only offset when there is both the legal right and the intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.20 Consolidated financial statements**2.20.1 Subsidiary**

The bank controls and hence consolidate an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Power exists where the bank has existing rights that give it the current ability to direct the relevant activities of the investee (i.e. the activities that most significantly affect the entity's returns). These requirements apply to all entities, including voting right entities (also commonly known as operating entities) and structured entities. Only substantive rights, and not protective rights, are considered when assessing power. For rights to be substantive, the party must have the practical ability to exercise those rights, and such rights must not be protective in nature. Protective rights are designed at inception to protect the interests of the holder against future risks without giving that party participative power over the entity, and hence that party cannot at inception have power or prevent another party from having power over the entity.

Factors that have been considered by the bank in reaching decision of consolidate investee are as follows:

- Wegagen bank acquired 86.82% or near to 87% of Wegagen-capital investment bank shares. This gives Wegagen bank majority ownership (i.e >50%);
- majority of board membership and key decisions are under control;
- having majority votes; and
- Due to majority ownership, it takes big chunk of profit or loss and
- The bank is listed in Ethiopian security exchange(ESX) and require filling to the regulators



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The bank reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one **or** more of the elements of control included above. Intragroup transactions and balances are eliminated on consolidation and consistent accounting policies are used throughout the bank for the purposes of the consolidation. Changes in ownership interests in subsidiaries are accounted for as equity transactions if they occur after control has already been obtained and they do not result in loss of control.

Investments in subsidiaries are accounted for at cost less impairment in the separate financial statements of the investor. The cost of these investments is assessed for impairment when there are indicators that an impairment may have occurred. Where an indicator of impairment exists, the recoverable amount of the investment is calculated and an impairment loss is recognised to the extent that the recoverable amount of the investment is less than its cost

3 Significant accounting judgements, estimates and assumptions

The preparation of the Bank's financial statements requires management to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures, as well as the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

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

- Capital management
- Financial risk management and policies
- Sensitivity analyses disclosures

3.1 Judgements

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

Operating lease commitments - Bank as lessee

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

3.2 Estimates and assumptions

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



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Impairment losses on financial assets at amortized cost

The Bank reviews its loan portfolios for impairment on an on-going basis. The Bank first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. Impairment provisions are also recognised for losses not specifically identified but which, experience and observable data indicate, are present in the portfolio at the date of assessment. For individually significant financial assets that has been deemed to be impaired, management has deemed that cashflow from collateral obtained would arise within 12 months where the financial asset is collateralised.

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

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

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

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

Fair value measurement of financial instruments

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



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

Defined benefit plans

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

Depreciation and carrying value of property, plant and equipment

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

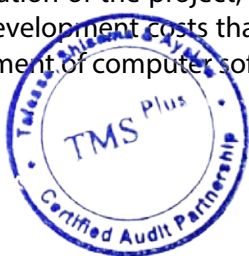
Taxes

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

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Development cost

The Bank capitalises development costs for a project in accordance with the accounting policy. Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits. The development costs that were capitalised by the Bank relates to those arising from the development of computer software.





Excellence in Customer Experience Award 2025 Presented to Wegagen Bank by International Center for Strategic Alliance(ICSA)



Wegagen Bank and Gambella Regional State Sign Landmark MOU to Foster Cooperation & Regional Economic Growth.

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4 Financial Risk Management

4.1 Introduction

Risk is inherent in the Bank's activities, but is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Bank's continuing existence and profitability and each individual within the Bank is accountable for the risk exposures relating to his or her responsibilities. The Bank is exposed to credit risk, liquidity risk and market risk. It is also subject to country risk and various operating risk.

4.1.1 Risk Management Structure

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 Risk and Compliance sub-Committee, which is 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 assisted in these functions by the Risk and Compliance Management unit which undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the Risk Management Committee.

4.1.2 Risk Measurement and Reporting Systems

The Bank's risks are measured using a method that reflects both the expected loss likely to arise in normal circumstances and unexpected losses, which are an estimate of the ultimate actual loss based on statistical models. The models make use of probabilities derived from historical experience, adjusted to reflect the economic environment. The Bank also runs worst-case scenarios that would arise in the event that extreme events which are unlikely to occur do, in fact, occur.

Monitoring and controlling risks is primarily performed based on limits established by the Bank. These limits reflect the business strategy and market environment of the Bank as well as the level of risk that the Bank is willing to accept, with additional emphasis on selected regions. In addition, the Bank's policy is to measure and monitor the overall risk bearing capacity in relation to the aggregate risk exposure across all risk types and activities.

4.1.3 Risk Mitigation

Risk controls and mitigants, identified and approved for the Bank, are documented for existing and new processes and systems. The adequacy of these mitigants is tested on a periodic basis through administration of control self-assessment questionnaires, using an operational risk management tool which requires risk owners to confirm the effectiveness of established controls. These are subsequently audited as part of the review process.



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4.2 Classification of financial assets and financial liabilities

The following table shows measurement categories and amounts in accordance with IFRS 9 for the Bank's financial assets and financial liabilities as at June 30, 2025

Financial assets (Birr '000)

Financial assets	Classification under IFRS 9	30-Jun-25 New carrying amount under IFRS 9	Increase/decrease	30-Jun-24 Original carrying amount
Cash and bank balances	Amortised cost	15,768,955	2,645,456	13,123,499
Loans and advances to customers (net)	Amortised cost	51,260,502	7,960,092	43,300,410
Equity Investments at FVOCI	FVOCI	822,894	282,199	540,695
Investment securities: Loans and receivables	Amortised cost	8,311,193	3,698,038	4,613,155
Other financial assets at amortised cost	Amortised cost	3,328,473	1,586,223	1,742,250
Total financial assets		79,492,017	16,172,008	63,320,009
Financial liabilities				
Deposits from customers	Amortised cost	61,651,819	13,233,869	48,417,951
Deposit from financial institutions	Amortised cost	4,830,973	1,124,199	3,706,774
Other financial liabilities	Amortised cost	3,688,224	320,007	3,368,216
Total financial liabilities		70,171,016	14,678,075	55,492,941

The application of the Bank's accounting policies on the classification of financial instruments under IFRS 9 are set out in **Note 2.5** resulted in the reclassifications set out in the table above and explained below.

Further equity investment securities were reclassified out available-for-sale categories to FVOCI at their then fair values. The carrying amount of those assets was adjusted so that their amortised cost under IFRS 9 was as if those assets were accounted for at amortised cost from their inception.

On the adoption of IFRS 9, some other financial assets were reclassified out of the loans and receivable to amortized cost and some to non financial assets. The carrying amount of those assets was adjusted so that their amortised cost under IFRS 9 was as if those assets were accounted for at amortised cost from their inception.

4.3 Credit Risk

Credit Risk is risk of financial loss to the bank if a customer or counter party to a financial instrument fails to meet its contractual obligations, and arises principally from the banks loans & advances to customers & other banks & investment securities & other financial assets the bank adopts conservative approach to credit risk.



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4.3.1 Management of credit risk

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).

Exposure to credit risk is managed through periodic analysis of the ability of borrowers and potential borrowers to determine their capacity to meet principal and interest thereon. Exposure to credit risk is also mitigated, in part, by obtaining collateral, commercial and personal guarantees. In Managing credit risk the Board of Directors approves the credit policy, risk limits, collateral requirements, risk gradings and follows up the implementation of same. The credit limits are placed on the amount of risk accepted in relation to one borrower, or groups of borrowers, to geographical regions, and to term of the financial instrument and economic sectors. The policies and limits are reviewed and modified periodically based on changes and expectations of the markets where the Bank operates, regulations, and other factors.

4.3.2 Concentrations of credit risk

Gross loans and advances to customers by sector is analysed as follows:

	30 June 2025 Birr'000	30 June 2024 Birr'000
Loans and advances;		
Manufacturing	7,855,541	6,445,065
Domestic Trade and Services	9,568,471	8,153,159
Construction	8,241,443	7,157,135
Transport Service	4,228,026	3,733,860
Export	8,791,973	7,872,182
Import	13,242,348	10,636,981
Staff loans	311,679	694,434
Digital lending	624,095	-
IFB-Financing & Investments	661,738	483,817
	53,525,315	45,176,634
Off-statement of financial position exposure;		
Active Guarantees	4,583,597	4,080,986
Letter of Credit	3,322,967	4,007,421
Undrawn loan and advances	6,100,397	2,137,732
	14,006,961	10,226,139

4.3.3. Credit quality analysis

The following table sets out information about the credit quality of financial assets measured at amortised cost, debt investments and available-for-sale debt assets. Unless specifically indicated, for financial assets, the amounts in the table represent gross carrying amounts.

The loss allowance for loans and advances to customers also includes the loss allowances for loan commitments, letter of credit and financial guarantee contracts.



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(a) Credit quality analysis for loans and advances

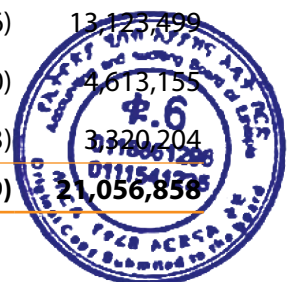
30 June 2025 Birr'000				
Loans & advances to customers	Stage 1	Stage 2	Stage 3	Total
Stage 1 – Pass	47,903,236			47,903,236
Stage 2 – Special mention		2,423,494		2,423,494
Stage 3 - Non performing			3,198,586	3,198,586
Total gross exposure	47,903,236	2,423,494	3,198,586	53,525,315
Loss allowance	662,783	35,842	1,566,188	2,264,813
Net carrying amount	47,240,452	2,387,653	1,632,398	51,260,502

June 30,2024 Birr'000				
Loans & advances to customers	Stage 1	Stage 2	Stage 3	Total
Stage 1 – Pass	41,054,288			41,054,288
Stage 2 – Special mention		1,472,296		1,472,296
Stage 3 - Non performing			2,650,049	2,650,049
Total gross exposure	41,054,288	1,472,296	2,650,049	45,176,634
Loss allowance	796,298	23,232	1,056,694	1,876,223
Net carrying amount	40,257,991	1,449,065	1,593,355	43,300,410

(b) Credit quality analysis for other assets

June 30,2025 Birr'000				
	Stage	Gross Exposure	Loss allowance	Net carrying amount
Cash and balances with banks	12 Month ECL	15,769,020	(65)	15,768,955
Investment securities (debt instruments)	12 Month ECL	8,311,604	(411)	8,311,193
Other financial assets	Lifetime ECL	3,328,473	(802,424)	2,526,049
Totals		27,409,097	802,900)	26,606,197

June 30,2024 Birr'000				
	Stage	Gross Exposure	Loss allowance	Net carrying amount
Cash and bank balances	12 Month ECL	13,123,675	(176)	13,123,499
Investment securities (debt instruments)	12 Month ECL	4,613,385	(230)	4,613,155
Other financial assets	Lifetime ECL	4,130,896	(810,693)	3,320,204
Totals		21,867,957	(811,099)	21,056,858



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4.3.4. Collateral held and their financial effect

The general creditworthiness of a customer tends to be the most relevant indicator of credit quality of a loan extended to it. However, collateral provides additional security and the Bank generally requests collateral for loans and advances granted to customers.

The Bank may take collateral in the form of a first charge over real estate, liens and guarantees. The Bank does not sell or repledge the collateral in the absence of default by the owner of the collateral. In addition to the Bank's focus on creditworthiness, the Bank aligns with its credit policy guide to periodically update the validation of collaterals held against all loans to customers.

For impaired loans, the Bank obtains appraisals of collateral because the fair value of the collateral is an input to the impairment measurement. The fair value of the collaterals are based on the last revaluations carried out by the Bank's in-house engineers, which is usually done every three years.

The valuation technique adopted for properties is in line with the Bank's valuation manual and the revalued amount is similar to fair values of properties with similar size and location. The fair value of collaterals other than properties such as share certificates, cash, NBE bills etc. are disclosed at the carrying amount as management is of the opinion that the cost of the process of establishing the fair value of the collateral exceeds benefits accruable from the exercise.

Collateral Held ('000)

Type of financial asset	30-Jun-25	30-Jun-24	Principal type of collateral held
Loans and Advances	99,558,522	78,274,023	Land and building, vehicles, machines, shares and bank guarantees

4.3.5. Measurement of Expected Credit Losses (ECL)

i) Techniques used for estimating impairment

ECL is a probability-weighted estimate of credit losses. It shall be measured as follows:

- for financial assets that are not credit-impaired at the reporting date (stage 1 and 2): as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Bank in accordance with the contract and the cash flows that the Bank expects to receive);
- for financial assets that are credit-impaired at the reporting date (stage 3): as the difference between the gross carrying amount and the present value of estimated future cash flows;
- for undrawn loan commitments: as the present value of the difference between the contractual cash flows that are due to the Bank if the commitment is drawn down and the cash flows that the Bank expects to receive; and
- for financial guarantee contracts: as the expected payments to reimburse the holder less any amounts that the Bank expects to recover.



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ii) Incorporation of forward-looking information

The Bank incorporates forward-looking information into both the assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and the measurement of ECL.

For each segment, the Bank formulates three economic scenarios: a base case, which is the median scenario, and two less likely scenarios, one upside and one downside. For each sector, the base case is aligned with the macroeconomic model's information value output, a measure of the predictive power of the model, as well as base macroeconomic projections for identified macroeconomic variables for each sector. The upside and downside scenarios are based on a combination of a percentage error factor of each sector model as well as simulated optimistic and pessimistic macroeconomic projections based on a measure of historical macroeconomic volatilities

External information considered includes economic data and forecasts published by Fitch Solutions, formerly known as Business Monitor International, an external and independent market intelligence and research institution. This is in addition to industry-level, semi-annual NPL trends across statistically comparable sectors.

Periodically, the Bank carries out stress testing of more extreme shocks to calibrate its determination of the upside and downside representative scenarios. A comprehensive review is performed at least annually on the design of the scenarios by a panel of experts that advises the Bank's senior management.

The Bank has identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macroeconomic variables and credit risk and credit losses. The Bank estimates each key driver for credit risk over the active forecast period of nine years.

The key drivers for credit risk for each of the Bank's economic sectors is summarized below

Sector/Product	Macroeconomic factors
Cluster 1 Agriculture, Consumer 1 Loans, Overdraft and Interest Free Financing	M2, USD, Nominal GDP, USD (PPP), % y-o-y, STER, Economic Growth
Cluster 2 Domestic Trade & Services, Mining and Energy, Transport, Health, Merchandise, Financial services	Savings per capita, LCU, Nominal GDP, LCU, Transport & communications ,ominal GVA, LCU, Broad money (% of GDP) - Sovereign Scorecard, Legacy STPR, Policy Continuity, Legacy Long-Term Political Risk Index
Cluster 3 Building & Construction, Hotel & Tourism, Manufacturing & Production, Industry, Real estate, Housing & construction	PR, Security Risk, M1, % of GDP, Consumer price index inflation, 2010=100, eop, Total employment, M2, % of GDP, Real GDP growth, % y-o-y, Foreign reserves ex gold, EUR,
Cluster 4 Export, Import, Advance against import bills, International Trade	Political Risk Index, Lending rate, %, ave, Central bank policy rate, %, eop, M1, USD



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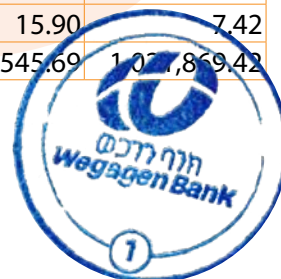
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The Bank defined a statistically significant correlation threshold with macro-economic of 60%.

The economic scenarios used included the following key indicators for Ethiopia for the years 2023 to 2025:

Indicators	30-Jun-23	30-Jun-24	30-Jun-25
Consumer price index inflation, 2010=100, ave	763.82	959.96	1,131.52
Exports of goods and services, USD	10,163.16	9,435.45	7,190.30
Government domestic debt, LCU	1,711,834.87	2,095,039.47	2,425,405.02
Nominal GDP, LCU	7,328,259.08	9,765,072.05	12,050,982.17
Private final consumption, LCU	5,727,253.20	7,799,889.06	9,755,080.10
Total domestic demand, LCU	7,845,345.56	10,393,227.73	12,862,804.41
Savings, LCU	1,385,282.44	2,086,867.44	2,442,686.12
Population	124.94	128.11	131.32
Consumer price index inflation, 2010=100, eop	766.97	941.15	1,076.88
M1, LCU	518,230.82	583,000.41	659,488.15
M2, LCU	1,665,828.13	1,926,860.26	2,240,723.49
Current expenditure, LCU	548,963.66	616,751.84	790,988.13
Goods imports, USD	16,010.83	16,138.52	17,587.94
Goods exports, USD	3,711.59	3,672.11	4,361.86
Current account balance, USD	-4,970,521,099.44	-4,599,280,813.34	-4,141,870,833.33
Import cover months	0.63	0.88	1.35
Total household spending, LCU	5,529,948.12	7,514,793.45	9,371,209.76
Nominal GDP, USD	137,853.99	144,927.85	113,766.06
Real GDP, LCU (2010 prices)	1,042,657.89	1,112,745.44	1,189,776.91
Real GDP, USD (2010 prices)	72,358.56	77,222.51	82,568.35
Real GDP per capita, USD (2010 prices)	579.13	602.77	628.76
Nominal GDP, USD (PPP)	374,678.95	409,756.75	443,051.80
Private final consumption, USD	107,737.00	115,761.68	92,091.83
Private final consumption per capita, USD	862.29	903.59	701.28
Government final consumption, LCU	499,796.37	606,562.84	717,917.21
Government final consumption, USD	9,401.81	9,002.27	6,777.42
Exports of goods and services, LCU	540,269.49	635,749.74	761,652.05
Exports of goods and services per capita, USD	81.34	73.65	54.75
Imports of goods and services, LCU	1,174,311.47	1,330,983.64	1,573,370.11
Imports of goods and services, USD	22,090.31	19,753.73	14,853.24
Total domestic demand, USD	147,581.05	154,250.60	121,429.98
Total domestic demand per capita, USD	1,181.18	1,204.02	924.69
Unemployment, % of labour force, ave	3.49	3.37	3.22
Real effective exchange rate index	27.66	15.90	7.42
Total revenue, LCU	637,726.67	791,545.69	1,077,869.42



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Total revenue, USD	11,996.46	11,747.69	9,646.85
Total expenditure, LCU	855,217.12	1,025,425.24	1,327,659.92
Total expenditure, USD	16,087.73	15,218.80	12,533.64
Current expenditure, USD	10,326.71	9,153.49	7,467.24
Budget balance, LCU	-216,720,442,067.66	-233,713,193,754.65	-305,432,803,680.29
Budget balance, USD	-4,076,790,443.84	-3,468,643,288.24	-2,883,406,958.41
Services imports, USD	7,541.96	7,895.97	8,468.47
Services exports, USD	7,195.79	7,756.70	8,609.65
Total reserves ex gold, USD	1,232.59	1,758.28	2,928.57
Total external debt stock, USD	31,935.96	37,352.61	43,600.93
Long-term external debt stock, USD	31,548.30	35,913.35	39,271.68
Public external debt stock, USD	30,446.77	34,659.41	39,271.68
Total government debt, USD	60,346.92	54,840.89	44,573.15
Total debt service, USD	1,775.59	1,954.54	2,507.64
M2, USD	124.94	128.11	131.32
Nominal GDP, USD (PPP), % y-o-y	124.94	128.11	131.32
STER, Economic Growth	30,480.84	22,948.56	16,877.63
Savings per capita, LCU	11.51	9.32	8.12
Transport & communications nominal GVA, LCU	33.17	17.32	10.00
Broad money (% of GDP) - Sovereign Scorecard	0.01	0.02	0.02
PR, Security Risk	7,328,259.08	9,765,072.05	12,050,982.17
M1, % of GDP	278,272.35	356,111.53	484,703.56
M2, % of GDP	22.73	19.73	18.59
Real GDP growth, % y-o-y	79.07	78.85	78.54
Foreign reserves ex gold, EUR	7.07	5.97	5.47
Political Risk Index	766.97	941.15	1,076.88
Lending rate, %, ave	22.73	19.73	18.59
Central bank policy rate, %, eop	5.92	6.72	6.92
M1, USD	1,135.37	1,641.05	2,739.51

Predicted relationships between the key indicators and default rates on various portfolios of financial assets have been developed based on analysing semi – annual historical data over the past 7 years.

The below scenario weightings have been observed:

Summary of Scenario Weightings			
	Base	Downturn (Downside)	Optimistic (Upside)
Cluster 1	73.33%	6.67%	20.00%
Cluster 2	73.33%	13.33%	13.33%
Cluster 3	66.67%	13.33%	20.00%
Cluster 4	66.67%	13.33%	20.00%



Wegagen Bank S.C**Annual Consolidated and Separate Financial Statements****For the Year Ended 30 June 2025****iii) Loss allowance**

The following tables show reconciliations from the opening to the closing balance of the loss allowance by class of financial instrument. Comparative amounts for 2025 represent the allowance account for credit losses and reflect the measurement basis under IFRS 9.

(a) Reconciliation of loan loss allowance

Birr'000	Stage 1	Stage 2	Stage 3	Total
Balance at 1 July 2024	796,192	23,229	1,056,554	1,875,975
Transfer to 12 months ECL	354,744	(13,843)	(851,294)	(510,393)
Transfer to Lifetime ECL not credit impaired	(10,717)	4,539	(14,741)	(20,918)
Transfer to Lifetime ECL credit impaired	(14,771)	(921)	641,922	626,230
Net remeasurement of Loss allowance	1,125,448	13,004	832,441	1,970,893
Net financial assets originated or purchased	282,431	16,538	58,232	357,201
Financial assets derecognised	(190,816)	(2,873)	(76,786)	(270,475)
Balance at 30 June 2025	662,662	35,842	,566,188	2,264,692

Birr'000	Stage 1	Stage 2	Stage 3	Total
Balance at 1 July 2023	605,156	24,252	997,478	1,626,886
Transfer to 12 months ECL	183,399	(2,492)	(8,756)	172,151
Transfer to Lifetime ECL not credit impaired	(6,694)	721	(7)	(5,979)
Transfer to Lifetime ECL credit impaired	(205,727)	(7,913)	451,557	237,917
Net remeasurement of Loss allowance	576,134	14,568	1,440,273	2,030,975
Net financial assets originated or purchased	312,918	8,367	86,101	407,386
Financial assets derecognised	(160,606)	(6,143)	(101,118)	(267,868)
Balance at 30 June 2024	796,192	23,229	1,056,554	1,875,975

(b) Reconciliation of off-financial position allowance

	Stage 1	Stage 2	Stage 3	Total
Balance at 1 July 2024	248			248
Net financial assets originated or purchased	120			120
Financial assets derecognised	(248)			(248)
Balance at 30 June 2025	121			121



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	Stage 1	Stage 2	Stage 3	Total
Balance at 1 July 2023	39			39
Transfer to 12 months ECL	160			160
Transfer to Lifetime ECL not credit impaired				-
Transfer to Lifetime ECL credit impaired				-
Net remeasurement of Loss allowance	199			199
Net financial assets originated or purchased	85			85
Financial assets derecognised	36			36
Balance at 30 June 2024	248			248

(C) Reconciliation of other assets allowance

In Birr'000	Cash and balances with banks	Investment securities (debt instruments)	Other receivables and financial assets	Total
Balance as at 1 July 2024	176	230	810,693	811,099
Net remeasurement of loss allowance	38	320	-	358
New financial assets originated or purchased	(149)	(139)	(8,269)	(8,557)
Balance as at 30 June 2025	65	411	802,424	802,900

In Birr'000	Cash and balances with banks	Investment securities (debt instruments)	Other receivables and financial assets	Total
Balance as at 1 July 2023	57	118	400,076	400,251
Net remeasurement of loss allowance	-	-	387,525	387,525
New financial assets originated or purchased	119	112	23,092	23,323
Balance as at 30 June 2024	176	230	810,693	811,099

4.3.6 Offsetting financial assets and financial liabilities

- The Bank does not offset financial assets against financial liabilities.



Wegagen Bank S.C**Annual Consolidated and Separate Financial Statements****For the Year Ended 30 June 2025****4.4 Liquidity risk****4.4.1 Introduction**

Liquidity risk is the risk that the Bank cannot meet its maturing obligations when they become due, at reasonable cost and in a timely manner. Liquidity risk arises because of the possibility that the Bank might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances. Such scenarios could occur when funding needed for liquid asset positions is not available to the Bank on acceptable terms.

Liquidity risk management in the Bank 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.

4.4.2 Management of liquidity risk

Cash flow forecasting is performed by the Treasury Management Directorate. The directorate monitors rolling forecasts of liquidity requirements to ensure it has sufficient cash to meet operational needs. The Bank evaluates its ability to meet its obligations on an ongoing basis. Based on these evaluations, the Bank devises strategies to manage its liquidity risk. Prudent liquidity risk management implies that sufficient cash is maintained and that sufficient funding is available to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk damage to the Bank's reputation.

4.4.3 Exposure to liquidity risk

The Treasury directorate receives information from other directorates of Wegagen bank regarding the liquidity profile of their financial assets and liabilities and details of other projected cash flows arising from projected future business. It then maintain a portfolio of short-term liquid assets, largely made up of physical cash, cash with banks, 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 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 and liquidity reports are submitted weekly to the NBE. In addition to regulatory liquidity ratio requirements, the Bank has set its own internal liquidity ratio limits and monitor it accordingly.

The Bank has access to a limited funding base as there is no active primary and secondary market in Ethiopia. Funds are raised using 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.



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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 recognise 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, the following are considered as immediate:

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

4.4.4. Maturity analysis of financial Assets and Financial liabilities

The table below analyses the Bank's financial assets and liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. The cash flows presented are the undiscounted amounts to be settled in future. Considering that 37% of the deposits will be withdrawn within a short period of time; one year without any additional deposit mobilization, which is unlikely to happen, there will be a positive liquidity gap between maturing assets and liabilities. Moreover, in terms of regulatory compliance in terms of liquidity position, the Bank's liquidity position as at June 30, 2025 stood at 27.99%, which is well above the regulatory requirement of 15% indicating that the Bank is liquid to honor its commitments. This was a persistent phenomena during the whole year.

30 June 2025	Below 1 year	1-3 years	Over 3 years	Total
ASSETS	Birr'000	Birr'000	Birr'000	Birr'000
Cash and Bank Balances	15,768,955	-	-	15,768,955
Debt Securities at Amortized Cost	-	1,184,966	7,126,227	8,311,193
Loans and advances	14,352,941	22,631,512	14,276,050	51,260,502
Other assets	4,644,152	514,873	-	5,159,025
TOTAL	34,766,047	24,331,351	21,402,277	80,499,675
LIABILITIES				
Deposits	24,598,633	5,129,836	6,754,323	66,482,792
Other liabilities	3,480,972	12,435	194,817	3,688,224
Income Tax payable	1,091,622	-	-	1,091,622
TOTAL	29,171,226	5,142,271	36,949,140	71,262,637
Net Mismatch	5,594,821	19,189,079	(15,546,863)	9,237,038
Cumulative Mismatch	5,594,821	24,783,900	9,237,038	



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30 June 2024	Below 1 year	1-3 years	Over 3 years	Total
ASSETS	Birr'000	Birr'000	Birr'000	Birr'000
Cash and Bank Balances	13,123,499	0	0	13,123,499
Debt Securities at Amortized Cost	-	999,620	3,613,535	4,613,155
Loans and advances	10,447,523	19,117,131	13,735,756	43,300,410
Other assets	1,447,290	294,959	-	1,742,250
TOTAL	25,018,313	20,411,711	17,349,291	62,779,314
LIABILITIES				
Deposits	9,285,005	5,543,876	37,295,843	52,124,724
Other liabilities	3,226,451	8,506	133,259	3,368,216
Income Tax payable	641,203	-	-	641,203
TOTAL	13,152,660	5,552,382	37,429,102	56,134,144
Net Mismatch	11,865,653	14,859,328	(20,079,811)	6,645,171
Cumulative Mismatch	11,865,653	26,724,981	6,645,171	

4.4.5 Financial assets pledged as collaterals

The Bank had no financial asset pledged as collateral during the year under review.

4.5 Market risk

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

The Bank does not ordinarily engage in trading activities as there are no active markets in Ethiopia.

4.5.1 Management of market risk

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.

(i) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will be affected by changes in market interest rates. Borrowings obtained at variable rates give rise to interest rate risk.

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



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The table below sets out information on the exposures to interest rate sensitive financial assets and liabilities:

	Interest bearing Birr'000	Non-interest bearing Birr'000	Total Birr'000
30 June 2025			
Financial assets			
Cash and bank balances	-	15,768,955	15,768,955
Loans and advances to customers	51,260,502		51,260,502
Equity Investments at FVOCI		822,894	822,894
Debt Securities at Amortized Cost	8,311,193		8,311,193
Other Financial Assets		3,328,473	3,328,473
Total	59,571,696	19,920,321	79,492,017
Financial liabilities			
Deposits from customers	61,651,819		61,651,819
Deposits from Financial Institutions	4,830,973		4,830,973
Guarantees issued		4,583,597	4,583,597
Letter of credit		3,322,967	3,322,967
Loan commitments	6,100,397		6,100,397
Other Financial liabilities		2,138,338	2,138,338
Total	72,583,189	10,044,902	82,628,092
30 June 2024			
Cash and bank balances	2,477,818	10,645,681	13,123,499
Loans and advances to customers	43,300,410		43,300,410
Equity Investments at FVOCI		540,695	540,695
Debt Securities at Amortized Cost	4,613,155	-	4,613,155
Other Financial Assets		(203,944)	(203,944)
Total	50,391,384	10,982,432	61,373,815
Financial liabilities			
Deposits from customers	48,417,951		48,417,951
Deposits from Financial Institutions	3,706,774		3,706,774
Guarantees issued		4,080,986	4,080,986
Letter of credit		4,007,421	4,007,421
Loan commitments	2,137,732		2,137,732
Other Financial liabilities		2,044,925	2,044,925
Total	54,262,456	10,133,332	64,395,788



Wegagen Bank S.C**Annual Consolidated and Separate Financial Statements****For the Year Ended 30 June 2025****(ii) Foreign exchange risk**

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to the changes in foreign exchange rates.

The Bank is exposed to exchange rate risks to the extent of balances and transactions denominated in a currency other than the Ethiopian Birr. The Bank's foreign currency bank accounts act as a natural hedge for these transactions. Management has set up a policy to manage the Bank's foreign exchange risk against its functional currency.

The table below summarises the impact of increases/decreases of 10% on equity and profit or loss arising from the Bank's foreign denominated borrowings and cash and bank balances.

Foreign currency denominated balances

	30 June 2025	30 June 2024
	Birr'000	Birr'000
Cash and bank balances;		
USD	6,417,734	2,881,008
GBP	3,004	17,264
Euro	205,533	36,704
Other currencies	8,828	14,006
	6,635,100	2,948,982

Sensitivity analysis for foreign exchange risk

The sensitivity analysis for currency rate risk shows how changes in the fair value or future cash flows of a financial instrument will fluctuate because of changes in market rates at the reporting date. The sensitivity of the Bank's earnings to fluctuations in exchange rates is reflected by varying the exchange rates at 10% as shown below:

	Basis points	Effect of appreciation of the Birr against foreign currencies	Effect of depreciation of the Birr against foreign currencies
30 June 25	Birr'000	Birr'000	Birr'000
USD	10%	641,773	(641,773)
GBP	10%	300	(300)
Euro	10%	20,553	(20,553)
Total		662,627	(662,627)



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30 June 2024	Basis points	Effect of appreciation of the Birr against foreign currencies	Effect of depreciation of the Birr against foreign currencies
	Birr'000	Birr'000	Birr'000
USD	10%	288,101	(288,101)
GBP	10%	1,726	(1,726)
Euro	10%	3,670	(3,670)
Total		293,498	(293,498)

4.6 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 operational risk by adopting the policy and procedure on operational risk management as approved by the board of directors 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 risk and control self-assessment on continuous process.

During the fiscal year, the Bank made assessment of potential operational risk areas including IT security risks, made register of operational risk incidents, investigated them and took action on perpetrators and strengthen its internal controls accordingly. Despite the number of operational risk incidents, the Bank sustained insignificant losses.

4.7 Fair value of financial assets and liabilities

IFRS 13 requires an entity to classify measured or disclosed fair values according to a hierarchy that reflects the significance of observable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, which comprises of three levels as described below, based on the lowest level input that is significant to the fair value measurement as a whole.



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4.7.1 Valuation models

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

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

- Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active, or other valuation technique in which all significant inputs are directly or indirectly observable from market data.

In conclusion, this category is for valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs). This category includes all assets and liabilities for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the asset or liability's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

4.7.2 Financial instruments measured at fair value - fair value hierarchy

The following table summarises the carrying amounts of financial assets and liabilities not measured at fair value and their fair value measurements as at the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorised. The amounts are based on the values recognised in the statement of financial position.



Wegagen Bank S.C

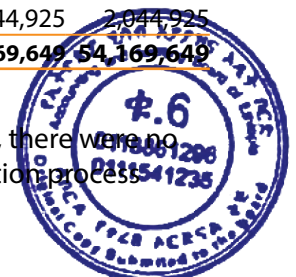
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	Carrying amount	Fair value	Level 1	Level 2	Level 3	Total
30 June 2025	Birr'000	Birr'000	Birr'000	Birr'000	Birr'000	Birr'000
Financial assets						
Cash and Bank Balances	15,768,955	15,768,955	15,768,955			15,768,955
Loans and advances to customers	51,260,502	51,260,502		51,260,502		51,260,502
Investment securities;					-	-
• Debt Securities at Amortized Cost	8,311,193	8,311,193		8,311,193		8,311,193
• Equity Investments at FVOCI	284,396	822,894		822,894		822,894
Other Financial Assets	3,328,473	3,328,473		3,328,473		3,328,473
Total	78,953,519	79,492,017	15,768,955	63,723,062		79,492,017
Financial liabilities						
Deposits from customers	61,651,819	61,651,819		61,651,819		61,651,819
Deposit from financial institutions	4,830,973	4,830,973		4,830,973		4,830,973
Other Financial liabilities	2,138,338	2,138,338		2,138,338		2,138,338
Total	68,621,130	68,621,130	-	-	68,621,130	68,621,130
	Carrying amount	Fair value	Level 1	Level 2	Level 3	Total
30 June 2024	Birr'000	Birr'000	Birr'000	Birr'000	Birr'000	Birr'000
Financial assets						
Cash and Bank Balances	13,123,499	13,123,499	13,123,499			13,123,499
Loans and advances to customers	43,300,410	43,300,410		43,300,410		43,300,410
Investment securities;						
• Debt Securities at Amortized Cost	4,613,155	4,613,155		4,613,155		4,613,155
• Equity Investments at FVOCI	96,322	540,695		540,695		540,695
Other Assets	(203,944)	(203,944)		(203,944)		(203,944)
Total	60,929,443	61,373,815	13,123,499	-	48,250,316	61,373,815
Financial liabilities						
Deposits from customers	48,417,951	48,417,951		48,417,951		48,417,951
Deposit from financial institutions	3,706,774	3,706,774		3,706,774		3,706,774
Other liabilities	2,044,925	2,044,925		2,044,925		2,044,925
Total	54,169,649	54,169,649	-	-	54,169,649	54,169,649

4.7.3 Transfers between the fair value hierarchy categories

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



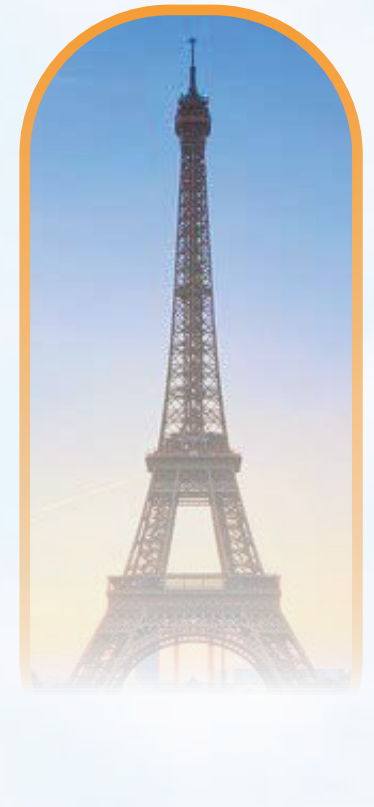
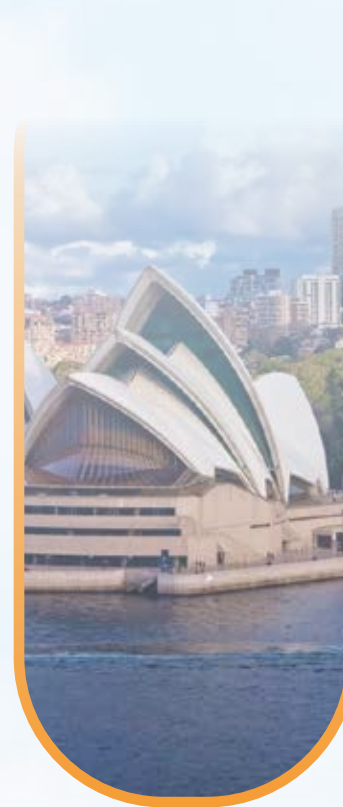
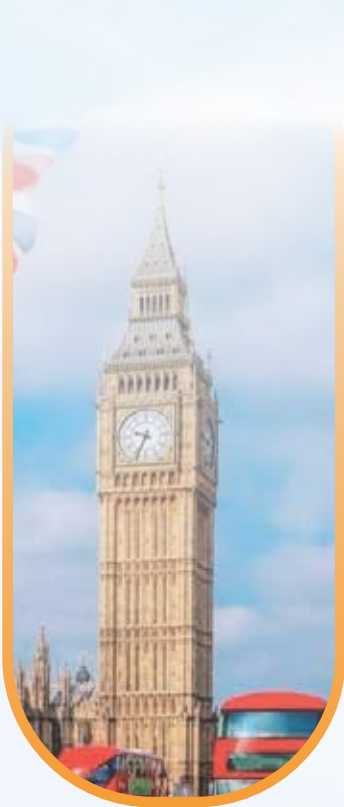
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	30 June 2025 Birr'000	30 June 2024 Birr'000
5 Interest income		
Treasury Bill	47,500	71,799
Loans and advances to customers	7,583,342	6,686,739
Investment securities	787,214	417,900
Interest Income on Corrospendent Bank Accounts	41,302	2,845
	8,459,357	7,179,283
	30 June 2025 Birr'000	30 June 2024 Birr'000
6 Interest expense		
Saving deposits	1,489,283	1,361,414
Fixed time deposits	1,443,395	904,674
Current deposits	5,406	6,090
Short term borrowing	189,649	20,190
Interest Incurred on lease liabilities	28,446	86,089
	3,156,179	2,378,457
	30 June 2025 Birr'000	30 June 2024 Birr'000
7 Net fees and commission income		
Fee and Commission Income;		
Commission and fees on L/C	1,879,844	1,793,764
Commission on Guarantees	237,241	163,811
Agent Banking Fee	35,090	21,608
ATM Transaction Fees-Foreign	2,241	2,227
ATM Transaction Fees-Local	2,611	1,233
Commission on CPO issued	1,679	2,675
Loan Processing Fee	69,716	43,378
Service Charge-Local	17,001	15,494
SWIFT charges	98,072	39,345
Commission Sundries	45,508	26,350
Brokerage Commission	1	-
Commission & Charges from IFB	75,921	36,407
Commission and Fees on Fund transfers	2	35
	2,464,927	2,146,327
Fee and Commission Expense;		
Visa Charge	29,904	486
Master Card Charges	16,606	320
Ethswitch Charges	12,782	2,091
Membership Fee	4,582	1,081
Broad Band Expense	25,068	18,130
Subscription & Publication	521	534
License Fee	10,223	8,054
	99,689	30,697
Balance net fee and commission income	2,365,238	2,115,630



SWIFT: WEGAETAA

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	30 June 2025 Birr'000	30 June 2024 Birr'000
8 Other operating income		
Rental income	11,432	18,642
Estimation fees	2,907	2,677
Rebates	3,076	2,726
Fee on Bounced Checks	143	115
Dividend income	49,877	21,862
Gain on Disposal of Old Assets	6,967	12,803
Card purchase & replacement income	4,717	465
Income from Investment services	1,030	-
Sundries-Local	61,684	22,930
Gain from foreign exchange rate spread	605,983	-
Gain on foreign exchange Dealing	1,807,698	354,515
	2,555,514	436,736

	30 June 2025 Birr'000	30 June 2024 Birr'000
9 Loan impairment charge		
Loans and Advances - charge for the year (note 15b)	465,867	269,292
	465,867	269,292

	30 June 2025 Birr'000	30 June 2024 Birr'000
10 Impairment losses on other assets		
Other assets - charge back for the year (note 17)	(6,295)	410,823
	(6,295)	410,823

	30 June 2025 Birr'000	30 June 2024 Birr'000
11 Salaries and benefits		
Employee salaries	1,897,677	1,531,044
Outsourced employee salaries	308,043	323,128
Pension costs	207,719	167,198
Short-term employee benefits	1,472,552	1,111,533
Directors monthly allowance	1,560	994
Severance pay- Defined benefit plan	74,880	141,904
	3,962,431	3,208,710



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	30 June 2025 Birr'000	30 June 2024 Birr'000
12 Other operating expenses		
Advertisement & Publicity	107,521	66,499
Agent Banking	2	1,061
Bank Charges	19,863	7,535
Card payment Charges	6,902	1,016
Consultant Fee	47,522	62
Communication expenses	7,590	5,270
Consumables	29,415	31,179
Donations	29,837	75,708
Stamp Duty Expense	2,243	897
Entertainment	7,153	3,499
Event organization expense	11,544	2,482
Insurance	21,516	25,024
IT support charges	81,052	43,354
E-banking support charges	105,476	22,839
Court related Expenses	4,910	849
Legal provision	16,008	49,193
Land and Building Tax	8,375	9,828
Loss on Disposal of fixed assets	999	7,372
Maintenance	73,997	49,019
Money transfer charges	17,669	11,280
Penalty Expense	-	6,309
Perdiem and Travel	85,469	28,068
Petrol and Oil	48,503	33,715
Printing and stationary	34,774	28,154
Rental expenses	65,766	4,035
Sundries	20,710	7,376
Uniform	25,893	22,271
Utilities	19,211	13,179
Wages for non-permanent employees.	246	221
Loading and unloading expense	3,727	2,849
Loss on exchange rate negotiation	302,930	-
Deposit Insurance Expense	145,403	119,220
	1,352,225	679,364



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On July 29, 2024, National Bank of Ethiopia issued directive no. FXD/01/2024, which permits banks and foreign currency recipients to negotiate exchange rates at the time of currency purchase. As this directive marks a significant change, there is no comparable figure from previous periods for the foreign exchange rate loss.

	30 June 2025 Birr'000	30 June 2024 Birr'000
13 Income and deferred tax		
13a Current income tax		
Income tax	1,100,031	641,553
Deferred income tax/(credit) to profit or loss	(24,988)	(23,907)
Total charge to profit or loss	1,075,043	617,646
Tax (credit) on other comprehensive income	16,360	32,884
Total tax in statement of comprehensive income	1,091,403	650,530

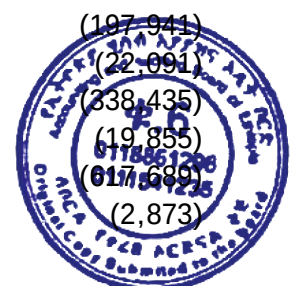
13b Reconciliation of effective tax to statutory tax

The tax on the Bank's profit before income tax differs from the theoretical amount that would arise using the statutory income tax rate as follows:

	30 June 2025 Birr'000	30 June 2024 Birr'000
Profit before tax	3,852,553	2,220,847
Non-allowable Expenses;		
Entertainment	7,379	3,499
Pre-operating Expense	4,241	-
Representation Allowance	-	11,875
Donation	2,687	6,403
Penalty	-	6,309
Provision for Legal cases	16,008	49,193
Employee Severance benefits	74,880	71,904
Loss on disposal of fixed assets	999	6,636
Provision for loans and other assets	465,867	680,115
Depreciation for accounting purpose	202,212	176,525
Depreciaion and int. expense IFRS 16	338,554	438,752
Amortization for accounting purpose	83,282	34,061
Loss on FCY revaluation	405,459	30,859
Life Insurance	18,719	15,850
Staff Loan Fair valuation expense	47,725	65,538
Accrud leave Expense	104,921	34,717
	1,772,933	1,632,237

Allowable Expenses;

Depreciation for tax purpose	(221,184)	(107,941)
Amortization for tax purpose	(62,003)	(22,091)
Rent expense	(404,371)	(338,435)
Employee severance paid in cash	(29,596)	(19,855)
Provision for loans and other assets as per NBE	(361,550)	(617,689)
Accrued leave paid in cash to resigned staffs	(4,924)	(2,873)



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Dividend income taxed at source	(49,877)	(21,862)
Interest income exempt/taxed at Sources	(783,911)	(489,699)
Gain from sale of acquired properties	-	(1,284.78)
Interest from correspondent bank taxed at 5%	(41,302)	(2,845)
	(1,958,717)	(1,714,574)
Taxable Income	3,666,769	2,138,511
Statutory tax at rate 30%	1,100,031	641,553

	30 June 2025	30 June 2024
	Birr'000	Birr'000
13c Current income tax liability		
Balance at the beginning of the year	641,203	354,776
Charge for the year:		
Income tax expense	1,100,031	641,553
Payment during the year	(641,203)	(354,776)
Withholding tax	(8,409)	(350)
Balance at the end of the year	1,091,622	641,203

The income tax payable during the period are current in nature.

13d Deferred income tax

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

	At 1 July 2024	Credit/ (charge) to P/L	Credit/ (charge) to OCI	30 June 2025
	Birr'000	Birr'000	Birr'000	Birr'000
Deferred income tax (assets)/ liabilities:				
Property, Plant and Equipment	119,913	22,942		142,854
Post employment benefit obligation	(86,537)	(13,585)	(51,338)	(151,461)
Accrued Leave	(23,729)	(30,068)		(53,797)
Equity Investments	93,851		67,699	161,549
Pre-operating expense	-	(1,184)		(1,184)
Loss for tax purpose	-	(3,092)		(3,092)
Total deferred tax (assets)/liabilities	103,498	(24,988)	16,360	94,870



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	At 1 July 2023	Credit/ (charge) to P/L	Credit/ (charge) to equity	30 June 2024
	Birr'000	Birr'000	Birr'000	Birr'000
Deferred income tax assets/ (liabilities):				
Property, plant and equipment	118,652	1,261		119,913
Post employment benefit obligation	(74,814)	(15,615)	3,891	(86,537)
Accrued Leave	(14,176)	(9,553)		(23,729)
Equity Investments	64,858		28,992	93,851
Total deferred tax assets/(liabilities)	94,521	(23,906)	32,884	103,498

14 Cash and bank balances

	30 June 2025 Birr'000	30 June 2024 Birr'000
Cash in hand	1,724,075	1,225,035
Deposit with local commercial banks	1,415,309	1,066,152.8
Deposit with foreign banks	6,610,730	2,937,736
Deposit with National Bank of Ethiopia	5,718,906	5,416,933
Deposit with Interbank Money Market	300,000	-
Treasury Bills	-	2,477,818
Gross cash and bank balances	15,769,020	13,123,675
Impairment Allowance for cash	(65)	(176)
	15,768,955	13,123,499

Maturity analysis

	30 June 2025 Birr'000	30 June 2024 Birr'000
Current	15,768,955	13,123,499
Non-Current	-	-
	15,768,955	13,123,499

15 Loans and advances

15a Loans and advances to customers

	30 June 2025 Birr'000	30 June 2024 Birr'000
Manufacturing	7,855,541	6,445,065
Domestic Trade and Services	9,568,471	8,153,659
Construction	8,241,443	8,155,138
Transport Service	4,228,026	3,733,860



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Export	8,791,973	7,872,182
Import	13,242,348	10,636,981
Staff loans	311,679	694,434
Digital lending	624,095	-
IFB-Financing & Investments	661,738	483,817
Gross loans and advances	53,525,315	45,176,634
Less: Impairment allowance (note 15b)	(2,264,813)	(1,876,223)
Net loans and advances	51,260,502	43,300,410

	30 June 2025	30 June 2024
Maturity analysis	Birr'000	Birr'000
Current	14,352,941	10,447,523
Non-Current	36,907,562	32,852,887
	51,260,502	43,300,410

During the reporting period the Bank in collaboration with Qena, a platform by Kifya Financial Technology, has officially launched its new digital lending product "Efoyta. The digital lending product aims to benefit various segments of society by providing accessible financing. Efoyta is designed to alleviate cash shortage challenges and especially meet the working capital needs of micro, small, and medium enterprises (MSMEs) as well as enable salaried employees to access emergency loan facility.

15b Impairment allowance on loans and advances to customers

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

	As at 1 July 2024	Write offs during the year	Charge for the year	As at 30 June 2025
Allowance for loan impairment	Birr'000	Birr'000	Birr'000	Birr'000
Construction	236,832	-	108,465	345,297
Domestic Trade and Services	788,064	(11,120)	(53,135)	723,808
Export	315,878	(53,663)	(46,816)	215,399
Import	209,921	-	488,727	698,648
Manufacturing	236,162	-	(39,137)	197,024
Staff loans	5,869	(1,116)	472	5,225
Transport Service	73,672	-	(9,970)	63,702
Letter of Guarantee	88	-	(5)	83
Letter of Credit	160	-	(121)	39
IFB Financing	9,578	(11,378)	17,388	15,589
	1,876,223	(77,277)	465,867	2,264,813



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	As at 1 July 2023	Write offs during the year	Charge for the year	As at 30 June 2024
	Birr'000	Birr'000	Birr'000	Birr'000
Allowance for loan impairment				
Construction	462,367	-	(205,375)	236,832
Domestic Trade and Services	392,362	-	395,701	788,064
Export	211,452	-	104,426	315,878
Import	227,803	-	(17,882)	209,921
Manufacturing	259,250	-	(23,089)	236,162
Staff loans	1,570	-	4,299	5,869
Transport Service	65,231	-	8,441	73,672
Guarantee	39	-	49	88
Letter of Credit	165	-	(5)	160
IFB Financing	6,851	-	2,728	9,578
	1,627,090	-	269,292	1,876,223

	30 June 2025 Cost Birr'000	Fair Value(FV) Adjustment	30 June 2025 FV Birr'000	30 June 2024 FV Birr'000
16 Investment Securities				
16a Equity Investment securities at FVOCI				
Ethswitch	126,616	538,458	665,074	449,037
Africa Insurance S.C	31,066	(2,707)	28,359	22,151
Addis International Convention Center	56,666	2,084	58,750	3,813
Ethiopian Reinsurance S.C	21,085	5,814	26,899	17,453
Capital Finance Excellence Center	5,000	1,352	6,352	10,666
Allenatech Electronics S.C.	5,000	(1,950)	3,050	(1,389)
Ethiopian Securities Exchange S.C	38,963	(4,552)	34,411	38,963
	284,396	538,498	822,894	540,695

All the above equity investments are made in unquoted companies whose fair value is determined on net asset basis. Valuation of these investments have made by independent consultant for the reporting period.

Reconciliation of Fairvalue Adjustment	Fair Value Adjustment as at July 1, 2024 Birr'000	Adjustment during reporting period	Fair Value Adjustment as at June 30, 2025 Birr'000
Ethswitch	359,942	178,517	538,458
Africa Insurance S.C	4,151	(6,859)	(2,707)
Addis International Convention Center	(50,187)	52,270	2,084
Ethiopian Reinsurance S.C	(348)	6,162	5,814
Capital Finance Excellence Center	5,666	(4,314)	1,352
Allenatech Electronics S.C.	(6,389)	4,439	(1,950)
Ethiopian Securities Exchange S.C	-	(4,552)	(4,552)
Balance at the end of reporting period	312,836	225,662	538,498



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	30 June 2025 Birr'000	30 June 2024 Birr'000
16b Investment in Debt Securities		
Ethiopian Government Securities	8,311,604	4,613,385
Impairment Allowance for debt Securities	(411)	(230)
Balance at the end of reporting period	8,311,193	4,613,155
Maturity analysis		
Current	-	-
Non-Current	8,311,193	4,613,155
	8,311,193	4,613,155
17 Other assets		
Financial assets;		
Staff receivables	2,352	1,258
Receivable from money transfer agents	99,112	81,809
Receivable from VISA	10,815	1,147
Receivable from Master Card	2,151	4,046
Eth-switch Receivable	137,388	13,758
Emergency salary advance	896,452	-
Receivable from employment agencies	835,589	-
Other receivables	1,950,471	1,122,155
Receivables due to cash lost	196,567	193,268
Gross financial assets	4,130,896	1,417,441
Less: Impairment allowance (note 17a)	(802,424)	(810,693)
Net financial assets	3,328,473	606,749
Non-financial assets;		
Prepayments	794,989	270,821
Prepaid expenses on staff loans	509,543	600,590
Inventory	123,247	101,260
Repossessed properties	402,774	162,830
Gross Non-financial assets	1,830,552	1,135,501
	5,159,025	1,742,250
Maturity analysis		
Current	4,644,152	1,447,290
Non-Current	514,873	294,959
	5,159,025	1,742,250



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Emergency salary advance and receivable from employment agencies are non-interest bearing financial assets reclassified from loan and advance to financial assets during the reporting period

17a Impairment allowance on other assets

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

	30 June 2025 Birr'000	30 June 2024 Birr'000
Balance at the beginning of the year	810,693	400,101
Reversal/Written off during the year	(1,974)	-
Charge for the year	(6,295)	410,591
Balance at the end of the year	802,424	810,693

17b Inventory

A breakdown of the items included within inventory is as follows:

	30 June 2025 Birr'000	30 June 2024 Birr'000
Stationery	23,200	30,898
Office supplies	45,163	37,847
Visa cards	18,754	1,320
Other stock	35,969	31,035
Memorial Coins	161	161
	123,247	101,260

18 Investment Property

Cost:

At at July 01, 2024

Renovation

Re-classification

At the end of the reporting period

Accumulated depreciation:

At at July 01, 2024

Charge for the year

Re-classification

At the end of the reporting period

Net book value

	30 June 2025 Birr'000	30 June 2024 Birr'000
At at July 01, 2024	3,027	943
Renovation	-	2,084
Re-classification	(3,027)	-
At the end of the reporting period	-	3,027
Accumulated depreciation:		
At at July 01, 2024	441	384
Charge for the year	58	58
Re-classification	(499)	-
At the end of the reporting period	-	441
Net book value	-	2,585



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Kombolcha building, previously held by the bank for rental purposes and generating income, experienced tenant departures during the year. As a result, the bank has decided to renovate the property for its own operational use. Accordingly, the asset has been reclassified from investment property to property, plant, and equipment in line with applicable accounting standards.

19 Investment in Wegagen capital investment bank	30 June 2025	30 June 2024
	Birr'000	Birr'000
Wegagen Capital Investment Bank	334,250	0

The bank invest in new company 'Wegagen capital investment bank' with shareholdings of 86.82%, Wegagen-capital investment bank has starts its operation in the end of the reporting period (refer note 31c).

	Purchased Software Birr'000	Software Under Development Birr'000	Total Birr'000
20 Intangible Assets			
Cost:			
As at 1 July 2023	172,156	-	172,156
Acquisitions	33,311	-	3,311
As at 30 June 2024	205,467	-	205,467
As at 1 July 2024	205,467	-	205,467
Acquisitions	528,711	-	528,711
As at 30 June 2025	734,178	-	734,178
Accumulated amortisation			
As at 1 July 2023	123,338	-	123,338
Amortisation	34,061	-	34,061
As at 30 June 2024	157,399	-	157,399
As at 1 July 2024	157,399	-	157,399
Amortisation	83,282	-	83,282
As at 30 June 2025	240,681	-	240,681
Net book value			
As at 30 June 2024	48,818	-	48,068
As at 30 June 2025	493,497	-	493,497



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21 Property and Equipment

Cost:

	Office Equipments	Building	Motor vehicles	Furniture and Fittings	Computer Equipment	Capital work in Progress	Total
	Birr'000	Birr'000	Birr'000	Birr'000	Birr'000	Birr'000	Birr'000
As at 1 July 2023	488,871	857,848	314,235	276,370	531,935	12,077	2,261,045
Additions	129,219	-	119,940	74,026	160,326	1,317	237,478
Disposals	(875)	-	(2,266)	(3,359)	(2,114)	-	(8,615)
Write-off	(10,923)	-	(4,002)	(1,205)	(6,529)	-	-
Reclassification	(55,507)	(2,084)	(3,426)	(9,120)	(76,167)	-	-
As at 30 June 2024	550,784	855,764	424,481	336,712	607,451	13,395	2,788,586
As at 1 July 2024	550,784	855,764	424,481	336,712	607,451	13,395	2,788,586
Additions	112,502	3,027	35,336	190,629	126,857	1,466	469,816
Disposals	(1,416)	-	(1,386)	(7,593)	(8,206)	-	(18,601)
Write-off	-	-	-	(186)	-	-	(186)
Reclassification	(36,614)	-	(3,343)	(15,331)	(36,946)	-	(92,235)
As at 30 June 2025	625,255	858,791	455,087	504,231	689,156	14,861	3,147,380

Accumulated depreciation;

As at 1 July 2023	263,724	88,351	181,095	131,038	283,966	-	948,173
Charge for the year	43,201	16,304	28,473	26,408	62,139	-	176,525
Write-off	(8,054)	-	(3,043)	(101)	(4,855)	-	-
Disposals	(626)	-	(2,142)	(2,741)	(1,991)	-	(7,501)
As at 30 June 2024	298,245	104,655	204,382	154,603	339,259	-	1,101,144
As at 1 July 2024	298,245	104,655	204,382	154,603	339,259	-	1,101,144
Charge for the year	48,672	16,317	31,204	36,032	69,986	-	202,212
Write-off	-	-	-	(110)	-	-	(110)
Disposals	(1,386)	-	(1,293)	(5,989)	(8,070)	-	(16,737)
As at 30 June 2025	345,531	121,414	234,294	184,536	401,176	-	1,286,949

Net book value

As at 30 June 2024	252,539	751,109	220,098	182,109	268,192	13,395	1,687,442
As at 30 June 2025	279,724	737,377	220,793	319,696	287,981	14,861	1,860,431



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For the Year Ended 30 June 2025

21a Leases

Amount recognized in statement or profit or loss in respect of leases for which the bank is lessee;

	30 June 2025	30 June 2024
	Birr'000	Birr'000
Depreciation charge for right-of-use assets	310,569	352,663
Interest Expense on lease liabilities	27,984	86,089
Expense related to short-term leases	65,766	4,035
Cost of lease contracts - stamp duty	2,160	863
	406,480	443,650

Amount regonized in statement of financial position in respect of leases for which the bank is lessee;

	30 June 2025	30 June 2024
	Birr'000	Birr'000
Right of use assets		
• Office building	993,853	675,445
Lease liabilities		
• Office buidling	272,700	186,533
Maturity analysys of lease liabilities		
Less than one year	65,448	44,768
More than one year	207,252	141,765
	272,700	186,533

22 Deposits from customers

	30 June 2025	30 June 2024
	Birr'000	Birr'000
Demand deposits	20,746,597	16,504,445
Saving deposits	32,949,781	27,864,741
Fixed term deposits	7,955,441	4,048,764
	61,651,819	48,417,951

Maturity analysis

	30 June 2025	30 June 2024
	Birr'000	Birr'000
Current	22,811,173	8,624,716
Non-Current	38,840,646	39,793,235
	61,651,819	48,417,951



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23 Deposit from financial institutions

Saving Deposit
Demand Deposit
Fixed Term deposit
Total

Maturity analysis

Current
Non-Current

24 Other liabilities

Financial liabilities

Blocked Account
Cash payment order payable
Customer deposits for letter of credit
Deferred revenue
Deposit for Guarantees Issued
Dividend payable
Exchange payable to NBE
Nostro Account
Old draft payable
Payable to Ethio switch
Prepaid card control account
Telegraphic transfer payable

Non-financial liabilities

Provision for court cases
Pension Contribution Pay
Stamp duty payable
Interest Tax Payable
Withholding tax payable
Employee income Tax Payable
VAT payable
Cost Sharing Payable
Technical Service Payable
Accrued leave pay
Sundry payables
Lease Liability
Employee Bonus Payable

30 June 2025
Birr'000

30 June 2024
Birr'000

816,916
939,663
3,074,394
4,830,973

114,976
459,440
3,132,357
3,706,774

30 June 2025
Birr'000

30 June 2024
Birr'000

1,787,460
3,043,513
4,830,973

660,290
3,046,484
3,706,774

30 June 2025
Birr'000

30 June 2024
Birr'000

9,488
231,578
1,564,389
128,681
11,003
82,956
9,178
-
59,966
19,151
9,551
12,397
2,138,338

9,562
233,603
1,388,599
206,156
26,681
43,110
49,071
29
61,092
6,902
7,705
12,415
2,044,925

70,355
20,301
5,746
20,907
1,326
105,726
46,376
290
5,801
179,323
553,145
281,381
259,210
1,546,887
3,688,224

60,115
20,912
3,138
13,193
3,180
41,934
6,136
404
1,618
79,096
619,536
186,533
287,496
1,323,291
3,368,216

Gross amount



Wegagen Bank S.C**Annual Consolidated and Separate Financial Statements****For the Year Ended 30 June 2025**

Maturity analysis		30 June 2025	30 June 2024
		Birr'000	Birr'000
Current		3,480,972	3,226,451
Non-Current		207,252	141,765
		3,688,224	3,368,216

25	Employee benefit obligations	30 June 2025	30 June 2024
25a	Defined benefits liabilities:	Birr'000	Birr'000
	-Severance benefits	504,869	288,457
	Liability in the statement of financial position	504,869	288,457

	Income statement charge included in personnel expenses:	30 June 2025	30 June 2024
		Birr'000	Birr'000
	– Severance pay	74,880	71,904
	Total defined benefit expenses	74,880	71,904

	Remeasurements for:		
	– Severance pay	(119,790)	(12,971)
		(119,790)	(12,971)

The income statement charge included within personnel expenses includes current service cost, interest cost, past service costs on the defined benefit schemes.

25b Severance pay

The Bank operates an unfunded severance pay plan for its employees who have served the Bank for 5 years and above and are below the retirement age (i.e. has not met the requirement to access the pension fund and provident fund). The final pay-out is determined by reference to current benefit's level (monthly salary) and number of years in service and is calculated as 1 month salary for the first year in employment plus 1/3 of monthly salary for each subsequent in employment to a maximum of 12 months final monthly salary.

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

	30 June 2025	30 June 2024
	Birr'000	Birr'000
Liability recognised in the stat. of financial position	504,869	288,457



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For the Year Ended 30 June 2025

	30 June 2025	30 June 2024
	Birr'000	Birr'000
B Amount recognised in profit or loss statement		
Current and past service cost	19,698	18,519
Interest cost	55,182	53,398
	74,880	71,917

	30 June 2025	30 June 2024
	Birr'000	Birr'000
C Amount recognised in other comprehensive income:		
Remeasurement gain or(loss) arising from experience	(93,703)	33,627
Re-measurement (loss) arising from economic assumptions	(77,425)	(20,656)
	(171,128)	12,971
Tax Credit/Charge	51,338	(3,891)
	(119,790)	9,080

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

	30 June 2025	30 June 2024
	Birr'000	Birr'000
At the beginning of the year	288,457	249,379
Current and past service cost	19,698	18,519
Interest cost	55,182	53,398
Re-measurement (gains)/ losses	171,128	(12,971)
Benefits paid	(29,596)	(19,868)
At the end of the year	504,869	288,457

The significant actuarial assumptions were as follows:

i) Financial Assumption Long term Average

	30 June 2025	30 June 2024
	Birr'000	Birr'000
Discount Rate	14.50%	18.80%
Salary Increase rate	14.20%	16.30%
Inflation rate	12.20%	14.30%



Wegagen Bank S.C**Annual Consolidated and Separate Financial Statements****For the Year Ended 30 June 2025****ii) Mortality in Service**

Mortality rates are commonly set with reference to standard tables published by reputable institutions (such as the Actuarial Society of South Africa and the Central Statistics Agency ("CSA")) who have access to statistically significant data from which to derive mortality rates. Sample mortality rates are as follows:

Age	'Mortality rate	
	Males	Females
20	0.31%	0.22%
25	0.30%	0.23%
30	0.36%	0.31%
35	0.41%	0.28%
40	0.52%	0.32%
45	0.45%	0.43%
50	0.63%	0.63%
55	0.98%	0.98%
60	1.54%	1.54%

iii) Withdrawal/Resignation from Service

The withdrawal rates are believed to be reasonably representative of the Ethiopian experience. The valuation assumed that resignation rates decrease by 2.5% for each age from 15% at age 20 (and below) to 0% at age 50. A sample of the resignation rates is summarised in the table below.

Age	Resignation rates per annum
20	15.00%
25	12.50%
30	10.00%
35	7.50%
40	5.00%
45	2.50%
50	0.00%

The sensitivity of the main results to changes in the assumed salary escalation rates and the discount rate have been calculated based on the duration of the liabilities. The changes in the 30 June 2025 defined benefit obligation and the assets are reflected below:



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	BASE DBO	Current service cost one year impact	% Change
	Birr'000	Birr'000	Birr'000
Discount rate + 1%	504,869	462,437	-8.4%
Discount rate - 1%	504,869	551,739	9.3%
Salary Increase +1%	504,869	551,439	9.2%
Salary Increase +1%	504,869	461,974	-8.5%

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position.

26 Share capital

Authorised:

Ordinary shares of Birr 1000 each

30 June 2025
Birr'000

30 June 2024
Birr'000

20,000,000

20,000,000

Issued and fully paid:

Ordinary shares of Birr 1000 each

7,028,357

5,058,890

Share premium

87,819

74,917

7,116,176

5,133,807

27 Earnings per share

Basic earnings per share (EPS) is calculated by dividing the profit after tax attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the reporting period

30 June 2025
Birr'000

30 June 2024
Birr'000

Profit attributable to shareholders

2,778,853

1,603,201

Non-Controlling interest (NCL)

(1,343)

Weighted average number of ordinary shares in issue

6,028,243

4,345,658

Basic earnings per share (%age)

46.10%

36.89%



Wegagen Bank S.C**Annual Consolidated and Separate Financial Statements****For the Year Ended 30 June 2025**

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. There were no potentially dilutive shares at the reporting date and the year before, hence the basic and diluted profit per share have the same value.

	30 June 2025 Birr'000	30 June 2024 Birr'000
28 Retained earnings		
At the beginning of the year	1,246,781	472,937
Dividend Paid/Capitalized	(1,246,781)	(472,937)
Board of directors remuneration	(1,500)	-
Profit/(Loss)for the year	2,777,510	1,603,201
Transfer to Legal Reserve	(694,378)	(400,800)
Transfer to Regulatory Reserve	(20,536)	44,380
Non-distributable reserve adjustment	(118,140)	-
Non-controlling interest	1,343	-
Balance at the end of the year	1,944,300	1,246,781

	30 June 2025 Birr'000	30 June 2024 Birr'000
29 Reserve		
29a Legal Reserve		
At the beginning of the year	2,191,622	1,790,822
Transfer from profit or loss	694,378	400,800
At the end of the year	2,885,999	2,191,622

The NBE directive No. SBB/1360/2025 article 22(1) requires the Bank to transfer annually 25% of its annual net profit to its legal reserve account.

29b Regulatory Risk Reserve

This includes interest on Non performing loans/Stage 3 loans that are recognized per IFRS but not available for dividend distribution as required by National Bank of Ethiopia directive and the excess of provision per NBE directive over that of IFRS 9 which is not accounted as bad debt expense.

	30 June 2025 Birr'000	30 June 2024 Birr'000
Opening Balance	507,882	552,262
Additional provision per NBE	-	84,151
Prior period adjustment	118,140	-
Interest income on Non Performing Loans(NPL)	20,536	(128,531)
	646,558	507,882



Wegagen Bank S.C

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29c Other Reserve

The other reserve includes the fair value gain/loss on equity instruments classified at FVOCI and remeasurement gains/losses on defined benefit obligations of the Bank.

	30 June 2025	30 June 2024
	Birr'000	Birr'000
Opening Balance	127,360	50,631
Fair Value gain of Equity Instruments	157,963	67,649
Remeasurement loss on defined benefit plans(net of tax)	(119,790)	9,080
	165,534	127,360

29d Non-controlling Interest

	30 June 2025	30 June 2024
	Birr'000	Birr'000
Paid-up capital	50,750	-
Retained earnings	(1,343)	-
	49,407	-

30 Cash generated from operating activities

	30 June 2025	30 June 2024
	Birr'000	Birr'000
Profit before tax	3,852,553	2,220,847
Adjustments for non-cash items:		
Depreciation of property and equipment	202,212	176,467
Depreciation of investment property	-	58
Amortisation of intangible assets	83,282	34,061
Depreciation of right of use assets	310,569	352,663
(Gain)/Loss on disposal of property, plant and equipment	999	7,372
Impairment on loans and receivables	460,048	680,115
Foreign currency exchange rate gain on cash and cash equivalents	-	(5,796)
Employee benefit obligations	179,801	106,634
Dividend income	(49,877)	(21,862)
Changes in working capital:		
-Decrease/ (Increase) in loans and advances	(8,348,682)	(5,255,929)
-Decrease/ (Increase) in other assets	(3,408,506)	(709,584)
-Increase/ (Decrease) in deposits from customers	13,233,869	8,523,741
-Increase/ (Decrease) in deposits from financial institutions	1,124,199	807,309
-Increase/ (Decrease) in other liabilities	320,007	281,426
	7,960,473	7,197,323





חשאלה יר פנחא נאנא
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INTEREST FREE BANKING SERVICE





Iftar Program During Ramadan Season with IFB Customers.

Wegagen Bank S.C

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For the Year Ended 30 June 2025

31 Related party transactions

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

		30 June 2025 Birr'000	30 June 2024 Birr'000
31a Transactions with related parties	Nature of relationship		
I. Loans and advances to:	• Influential shareholders	2,208,185	1,717,250
	• Key Management Personnel	98,111	96,343
		2,306,296	1,813,593
II. Deposit balances of:	• Influential shareholders	964,841	414,141
	• Key Management Personnel	20,131	2,660
		984,971	416,801

31b Key management compensation

Key management has been determined to be the members of the Board of Directors and the Executive Management of the Bank. The compensation paid or payable to key management is shown. There were no sales or purchase of goods and services between the Bank and key management personnel as at 30 June 2025

		30 June 2025 Birr'000	30 June 2024 Birr'000
Salaries and other employee benefits to :	• Board of Directors	1,560	3,994
	• Executive Management	35,441	22,528
		37,001	26,521

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

31C Investment in Wegagen-Capital Investment Bank

Wegagen Capital Investment Bank S.C. (WCIB) is Ethiopia's first investment bank licensed by Ethiopian capital market authority on March 2025, established to shape the future of the country's financial markets. Guided by the visionary leadership of Chief Executive Officer Mrs. Brutawit Dawit Abdi, WCIB is committed to delivering trusted, forward-looking, and innovative financial solutions that align global best practices with local market realities.

With a strong capital foundation of ETB 385 million in initial paid-up capital, WCIB is well positioned to offer reliable, transparent, and high-quality investment banking services tailored to the needs of both institutional and individual investors.



Wegagen Bank S.C

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For the Year Ended 30 June 2025

In May 2025 Wegagen capital officially receive its trading membership certificate from the Ethiopian security exchange. Services provided by Wegagen Capital Investment bank S.C are capital raising, business advisory, stock brokerage and research

	June 30, 2025 Birr'000
Wegagen bank Investment	334,250
Total paid-up capital at investment bank	385,000
Percentage holdings	86.82%
Transaction with Wegagen Investment bank:	
Deposit balance;	332,295
Subsidiary;	
Profit or loss after taxation	(10,189)
Total assets	383,589

32 Employees

The total number of persons employed during the year was as follows:

	30 June 2025 Number	30 June 2024 Number
Staffs at Wegagen Bank	5,553	5,426
Staffs at Wegagen Capital Investment Bank	33	-
Total staffs	5,586	5,426

33 Contingent liabilities and assets

33a Claims and litigation

The Bank is a party to numerous legal actions brought by different organizations and individuals arising from its normal business operations. The maximum exposure of the Bank to these legal cases as at 30 June 2025 is Br. 706.81 million (30 June 2024: Birr 1,089.42 million). The Bank has made assessment of these legal cases, and held Br. 79.84 million provision (Br. 60.11 million as at June 30, 2024). The remaining legal cases have low possibility of going against the bank and thus no obligation is expected from the Bank.



Wegagen Bank S.C**Annual Consolidated and Separate Financial Statements****For the Year Ended 30 June 2025****33b Guarantees and letters of credit**

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

The Bank conducts business involving issuance of various bid bond, performance bonds and advance payment guarantees. These instruments are given as a security to support the performance of a customer to third parties. The Bank also issued letter of credit facilities to importers, which created commitment to the Bank to settle the obligation in foreign currency when the L/C documents are clearly presented to the Bank and recover the amount from customers in local currency. As the Bank will only be required to meet these obligations in the event of the customer's default, the cash requirements of these instruments are expected to be considerably below their nominal amounts.

	30 June 2025	30 June 2024
	Birr'000	Birr'000
Guarantees issued	4,583,597	4,080,986
Letter of credit	3,322,967	4,007,421
	7,906,564	8,088,407

33c Commitments**Loan commitments;**

	30 June 2025	30 June 2024
	Birr'000	Birr'000
Unutilized overdraft and other facilities	6,100,397	2,137,732
	6,100,397	2,137,732

34 Events after reporting period

The Bank has secured access to an international trade finance guarantee facility amounting to 85 million USD following agreements made with the Eastern and Southern African Trade and Development Bank (TDB) and the African Export-Import Bank (Afreximbank). It enhances its capacity to provide Letter of Credit (L/C) confirmation, while also expanding its ability to offer guarantees for various import and export-related documentary services. This advancement positions the Bank to deliver more accessible, reliable, and efficient trade finance solutions to a wider range of clients. Besides to these, the bank has obtained from Commerzbank AG Frankfurt an increment of line of credit to USD 2million and Citibank N.A. New York approved a new credit line of USD 1 million



Wegagen Bank S.C

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35 Segment Reporting

A segment is a distinguishable component of the Bank that is engaged in providing products or services within a particular economic environment which is subject to risks and rewards that are different from those of other segments. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The chief operating decision maker is the person of the Bank that allocates resources to and assesses the performance of the operating segments of an entity.

The Bank has determined the Board of Directors as its chief operating decision maker. All transactions between business segments are conducted on commercial terms basis with intra-segment revenue and costs being eliminated at Bank level.

Segment information

IFRS 8 requires operating segments to be identified on the bases of internal reports about components of the bank that are regularly reviewed by the board of directors in order to allocate resources to the segment and to assess its performance

Information reported to the Bank's Board of Directors for the purposes of resource allocation and assessment of segment performance is focused on products and services.

The accounting policies of the reportable segments are the same as the Bank's accounting policies described in note 2

For management purposes, the Bank has been organised into two operating segments based on products and services, as follows:

1• Interest Free Banking- All Islamic banking products offered to customers are included under the Islamic Banking segment. These products include Wadiah deposits, Amanah deposits and mudarabah investments, Murabaha and Qard Financing.

2• Conventional Banking- The conventional banking segment comprises of corporate, retail and institutional banking customers in various sectors which include agriculture, manufacturing, domestic trade, construction, hotel and tourism, microfinance institutions, mortgage loans and personal loans. It also comprises public, private, cooperative, government and non-governmental organizations deposits.

The Executive Management Committee have monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profits or losses and is measured consistently with operating profits or losses in the consolidated financial statements. However, income taxes are managed at bank level and are not allocated to operating segments.

Transfer prices between operating segments are based on the Bank's internal pricing framework.

No revenue from transactions with single external customer or Counterparty amounted to 10% or more of the bank's total revenue in 2024/2025



Wegagen Bank S.C**Annual Consolidated and Separate Financial Statements****For the Year Ended 30 June 2025****30-Jun-25****35a Statement of Profit or Loss**

	Conventional Banking Birr '000	Interest Free Banking Birr '000	The Bank Birr '000
Interest income	8,402,994	-	8,402,994
Income from Interest free financing and investment products	-	56,364	56,364
Interest expense	(3,106,109)		(3,106,109)
Distribution to depositors- Interest Free Banking Products		(50,071)	(50,071)
Net interest income and income from Interest Free Banking products net of distribution to depositors	5,296,885	6,293	5,303,178
Fee and commission income	2,358,410	6,828	2,365,238
Other operating income	2,554,377	1,137	2,555,514
Gain from sale of acquired properties	-	-	-
Loan and Other asset impairment charge	(458,724)	(848)	(459,572)
Net operating income	9,750,949	13,411	9,764,359
Amortization of intangible assets	(83,282)	-	(83,282)
Depreciation of property, plant and equipment	(198,885)	(3,327)	(202,212)
Personnel and Other operating expenses	(5,594,055)	(32,258)	(5,626,313)
Segment Profit before tax	3,874,727	(22,174)	3,852,553
Income tax expense	(1,075,043)	-	(1,075,043)
Segment profit after tax	2,799,684	(22,174)	2,777,510

30-Jun-25**35b Statement of Financial Position****Assets**

	Conventional Banking Birr '000	Interest Free Banking Birr '000	The Bank Birr '000
Cash and bank balances	11,946,021	3,822,934	15,768,955
Loans and advances to customers	50,625,945		50,625,945
IFB financings	-	634,558	634,558
Investment securities	9,134,087	-	9,134,087
Other assets	4,859,715	299,309	5,159,025
Property and Equipments	3,331,233	16,548	3,347,781
Total assets	79,897,001	4,773,349	84,670,350



Wegagen Bank S.C

Annual Consolidated and Separate Financial Statements

For the Year Ended 30 June 2025

Liabilities

Deposit from customers	61,700,893	-	61,700,893
IFB deposits	-	4,781,899	4,781,899
Current tax liabilities	1,091,622	-	1,091,622
Other liabilities	4,274,338	13,624	4,287,963
Total liabilities	67,066,853	4,795,523	71,862,376

EQUITY

Share capital	7,028,357	-	7,028,357
Share premium	87,819	-	87,819
Retained earnings and reserves	5,664,564	(22,174)	5,642,391
Non-controlling Interest	49,407		49,407
Total equity	12,830,147	(22,174)	12,807,973
Total equity and liabilities	79,897,001	4,773,349	84,670,350

30-Jun-24

35c Statement of Profit or Loss

	Conventional Banking Birr '000	Interest Free Banking Birr '000	The bank Birr '000
Interest income	7,146,891	-	7,146,891
Income from Interest free financing and investment products	-	32,392	32,392
Interest expense	(2,353,076)		(2,353,076)
Distribution to depositors- Interest Free Banking Products		(25,382)	(25,382)
Net interest income and income from Interest Free Banking products net of distribution to depositors	4,793,815	7,010	4,800,825
Fee and commission income	2,143,406	2,921	2,146,327
Other operating income	436,097	639	436,736
Gain from sale of acquired Properties	-	-	-
Loan and Other asset impairment charge	(677,387)	(2,728)	(680,115)
Net operating income	6,695,931	7,842	6,703,773
Amortisation of intangible assets	(34,061)	-	(34,061)
Depreciation of property and equipment	(175,788)	(736)	(176,525)
Personal and Other operating expenses	(4,266,807)	(5,532)	(4,272,339)
Segment Profit before tax	2,219,274	1,573	2,220,847
Income tax expense	(617,646)	-	(617,646)
Segment profit after tax	1,601,628	1,573	1,603,201



Wegagen Bank S.C

Annual Consolidated and Separate Financial Statements

For the Year Ended 30 June 2025

30-Jun-24

35d Statement of Financial Position

	Conventional Banking	Interest Free Banking	The Bank
Asset			
Cash and bank balances	11,124,038	1,999,461	13,123,499
Loans and advances to customers	42,826,172		42,826,172
IFB financings	-	463,230	463,230
Investment securities	5,153,850	-	5,153,850
IFB receivables	-	11,008	11,008
Other assets	1,730,035	12,214	1,742,250
Fixed assets	2,400,808	12,733	2,413,541
Total assets	63,234,903	2,498,647	65,733,550
LIABILITIES			
Deposit from customers	49,656,941		49,656,941
IFB deposits	-	2,467,783	2,467,783
Current tax liabilities	641,203		641,203
Other liabilities	3,754,476	5,695	3,760,171
Total liabilities	54,052,620	2,473,478	56,526,098
EQUITY			
Share capital	5,058,890		5,058,890
Share premium	74,917		74,917
Retained earnings and reserves	4,048,475	25,169	4,073,644
Total equity	9,182,282	25,169	9,207,451
Total equity and liabilities	63,234,903	2,498,647	65,733,550



**እ.ኤ.አ ሰኔ 30፣2025 የዉጪ ኦዲተሮች ሪፖርት የተጣመረ ትርፍ
ወይም ኪሳራ ሌሎች የተጣመሩ ገቢዎች እንዲሁም
የሀብት እና እዳ ሚዛን መግለጫ**

ወጋገን ባንክ
Wegagen Bank®



Wegagen Bank S.C

Annual Consolidated and Separate Financial Statements

ወጋገን ባንክ አ.ማ

የተጣመረ የትርፍ ወይም ኪሳራ እና ሌሎች የተጣመሩ ገቢዎች መግለጫ

እ.ኤ.አ. በሰኔ 30፣2025 ለተጠናቀቀው በጀት ዓመት

ማስታወሻ	ሰኔ 30፣2025	ሰኔ 30፣2024
	በብር '000	በብር '000
የወለድ ገቢ	5	8,459,357
የወለድ ወጪ	6	(3,156,179)
የተጣራ የወለድ ገቢ	5,303,178	4,800,825
የተጣራ የክፍያ እና የኮሚሽን ገቢ	7	2,365,238
የተጣራ ክፍያዎች ክፍያ የተገኙ ገቢዎች	7,668,417	6,916,455
ከሌሎች የአገልግሎት ክፍያ የተገኙ ገቢዎች	8	2,555,514
ለደንበኞች የተሰጡ አጠራጣሪ ብድሮች መጠባበቂያ ክፍያ	9	(465,867)
ሌሎች አጠራጣሪ የሚሰበሰቡ ክፍያዎች መጠባበቂያ ተመላሽ	10	6,295
የተጣራ የአገልግሎት ገቢ	9,764,359	6,673,076
የሰራተኞች ደመወዝ እና ጥቅማ ጥቅም ክፍያዎች	11	(3,962,431)
የማይዳሰሱ ሀብቶች የእርጅና ቅናሽ	20	(83,282)
የቋሚ ንብረት እና መሳሪያዎች የእርጅና ቅናሽ	21	(202,212)
የንብረት መጠቀም መብት የእርጅና ቅናሽ	21a	(310,569)
ሌሎች የአገልግሎት ወጪዎች	12	(1,352,225)
የውጭ ኢዲተሮች የአገልግሎት ክፍያ		(1,087)
ጠቅላላ የአገልግሎት ወጪ	(5,911,807)	(4,452,229)
ከግብር በፊት የተገኘ ትርፍ	3,852,553	2,220,847
የገቢ ግብር	13a	(1,075,043)
ከግብር በኋላ የተገኘ ትርፍ	2,777,510	1,603,201
ከጥምር ትርፍ ላይ የሚመደብ፤		
ለተራ የአክሲዮን ባለቤቶች		2,778,853
የቁጥጥር ስልጣን የሌላቸው አሳታፊዎች ፍላጎት	29d	(1,343)
የተጣራ ሌሎች የተጣመሩ ገቢዎች		
ለሰራተኞች የአገልግሎት ጥቅም መጠባበቂያ ልኬት	25b	(119,790)
በአክሲዮን ኢንሽራንስ መንገድ ድጋሚ ልኬት የተገኙ ገቢዎች	29c	157,963
የተጣራ ሌሎች የተጣመሩ ገቢዎች ድምር	38,174	76,729
ጠቅላላ ድምር የተጣመረ ገቢ ከግብር በኋላ	2,815,684	1,679,929
የአንድ ባለ ብር 1,000 አክሲዮን የትርፍ ድርሻ	46.10%	36.89%
እ.ኤ.አ በሀምሌ 01፣2024 የዘረ የትርፍ ድርሻ	28	1,246,781
የዳሬክተሮች የአገልግሎት ክፍያ	28	(1,500)
ለተከፋፈለ የትርፍ ድርሻ	28	(1,246,781)
የዘመኑ ትርፍ	28	2,777,510
የማይከፋፈል መጠባበቂያ ገንዘብ (የሂሳብ ማስተካከያ)	28	(118,140)
በህግ የተወሰነ ለመጠባበቂያ የተላለፈ	28	(694,378)
የተቆጣጣሪ አካል ስጋት መጠባበቂያ	28	(20,536)
እ.ኤ.አ ሰኔ 30፣2025 ያልተከፋፈለ ትርፍ	1,944,300	1,246,781

- የተያያዙት ማስታወሻዎች የሂሳብ መግለጫዎች አካል ናቸው።
- የሂሳብ መግለጫዎች በዳሬክተሮች ቦርድ እና በማኔጅመንት አማካኝነት እ.ኤ.አ መስከረም 22 ቀን 2025 ተፈቅደው እና ፀድቀው ፈርማ የተደረገባቸው ናቸው።

አቶ አብዱሾ ሁሴን
የዴሬክተሮች ቦርድ ሊቀ መንበር

አክሊሉ ውበት (ዶ/ር)
ዋና ስራ አስፈጻሚ

Wegagen Bank S.C

Annual Consolidated and Separate Financial Statements

For the Year Ended 30 June 2025

ወጋገን ባንክ አ.ማ

የተጣመረ ሀብት እና እዳ ሚዛን መግለጫ

እ.ኤ.አ. በሰኔ 30፣2025

		በሰኔ 30፣2025	በሰኔ 30፣2024
	ማስታወሻ	በብር '000	በብር '000
ሀብቶች			
በባንክና በእጅ የሚገኝ ጥሬ ገንዘብ	14	15,768,955	13,123,499
የተጣራ ለደንበኞች የተሰጠ ብድር እና ቅድመ ክፍያ	15a	51,260,502	43,300,410
የአክሲዮን ኢንሸስትመንት ሰነዶች፤			
• የአክሲዮን ኢንሸስትመንት በተጣመረ ገቢ የሚሰላ	16a	822,894	540,695
• የመንግስት ቦንድ ኢንሸስትመንት	16b	8,311,193	4,613,155
ሌሎች ሀብቶች	17	5,159,025	1,742,250
ለኪራይ አገልግሎት የዋለ ንብረት	18	-	2,585
የማይዳሰሱ ሀብቶች (የተጣራ)	20	493,497	48,068
ቋሚ ንብረት እና መሳሪያ (የተጣራ)	21	1,860,431	1,687,442
ንብረትን የመጠቀም መብት ሀብት	21a	993,853	675,445
ጠቅላላ ሀብት		84,670,350	65,733,550
እዳዎች			
የደንበኞች ተቀማጭ ሂሳብ	22	61,651,819	48,417,951
የገንዘብ ተቋማት ተቀማጭ ሂሳብ	23	4,830,973	3,706,774
የዚህ ዓመት ተከፋይ የገቢ ግብር	13c	1,091,622	641,203
ሌሎች እዳዎች	24	3,688,224	3,368,216
ለሰራተኞች የአገልግሎት ጥቅም የግዴታ መጠበቂያ	25	504,869	288,457
ወደፊት የሚከፈል የትርፍ ግብር	13d	94,807	103,498
ጠቅላላ እዳ		71,862,376	56,526,098
የተጣራ ሀብት			
የተከፈለ የአክሲዮን ካፒታል	26	7,028,357	5,058,890
ተጨማሪ የአክሲዮን ክፍያ	26	87,819	74,917
ያልተከፋፈለ ትርፍ	28	1,944,300	1,246,781
በህግ የተወሰነ መጠበቂያ	29a	2,885,999	2,191,622
የተቆጣጣሪ አካል ስጋት መጠበቂያ	29b	646,558	507,882
ሌሎች መጠበቂያዎች	29c	165,534	127,360
ጠቅላላ የተጣራ ሀብት		12,758,566	9,207,451
ጠቅላላ እዳ እና የተጣራ ሀብት		84,670,350	65,733,550

• የተያያዙት ማስታወሻዎች የሂሳብ መግለጫዎች አካል ናቸው፡፡

• የሂሳብ መግለጫዎች በዳሬክተሮች ቦርድ እና በማኔጅመንት አማካኝነት እ.ኤ.አ. መስከረም 22 ቀን 2025 ተፈቅደው እና ፀድቀው ፊርማ የተደረገባቸው ናቸው፡፡



አቶ አብዱሾ ሁሴን
የዴሬክተሮች ቦርድ ሊቀ መንበሥ



አክሊሉ ውበት (ዶ/ር)
ዋና ስራ አስፈጻሚ





ለምቹ ፡ ቀልጣፋ እና አስተማማኝ ግብይት

በወጋገን ባንክ ካርድ እና የክፍያ መፈፀሚያ ማሽኖች ይጠቀሙ



Wegagen Bank Share Company

Annual Separate Financial Statements

For the Year Ended 30 June 2025

ወገን ባንክ
Wegagen Bank



Wegagen Bank S.C

Annual Separate Financial Statement

For the Year Ended 30 June 2025

Separate Statement of Profit or Loss and Other Comprehensive Income For the Reporting Period Ended 30 June 2025

		30 June 2025	30 June 2024
	Notes	Birr'000	Birr'000
Interest income	36	8,459,357	7,179,283
Interest expense	37	(3,155,997)	(2,378,457)
Net interest income		5,303,361	4,800,825
Fee and Commission Income	38	2,464,926	2,146,327
Fee and Commission Expense	38	(106,374)	(30,697)
Net fee and commission income	38	2,358,553	2,115,630
Net Trading Income		7,661,914	6,916,455
Other operating income	39	2,554,484	436,736
Loan impairment charge	40	(465,867)	(269,292)
Impairment losses on other assets	41	6,295	(410,823)
Net operating income		9,756,826	6,673,076
Salaries and benefits	42	(3,953,215)	(3,208,710)
Amortization of intangible assets	51	(83,282)	(34,061)
Depreciation of property, plant and equipment	52	(201,786)	(176,525)
Depreciation of right-of-use asset	52a	(309,316)	(352,663)
Other operating expenses	43	(1,341,299)	(679,364)
Audit fees		(972)	(906)
Total Operating Expenses		(5,889,871)	(4,452,229)
Profit before income tax		3,866,956	2,220,847
Income tax expense	44a	(1,082,556)	(617,646)
Profit after tax		2,784,400	1,603,201
Other Comprehensive Income (OCI) net of income tax			
Remeasurement gain or(loss) on retirement benefits	56b	(119,790)	9,080
Fair value gain of equity investments	60c	157,963	67,649
Total other comprehensive income (net of tax)		38,174	76,729
Total comprehensive income for the period		2,822,574	1,679,929
Basic & diluted earnings per share	58	46.19%	36.89%

The accompanying notes are an integral part of these financial statements

The financial statements were approved and authorized for issue by the directors and management on September 22, 2025 and signed on their behalf by:

Mr. Abdishu Hussein
Chairperson, Board of Directors

Aklilu Wubet (PhD)
Chief Executive Officer



Wegagen Bank S.C

Annual Separate Financial Statement

For the Year Ended 30 June 2025

Separate Statement of Financial Position as at 30 June 2025

	Note	30 June 2025 Birr'000	30 June 2024 Birr'000
ASSETS			
Cash and bank balances	45	15,436,200	13,123,499
Loans and advances to customers	46a	51,260,502	43,300,410
Investment securities:			
- Equity Investments at FVOCI	47a	822,894	540,695
- Debt Securities at Amortized Cost	47b	8,311,193	4,613,155
Other assets	48	5,150,762	1,742,250
Investment property	49	-	2,585
Investment in Subsidiary	50	334,250	-
Intangible assets	51	493,497	48,068
Property and Equipment	52	1,827,673	1,687,442
Right-of-Use Asset	52a	984,040	675,445
Total assets		84,621,011	65,733,550
LIABILITIES			
Deposit from customers	53	61,651,819	48,417,951
Deposit from financial institutions	54	4,830,973	3,706,774
Current tax liabilities	44c	1,094,852	641,203
Other liabilities	55	3,675,232	3,368,216
Employee benefit obligations	56	504,869	288,457
Deferred tax liabilities	44d	99,152	103,498
Total liabilities		71,856,898	56,526,098
EQUITY			
Share capital	57	7,028,357	5,058,890
Share premium	57	87,819	74,917
Retained earnings	59	1,948,124	1,246,781
Legal reserve	60a	2,887,722	2,191,622
Regulatory risk reserve	60b	646,558	507,882
Other reserve	60c	165,534	127,360
Total equity		12,764,113	9,207,451
Total liabilities and equity		84,621,011	65,733,550

The accompanying notes are an integral part of these financial statements

The financial statements were approved and authorized for issue by the directors and management on September 22, 2025 and signed on their behalf by:

Mr. Abdishu Hussein
Chairperson, Board of Directors

Aklilu Wubet (PhD)
Chief Executive Officer



Wegagen Bank S.C

Annual Separate Financial Statement

For the Year Ended 30 June 2025

Separate Statement of Changes in Owners Equity For the Reporting Period Ended 30 June 2025

	Share capital Birr'000	Share premium Birr'000	Retained earnings Birr'000	Legal reserve Birr'000	Regulatory Risk Reserve Birr'000	Other Reserve Birr'000	Total Birr'000
Balance at the beginning of the reporting period	3,982,139	57,736	472,937	1,790,822	552,262	50,631	6,906,527
Dividend declared			(472,937)				(472,937)
New shares issued	1,076,751	17,181					1,093,932
Fair value gain of Equity investments (net of tax)						67,649	67,649
Profit for the year			1,603,201				1,603,201
Remeasurement of Defined Benefit plans (net of tax)						9,080	9,080
Prior period tax adjustment							-
Transfer to legal reserve			(400,800)	400,800			-
Transfer from Regulatory Risk Reserve			44,380		(44,380)		-
Balance at the end of 30 June 2024	5,058,890	74,917	1,246,781	2,191,623	507,882	127,360	9,207,451
Dividend declared			(1,246,781)				(1,246,781)
New shares issued	1,969,467	12,902					1,982,369
Fair value gain of Equity investments (net of tax)						157,963	157,963
Profit for the year			2,784,400				2,784,070
Re-measurement of Defined Benefit plans (net of tax)						(119,790)	(119,790)
Directors' share of profit			(1,500)				(1,500)
Transfer to legal reserve			(696,100)	696,100			-
Transfer to regulatory risk reserve			(20,536)		20,536		-
Balance at the end of the reporting period	7,028,357	87,819	2,056,264	2,887,723	528,418	165,534	12,764,113

The accompanying notes are an integral part of these financial statements

The financial statements were approved and authorized for issue by the directors and management on September 22, 2025 and signed on their behalf by:



Mr. Abdishu Hussein
Chairperson, Board of Directors



Akilu Wubet (PhD)
Chief Executive Officer



Wegagen Bank S.C

Annual Separate Financial Statement

For the Year Ended 30 June 2025

Separate Statement of Cash Flows For the Reporting Period Ended 30 June 2025

	Notes	30 June 2025 Birr'000	30 June 2024 Birr'000
Cash flows from operating activities			
Cash generated from operations	61	7,967,470	7,197,323
Profit tax assesment paid		-	-
Income tax paid	44c	(649,612)	(355,126)
Net cash (outflow)/inflow from operating activities		7,317,859	6,842,197
Cash flows from investing activities			
Purchase of investment securities	47	(390,787)	(131,536)
Purchase of intangible assets	51	(528,711)	(33,311)
Purchase of property, plant and equipment	52	(433,606)	(340,608)
Payment for asset use right acquisitions	52a	(688,103)	(357,782)
Proceeds from matured debt securities	47b	(3,698,038)	(2,551,365)
Proceeds from sale of PPEs		-	12,745
Net cash (outflow)/inflow from investing activities		(5,739,245)	(3,401,857)
Cash flows from financing activities			
Share premium collected	57	12,902	17,181
New shares issued	57	1,969,467	1,076,751
Directors' remuneration paid	59	(1,500)	-
Dividend paid	59	(1,246,781)	(472,937)
Net cash (outflow)/inflow from financing activities		734,088	620,995
Net increase/(decrease) in Cash and bank balances		2,312,701	4,061,334
Cash and bank balances at the beg. of the year	45	13,123,499	9,059,264
Effect of exchange rate movement on Cash and bank balances		-	2,901
Cash and bank balances at the end of the year		15,436,200	13,123,499

The accompanying notes are an integral part of these financial statements

The financial statements were approved and authorized for issue by the directors and management on September 22, 2025 and signed on their behalf by:


Mr. Abdishu Hussein
Chairperson, Board of Directors





Aldhu Yubet (PhD)
Chief Executive Officer






Wegagen Bank S.C

Annual Separate Financial Statement

For the Year Ended 30 June 2025

Notes to the Separate Financial Statement for the Reporting Period Ended 30 June 2025

	30 June 2025 Birr'000	30 June 2024 Birr'000
36 Interest income		
Treasury Bill	47,500	71,799
Loans and advances to customers	7,583,342	6,686,739
Investment securities	787,214	417,900
Interest Income on Corrospendent Bank Accounts	41,302	2,845
	8,459,357	7,179,283
37 Interest expense		
Savingdeposits	1,489,562	1,361,414
Fixed time deposits	1,443,395	904,674
Currentdeposits	5,406	6,090
Short term borrowing	189,649	20,190
Interest Incurred on lease liabilities	27,984	86,089
	3,155,997	2,378,457
38 Net fees and commission income		
Fee and Commission Income;		
Commission and fees on L/C	1,879,844	1,793,764
Commission on Gurantees	237,241	163,811
Agent Banking Fee	35,090	21,608
ATM Transaction Fees-Foreign	2,241	2,227
ATM Transaction Fees-Local	2,611	1,233
Commission on CPO issued	1,679	2,675
Credit Information Charge	69,716	43,378
Service Charge-Local	17,001	15,494
SWIFT charges	98,072	39,345
Commission Sundries	45,508	26,350
Commission & Charges from IFB	75,921	36,407
Commission and Fees on Fund transfers	2	35
	2,464,926	2,146,327
Fee and Comission Expense;		
Visa Charge	29,904	486
Master Card Charges	16,606	320
Ethswitch Charges	12,782	2,091
Membership Fee	11,267	1,081
Broad Band Expense	25,068	18,130
Subscription & Publication	521	534
License Fee	10,223	8,054
	106,374	30,697
Net fee and commission income	2,358,553	2,115,630



Wegagen Bank S.C

Annual Separate Financial Statement

For the Year Ended 30 June 2025

39 Other operating income

Rental income	11,432	18,642
Estimation fees	2,907	2,677
Rebates	3,076	2,726
Fee on Bounced Checks	143	115
Dividend income	49,877	21,862
Gain on Disposal of Old Assets	6,967	12,803
Card purchase & replacement income	4,717	465
Sundries-Local	61,684	22,930
Gain from Foreign exchange rate spread	605,983	-
Gain on foreign exchange Dealing	1,807,698	354,515
	2,554,484	436,736

30 June 2025 Birr'000	30 June 2024 Birr'000
11,432	18,642
2,907	2,677
3,076	2,726
143	115
49,877	21,862
6,967	12,803
4,717	465
61,684	22,930
605,983	-
1,807,698	354,515
2,554,484	436,736

40 Loan impairment charge

Loans and Advances - charge for the year (note 46b)

30 June 2025 Birr'000	30 June 2024 Birr'000
465,867	269,292
465,867	269,292

41 Impairment losses on other assets

Other assets - charge back for the year (note 48a)

30 June 2025 Birr'000	30 June 2024 Birr'000
(6,295)	410,823
(6,295)	410,823

42 Salaries and benefits

Employee salaries	1,891,033	1,531,044
Outsourced employee salaries	308,043	323,128
Pension costs	207,371	167,108
Short-term employee benefits	1,470,688	1,111,533
Directors monthly allowance	1,200	3,994
Severance pay- Defined benefit plan	74,880	71,904
	3,953,215	3,208,710

30 June 2025 Birr'000	30 June 2024 Birr'000
1,891,033	1,531,044
308,043	323,128
207,371	167,108
1,470,688	1,111,533
1,200	3,994
74,880	71,904
3,953,215	3,208,710



Wegagen Bank S.C

Annual Separate Financial Statement

For the Year Ended 30 June 2025

	30 June 2025 Birr'000	30 June 2024 Birr'000
43 Other operating expenses		
Advertisement & Publicity	107,521	66,499
Agent Banking	2	1,061
Bank Charges	19,863	7,535
Card payment Charges	6,902	1,016
Consultant Fee	47,522	62
Communication expenses	7,590	5,270
Consumables	29,415	31,179
Donations	29,837	75,708
Stamp Duty Expense	2,243	897
Entertainment	7,153	3,499
Event organization expense	11,544	2,482
Insurance	21,516	25,024
IT support charges	81,052	43,354
E-banking support charges	105,476	22,839
Court related Expenses	4,910	849
Legal provision	16,008	49,193
Land and Building Tax	8,375	9,828
Loss on Disposal of fixed assets	999	7,372
Maintenance	73,997	49,019
Money transfer charges	17,669	11,280
Penalty Expense	-	6,309
Perdiem and Travel	85,469	28,068
Petrol and Oil	48,503	33,715
Printing and stationary	34,774	28,154
Rental expenses	65,766	4,035
Sundries	9,784	7,376
Uniform	25,893	22,271
Utilities	19,211	13,179
Wages for non-permanent employees.	246	221
Loading and Unloading Expense	3,727	2,849
Loss on exchange rate negotiation	302,930	-
Deposit Insurance Expense	145,403	119,220
	1,341,299	679,364

On July 29, 2024, National Bank of Ethiopia issued directive no. FXD/01/2024, which permits banks and foreign currency recipients to negotiate exchange rates at the time of currency purchase. As this directive marks a significant change, there is no comparable figure from previous periods for the foreign exchange rate loss.



Wegagen Bank S.C

Annual Separate Financial Statement

For the Year Ended 30 June 2025

44 Income and deferred tax

44a Current income tax

Income tax	
Deferred income tax/(credit) to profit or loss	
Total charge to profit or loss	
Tax (credit) on other comprehensive income	
Total tax in statement of comprehensive income	

30 June 2025 Birr'000	30 June 2024 Birr'000
1,103,261	641,553
(20,705)	(23,907)
1,082,556	617,646
16,360	32,884
1,098,916	650,530

44b Reconciliation of effective tax to statutory tax

The tax on the Bank's profit before income tax differs from the theoretical amount that would arise using the statutory income tax rate as follows:

Profit before tax

Non-allowable Expenses;

Entertainment	
Representation Allowance	
Donation	
Penalty	
Provision for Legal cases	
Employee Severance benefits expensed	
Loss on disposal of fixed assets	
Provision for loans and other assets	
Depreciation for accounting purpose	
Depreciation and int. expense as per IFRS 16	
Amortization for accounting purpose	
Loss on FCY revaluation	
Life Insurance	
Staff loan Fair valuation	
Accrual leave Expense	

Allowable Expenses;

Depreciation for tax purpose	
Amortization for tax purpose	
Rent expense	
Employee severance paid in cash	
Provision for loans and other assets	
Accrued leave paid in cash to resigned staffs	
Dividend income taxed at source	
Interest income exempt/taxed at Sources	
Gain from sale of acquired properties	
Interest from correspondent banks taxed at 5%	

30 June 2025 Birr'000	30 June 2024 Birr'000
3,866,956	2,220,847
7,153	3,499
-	11,875
2,687	6,403
-	6,309
16,008	49,193
74,880	71,904
999	6,636
465,867	680,115
201,786	176,525
337,301	438,752
83,282	34,061
405,459	30,859
18,719	15,850
47,725	65,538
104,921	34,717
1,766,788	1,632,237
(220,550)	(197,941)
(61,709)	(22,091)
(403,067)	(338,435)
(29,596)	(19,855)
(361,550)	(617,689)
(4,924)	(2,873)
(49,877)	(21,862)
(783,632)	(489,699)
-	(1,284,78)
(41,302)	(2,845)
(1,956,206)	(1,714,574)
3,677,537	2,018,511
1,103,261	641,553

Taxable Income

Statutory tax at rate 30%



Wegagen Bank S.C

Annual Separate Financial Statement

For the Year Ended 30 June 2025

	30 June 2025	30 June 2024
	Birr'000	Birr'000
44c Current income tax liability		
Balance at the beginning of the year	641,203	354,776
Charge for the year:		
Income tax expense	1,103,261	641,553
Payment during the year	(641,203)	(354,776)
Withholding tax	(8,409)	(350)
Balance at the end of the year	1,094,852	641,203

The income tax payable during the period are current in nature.

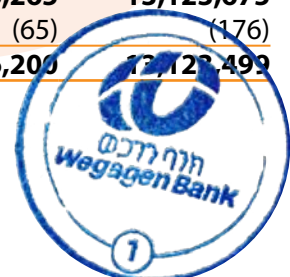
44d Deferred income tax

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

	At 1 July 2024	Credit/(charge) to P/L	Credit/(charge) to OCI	30 June 2025
	Birr'000	Birr'000	Birr'000	Birr'000
Deferred income tax (assets)/liabilities:				
Property, Plant and Equipment	119,913	22,879		142,792
Post employment benefit obligation	(86,537)	(13,585)	(51,338)	(151,461)
Accrued Leave	(23,729)	(29,999)		(53,728)
Equity Investments	93,851		67,699	161,549
Total deferred tax (assets)/liabilities	103,498	(20,705)	16,360	99,152
	At 1 July 2023	Credit/(charge) to P/L	Credit/(charge) to equity	30 June 2024
	Birr'000	Birr'000	Birr'000	Birr'000
Deferred income tax assets/(liabilities):				
Property, plant and equipment	118,652	1,261		119,913
Post employment benefit obligation	(74,814)	(15,615)	3,891	(86,537)
Accrued Leave	(14,176)	(9,553)		(23,729)
Equity Investments	64,858		28,992	93,851
Total deferred tax assets/(liabilities)	94,521	(23,906)	32,884	103,498

45 Cash and bank balances

	30 June 2025	30 June 2024
	Birr'000	Birr'000
Cash in hand	1,391,320	1,225,035
Deposit with local commercial banks	1,415,309	1,066,152.8
Deposit with foreign banks	6,610,730	2,937,736
Deposit with National Bank of Ethiopia	5,718,906	5,416,933
Deposit with Interbank Money Market	300,000	-
Treasury Bills	-	2,477,818
Gross cash and bank balances	15,436,265	13,123,675
Impairment Allowance for cash	(65)	(176)
	15,436,200	13,123,499



Wegagen Bank S.C

Annual Separate Financial Statement

For the Year Ended 30 June 2025

Maturity analysis

Current

Non-Current

30 June 2025
Birr'000

30 June 2024
Birr'000

15,436,200

13,123,499

-

-

15,436,200

13,123,499

30 June 2025
Birr'000

30 June 2024
Birr'000

46 Loans and advances

46a Loans and advances to customers

Manufacturing

7,855,541

6,445,065

Domestic Trade and Services

9,580,063

8,153,159

Construction

8,241,443

7,157,135

Transport Service

4,228,026

3,733,860

Export

8,791,973

7,872,182

Import

13,242,348

10,636,981

Staff loans

311,679

694,434

Digital lending

624,095

-

IFB-Financing & Investments

650,146

483,817

Gross loans and advances

53,525,315

45,176,634

Less: Impairment allowance (note 46b)

(2,264,813)

(1,876,223)

Net loans and advances

51,260,502

43,300,410

30 June 2025
Birr'000

30 June 2024
Birr'000

Maturity analysis

Current

14,987,088

10,447,523

Non-Current

36,273,414

32,852,887

51,260,502

43,300,410

During the reporting period the Bank in collaboration with Qena, a platform by Kifya Financial Technology, has officially launched its new digital lending product "Efoyta. The digital lending product aims to benefit various segments of society by providing accessible financing. Efoyta is designed to alleviate cash shortage challenges and especially meet the working capital needs of micro, small, and medium enterprises (MSMEs) as well as enable salaried employees to access emergency loan facility.

46b Impairment allowance on loans and advances to customers

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



Wegagen Bank S.C

Annual Separate Financial Statement

For the Year Ended 30 June 2025

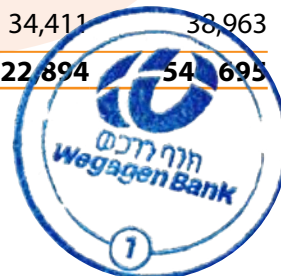
	As at 1 July 2024	Write offs during the year	Charge for the year	As at 30 June 2025
Allowance for loan impairment	Birr'000	Birr'000	Birr'000	Birr'000
Construction	236,832	-	108,465	345,297
Domestic Trade and Services	788,064	(11,120)	(53,135)	723,808
Export	315,878	(53,663)	(46,816)	215,399
Import	209,921	-	488,727	698,648
Manufacturing	236,162	-	(39,137)	197,024
Staff loans	5,869	(1,116)	472	5,225
Transport Service	73,672	-	(9,970)	63,702
Letter of Guarantee	88	-	(5)	83
Letter of Credit	160	-	(121)	39
IFB Financing	9,578	(11,378)	17,388	15,589
	1,876,223	(77,277)	465,867	2,264,813

	As at 1 July 2023	Write offs during the year	Charge for the year	As at 30 June 2024
Allowance for loan impairment	Birr'000	Birr'000	Birr'000	Birr'000
Construction	462,367	-	(205,375)	236,832
Domestic Trade and Services	392,362	-	395,701	788,064
Export	211,452	-	104,426	315,878
Import	227,803	-	(17,882)	209,921
Manufacturing	259,250	-	(23,089)	236,162
Staff loans	1,570	-	4,299	5,869
Transport Service	65,231	-	8,441	73,672
Guarantee	39	-	49	88
Letter of Credit	165	-	(5)	160
IFB Financing	6,851	-	2,728	9,578
	1,627,090	-	269,292	1,876,223

47 Investment Securities

47a Equity Investment securities at FVOCI

	30 June 2025 Cost Birr'000	Fair Value(FV) Adjustment	30 June 2025 FV Birr'000	30 June 2024 FV Birr'000
Ethswitch	126,616	538,458	665,074	449,037
Africa Insurance S.C	31,066	(2,707)	28,359	22,151
Addis International Convention Center	56,666	2,084	58,750	3,813
Ethiopian Reinsurance S.C	21,085	5,814	26,899	17,453
Capital Finance Excellence Center	5,000	1,352	6,352	10,666
Altenatech Electronics S.C.	5,000	(1,950)	3,050	(1,389)
Ethiopian Securities Exchange S.C	38,963	(4,552)	34,411	38,963
	284,396	538,498	822,894	546,695



Wegagen Bank S.C

Annual Separate Financial Statement

For the Year Ended 30 June 2025

All the above equity investments are made in unquoted companies whose fair value is determined on net asset basis. Valuation of these investments have made by independent consultant for the reporting period.

Reconciliation of Fairvalue Adjustment	Fair Value Adjustment as at July 1, 2024 Birr'000	Adjustment during reporting period	Fair Value Adjustment as at June 30, 2025 Birr'000
Ethswitch	359,942	178,517	538,458
Africa Insurance S.C	4,151	(6,859)	(2,707)
Addis International Convention Center	(50,187)	52,270	2,084
Ethiopian Reinsurance S.C	(348)	6,162	5,814
Capital Finance Excellence Center	5,666	(4,314)	1,352
Allenatech Electronics S.C.	(6,389)	4,439	(1,950)
Ethiopian Securities Exchange S.C	-	(4,552)	(4,552)
Balance at the end of reporting period	312,836	225,662	538,498

47b Investment in Debt Securities	30 June 2025 Birr'000	30 June 2024 Birr'000
Ethiopian Government Securities	8,311,604	4,613,385
Impairment Allowance for Debt Securities	(411)	(230)
Balance at the end of reporting period	8,311,193	4,613,155

Maturity analysis	30 June 2025 Birr'000	30 June 2024 Birr'000
Current	-	-
Non-Current	8,311,193	4,613,155
	8,311,193	4,613,155



Wegagen Bank S.C

Annual Separate Financial Statement

For the Year Ended 30 June 2025

48 Other assets

Financial assets;

	30 June 2025 Birr'000	30 June 2024 Birr'000
Staff receivables	2,352	1,258
Receivable from money transfer agents	99,112	81,809
Receivable from VISA	10,815	1,147
Receivable from Master Card	2,151	4,046
Eth-switch Receivable	137,388	13,758
Emergency salary advance	896,452	-
Receivable from employment agencies	835,589	-
Other receivables	1,942,208	1,122,155
Receivables due to cash lost	196,567	193,268
Gross financial assets	4,122,633	1,417,441
Less: Impairment allowance (note 48a)	(802,424)	(810,693)
Net financial assets	3,320,209	606,749
Non-financial assets;		
Prepayments	794,989	270,821
Prepaid expenses on staff loans	509,543	600,590
Inventory	123,247	101,260
Repossessed properties	402,774	162,830
Gross Non-financial assets	1,830,552	1,135,501
Balance at the end of reporting period	5,150,762	1,742,250

	30 June 2025 Birr'000	30 June 2024 Birr'000
Maturity analysis		
Current	4,635,889	1,447,290
Non-Current	514,873	294,959
	5,150,762	1,742,250

Emergency salary advance and receivable from employment agencies are non-interest bearing financial assets reclassify from loan and advance to financial assets during the reporting period

48a Impairment allowance on other assets

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

	30 June 2025 Birr'000	30 June 2024 Birr'000
Balance at the beginning of the year	810,693	400,101
Reversal/Written off during the year	(1,974)	410,591
Charge for the year	(6,295)	-
Balance at the end of the year	802,424	810,693



Wegagen Bank S.C

Annual Separate Financial Statement

For the Year Ended 30 June 2025

48b Inventory

A breakdown of the items included within inventory is as follows:

	30 June 2025 Birr'000	30 June 2024 Birr'000
Stationery	23,200	30,898
Office supplies	45,163	37,847
Visa cards	18,754	1,320
Other stock	35,969	31,035
Memorial Coins	161	161
	123,247	101,260

49 Investment Property

Cost:

At at July 01, 2024

Renovation

Reclassification

At the end of the reporting period

Accumulated depreciation:

At at July 01, 2024

Charge for the year

Reclassification

At the end of the reporting period

Net book value

	30 June 2025 Birr'000	30 June 2024 Birr'000
	3,027	943
	-	2,084
	(3,027)	-
	-	3,027
	441	384
	58	58
	(499)	-
	-	441
	-	2,585

Kombolcha building, previously held by the bank for rental purposes and generating income, experienced tenant departures during the year. As a result, the bank has decided to renovate the property for its own operational use. Accordingly, the asset has been reclassified from investment property to property, plant, and equipment in line with applicable accounting standards.

50 Investment in Wegagen capital investment bank

	30 June 2025 Birr'000	30 June 2024 Birr'000
Wegagen Capital Investment Bank	334,250	0

The bank invest in new company 'Wegagen capital investment bank' with shareholdings of 86.82%, Wegagen-capital investment bank has starts its operation in the end of the reporting period (refer note 62c).



Wegagen Bank S.C

Annual Separate Financial Statement

For the Year Ended 30 June 2025

51 Intangible Assets

Cost:

	Purchased Software Birr'000	Software Under Development Birr'000	Total Birr'000
As at 1 July 2023	172,156	-	172,156
Acquisitions	33,311	-	33,311
As at 30 June 2024	205,467	-	205,467
As at 1 July 2024	205,467	-	205,467
Acquisitions	528,711	-	528,711
As at 30 June 2025	734,178	-	734,178

Accumulated amortisation

As at 1 July 2023	123,338	-	123,338
Amortisation	34,061	-	34,061
As at 30 June 2024	157,399	-	157,399
As at 1 July 2024	157,399	-	157,399
Amortisation	83,282	-	83,282
As at 30 June 2025	240,681	-	240,681

Net book value

As at 30 June 2024	48,818	-	48,068
As at 30 June 2025	493,497	-	493,497

52 Property and Equipment

Cost:

	Office Equipments Birr'000	Building Birr'000	Motor vehicles Birr'000	Furniture and Fittings Birr'000	Computer Equipment Birr'000	Capital work in Progress Birr'000	Total Birr'000
As at 1 July 2023	488,871	857,848	314,235	276,370	531,935	12,077	2,261,045
Additions	129,219	-	119,940	74,026	160,326	1,317	237,478
Disposals	(875)	-	(2,266)	(3,359)	(2,114)	-	(8,615)
Write-off	(10,923)	-	(4,002)	(1,205)	(6,529)	-	-
Reclassification	(55,507)	(2,084)	(3,426)	(9,120)	(76,167)	-	-
As at 30 June 2024	550,784	855,764	424,481	336,712	607,451	13,395	2,788,586
As at 1 July 2024	550,784	855,764	424,481	336,712	607,451	13,395	2,788,586
Additions	111,411	-	12,379	186,478	121,871	1,466	433,606
Disposals	(1,416)	-	(1,386)	(7,593)	(8,206)	-	(18,601)
Write-off	-	-	-	(186)	-	-	(186)
Reclassification	(36,614)	3,027	(3,343)	(15,331)	(36,946)	-	(89,208)
As at 30 June 2025	624,164	858,791	432,130	500,081	684,170	14,861	3,114,197



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Accumulated depreciation;

As at 1 July 2023	263,724	88,351	181,095	131,038	283,966	-	948,173
Charge for the year	43,201	16,304	28,473	26,408	62,139	-	176,525
Write-off	(8,054)	-	(3,043)	(101)	(4,855)	-	-
Disposals	(626)	-	(2,142)	(2,741)	(1,991)	-	(7,501)
As at 30 June 2024	298,245	104,655	204,382	154,603	339,259	-	1,101,144
As at 1 July 2024	298,245	104,655	204,382	154,603	339,259	-	1,101,144
Charge for the year	48,645	16,317	30,929	35,983	69,912	-	201,786
Write-off				(110)		-	(110)
Disposals	(1,386)	-	(1,293)	(5,989)	(8,070)	-	(16,737)
Reclassification		441					441
As at 30 June 2025	345,504	121,414	234,019	184,487	401,101	-	1,286,524
Net book value							
As at 30 June 2024	252,539	751,109	220,098	182,109	268,192	13,395	1,687,442
As at 30 June 2025	278,661	737,377	198,111	315,594	283,069	14,861	1,827,673

52a Leases

Amount recognized in statement or profit or loss in respect of leases for which the bank is lessee;

	30 June 2025 Birr'000	30 June 2024 Birr'000
Depreciation charge for right-of-use assets	309,316	352,663
Interest Expense on lease liabilities	27,984	86,089
Expense related to short-term leases	65,766	4,035
Cost of lease contracts - stamp duty	2,160	863
	405,227	443,650

Amount recognized in statement of financial position in respect of leases for which the bank is lessee;

	30 June 2025 Birr'000	30 June 2024 Birr'000
Right of use assets		
• Office building	984,040	675,445
Lease liabilities		
• Office building	272,700	186,533
Maturity analysis of lease liabilities		
Less than one year	65,448	44,768
More than one year	207,252	141,765
	272,700	186,533



Wegagen Bank S.C

Annual Separate Financial Statement

For the Year Ended 30 June 2025

53 Deposits from customers

Demand deposits
Saving deposits
Fixed term deposits

30 June 2025 30 June 2024
Birr'000 Birr'000

20,746,597	16,504,445
32,949,781	27,864,741
7,955,441	4,048,764
61,651,819	48,417,951

Maturity analysis

Current
Non-Current

30 June 2025 30 June 2024
Birr'000 Birr'000

22,811,173	8,624,716
38,840,646	39,793,235
61,651,819	48,417,951

54 Deposit from financial institutions

Saving Deposit
Demand Deposit
Fixed Term deposit
Total

30 June 2025 30 June 2024
Birr'000 Birr'000

816,916	114,976
939,663	459,440
3,074,394	3,132,357
4,830,973	3,706,774

Maturity analysis

Current
Non-Current

30 June 2025 30 June 2024
Birr'000 Birr'000

1,787,460	660,290
3,043,513	3,046,484
4,830,973	3,706,774

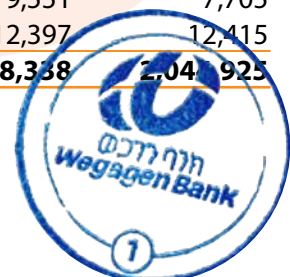
55 Other liabilities

Financial liabilities

Blocked Account
Cash payment order payable
Customer deposits for letter of credit
Deferred revenue
Deposit for Guarantees Issued
Dividend payable
Exchange payable to NBE
Nostro Account
Old draft payable
Payable to Ethio switch
Prepaid card control account
Telegraphic transfer payable

30 June 2025 30 June 2024
Birr'000 Birr'000

9,488	9,562
231,578	233,603
1,564,389	1,388,599
128,681	206,156
11,003	26,681
82,956	43,110
9,178	49,071
-	29
59,966	61,092
19,151	6,902
9,551	7,705
12,397	12,415
2,138,338	2,041,925



Wegagen Bank S.C

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For the Year Ended 30 June 2025

Non-financial liabilities

Provision for court cases	70,355	60,115
Pension Contribution Pay	20,301	20,912
Stamp duty payable	5,746	3,138
Interest Tax Payable	20,907	13,193
Withholding tax payable	1,326	3,180
Employee income Tax Payable	105,726	41,934
VAT payable	46,376	6,136
Cost Sharing Payable	290	404
Technical Service Payable	5,801	1,618
Accrued leave pay	179,093	79,096
Sundry payables	549,063	619,536
Lease Liability	272,700	186,533
Employee Bonus Payable	259,210	287,496

1,536,894 1,323,291

Gross amount

3,675,232 3,368,216

Maturity analysis

	30 June 2025	30 June 2024
	Birr'000	Birr'000
Current	3,467,980	3,226,451
Non-Current	207,252	141,765
	3,675,232	3,368,216

56 Employee benefit obligations

56a Defined benefits liabilities:

	30 June 2025	30 June 2024
	Birr'000	Birr'000
-Severance benefits	504,869	288,457
Liability in the statement of financial position	504,869	288,457

Income statement charge included in personnel expenses:

	30 June 2025	30 June 2024
	Birr'000	Birr'000
- Severance pay	74,880	71,904
Total defined benefit expenses	74,880	71,904

Remeasurements for:

- Severance pay	(12,971)	(12,971)
	(12,971)	(12,971)

The income statement charge included within personnel expenses includes current service cost, interest cost, past service costs on the defined benefit schemes.



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56b Severance pay

The Bank operates an unfunded severance pay plan for its employees who have served the Bank for 5 years and above and are below the retirement age (i.e. has not met the requirement to access the pension fund and provident fund). The final pay-out is determined by reference to current benefit's level (monthly salary) and number of years in service and is calculated as 1 month salary for the first year in employment plus 1/3 of monthly salary for each subsequent in employment to a maximum of 12 months final monthly salary.

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

	30 June 2025 Birr'000	30 June 2024 Birr'000
A Liability recognised in the stat. of financial position	504,869	288,457
B Amount recognised in profit or loss statement	30 June 2025 Birr'000	30 June 2024 Birr'000
Current and past service cost	19,698	18,519
Interest cost	55,182	53,398
	74,880	71,917
C Amount recognised in other comprehensive income:	30 June 2025 Birr'000	30 June 2024 Birr'000
Remeasurement gain or(loss) arising from experience	(93,703)	33,627
Remeasurement (loss) arising from economic assumptions	(77,425)	(20,656)
Tax Credit/Charge	51,338	(3,891)
	(119,790)	9,080
The movement in the defined benefit obligation over the years is as follows:		
	30 June 2025 Birr'000	30 June 2024 Birr'000
At the beginning of the year	288,457	249,379
Current and past service cost	19,698	18,519
Interest cost	55,182	53,398
Re-measurement (gains)/ losses	171,128	(12,971)
Benefits paid	(29,596)	(19,868)
At the end of the year	504,869	288,457

The significant actuarial assumptions were as follows:



Wegagen Bank S.C

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For the Year Ended 30 June 2025

i) Financial Assumption Long term Average

	30 June 2025 Birr'000	30 June 2024 Birr'000
Discount Rate	14.50%	18.80%
Salary Increase rate	14.20%	16.30%
Inflation rate	12.20%	14.30%

ii) Mortality in Service

Mortality rates are commonly set with reference to standard tables published by reputable institutions (such as the Actuarial Society of South Africa and the Central Statistics Agency ("CSA")) who have access to statistically significant data from which to derive mortality rates. Sample mortality rates are as follows:

Age	'Mortality rate	
	Males	Females
20	0.31%	0.22%
25	0.30%	0.23%
30	0.36%	0.31%
35	0.41%	0.28%
40	0.52%	0.32%
45	0.45%	0.43%
50	0.63%	0.63%
55	0.98%	0.98%
60	1.54%	1.54%

iii) Withdrawal/Resignation from Service

The withdrawal rates are believed to be reasonably representative of the Ethiopian experience. The valuation assumed that resignation rates decrease by 2.5% for each age from 15% at age 20 (and below) to 0% at age 50. A sample of the resignation rates is summarised in the table below.

Age	Resignation rates per annum
20	15.00%
25	12.50%
30	10.00%
35	7.50%
40	5.00%
45	2.50%
50	0.00%

The sensitivity of the main results to changes in the assumed salary escalation rates and the discount rate have been calculated based on the duration of the liabilities. The changes in the Reporting Period 30 June 2025 Defined Benefit Obligation and the assets are reflected below:



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For the Year Ended 30 June 2025

	BASE DBO Birr'000	Current service cost one year impact Birr'000	% Change Birr'000
Discount rate + 1%	504,869	462,437	-8.4%
Discount rate - 1%	504,869	551,739	9.3%
Salary Increase+1%	504,869	551,439	9.2%
Salary Increase+1%	504,869	461,974	-8.5%

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position.

57 Share capital

Authorised:

Ordinary shares of Birr 1000 each

Issued and fully paid:

Ordinary shares of Birr 1000 each

Share premium

30 June 2025
Birr'000

30 June 2024
Birr'000

20,000,000

20,000,000

7,028,357

5,058,890

87,819

74,917

7,116,176

5,133,807

58 Earnings per share

Basic earnings per share (EPS) is calculated by dividing the profit after tax attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the reporting period

	30 June 2025 Birr'000	30 June 2024 Birr'000
Profit attributable to shareholders	2,784,400	1,603,201
Weighted average number of ordinary shares in issue	6,028,243	4,345,658
Basic earnings per share (%age)	46.19%	36.89%

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. There were no potentially dilutive shares at the reporting date and the year before, hence the basic and diluted profit per share have the same value.



Wegagen Bank S.C

Annual Separate Financial Statement

For the Year Ended 30 June 2025

59 Retained earnings

At the beginning of the year
Dividend Paid/Capitalized
Board of directors remuneration
Profit/(Loss)for the year
Transfer to Legal Reserve
Transfer to Regulatory Reserve
Non-distributable reserve adjustment
Balance at the end of the year

30 June 2025
Birr'000

30 June 2024
Birr'000

1,246,781	472,937
(1,246,781)	(472,937)
(1,500)	-
2,784,400	1,603,201
(696,100)	(400,800)
(20,536)	44,380
(118,140)	-
1,948,124	1,246,781

60 Reserve

60a Legal Reserve

At the beginning of the year
Transfer from profit or loss
At the end of the year

30 June 2025
Birr'000

30 June 2024
Birr'000

2,191,622	1,790,822
696,100	400,800
2,887,722	2,191,622

The NBE directive No. SBB/1360/2025 article 22(1) requires the Bank to transfer annually 25% of its annual net profit to its legal reserve account.

60b Regulatory Risk Reserve

This includes interest on Non performing loans/Stage 3 loans that are recognized per IFRS but not available for dividend distribution as required by National Bank of Ethiopia directive and the excess of provision per NBE directive over that of IFRS 9 which is not accounted as bad debt expense.

30 June 2025

30 June 2024

Birr'000

Birr'000

Opening Balance
Additional provision per NBE
Prior period adjustment
Interest income on Non Performing Loans(NPL)

507,882	552,262
-	84,151
118,140	-
20,536	(128,531)
646,558	507,882



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60c Other Reserve

The other reserve includes the fair value gain/loss on equity instruments classified at FVOCI and remeasurement gains/losses on defined benefit obligations of the Bank.

	30 June 2025	30 June 2024
	Birr'000	Birr'000
Opening Balance	127,360	50,631
Fair Value gain of Equity Instruments	157,963	67,649
Remeasurement loss on defined benefit plans(net of tax)	(119,790)	9,080
	165,534	127,360

61 Cash generated from operating activities

	30 June 2025	30 June 2024
	Birr'000	Birr'000
Profit before tax	3,866,956	2,220,847
Adjustments for non-cash items:		
Depreciation of property, plant and equipment	201,786	176,467
Depreciation of investment property	-	58
Amortisation of intangible assets	83,282	34,061
Depreciation of right of use assets	309,316	352,663
(Gain)/Loss on disposal of property, plant and equipment	-	7,372
Impairment on loans and receivables	460,048	680,115
Foreign currency exchange rate gain on cash and cash equivalents	-	(5,796)
Employee benefit obligations	179,801	106,634
Dividend income	(49,877)	(21,862)
Changes in working capital:		
-Decrease/ (Increase) in loans and advances	(8,348,682)	(5,255,929)
-Decrease/ (Increase) in other assets	(3,400,243)	(709,584)
-Increase/ (Decrease) in deposits from customers	13,233,869	8,523,741
-Increase/ (Decrease) in deposits from financial institutions	1,124,199	807,309
-Increase/ (Decrease) in other liabilities	307,015	281,226
	7,967,470	7,197,323

62 Related party transactions

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

	30 June 2025	30 June 2024
	Birr'000	Birr'000
62a Transactions with related parties		
i. Loans and advances to:		
• Influential shareholders	2,208,185	1,717,250
• Key Management Personnel	98,111	96,343
	2,306,296	1,813,593
ii. Deposit balances of:		
• Influential shareholders	964,841	414,141
• Key Management Personnel	20,131	2,660
	984,972	416,801



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62b Key management compensation

Key management has been determined to be the members of the Board of Directors and the Executive Management of the Bank. The compensation paid or payable to key management is shown. There were no sales or purchase of goods and services between the Bank and key management personnel as at 30 June 2025:

		30 June 2025	30 June 2024
		Birr'000	Birr'000
Salaries and other	• Board of Directors	1,200	3,994
employee benefits to :	• Executive Management	35,441	22,528
		36,641	26,521

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

62C Investment in Wegagen-Capital Investment Bank

Wegagen Capital Investment Bank S.C. (WCIB) is Ethiopia's first investment bank licensed by Ethiopian capital market authority on March 2025, established to shape the future of the country's financial markets. Guided by the visionary leadership of Chief Executive Officer Mrs. Brutawit Dawit Abdi, WCIB is committed to delivering trusted, forward-looking, and innovative financial solutions that align global best practices with local market realities.

With a strong capital foundation of ETB 385 million in initial paid-up capital, WCIB is wellpositioned to offer reliable, transparent, and high-quality investment banking services tailored to the needs of both institutional and individual investors.

In May 2025 Wegagen capital officially receive its trading membership certificate from the Ethiopian security exchange. Services provided by Wegagen Capital Investment bank S.C are capital raising, business advisory, stock brokerage and research

	June 30, 2025
	Birr'000
Wegagen bank Investment	334,250
Total paid-up capital in investment company	385,000
Percentage holdings	86.82%

Transaction with Wegagen Investment bank:
Deposit balance;

332,295

Subsidiary;

June 30, 2025
Birr'000

Profit or loss after taxation

(10,189)

Total assets

389,589



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63 Employees

The total number of persons employed by the Bank during the year was as follows:

	30 June 2025	30 June 2024
	Number	Number
Total staff	5,553	5,426

64 Contingent liabilities and assets

64a Claims and litigation

The Bank is a party to numerous legal actions brought by different organizations and individuals arising from its normal business operations. The maximum exposure of the Bank to these legal cases as at 30 June 2025 is Br. 706.81 million (30 June 2024: Birr 1,089.42 million). The Bank has made assessment of these legal cases, and held Br. 79.84 million provision (Br. 60.11 million as at June 30, 2024). The remaining legal cases have low possibility of going against the bank and thus no obligation is expected from the Bank.

64b Guarantees and letters of credit

The Bank conducts business involving issuance of various bid bond, performance bonds and advance payment guarantees. These instruments are given as a security to support the performance of a customer to third parties. The Bank also issued letter of credit facilities to importers, which created commitment to the Bank to settle the obligation in foreign currency when the L/C documents are clearly presented to the Bank and recover the amount from customers in local currency. As the Bank will only be required to meet these obligations in the event of the customer's default, the cash requirements of these instruments are expected to be considerably below their nominal amounts.

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

	30 June 2025 Birr'000	30 June 2024 Birr'000
Guarantees issued	4,583,597	4,080,986
Letter of credit	3,322,967	4,007,421
	7,906,564	8,088,407

64c Commitments

Loan commitments;

Unutilized overdraft and other facilities

	30 June 2025 Birr'000	30 June 2024 Birr'000
	6,100,397	2,137,732
	6,100,397	2,137,732



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65 Capital adequacy ratio

According to the Licensing & Supervision of Banking Business Directive No SBB/50/2011 (as ammended SBB/1360/2025) of the National Bank of Ethiopia, the Bank has to maintain capital to risk weighted assets ratio of 8% at all times, the risk weighted assets being calculated as per the provisions of directive No SBB/9/95 issued on August 18, 1995.

The capital adequacy ratio is the quotient of the capital base of the Bank and the Bank's risk weighted asset base. As at June 30,2025, the ratio stood at 14.97% showing a marginal increase by 0.52% compared with same period last year.This arises becasue of new share issue,raise in legal reserve and a increase in risk weighted assets during the fiscal year ended June 30,2025.

	30 June 2025	30 June 2024
	Birr'000	Birr'000
Tier I Capital		
Share capital	7,028,357	5,058,890
Share premium	87,819	74,917
Legal reserve	2,887,722	2,191,622
Total regulatory capital	10,003,898	7,325,429
Total risk weighted assets	66,839,183	50,701,915
Capital Adequacy Ratio (CAR)	14.97%	14.45%
Minium Capital Adequacy ratio	8%	8%

66 Events after reporting period

The Bank has secured access to an international trade finance guarantee facility amounting to 85 million USD following agreements made with the Eastern and Southern African Trade and Development Bank (TDB) and the African Export-Import Bank (Afreximbank). It enhances its capacity to provide Letter of Credit (L/C) confirmation, while also expanding its ability to offer guarantees for various import and export-related documentary services. This advancement positions the Bank to deliver more accessible, reliable, and efficient trade finance solutions to a wider range of clients. Besides to these, the bank has obtained from Commerzbank AG Frankfurt an increament of line of credit to USD 2million and Citibank N.A. New York approved a new credit line of USD 1 million.



**እ.ኤ.አ ሰኔ 30፣2025 የውጭ አዲተሮች ሪፖርት
የተናጠል ትርፍ ወይም ኪሳራ እና ሌሎች የተጣመሩ
ገቢዎች እንዲሁም
የሀብት እና እዳ ሚዛን መግለጫ**

ወጋገን ባንክ
Wegagen Bank®





ካርድ አልባ

ኤቲኤም ካርድዎን
ቢዘነጉ አይጨነቁ!

በወጋገን ባንክ ካርድ አልባ
የኤቲኤም አገልግሎት
ገንዘብ ማውጣት ይቻላል!

Wegagen Bank S.C

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For the Year Ended 30 June 2025

ወጋገን ባንክ አ.ማ

የተናጠል ትርፍ ወይም ኪሳራ እና ሌሎች የተጣመሩ ገቢዎች መግለጫ

እ.ኤ.አ. በሰኔ 30፣2025 ለተጠናቀቀው በጀት ዓመት

ማስታወሻ	ሰኔ 30፣2025 በብር '000	ሰኔ 30፣2024 በብር '000
የወለድ ገቢ	36	8,459,357
የወለድ ወጪ	37	(3,155,997)
የተጣራ የወለድ ገቢ		5,303,361
የተጣራ የክፍያ እና የኮሚሽን ገቢ	38	2,358,553
የተጣራ ከአገልግሎት ክፍያ የተገኙ ገቢዎች		7,661,914
ከሌሎች የአገልግሎት ክፍያ የተገኙ ገቢዎች	39	2,554,484
ለደንበኞች የተሰጡ አጠራጣሪ ብድሮች መጠባበቂያ ክፍያ	40	(465,867)
ሌሎች አጠራጣሪ የሚሰበሰቡ ክፍያዎች መጠባበቂያ ተመላሽ	41	6,295
የተጣራ የአገልግሎት ገቢ		9,756,826
የሰራተኞች ደመወዝ እና ጥቅማ ጥቅም ክፍያዎች	42	(3,953,215)
የማይዳሰሱ ሀብቶች የእርጅና ቅናሽ	51	(83,282)
የቋሚ ንብረት እና መሳሪያዎች የእርጅና ቅናሽ	52	(201,786)
የንብረት መጠቀም መብት የእርጅና ቅናሽ	52a	(309,316)
ሌሎች የአገልግሎት ወጪዎች	43	(1,341,299)
የውጭ ኢዲተሮች የአገልግሎት ክፍያ		(972)
ጠቅላላ የአገልግሎት ወጪ		(5,889,871)
ከግብር በፊት የተገኘ ትርፍ		3,866,956
የገቢ ግብር	44a	(1,082,556)
ከግብር በኋላ የተገኘ ትርፍ		2,784,400
የተጣራ ሌሎች የተጣመሩ ገቢዎች		
ለሰራተኞች የአገልግሎት ጥቅም መጠባበቂያ ልኬት	56b	(119,790)
በአክሲዮን ኢንቨስትመንት ድጋሚ ልኬት የተገኙ ገቢዎች	60c	157,963
የተጣራ ሌሎች የተጣመሩ ገቢዎች ድምር		38,174
ጠቅላላ ድምር የተጣመረ ገቢ ከግብር በኋላ		2,822,574
የአንድ ባለ ብር 1,000 አክሲዮን የትርፍ ድርሻ	58	46.19%
		36.89%
እ.ኤ.አ በሀምሌ 01፣2024 የዘረ የትርፍ ድርሻ	59	1,246,781
የዳሬክተሮች የአገልግሎት ክፍያ	59	(1,500)
ለተከፋፈለ የትርፍ ድርሻ	59	(1,246,781)
የዘመኑ ትርፍ	59	2,784,400
የማይከፋፈል መጠባበቂያ ገንዘብ (የሂሳብ ማስተካከያ)	59	(118,140)
በህግ የተወሰነ ለመጠባበቂያ የተላለፈ	59	(696,100)
የተቆጣጣሪ አካል ስጋት መጠባበቂያ	59	(20,536)
እ.ኤ.አ ሰኔ 30፣2025 ያልተከፋፈለ ትርፍ		1,948,124
		1,246,781

- የተያያዙት ማስታወሻዎች የሂሳብ መግለጫዎች አካል ናቸው፡፡
- የሂሳብ መግለጫዎች በዳሬክተሮች ቦርድ እና በማኔጅመንት አማካኝነት እ.ኤ.አ መስከረም 22 ቀን 2025 ተፈቅደው እና ፀድቀው ፊርማ የተደረገባቸው ናቸው፡፡



አቶ አብዱሾ ሁሴን
የዳሬክተሮች ቦርድ ሊቀ መንበር



አክሊሉ ውበት (ዶ/ር)
ዋና ስራ አስፈጻሚ



Wegagen Bank S.C

Annual Separate Financial Statement

For the Year Ended 30 June 2025

ወጋገን ባንክ አ.ማ

የተናጠል ሀብት እና እዳ ሚዛን መግለጫ

እ.ኤ.አ. በሰኔ 30፣2025

		በሰኔ 30፣2025	በሰኔ 30፣2024
	ማስታወሻ	በብር '000	በብር '000
ሀብቶች			
በባንክና በእጅ የሚገኝ ጥሬ ገንዘብ	45	15,436,200	13,123,499
የተጣራ ለደንበኞች የተሰጠ ብድር እና ቅድመ ክፍያ	46a	51,260,502	43,300,410
የአክሲዮን ኢንቨስትመንት ሰነዶች፤			
• የአክሲዮን ኢንቨስትመንት በተጣመረ ገቢ የሚሰላ	47a	822,894	540,695
• የመንግስት ቦንድ ኢንቨስትመንት	47b	8,311,193	4,613,155
ሌሎች ሀብቶች	48	5,150,762	1,742,250
ለኪራይ አገልግሎት የዋለ ንብረት	49	-	2,585
የተቀጽላ ኩባንያ ኢንቨስትመንት	50	334,250	-
የማይዳሰሱ ሀብቶች (የተጣራ)	51	493,497	48,068
ቋሚ ንብረት እና መሰሪያ (የተጣራ)	52	1,827,673	1,687,442
ንብረትን የመጠቀም መብት ሀብት	52a	984,040	675,445
ጠቅላላ ሀብት		84,621,011	65,733,550
እዳዎች			
የደንበኞች ተቀማጭ ሂሳብ	53	61,651,819	48,417,951
የገንዘብ ተቋማት ተቀማጭ ሂሳብ	54	4,830,973	3,706,774
የዚህ ዓመት ተከፋይ የገቢ ግብር	44c	1,094,852	641,203
ሌሎች እዳዎች	55	3,675,232	3,368,216
ለሰራተኞች የአገልግሎት ጥቅም የግዴታ መጠበቂያ	56	504,869	288,457
ወደፊት የሚከፈል የትርፍ ግብር	44d	99,152	103,498
ጠቅላላ እዳ		71,856,898	56,526,098
የተጣራ ሀብት			
የተከፈለ የአክሲዮን ካፒታል	57	7,028,357	5,058,890
ተጨማሪ የአክሲዮን ክፍያ	57	87,819	74,917
ያልተከፋፈለ ትርፍ	59	1,948,124	1,246,781
በህግ የተወሰነ መጠበቂያ	60a	2,887,722	2,191,622
የተቆጣጣሪ አካል ስጋት መጠበቂያ	60b	646,558	507,882
ሌሎች መጠበቂያዎች	60c	165,534	127,360
ጠቅላላ የተጣራ ሀብት		12,764,113	9,207,451
ጠቅላላ እዳ እና የተጣራ ሀብት		84,621,011	65,733,550

- የተያያዙት ማስታወሻዎች የሂሳብ መግለጫዎቹ አካል ናቸው፡፡
- የሂሳብ መግለጫዎቹ በዳሬክተሮች ቦርድ እና በማኔጅመንት አማካኝነት እ.ኤ.አ መስከረም 22 ቀን 2025 ተፈቅደው እና ፀድቀው ፈርማ የተደረገባቸው ናቸው፡፡



አቶ አብዱሾ ሁሴን
የዴሬክተሮች ቦርድ ሊቀ መንበሥ



አክሊሉ ውበት (ዶ/ር)
ዋና ስራ አስፈጻሚ





ወገን ሞባይል

ስልክዎ ባንክዎ



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NORTH ADDIS ABABA DISTRICT

S.N	Branches	ቅርንጫፎች	Telephone
ሰሜን አዲስ አበባ ዲስትሪክት ጽ/ቤት North Addis Ababa District Office			0111704455 0111704458
1	Addisu Gebeya	አዲሱ ገበያ	0111264402 0111264412
2	Arada Piassa	አራዳ ፒያሳ	0111266894 0111267958
3	Arat Kilo	አራት ኪሎ	0111704453 0111704452
4	Balderas	ባልደራስ	0116674757
5	Bambis	ባምቢስ	0115576343 0115576358
6	Cathedral	ካቴድራል	0111560002 0111560060
7	CMC Michael	ሲ.ሜ.ሲ. ሚካኤል	0116675913 0116671640
8	Enqulal Fabrika	እንቁላል ፋብሪካ	0111267355 0111267821
9	Eri Bekentu	እረ በክንቱ	0111263861 0111263951
10	Gullele	ጉለሌ	0112732016 0112732017
11	Jan Meda	ጃን ሜዳ	0111261400 0111261401
12	Kazanchis	ካዛንቺስ	0115545670 0115545671
13	Kebena	ቀበና	0111261094 0111261096
14	Kechene	ቀጨኔ	0111263139 0111263588
15	Kidist Mariam	ቅድስት ማርያም	0111570033 0111570035
16	Kotebe	ኮተቤ	0116663730 0116614493
17	Lamberet	ላምበረት	0116676289
18	Lamberet Menaheria	ላምበረት መናኸሪያ	0116660853 0116661947
19	Leul Ras Seyoum Mengesha	ልዑል ራስ ስዩም መንገሻ	0111704455 0111704458
20	Megenagna	መገናኛ	0116674019 0116674012
21	Mesfine Harar Avenue	መስፍነ ሀረር ጎዳና	0111712033 0111712032
22	Nigist Zewditu Street	ንግስት ዘውዲቱ መንገድ	0115578071 0115578701
23	Salite Mihret	ሰዓሊት ምህረት	0116676386 0116676387

24	Sebara Babur	ሰባራ ባቡር	0111570329
25	Shola	ሸላ	0116591822 0116595623
26	Sululta	ሱሉልታ	0111617501 0111617492
27	Wesen	ወሰን	0116678951 0116678946
28	Wuhalimat	ውኃልማት	0116631518 0116631517
29	Yeka Abado	የካ አባዶ	0118931029 0118932408

EAST ADDIS ABABA DISTRICT

S.N	Branches	ቅርንጫፎች	Telephone
ምሥራቅ አዲስ አበባ ዲስትሪክት ጽ/ቤት East Addis Ababa District Office			0116724649 0116724569
30	Agar	አጋር	0116670436 0116670313
31	Africa Avenue	አፍሪካ አሽኑ	0116624772 0116624769
32	Adey Ababa Stadium	አደይ አበባ ስታድየም	0116356496 0116356035
33	Atlas	አትላስ	0116392083 0116392091
34	Atse-Zera Yaekob	አፄ ዘርዓ ያቆብ	0116811872 0116811803
35	Ayat Addebabay	አያት አደባባይ	0116390044 0116390028
36	Ayat Noah	አያት ኖህ	0116724649 0116724569
37	Ayat Gebeya	አያት ገበያ	0116390410 0116390411
38	Ayat-Tafo	አያት ጣፎ	0116390610 0116391950
39	Al-Nejashi	አልነጃሺ	0116392459
40	Beshale	በሻሌ	0116677408 0116677688
41	Bole17	ቦሌ17	0116671916 0116671588
42	Bole Arabsa	ቦሌ አራብሳ	0116125670 0116125672
43	Bole Bulbula	ቦሌ ቡልቡላ	0114700869 0114700895
44	Bole Medhanialalem	ቦሌ መድኃኒአለም	0116616135 0116616136
45	Bole Michael	ቦሌ ሚካኤል	0116392033 0116392006
46	Bole Millennium	ቦሌ ሚሊኒየም	0116622757 0116662620
47	Bulbula Condominium	ቡልቡላ ኮንዶሚኒየም	0118224059

48	Cape Verde Avenue	ኬፕ ቨርዴ አቨኑ	0116673376 0116673448
49	CMC	ሲ.ሜ.ሲ.	0116479047 0116479044
50	Enewari	እነዋሪ	0116880518 0116880510
51	Debre Birhan	ደብረ ብርሃን	0116375420 0116375421
52	Gerji	ገርጂ	0116298141 0116298114
53	Gerji Mebrat Hayil	ገርጂ ሙብራት ኃይል	0116676405 0116676372
54	Gerji Sunshine	ገርጂ ሰንሻይን	0116290265 0116290016
55	Gerji Unity	ገርጂ ዩኒቲ	0116395053 0116395052
56	Gollagul	ጎላጉል	0116906008 0116906222
57	Goro Gebreal	ጎሮ ገብርኤል	0116724649 0116724569
58	Gurd Shola	ጉርድ ሾላ	0116459752 0116459753
59	Haya Arat	ሃያ አራት	0116180677 0116180670
60	Haya hulet	ሃያ ሁለት	0116672428 0116672414
61	Imperial	ኢምፔሪያል	0116686222 0116686223
62	Jackros	ጃክሮስ	0116671419 0116671420
63	Loke	ሎቄ	0116680720 0116680046
64	Legetafo	ለገጣፎ	0116682777 0116682779
65	Meri Loke	መሪ ሎቄ	0116682946 0116683982
66	Mickey Leland Street	ሚኪ ሊላንድ መንገድ	0116354021 0116354061
67	Moenco	ሞኤንኮ	0116686145 0116687118
68	Shalla Menafesha	ሻላ መናፈሻ	0116189303 0116632094
69	Summit Yetebaberut	ሰሜን የተባበሩት	0116391549 0116391568
70	Summit 72	ሰሜን ሰባ ሁለት	0116391987 0116391989
71	Summit	ሰሜን	0116679001 0116679022
72	Yerer Ber	የረረ ቦር	0116675863 0116675873

WEST ADDIS ABABA DISTRICT

S.N	Branches	ቅርንጫፎች	Telephone
ምዕራብ አዲስ አበባ ዲስትሪክት ጽ/ቤት West Addis Ababa District Office			0113691797 0113691828
73	Abakoran	አባኮራን	0112781177 0112781181
74	Abdi Nono	አብዲ ኖኖ	0112601278 0112601347
75	Abinet	አብነት	0112780544 0112780580
76	Africa Union	አፍሪካ ዩኒየን	0115547061 0115547063
77	Alem Bank	አለም ባንክ	0113694708 0113694756
78	Alemgena	አለምገና	0113679965 0113679281
79	Amana	አማና	0112316181 0112316182
80	Atena Tera	አጠና ተራ	0112739521 0112739523
81	Autobis Tera	አውቶቢስ ተራ	0112735510 0112734844
82	Ayer Tena	አየረ ጤና	0113693400 0113693450
83	Berbere Tera	በርበሬ ተራ	0112733950
84	Bisrate Gebriel	ብስራተ ገብርኤል	0113691794 0113691765
85	Dubai Tera	ዱባይ ተራ	0112734889 0112734890
86	Ehil Berenda	እህል በረንዳ	0112734981 0112735318
87	Furi	ፋሪ	0113679207
88	Gambia Street	ጋምቢያ መንገድ	0115319082 0115319083
89	Geja Sefer	ጌጃ ሰፈር	0115579140 0115579891
90	Gesho Tera	ጌሽ ተራ	0112733873
91	Girar	ግራር	0113695406 0113694921
92	Gojam Berenda	ጎጃም በረንዳ	0111263662 0111263858
93	Habte Giorgis	ሀብተ ጊዮርጊስ	0111112972 0111112973
94	Jemo	ጆሞ	0114713033
95	Kolfe	ኮልፌ	0112739304 0112739942

96	Lideta	ልደታ	0115523709 0115539872
97	Likuanda	ልኪንዳ	0112739296 0112739610
98	Mekanisa	መካኒሳ	0113698225 0113698232
99	Mekanisa Abo	መካኒሳ አበ	0113699963 0113698781
100	Mekanisa Michael	መካኒሳ ሚካኤል	0113698447 0113698449
101	Merkato	መርከቶ	0112752867 0112752929
102	Merkato Arategna	መርከቶ አራተኛ	0112733710 0112733966
103	Merkato Tana	መርከቶ ጣና	0112735668 0112735667
104	Mesalemia	መሳለሚያ	0112768611 0112758151
105	Meskel	መስቀል	0115516652 0115516627
106	Mexico	ሜክሲኮ	0115575577 0115575578
107	Military Tera	ሚሊተሪ ተራ	0112134605 0112134608
108	Pan African	ፓን አፍሪካን	0113691828 0911350819
109	Sebeta	ሰበታ	0113380359 0113380366
110	Sefere Selam	ሰፈረ ሰላም	0112735089 0112735925
111	Sengatera	ሰንጋተራ	0115576952 0115576955
112	Shema Tera	ሸማ ተራ	0112733473 0112732997
113	Shera Tera	ሸራ ተራ	0112735562 0112735401
114	Sidamo Tera	ሲዳሞ ተራ	0112733079 0112733055
115	Sost Kutir Mazoriya	ሶስት ቁጥር ማዘረያ	0113692129 0113692127
116	Stadium	ስታዲየም	0115580105 0115580106
117	Tabot Maderiya	ታቦት ማደረያ	0113697242 0113697629
118	Tekle Haymanot	ተክለ ሃይማኖት	0111563812 0111563813
119	Tulu Bolo	ቱሉ ቦሎ	0113420064 0113420057
120	Wegagen Amana Bethel	ወጋገን አማና ቤቴል	0113697575
121	Welete	ወለቴ	0113803174 0113803253

122	Weliso	ወሊሶ	0113411984 0113411617
123	Weyra Bethel	ወይራ ቤተል	0113492753 0113495308
124	Wegagen Amana Alem Bank	ወጋገን አማና አለም ባንክ	0911647583
125	Yeshi Debelle	የሺ ደበሌ	0113840191
126	Zenebework	ዘነበወርቅ	0113698764 0113698762

SOUTH ADDIS ABABA DISTRICT

S.N	Branches	ቅርንጫፎች	Telephone
ደቡብ አዲስ አበባ ዲስትሪክት ቶ/ቤት South Addis Ababa District Office			0114664569 0114664649
127	Akaki	አቃቂ	0114716847 0114716840
128	Beklo bet	በቅሎ ቤት	0114663603 0114663588
129	Bulgaria Mazoria	ቡልጋሪያ ማዘሪያ	0114701345 0114701205
130	Bole	ቦሌ	0115523524 0115536666
131	Bole Mega	ቦሌ ሜጋ	0115582517 0115582554
132	Crown	ክራውን	0118547122 0114626018
133	Gara Oda	ጋራ አዳ	0114711550 0114710974
134	Gelan Condominium	ገላን ኮንዶሚኒየም	0114550113 0114550184
135	German Adebabay	ጀርመን አደባባይ	0113698928 0113699938
136	Goffa	ጎፋ	0114655816 0114655817
137	Goffa Camp	ጎፋ ካምፕ	0114672505 0114165166
138	Goffa Mebrat Hail	ጎፋ ሙባራት ኃይል	0114673753 0114661545
139	Hana Mariam	ሀና ማርያም	0114711254 0114711854
140	Jati	ጃቲ	0114716844 0114716846
141	Kaliti	ቃሊቲ	0114394285 0114394286
142	Kaliti Maseltegna	ቃሊቲ ማሰልጠኛ	0114391109 0114390668
143	Kera	ቄራ	0113852076 0113852066
144	Kilinto	ቂሊንቦ	0114512279 0114512198

145	Kirkos	ቂርቆስ	0114703896 0114703906
146	Lafto	ላፍቶ	0114710028 0114710029
147	Lebu	ለቡ	0114712756 0114712171
148	Lebu Ertu	ለቡ ኤርቱ	0114713963 0114713964
149	Meskel Flower	መስቀል ፍላወር	0114164753 0114168005
150	Nefas Silk	ንፋስ ስልክ	0114707612 0114707615
151	Flamingo	ፍላሚንጎ	0115580663 0115580744
152	Olympia	ኦሎምፒያ	0115575099 0115575916
153	Saris Adey Abeba	ሳሪስ አደይ አበበ	0114708410 0114708254
154	Saris Addisu Sefer	ሳሪስ አዲሱ ሰፈር	0114707694 0114707718
155	Saris 58	ሳሪስ 58	0114711851 0114711454
156	Saris Total	ሳሪስ ቶታል	0114709163 0114708587
157	Tulu Dimtu Condominium	ቱሉ ዲምቱ ኮንዶሚኒየም	0118886831 0118886833
158	Tulu Dimtu	ቱሉ ዲምቱ	0114715772 0114715497
159	Wello Sefer	ወሎ ሰፈር	0114668006 0114668093
160	Worku Sefer	ወርቁ ሰፈር	0114717693 0114717692

BAHIR DAR DISTRICT

S.N	Branches	ቅርንጫፎች	Telephone
ባህር ዳር ዲስትሪክት ጽ/ቤት Bahir Dar District Office			0583209667 0583206119
161	Abay Mado	አባይ ማዶ	0583213213 0583202095
162	Adet	አዴት	0583381110 0583381161
163	Bahir Dar	ባህር ዳር	0582202038 0582204490
164	Bure	ቡሬ	0587741194 0587741050
165	Debre Markos	ደብረ ማርቆስ	0581782524 0581782257
166	Debre Tabor	ደብረ ታቦር	0581413452 0581415465
167	Fasiledes	ፋሲለደስ	0581260022 0581260023

168	Finote Selam	ፍኖተ ሰላም	0587750476 0587750340
169	Gendawuha	ገንዳ ውሃ	0583310010 0583310031
170	Ghion	ግዮን	0583207724 0583208720
171	Gish Abay	ግሽአበይ	0583208869 0583205536
172	Gondar	ጎንደር	0581114816 0581111620
173	Injibara	እንጂባራ	0582271575 0582271682
174	Maraki	ማራኪ	0582113639 0582110294
175	Merawi	መርዓዊ	0583300972 0583300945
176	Metema Yohannes	መተማ ዮሐንስ	0585555551 0585555760
177	Motta	ሞጣ	0586611807 0586611293
178	Sefene Selam	ሰፈነ ሰላም	0583205456 0583207746
179	Tana Bahir Dar	ጣና ባህር ዳር	0582262018 0582262002
180	Wegagen Amana Kemise	ወጋገን አማና ከሚሴ	0335543322
181	Wegagen Amana Selam	ወጋገን አማና ሰላም	0583209667 0583206119

HAWASSA DISTRICT

S.N	Branches	ቅርንጫፎች	Telephone
ሃዋሳ ዲስትሪክት ጽ/ቤት Hawassa District Office			0462122288 0462120897
182	Adola Weyu	አዶላ ወዩ	0926582057
183	Aleta Wondo	አለታ ወንዶ	0462240453 0462240687
184	Angacha	አንገጫ	0463400404 0463400406
185	Arba minch	አርባ ምንጭ	0468815093 0468815076
186	Areka	አረካ	0917190035
187	Atote-Hawassa	አቶቴ ሐዋሳ	0462125017 0462125015
188	Bonosha	በኖሻ	0464530371 0464530256
189	Bule Hora	ቡሌ ሆራ	0464431105 0464431106
190	Butajira	ቡታጅራ	0461450060 0461450061

191	Damboya	ዳምቦያ	0462450276 0462450233
192	Dilla	ዲላ	0463311105 0463310120
193	Doyogena	ዶዮገና	0462240404 0462240405
194	Durame	ዱራሜ	0465541449 0465541446
195	Fonko	ፎንቆ	0462630307 0462630308
196	Hadero	ሀደሮ	0464320617 0464320619
197	Halaba Kulito	ሀላባ ቄሊቶ	0465561818 0465561316
198	Hawassa	ሐዋሳ	0462202629 0462204172
199	Hawassa Arab sefer	ሐዋሳ አረብ ሰፈር	0462124361 0462124302
200	Hawassa Monopol	ሃዋሳ ሞኖፖል	0462128081 0462127833
201	Hawassa Tabor	ሃዋሳ ታቦር	0462123991 0462123992
202	Homecho	ሆሜቾ	0462510285 0462510397
203	Hosaena	ሆሳዕና	0465554216 0465554209
204	Hosaena Gombora	ሆሳዕና ጎምቦራ	0461780533 0461780534
205	Hulbareg	ሁልባረግ	0462690295 0462690499
206	Jajura	ጃጃራ	0462650308 0462650015
207	Jinka	ጃንካ	0467752294 0467752112
208	Konso Karat	ኮንሶ ካራት	0467730579 0468964232
209	Moyale Sub Branch	ሞያሌ ንዑስ ቅርንጫፍ	0464441603 0464441750
210	Mudula	ሙዱላ	0462350626 0462350523
211	Negele	ነጌሌ	0464452320 0464457473
212	Negele Arsi	ነጌሌ አርሲ	0461162815 0461162816
213	Shakiso	ሻኪሶ	0463341851 0463341850
214	Shashemene	ሻሸሙኔ	0461103468 0461103466
215	Shashemene Arada	ሻሸሙኔ አራዳ	0462110621 0462114546
216	Shashemene Oda	ሻሸሙኔ ዱዳ	0462111536 0462110984

217	Shinshicho	ሸንሺቾ	0463390893 0463390923
218	Wegagen Amana Werabe	ወጋገን አማና ወራቤ	0462122288 0462121681
219	Werka	ወርቃ	0916791143 0916244440
220	Wolayita Sodo	ወላይታ ሶዶ	0465514592 0465514593
221	Yirgachefe	ድርጋጩፌ	0463320410 0463320161
222	Yirgalem	ድርጋለም	0462252421 0462252458

DIRE DAWA DISTRICT

S.N	Branches	ቅርንጫፎች	Telephone
ድሬዳዋ ዲስትሪክት ጽ/ቤት Dire Dawa District Office			0251110827 0251110442
223	Al-Baraka	አል በረካ	0252783562 0252784299
224	Aweday	አወዳይ	0256620280 0256620167
225	Babile	ባቢሌ	0256650592 0256650594
226	Bedessa	በዴሳ	0920627813 0920693906
227	Chemin-de-fer	ሼሙንደፍር	0254115700 0254115702
228	Chiro	ጭሮ	0256590685 0256590455
229	Degahbur	ደጋህቡር	0257710702 0257710596
230	Dire Dawa	ድሬዳዋ	0251124669 0251111101
231	Gode	ጎዴ	0257761541 0257762163
232	Gelemso	ገለምሶ	0914971327 0921161883
233	Hafet-Issa	ሃፈት ኢሳ	0251124674 0251124699
234	Harar	ሐረር	0256663623 0256664622
235	Harar Arategna	ሐረር አራተኛ	0254669894 0254662289
236	Havana	ሃቫና	0252788669 0252786326
237	Hirna	ሂርና	0923946217 0934885432
238	Jerer	ጆረር	0904889626 0920832041
239	Jigjiga	ጅግጅጋ	0257757628 0257752057

240	Karamara	ካራማራ	0257757628 0257752058
241	Kebri-Daher	ቀብረ-ደሀር	0257741453 0257741231
242	Kebri-Beyah	ቀብረ-በያህ	0256690477 0256690356
243	Kezira	ክዚራ	0251110285 0251130372
244	Kobo Hararghe	ቆቦ ሀረርጌ	0904889626 0920832041
245	Sabian	ሳቢያን	0254111984 0254116448
246	Seid-Square	ሰይድ አደባባይ	0252780949 0252782914
247	Togo-Wajaale Sub Branch	ቶጎ-ዋጃሌ ንዑስ ቅርንጫፍ	0258820033 0258820032
248	Wegagen Amana Babu-Rahema	ወጋገን አማና ባቡ-ራሕማ	0252110501

JIMMA DISTRICT

S.N	Branches	ቅርንጫፎች	Telephone
ጅማ ዲስትሪክት ጽ/ቤት Jimma District Office			0471116168 0471116305
249	Agaro	አጋሮ	0472211031 0472211051
250	Ameya	አመያ	0472270424 0472273498
251	Assosa	አሶሳ	0577751362 0577751422
252	Awetu	አዌቱ	0472116739 0472119630
253	Bedele	በደሌ	0474451809 0474451810
254	Bonga	ቦንጋ	0473311971 0473311933
255	Gimbi	ጊምቢ	0577712308 0577712797
256	Jimma Abajifar	ጅማ አባጅፋር	0471116393 0471123616
257	Jimma Gibe	ጅማ ጊቤ	0472111003 0472112838
258	Jimma Jiren	ጅማ ጅሬን	0472113184 0472113186
259	Jimma Bore	ጅማ ቦሬ	0472113180
260	Limmu Genet	ሊሙ ገነት	0472240650 0923497004
261	Maji	ማጂ	0478111258
262	Menit Shasha	መኔኒት ሻሻ	0474527576 0474527599

263	Metu	ሙቱ	0471411050
264	Mizan Aman	ሚዛን አማን	0471350066 0471350098
265	Nekemte	ነቀምት	0576613068 0576613081
266	Omo	አሞ	0910230420
267	Sheko	ሸኮ	0477780526 0477780313
268	Shey Bench	ሼይ ቤንች	0477770508 0477770725
269	Tello	ጠሎ	0470771033 0470771019
270	Tepi	ቴፒ	0475562620 0475562621
271	Wacha	ዋቻ	0473380455 0473380456
272	Welkite	ወልቂጤ	0113658180 0113658116

MEKELLE DISTRICT

S.N	Branches	ቅርንጫፎች	Telephone
መቀሌ ዲስትሪክት ጽ/ቤት Mekelle District Office			0342415185 0342415186
273	16 KEBELE	16 ቀበሌ	0979396823
274	Abala (Afar)	አብዓላ (አፋር)	0346650495/0491
275	Abyi Addi	ዓብይ ዓዲ	0344460503 0344460313
276	Addi Hawusi	አዲ ሃውሲ	0344408439/31
277	Adi Shumdhun	አዲ ሹምድሁን	0342410017/44
278	Adiha	ዓዲሐ	0342415575 0342418477
279	Agulae	አጉላዕ	0343140486 0343148221
280	Ambasera	አምባሴራ	0917331937 0342401303
281	Aragure	አራጉረ	0914105335
282	Arid	አሪድ	0914215467
283	Atsbi	አፅቢ	0343400322/27
284	Ayder (Mekelle)	አይደር (መቀሌ)	0342408582
285	Aynalem	አይናለም	0914757159

286	Castle (Mekelle)	ካስትል (መቀሌ)	0344402689/79
287	Daero	ዳዕሮ	0342413466
288	Della	ደላ	0914045004
289	Dera	ዴራ	0342415185/86
290	Edaga Arbi	እዳጋ አርቢ	0343460360/44
291	Edaga Kedam	እዳጋ ቀዳም	0914179170
292	Edaga Mekelle	እዳጋ መቀሌ	0344413666/22
293	Edaga Rebue	እዳጋ ረቡዕ	0945058172
294	Ekram Mekelle	ኢክራም መቀሌ	0914319898
295	Enda Tirota	እንዳ ጥሮታ	0945058172
296	Enkodo Mekelle	እንኮዶ መቀሌ	0342415415/26
297	Gidimti	ግድምቲ	0342419839 0342416946
298	Gijet	ግጀት	0914404639
299	Guya	ጉያ	0914473593
300	Hadnet	ሐድነት	0342415414/23
301	Hageresalam	ሀገረሰላም	0910525264
302	Haik Mesahal	ሃይቅ መስሐል	0968889321
303	Hawelti	ሀውልቲ	0344419674 0344419433
304	Hawzen Adebabay	ሐውዜን አደባባይ	0342415185
305	Illala	ኢላላ	0344406954/56
306	Kalid	ኸሊድ	0914705524
307	Kedamay Weyane	ቐዳማይ ወያኔ	0342415185/86
308	Kelamino	ቃላሚኖ	0914154949
309	Kelkel Debri	ቀልቀል ደብረ	0342412564/79
310	Kilte Awlaelo	ክልተ አውላሎ	0344431217/44
311	Lachi	ላጪ	0342414895 0342413268

312	Lachi Meneharia	ላጪ መናኸሪያ	0914748920
313	Lemlem Quiha	ለመለም ኩላ	0967742009 0925328078
314	Mayliham	ማይሊሐም	0342403490 0342403256
315	MayWeyni	ማይወይኒ	0992311067
316	Medeber Mekelle	መደበረ መቐለ	0914219954
317	Mekelle	መቐለ	0344408933/34
318	Meles Zenawi	መለስ ዜናዊ	0342415185
319	Messebo	መሰቦ	0342415185/86
320	Midregenet Mekelle	ምድረገነት መቐለ	0342415185/86
321	Momona	ሞሞና	0342404874
322	Nebelet	ነበለት	0343280240/85
323	Negash	ነጋሽ	0913020294
324	Quiha	ኩላ	0342402590/2054
325	Ras Alula Abanega	ራስ አሉላ አባነጋ	0344461777 0344461337
326	Romanat	ሮማናት	0344406608/10
327	Semaetat	ሰማዕታት	0914120922
328	Tsigereda	ፅጌረዳ	0342415185/86
329	Werk Amba	ወርቅ አምባ	0910525264
330	Wukro	ውቅሮ	0344430373/0683
331	Yechila	የጭላ	0344220372

SHIRE DISTRICT

S.N	Branches	ቅርንጫፎች	Telephone
ሽረ ዲስትሪክት ጽ/ቤት Shire District Office			0342443685 0342444248
332	Adi Abun	አዲ-አቡን	0342710001/02
333	Adi Daero	አዲ ዳዕሮ	0344320578/41
334	Adi Hageray	አዲ ሃገራይ	0343240719/03 0311541238



335	Adi Mahleka	ዓዲ ማህለኸ	0342443685/4248
336	Adi Mohameday	አዲ-መሐመዳይ	0914791283
337	Adi Nebried	ዓዲ ነብረዒድ	0343250005/06
338	Adwa	አድዋ	0347714046/43
339	Ahsea	አሕሰአ	0966853824
340	Axum	አክሱም	0347753631/95
341	Axum University Sub Branch	አክሱም ዩኒቨርሲቲ ንዑስ ቅርንጫፍ	0347753631
342	Chila	ጭላ	0345594308
343	Daero-Hafash	ዳዕሮ ሓፋሽ	0914002352
344	Dibdibo	ድብድቦ	0345560415/0358
345	Edaga Axum	እዳጋ አክሱም	0342756108
346	Edaga Enticho	እዳጋ እንጥጮ	0342443685/4248
347	Edaga Hibret	እዳጋ ህብረት	0342443681/85
348	Edaga Shire	እዳጋ ሽረ	0342446107/4587
349	Endabaguna	እንዳበጉና	0346610473/86
350	Endasellasie	እንዳስላሴ	0344444117/31
351	Enticho	እንጥጮ	0344490602/0803
352	Feres May	ፈረስ ማይ	0343100174/62
353	Gerhu Sirnay	ገርሁ ስርናይ	0344380408/0353
354	Hitsats	ሀፃፅ	0341408520
355	Kaleb	ካሌብ	0342750081/82
356	Ketema Nigus	ከተማ ንጉስ	0342443685 0342444248
357	Kisad Geba	ክሳድ ገባ	0914447572
358	Mahbere Dego	ማህበረ ዴጎ	0343290122/23
359	Maili	ሜይሊ	0914252540
360	May kinetal	ማይ ቅነጣል	0930493864

361	May Tsebri	ማይ ፀብረ	0346620368/70
362	Mayhanse	ማይሀንስ	0342443681/85
363	Midre Genet	ምድረ ገነት	0914186344
364	Midre-Hayelom	ምድረ ሐየሎም	0914210810
365	Nigiste Saba	ንግስተ-ሰባ	0342750061/74
366	Rama	ራማ	0345550585
367	Remhay	ረምሃይ	0342750066/77
368	Sefeo	ሰፊዮ	0914114587
369	Sehul Shire	ሰሁል ሸረ	0913802230
370	Selekleka	ሰለክለክ	0347760495/97
371	Semema	ሰመማ	0344455576/80
372	Sheraro	ሸራሮ	0345500025/0104
373	Shire	ሸረ	0344442165/2424
374	Shire Meneharia	ሸረ መነሃሪያ	0344442165/2424
375	Soloda	ሶሎዳ	0342710001/20
376	Tahtay Adiyabo	ታህታይ አዲያቦ	0914174717
377	Wegagen Amana Bilal	ወገን አማኖ ቢላል	0342443685 0342444248
378	Wukro Maray	ዉቅሮ ማራይ	0346680208/0575
379	Zana	ዛና	0914230906

ADIGRAT AREA BRANCHES

S.N	Branches	ቅርንጫፎች	Telephone
የአዲግራት አካባቢ ቅርንጫፎች ጽ/ቤት Adigrat Area Office			
380	Adigrat	አዲግራት	0344452866/0344452790
381	Adigrat Menaheria	አዲግራት መናኸሪያ	0918812680
382	Agaziyan	አግአዝያን	0924221332/0914586441
383	Bizet	ብዘት	0343120424/0501
384	Edaga Hamus	እዳጋ ሐሙስ	0347730546/0347730185
385	Fatsi	ፋዲ	0342415185/86
386	Freweyni	ፍረወይኒ	0344470645/35
387	Hadish Adi	ሀዲሽ አዲ	0926697874
388	Hawzen	ሐውዜን	0346670206/8604
389	Megab	መጋብ	0342415185/86
390	Meyda Agame (Adigrat)	መይዳ ዓጋመ (ዓዲግራት)	0344451785/94
391	Miwtsae Werki	ምውፃዕ ወርቂ	0342452413/0697
392	Sebeya	ሰቢያ	0914096559
393	Swuha Welwalo	ሰዉሃ ወልዋሎ	914590577
394	Welwalo	ወልዋሎ	0930001873
395	Zala Ambesa	ዛላ አምበሳ	0347790647

MAICHEW AREA BRANCHES

S.N	Branches	ቅርንጫፎች	Telephone
የማይጨው አካባቢ ቅርንጫፎች ጽ/ቤት Maichew Area Office			
396	Adi Gudom	አዲ ጉዶም	0344370665
397	Adishu	ዓዲሹ	0342415185/86

398	Alamata	አላማጣ	0347740772/0347740264
399	Chercher (Raya)	ጨርጨር (ራያ)	0343170338
400	Hewane	ሒዋነ	0343150483/0343150528
401	korem	ኮረም	0914167085
402	Kukufto	ኩኩፍቶ	0904049327/30
403	Maichew	ማይጨው	0342415185/0342415186
404	Mehoni	መኸነ	0346640258/62
405	Mere Mieti	መረሚኢቲ	0914114245
406	Raya Timuga	ራያ ጥሙጋ	0343160280/18
407	Samre	ሳምረ	0342415185/86

ADAMA AREA BRANCHES

S.N	Branches	ቅርንጫፎች	Telephone
የአዳማ አካባቢ ቅርንጫፎች ጽ/ቤት Adama Area Office			
408	Adama	አዳማ	0221119055 0221100524
409	Adama Boset	አዳማ ቦሰት	0222120055 0222120037
410	Arerti	አረርቲ	0222230541 0222230543
411	Asella	አሶላ	0223318292 0223318294
412	Awash 7 Kilo	አዋሽ 7 ኪሎ	0222241571 0222241484
413	Bale Robe	ባሌ ሮቤ	0222442959 0222441986
414	Batu	ባቱ	0461418156 0461415362
415	Berecha	ቦሬቻ	0222124041 0222123013
416	Bishoftu	ቢሽፍቱ	0114371062 0114371025
417	Dukem	ዱክም	0114320945 0114320753
418	Mehal Adama	መሀል አዳማ	0221112280 0221112284

419	Meki	መቄ	0221181200 0221181227
420	Modjo	ሞጆ	0222360300 0222360303
421	Torban Gerba	ቶረባን ገረባ	0114300820 0114301115

DESSIE AREA BRANCHES

S.N	Branches	ቅርንጫፎች	Telephone
የደሴ አካባቢ ቅርንጫፎች ጽ/ቤት Dessie Area Office			
422	Ataye	አጣዬ	0336610775
423	Bati	ባቲ	0335531576 0335531577
424	Buanbua wuha	ቢንቢ ውሃ	0333116317 0333115519
425	Dessie	ደሴ	0331113788 0331113789 0331116944
426	kemmise	ከሚሴ	0335510753 0335511800
427	kobo	ቆቦ	0333341290 0333341297
428	Kombolcha	ኮምቦልቻ	0335510753 0335511800
429	Logia	ሎጊያ	0335500499 0335500503
430	Mugad	ሙጋድ	0333125789 0333120478
431	Sekota	ሰቆጣ	0335405203 0948567797
432	Semera	ሰሙራ	0333660100 0333660102
433	Shoa Robit	ሸዋ ሮቢት	0336640704 0336641995
434	Weldiya	ወልዲያ	0335400791 0335400789

HUMERA AREA BRANCHES

S.N	Branches	ቅርንጫፎች	Telephone
የሁመራ አካባቢ ቅርንጫፎች ጽ/ቤት Humera Area Office			
435	Adi Awala	ዓዲ አውዓለ	0342415185/86



436	Adi Goshu	አዲ ጎሹ	0914114587
437	Adi Remets	ዓዲ ረመፅ	0342443681/85
438	Baeker	ባዕከር	0342443681/85
439	Dansha	ዳንሻ	0344360451/0118
440	Humera	ሁመራ	0344480005/07
441	Korarit	ቆራሪት	0348440772/81
442	Maygaba	ማይገባ	0972161700
443	Maykadra	ማይካድራ	0343320055/0122
444	Setit Humera	ሰቲት ሁመራ	0914447572
445	Tekeze	ተክኔ	0921991212

GAMBELLA AREA BRANCHES

S.N	Branches	ቅርንጫፎች	Telephone
የጋምቤላ አካባቢ ቅርንጫፎች ጽ/ቤት Gambella Area Office			
446	Abobo	አበበ	0475590423
447	Dimma	ዲማ	0993849516/0925342475
448	Gambella	ጋምቤላ	0475511767/0475511944
449	Gambella New Land	ጋምቤላ ኒውላንድ	0471513233/0471510044
450	Itang	ኢታንግ	0474650404/
451	Lare	ላሬ	0475530023/0475530540
452	Meti	ሜጢ	0473390627/0473390628
453	Openo	ኦፔኖ	0471510038/0471510039
454	Pinyudo	ፒንሃውዶ	0474650404
455	Terpham	ተረፋም	0478519369

Value Added Digital Services



**Wegagen School
Management
Solution**



**Wegagen Water Bill
Solution**



**Wegagen Core Banking
Solution For SACCOs**

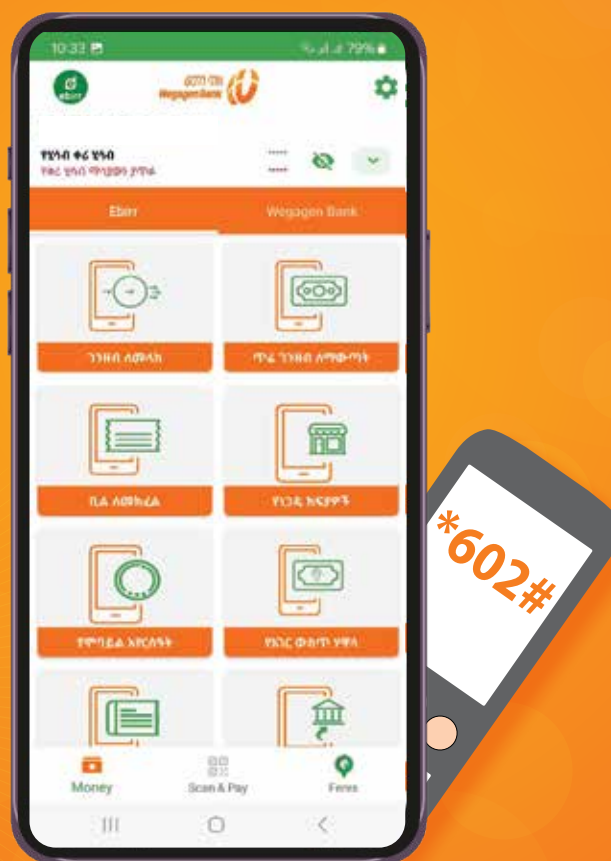


**Wegagen Electronic
Health Record
Solution**



**Wegagen Fuel
Payment Solution**

ወጋገን ኢ-ብር ሞባይል ዋሌት ለምቹ እና ቀልጣፋ ክፍያ



WEGAGEN E-BIRR MOBILE WALLET
FOR CONVENIENT PAYMENT

Ras Mekonnen Street, Wegagen Tower
P.O.Box: 1018, Addis Ababa, Ethiopia
Tel: + 251 11 552 3800, +251 11 517 7500
info@wegagen.com SWIFT: WEGAETAA
Contact Center: 866



C. Annual Report and Audited Annual Financial Statements of the Bank as at and for the year ended 30 June 2024



ANNUAL
REPORT
2023/24



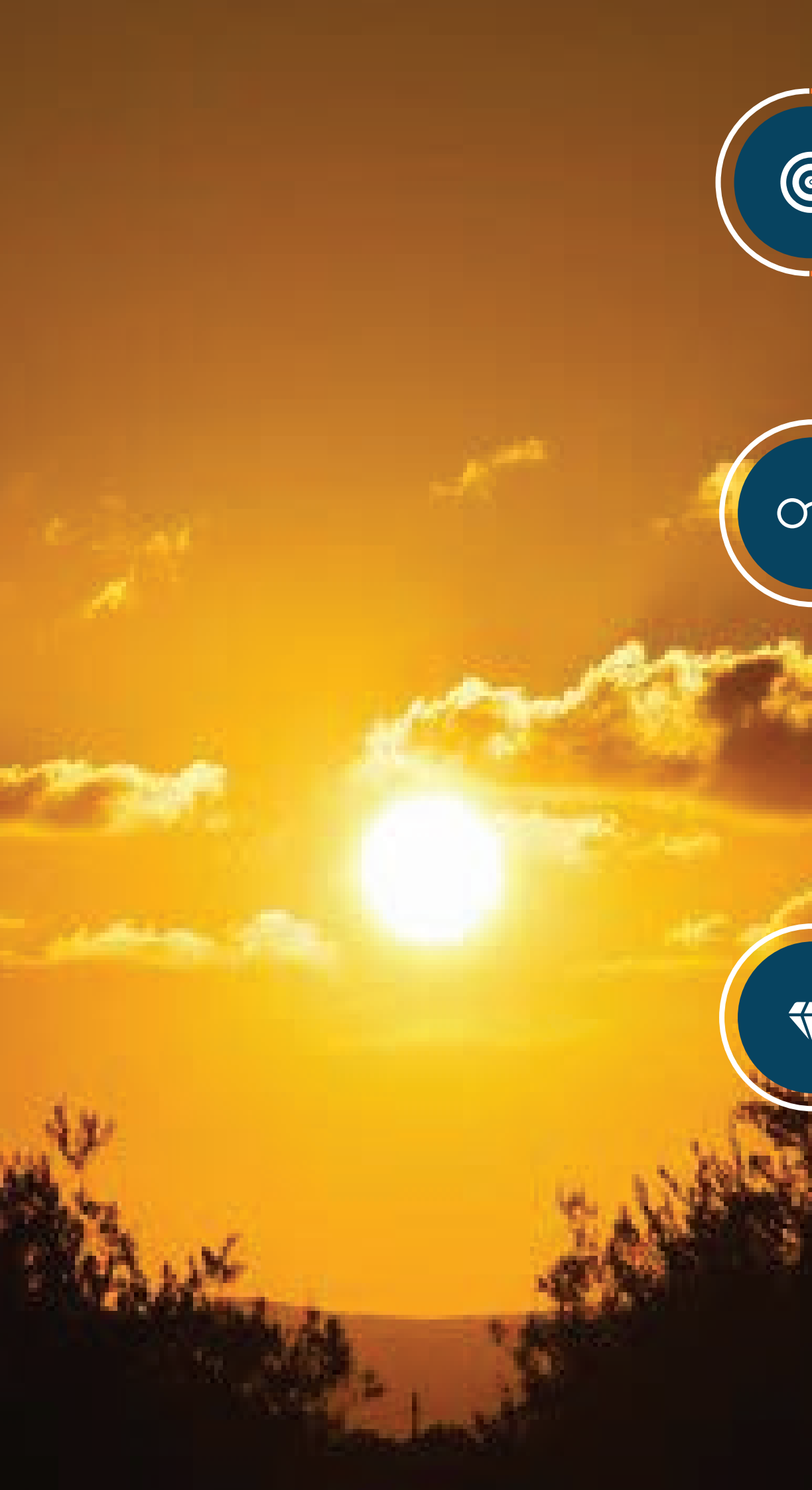
በትጋት፣ ለሥራ፣ ለስኬት ማልደው
ሲነሱ፣ ከእርስዎ ጋር ነን።

ወጋገን ባንክ
Wegagen Bank



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Vision

“To be a champion of excellence in banking business in Ethiopia”

Mission

Maximize stakeholders' value by providing diversified banking services through competent and motivated employees and up-to-date technology

Core values

TEAMWORK

We collaborate and work collectively to meet our common goals
We promote and support a diverse, yet unified team

INTEGRITY

We do the right thing, even when no one is watching
We keep our word and honor our commitments
We maintain confidentiality and privacy of all stakeholders

INNOVATION

We adapt and respond rapidly to changes
We encourage creativity and new ideas

RESPONSIVENESS

We provide prompt and convenient customer service



Abdishu Hussein

Chairperson

Board of Directors



Woldegabriel Naizghi

Vice - Chairperson



Fithanegest Gebru

Member



Hassen Yesuf

Member



Fikru Jiregna

Member



Gebregziabher Hadush

Member



Surafeal Berhe

Member



Tesfatsyon Desta

Member



Alemseged Assefa

Member



Zenfu Asfaw

Member



Board of Directors



Aklilu Wubet (PhD)
Chief Executive Officer

Core Management



Yehwalashet Zewdu
Deputy CEO - Enterprise
Services



Solomon Tesfaye
Deputy CEO - Technologies



Kidane G/Sellassie
Deputy CEO - Operations



Senior Management Team



Aregash Gudeta
Chief, Finance & Materials
Management Officer



Haile G/Egziabher
Chief, Human Capital Officer



Hussen Amde
Chief, Digital Banking Officer



Kibeb G/Egziabher
Chief, International Banking
Officer



Geteye Mekuria
Chief, Marketing and Strategy
Officer



Yoseph G/Yohannes
Chief, Credit Officer



Habtom G/Egziabher
Chief, Officer- Northern
Regional Office



Mengistu Tadesse
Chief, Resource Mobilization
& Branch Banking Officer



Goitom G/Tsadikan
Chief, Information Officer



Debela Merga
Chief, Risk & Compliance
Officer



Negassi G/Aregawi
Chief, Internal Auditor



Zeray G/Wahid
Director, Legal Services



Tajudin Hussen
Director, Interest Free
Banking



Mengesha Fisseha
Executive Assistant



Haddush Hintsay
Company Secretary

Management Team



Genet Daba

Director, Talent Development



Abebaw G/Tsadik

Director, Treasury Management



Kaleb Tadesse

Director, Marketing & Corporate Communications



Tekle Eticha

Director, Corporate Strategy and Change Management



Negassi Fisseha

Director, Digital Banking Operation



Fantahun Demissie

Director, Personal and SME Relationship Management



Amanuel Abebe

Director, Talent Management



Meried Haile

Director, Credit Analysis and Portfolio Management



Niguss Girma

Director, Employee Benefit & Performance Management

Management Team



Bahiru Demissie

Director, Research and Business Development



Amanuel Birhane

Director, Corporate and Business Relationship Management



Sebsibie Zebro

Director, Engineering & Facility Management



Yonas Alemeyehu

Director, Program Management



Tesfatsion Gebreyohannes

Director, Digital Innovation & Marketing



Million Legesse

Director, Resource Mobilization and Branch Banking



Desalegn Haile

Director, IT Security



Yishak Yilma

Director, Core Infrastructure Management



Abadi Leake

Director, Core Applications Management

Management Team



Paulos G/Mariam
Director, Export & Remittance



Defaru Afework
Director, Digital Banking
Technology Management



Yimegnushal Teshome
Director, Import & Payments



Tewodros Assefa
Director, Supply Chain
Management



Mahalet Hailemariam
Director, Management
Information Systems



Muluken Asmare
Director, Financial Accounting



Abay Gebreleul
Director, Loan Recovery

District Director Team



Genet B/Meskel
Director, East Addis Ababa District



Ashenafi Gidey
Director, West Addis Ababa District



Agere Belay
Director, North Addis Ababa District



Kidane W/Giorgis
Director, South Addis Ababa District



Yohannes Assefa
Director, Mekelle District



Zenebe Asayehegn
Director, Shire District



Daniel Liben
Director, Dire Dawa District



Kassanew Alem
Director, Bahir Dar District



Mulugeta Zerga
Director, Jimma District



Habtamu Nigussie
Director, Hawassa District

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ወጋገን ሞባይል መተግበሪያን በማውረድ
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Message from Chairperson of the Board of Directors

Honorable Shareholders,

On behalf of the Board of Directors and myself, I feel honored and pleased to present Wegagen Bank's 2023/24 annual report.

Reports of different international bodies indicate that the world economic growth remained stable amid significant monetary tightening and lingering policy uncertainties worldwide. This occurred despite headwinds from stringent financial regulations and significant geopolitical issues, such as the war between Russia and Ukraine and ongoing war and tensions in the Middle East. Remarkably, the world economic growth rate aligns with figures from the pre-pandemic period though it was not evenly distributed across different economies as low income countries are still struggling to keep pace. The IMF's world economic outlook issued in July 2024 indicated that the world economic growth projected to show slight decrease from 3.3 percent in 2023 to 3.2 percent in 2024 with the growth in advanced countries repeated its 1.7 percent growth in 2023 and 2024 while the economic growth in emerging and developing countries modestly contracted from 4.4 percent in 2023 to 4.3 percent in 2024. On the other hand, Sub Saharan African countries showed economic growth from 3.4 percent in 2023 to 3.7 percent in 2024.



Global headline inflation fell from 8.1 percent in 2022, (the highest in almost three decades) to an estimated 6.8 percent in 2023. A further decline to 5.9 percent in 2024 is projected due to further moderation in international commodity prices and the weakening of demand amid monetary tightening. Developed economies have experienced a pronounced deceleration in inflation, though core inflation rates remain relatively high, influenced by rising service sector prices and tight labor markets. Inflation in most developing countries peaked in 2023 and is projected to moderate in 2024.

Regarding global trade, prices of major commodities such as crude oil prices fluctuated based on various factors, including geopolitical events, supply and demand dynamics, and economic indicators. Price of coffee Arabica increased from an average of USD 4.14 /Kg at the start of the FY 2023/24 to an average of USD 5.48/Kg as of June 30, 2024.

As per data from the remittance statistics 2024, remittances sent out globally increased by 3% compared to the total worldwide remittance flow of USD 836 billion in 2022 and reached USD 860 by 2023 and continue growing to reach USD 887 billion in 2024. Low and middle income countries received USD 669 billion of the total remittances sent during 2023.

Data inferred from both quantitative and qualitative sources indicate that global banks remain steady, largely due to solid capitalization, improved profitability, and sound asset quality.

Domestically, the macroeconomic environment has experienced significant fluctuations, adversely impacted by political instability, shortage of foreign currency, low gross international reserve, and commodity price volatility. Inflation rate was notably high in the early part of the fiscal year but began to decline significantly after February 2024 but remained double digit in annual terms with more persistence in food inflation. Despite the headwinds, the national economy is reported to have registered 8.1 percent growth during the FY 2023/24.

In spite of the challenges posed by global and regional economic conditions that tested our resilience, the Board of Directors, Management, and employees of the Bank have worked tirelessly by devising various tactical strategies to enhance our operations, expand our market presence, and create value for our shareholders. I am proud to report that we have registered commendable achievements in different key performance indicators during the FY 2023/24.

During the fiscal year 2023/24, the Bank's total deposit from both conventional and interest free banking reached Birr 52.1 billion as of June 30, 2024 with a year-on-year growth of 22 percent over preceding year's performance of Birr 42.8 billion. The Bank financed different economic sectors by disbursing Birr 9.6 billion during the FY 2023/24 and, as a result, its gross outstanding loans and advances constituted Birr 45.1 billion reflecting an increment of 13.6 percent over the preceding year's performance. A commendable performance was also seen in loan collection, where the Bank managed to collect Birr 12.4 billion, witnessing a 92 percent increment against the performance registered during the previous year. Total foreign currency generated during the year stood at USD 305 million, which grew by 27 percent against last year.

The other major achievement seen during the year was the financial performance. The Bank earned a total income of Birr 9.8 billion, which saw a 40 percent growth from preceding year's balance of Birr 6.9 billion whereas its total expenses stood at Birr 7.54 billion as at June 30, 2024 up by 31 percent year-on-year. To this effect, it registered a commendable performance of gross profit before tax of Birr 2.2 billion, reflecting an 86 percent growth over the preceding year's performance of Birr 1.2 billion. As a result, the rate on return on average asset (ROA) and return on average equity (ROE) for the fiscal year stood at 2.7 percent and 19.9 percent, respectively. Earnings per share (EPS) for the fiscal year 2023/24 was 36.89 percent, which showed a remarkable increment of 14.2 percentage points over the previous year.

As part of the Bank's effort to boost its customer base, the total deposit accounts of the Bank reached 3.6 million as at June 30, 2024, expanding by 37 percent year-on-year and with due compliance to the pertinent NBE directive. Likewise, aligned with the digital strategy of the Bank, efforts were made to ramp up the number of digital banking service users. Accordingly, the number of mobile banking subscribers stood at 2.7 million. Besides, the number of cards issued were 287,217 while internet banking subscribers reached 16,832 at the close of the reporting period. Number of Branches, ATM and POS outlets of the Bank stood at 436, 360 and 436 as at June 30, 2024 respectively.

The Bank also plays its role to the economy through creating employment opportunities. As of June 30, 2024, the number of employees of the Bank stood at 5,426, which grew by 7 percent compared to the preceding year. The Bank values the commitment of its employees and extends its recognition as it wouldn't be successful without them.

Various on-the-job and off-the-job technical and leadership trainings were delivered to enhance the capacity of technical and managerial employees on which 5, 348 employees underwent different trainings during the fiscal year under review.

Esteemed Shareholders,

With due consideration of the dynamic business environment, we have reviewed our strategic plan in tandem with emerging developments to sustain our success and continue providing efficient service to our stakeholders and seize all windows of opportunities available in the market. Various initiatives have been devised to enhance the Bank's competitiveness and market share.

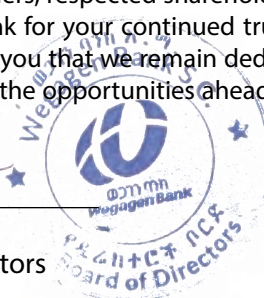
Our Bank has embraced digital excellence as one of its pillars of excellence in its strategic plan and devised initiatives aligned to it. As a result, it has launched a mobile banking application and commenced the issuance of international cards for abroad travelers envisaged to enhance customer experience. It has also introduced the uncollateralized digital lending product called "Efoyta" in collaboration with Kifya financial technology solution as part of its financial inclusion endeavor. Moreover, the Bank has commenced providing utility payment service through its digital platforms.

We believe that our success wouldn't have been materialized without the support of our stakeholders, particularly the society within which we are operating. As part of our obligation towards community development, we provided more than Birr 75 million in the fiscal year to discharge our Corporate Social Responsibility (CSR).

Finally, I would like to thank all esteemed customers, respected shareholders, Board Members, Management, employees and the entire community of the Bank for your continued trust and support on which our Bank counts on to grow. As we move forward, I assure you that we remain dedicated to our vision and values, and I encourage you to stay engaged as we navigate the opportunities ahead. Together, I believe we can achieve much more successes and scale new heights.

Thank you!

Mr. Abdishu Hussien
Chairman, Board of Directors



Wegagen Bank S.C

Sharia Advisory Committee (SAC)

Statement for the Fiscal Year Ended June 30, 2024

In accordance with the provisions outlined in the Interest-Free Banking Services section of the Bank's Corporate Governance Framework, as well as the standards set forth by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) regarding Sharia compliance, the Sharia Advisory Committee (SAC) of Wegagen Bank S.C. hereby feel honored to present its message to esteemed shareholders of Wegagen Bank S.C.

Wegagen Bank operates an extensive network of over 436 branches, providing a variety of IFB services in the areas of fund mobilization, fund utilization, and service-based products. Among the branches, some are designated as full-fledged IFB branches, while other branches offer IFB services through dedicated partitions and windows with the brand name "Wegagen Amanah", ensuring that customers have access to Sharia-compliant financial products across the Bank's extensive footprint.

As the Shariah Advisory Committee of the Bank, we have actively involved in delivering Sharia advice on various operational matters. These include addressing inquiries related to Sharia compliance that arise within the Bank's operations. We have taken a structured approach to its activities, meticulously planning meetings, preparing detailed agendas, and documenting discussions through comprehensive written minutes. This diligent recordkeeping ensures that all deliberations are officially captured and can be referred for future assessments and compliance checks.

In our commitment to uphold Sharia principles, we undertook a thorough review of various operational documents used by Wegagen Bank S.C. A detailed work plan was developed with the aim of assessing and certifying the Bank's products and services, including deposit and financing contracts. We followed this plan diligently, reviewing documents associated with each product offering as well as other related materials. This rigorous review process is crucial for ensuring that all banking activities align with Shari'ah principles.

Following a comprehensive analysis of relevant data for the year ending June 30, 2024, we affirm that Wegagen Bank S.C. has adhered to Shari'ah rules while offering Interest-Free financing options and retail services. This conclusion reflects the Bank's commitment to maintaining compliance with Islamic financial principles, thereby fostering trust among its stakeholders.

Finally, we would like to express our gratitude to the management, staff, and Board of Directors of the Bank for their unwavering cooperation and commitment to Shari'ah standards. Their combined efforts have been crucial in ensuring that Wegagen Bank not only complies with regulatory requirements but also achieves its goal of providing customers with financial services that are ethical and in accordance with Shari'ah.

Thank You!

Sheikh Ibrahim Dawud
Chairperson, SAC



Ustaz Mohammed ferej
Member, SAC



Sheikh Fethulbari Mohammednur
Member, SAC



Sharia Advisory Committee



Sheikh Ibrahim Dawud
Chairperson



Ustaz Mohammed Ferej
Member



Sheikh Fethulbari Mohammednur
Member

2,710,716
Mobile Banking
Subscribers



45.1 Billion
Outstanding Loans
& Advances



16,832
Internet Banking
Users



52.1 Billion
Total
Deposit



648,713
E-Float Account



360 ATM



3,638,749
Customer Base



436
POS



287,217
Card Holders



\$ 305 Million
Foreign Currency
Generation



4,784
Agents

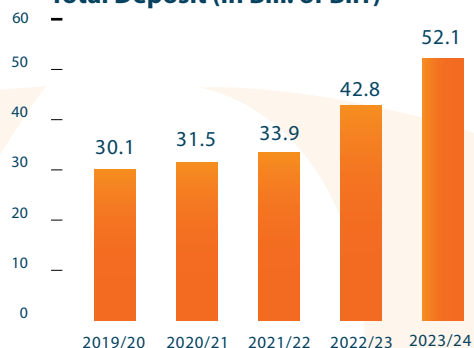
Wegagen in Numbers

436
Branches

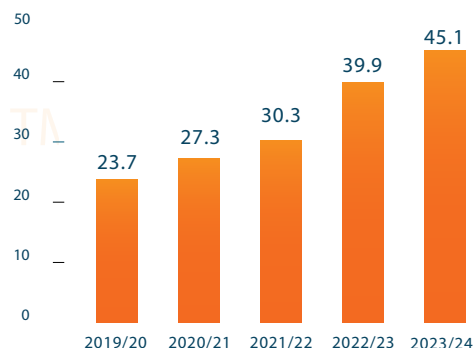


Performance Highlights

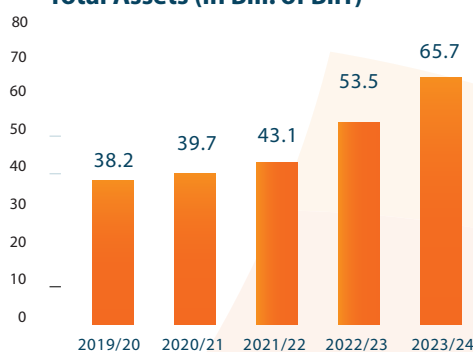
Total Deposit (in Bill. of Birr)



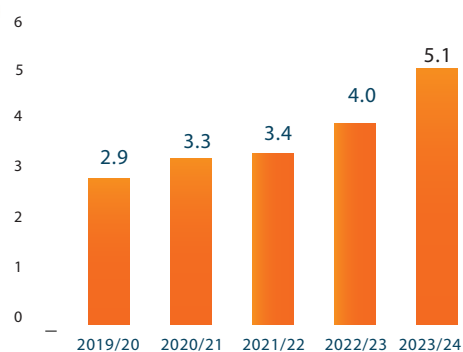
Loans & Advances (in Bill. of Birr)



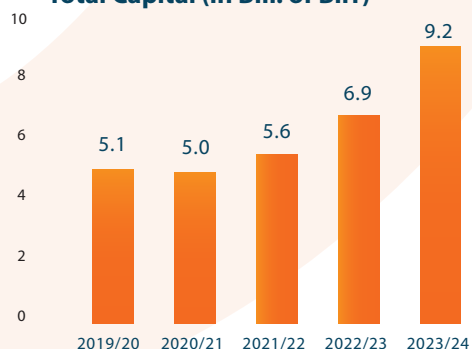
Total Assets (in Bill. of Birr)



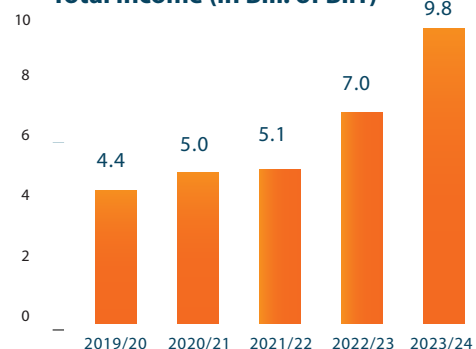
Paid-up Capital (in Bill. of Birr)

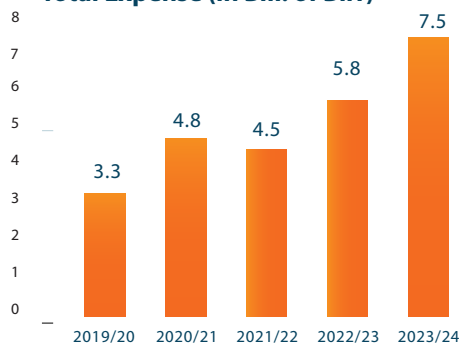
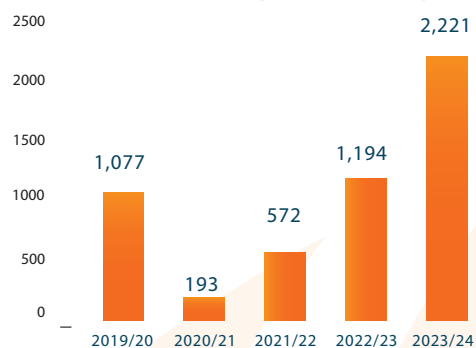
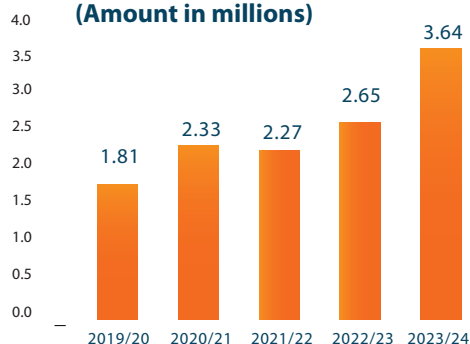
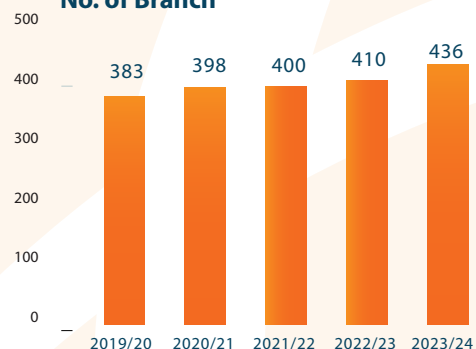
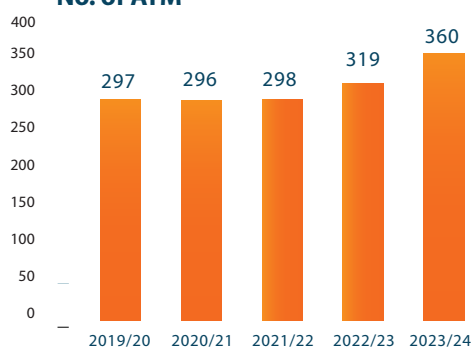
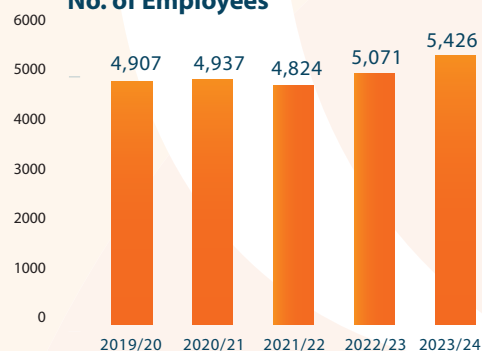


Total Capital (in Bill. of Birr)



Total Income (in Bill. of Birr)



Total Expense (in Bill. of Birr)**Profit before Tax (in Mill. of Birr)****Number of Deposit Account
(Amount in millions)****No. of Branch****No. of ATM****No. of Employees**

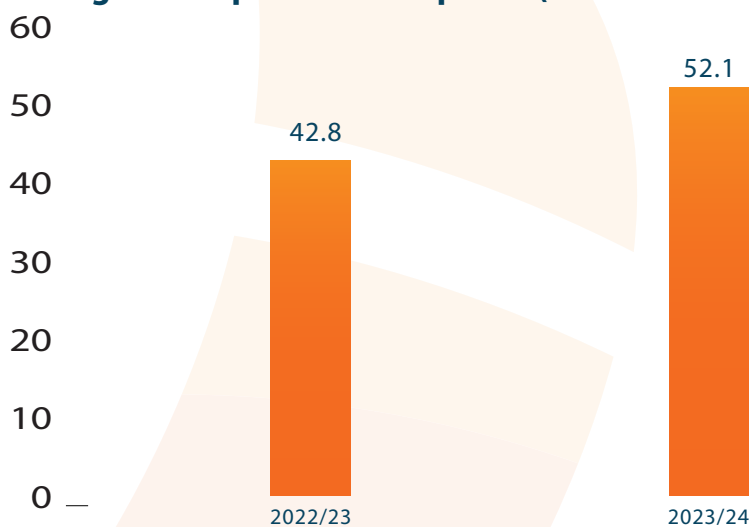
1. Operational Performance

1.1 Deposit Mobilization

Despite the challenges posed by adverse economic and business conditions, the Bank achieved a notable 22 percent increase in total deposits and reached Birr 52.1 billion as of June 30, 2024 by mobilizing a net deposit to the tune of Birr 9.3 billion during the fiscal year.

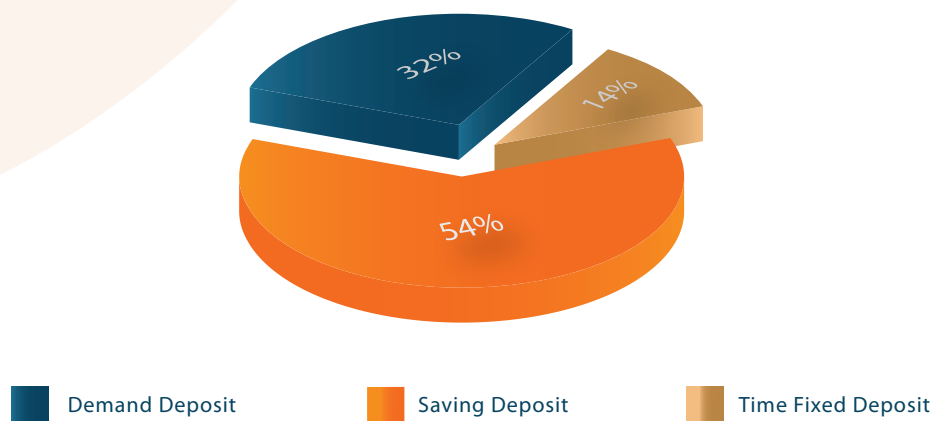
The growth is attributed to a broader array of products and services, enhanced engagement with the community, and profound partnerships and collaboration with a variety of stakeholders. These factors have collectively contributed to the Bank's success, enabling us to better meet and exceed the needs of our customers and strengthen our presence in the market.

Fig. 1. Comparison of Deposits (Billions of Birr)



Compared to the preceding year's deposit performance, all deposit types have experienced increment. The overall composition of deposits showed that savings deposits took the lion's share by representing 54% of the total deposit followed by demand deposit and fixed time deposit constituting 32% and 14% respectively.

Fig. 2: Structure of Total Deposit



1.2 Interest Free Banking Services (IFB)

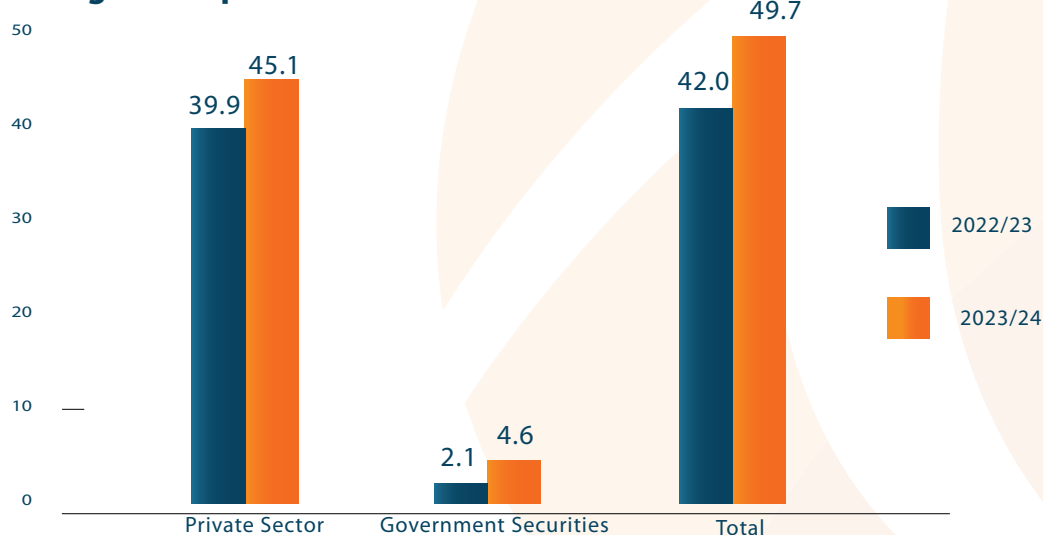
Apart from providing conventional banking services to our esteemed customers, we also provide interest free banking services. Accordingly, the total deposits from the Bank's interest-free banking services reached Birr 2.5 billion as of 30 June 2024 with 25.07% increase over the preceding year's balance of Birr 1.97 billion.

In terms of the composition, Wegagen Amanah deposits constituted 71 % of the total interest free banking deposit while IFB time deposits and Qard (demand) deposits constituted 9% and 20% respectively.

1.3 Loans and Advances

At the end of June 2024, the gross amount of loans and advances extended to various sectors of the economy reached Birr 45.1 billion, reflecting a growth by 13.6% compared to the preceding year's performance. This growth underscores the Bank's commitment to supporting economic development through strategic lending initiatives across diverse sectors. In addition to the increase in loans and advances, the Bank's stock of debt securities also demonstrated significant progress. By the end of the fiscal year 2023/24, the value of debt securities held by the Bank reached Birr 4.6 billion. This performance marks an increment of Birr 2.6 billion from the previous year's balance, highlighting the Bank's proactive approach to enhancing its investment portfolio and financial stability. These developments illustrate the Bank's ongoing efforts to strengthen its position in the market while contributing to broader economic growth.

Fig.3: Comparison of Loans Portfolio



All sectors of the economy have reaped the benefits of the loans and advances extended by the Bank. Notably, the import sector received the largest share, accounting for 24% of the total loans followed by domestic trade and service, which represented 18%, and the export sector at 17%. Construction sector took 16% of the loans, while Manufacturing accounted for 14%. Additionally, the transport service and other sectors comprised 8% and 3% respectively.

Financed Projects

Manufacturing



Construction



Manufacturing



Export



Import



Export

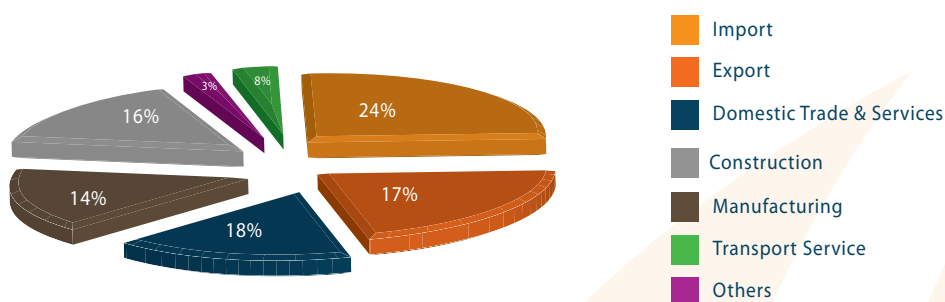


Import



These allocations demonstrate the Bank's commitment to supporting a diverse range of industries, thus facilitating economic growth and stability. By strategically directing funding to these various sectors, the Bank plays its vibrant role in enhancing overall economic activity and fostering development across the board.

Fig. 4 Composition of Loans Portfolio



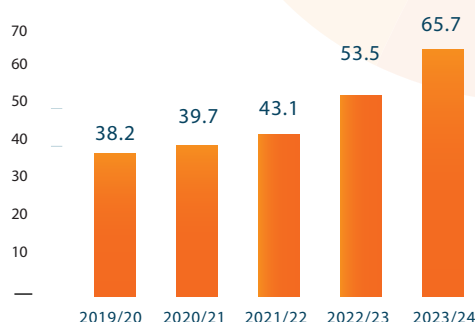
1.4 International Banking Operations

The Bank's total foreign currency (FCY) earnings for the fiscal year 2023/24 reached USD 305 million, representing a substantial increment of USD 65 million (27%), compared to the preceding year's FCY earnings of USD 241 million. This notable achievement is attributed to the Bank's strategic initiatives focused on attracting and retaining exporters, as well as diversifying sources of foreign currency. Despite facing a range of local and global challenges that have negative effect on international banking operations, the Bank has successfully navigated these difficulties, resulting in a robust recovery in performance. This resilience not only underscores the effectiveness of the Bank's strategic measures but also highlights its commitment to maintaining a strong position in the international financial landscape. Such results reinforce the Bank's role as a pivotal player in promoting economic stability and growth, further enhancing its reputation in the sector.

1.5 Asset Expansion

The Bank's total assets grew by 23% in the fiscal year 2023/24 to the tune of Birr 65.7 billion. Loans and advances constitutes the largest portion of the Bank's assets at 66 percent, followed by cash and bank balances at 20 percent. Investment securities account for 7.84 percent. Likewise, property, plant, and equipment combined represent 2.57 percent while the remaining 4 percent goes to other assets.

Fig.5: Total Assets (in Bill. of Birr)





SWIFT: WEGAETAA

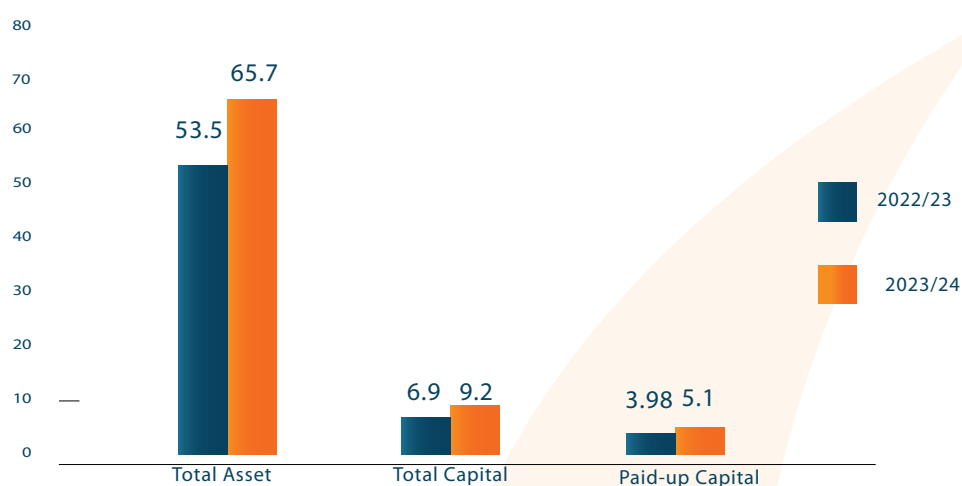
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1.6 Capital Growth

The Bank's total capital at the end of the fiscal year 2023/24 reached Birr 9.2 billion, a remarkable increase of 33% from the preceding year's same period performance of Birr 6.9 billion. Paid-up capital also grew by 27%, reaching Birr 5.1 billion against preceding year's paid up capital performance of Birr 3.98 billion. The strong capital growth relative to risk weighted assets led to a capital adequacy ratio (CAR) of 14.45 percent, exceeding the previous year's 13.46 percent and comfortably surpassing the NBE's minimum CAR requirement of 8 percent.

Fig.6: Comparison of Assets, Capital & Paid-up Capital

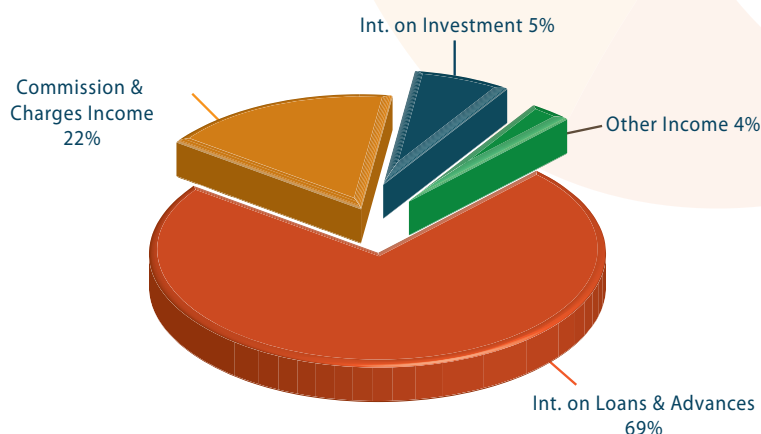


2. Financial Performance

2.1 Total Income

The Bank's total revenue for the fiscal year 2023/24 stood at Birr 9.8 billion, a significant increase from the preceding year's performance of Birr 7 billion. The achievement represents a growth of Birr 2.8 billion (40 percent). In terms of income composition, interest on loans and advances accounted for 69% of total revenue, followed by commissions and charges (22%). Likewise, Interest on investments represents 5%, while other income constitutes 4% of the total income.

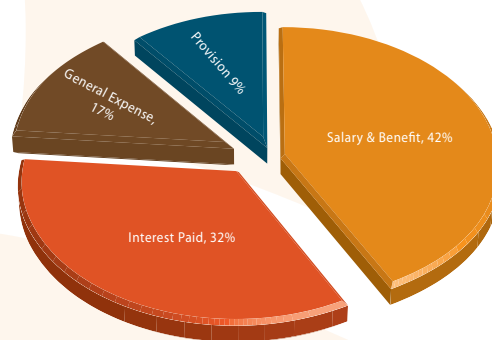
Fig.7: Composition of Total Income



2.2 Total Expense

During the fiscal year 2023/24, the Bank's total expenses amounted to Birr 7.5 billion, a 31% increase from the preceding year's total expense of Birr 5.8 billion. All expense categories experienced increment compared to last year. Composition wise, Employee salaries and benefits account for the majority of total expenses (42 percent) followed by Interest expense with 32% while General expenses and Provision expenses hold 17 percent and 9 percent, respectively.

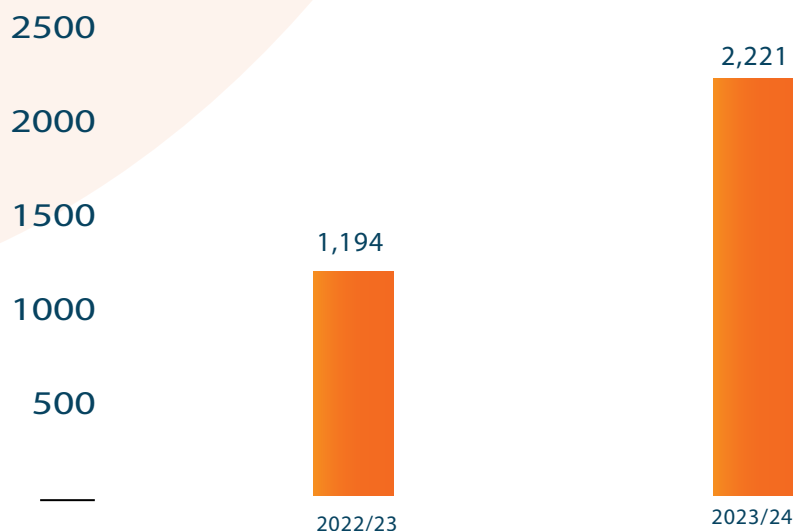
Fig. 8 Composition of the Total Expense



2.3 Profit before Tax

During the fiscal year 2023/24, the Bank registered its record high profit before tax of Birr 2.2 billion amidst global and local economic challenges. It surged by 86 % compared to the preceding year's profit before tax of Birr 1.2 billion. The Bank's profit translates to earning per share of Birr 368.9 per 1,000 par value during the period under review.

Fig.9: Comparison of Profit Before Tax (In Millions of Birr)



3. Customer Base Expansion

Throughout the fiscal year 2023/24, the Bank's branch outlets with the support provided by respective district offices have exerted relentless effort to increase the customer base of the Bank in alignment with the strategic objective of the Bank. Thus, during the fiscal year under review, the Bank managed to open 990,570 new deposit accounts with 37 percent increment against the performance registered during the preceding year. As a result, the total number of deposit accounts at the Bank reached 3,638,749 as at June 30, 2024. The Bank's digital channel customer expansion performance has also witnessed better achievements. Accordingly, the performances of E-float accounts, mobile banking, and Internet banking subscribers have increased by 36 %, 34%, and 26% to reach 648,713; 2,710,716; and 16,832 respectively. Moreover, the number of agents of the Bank reached 4,784 with 31% growth over the preceding year's performance.

4. Accessibility

During the fiscal year 2023/24, the Bank successfully opened twenty six new branches throughout the country to reach customers financial needs. As a result, the number of branches of the Bank stood at 436 as of June 30, 2024. Likewise, the total number of ATMs and POS machines reached 360 and 436 respectively, during the reporting period.

5. Human Capital

At the heart of our continued success are our human capital, who are the source of our sustainable competitive advantage. The Bank follows an airport check recruitment approach in order to assign the right person at the right place on the basis of demonstrated competencies. Once employees join the Bank, they are required to undergo a socialization program to enable them to adapt to the Bank's strategy, policies, procedures, work rules and the likes. Moreover, the Bank prioritizes employee development from the moment they join throughout their career.

The number of employees of the Bank, excluding those assigned on outsourced facilities, reached 5,426 as of June 30, 2024 reflecting a 7% increase from the preceding year's total of 5,071. In terms of gender composition, 3,410 employees (63%) were male while 2,016 (37%) were female. Concerning the classification in their position, the number of employees assigned on managerial position represents 9.8% (530) of the total employees, those assigned on professional and clerical position constitute 61.1% (3,314) and 0.5 % (26), respectively. Likewise, employees in non-clerical positions constitute 28% (1,526) of the total workforce while 30 employees were assigned on contractual terms.

To foster ongoing growth, the Bank has maintained its commitment to staff development through various training programs, both locally and abroad. To this effect, different technical, developmental, and leadership trainings were provided to 5,348 employees during FY 2023/24.



**Women Empowerment and Leadership
Training Held in Turkiye**

6. Risk Management and Compliance

The Bank's risk management and compliance helps the Bank to maintain its financial stability by identifying, assessing, and mitigating potential risks that could lead to significant losses. A robust corporate risk management systems has become paramount to maintain competitiveness. Thus, the Bank has attended to risk management and compliance reports on regular basis and has taken remedial actions deemed to mitigate the identified risks. A risk register guideline has been developed, approved and communicated to all concerned stakeholders to enable the Bank to foster a proactive risk management culture across the Bank, ensuring that all functional units and operations are equipped to effectively identify, assess, and mitigate potential risks.

The Bank's Risk Management and Compliance function provided the Board of Directors and the Management with valuable insights that inform strategic decision-making, allowing the Bank to identify opportunities and avoid potential pitfalls. Furthermore, by ensuring adherence to national and international laws and standards, the Bank mitigated the risk of non-compliance and maintained operational integrity during the reviewed period. The Bank's robust risk management practice has enabled the Board of Directors to effectively monitor risk management practices, considering its risk appetite, regulatory requirements, and strategic goals.

7. Internal Audit

During the reporting period, the internal audit function of the Bank has evaluated the effectiveness of the entire risk management processes. It has also assessed the effectiveness of internal controls, ensuring that policies and procedures are followed to safeguard assets. Moreover, it analyzed operational processes to identify inefficiencies and recommended improvements that enable the Bank enhance its overall productivity and effectiveness. In its role to provide independent and objective assurance, the internal audit function has provided independent reports to the Bank's Management and Board of Directors, highlighting findings, risks, and recommendations for improvement. On the other hand, unplanned audit activities have been conducted through special audit engagements on fraud cases reported to the unit. Accordingly, it conducted a follow up on management's implementation of recommendations to ensure that corrective actions are taken.

8. Digital Banking Services

The Bank has identified and set digital excellence as one of its thematic areas in its strategic plan. Various initiatives were undertaken during the period under review among which the following are worth mentioning. Among others, the Bank has:

- launched a mobile banking application with the objective of providing convenient access to services via online platforms, allowing customers to conduct transactions anytime, anywhere; Digital banking allows the Bank to reach a broader customer base, including underserved populations in remote areas, through online services rather than relying solely on physical locations;
- implemented uncollateralized digital lending services to provide digital banking products under the platform called "Efoyta" in collaboration with Kifya Financial Technology Solution. The platform enabled the Bank to develop and offer innovative financial products; and
- commenced utility service delivery using digital platform.

In general, the digital banking services of the Bank are intended to enhance customer experience, streamline operations, and improve service delivery.



**Wegagen International Prepaid Visa Card
Launching Ceremony in Mekelle**



**Dire Dawa City Mayor, Honorable Ato. Kedir Juhar,
Addressing the Audience During the Inaguration of
Wegagen Mobile App**



Donation to Dire Dawa Based Philanthropic Organizations

9. Own Building

Our headquarters building allows us for centralized management and coordination of operations. As it is a well-designed building and located at visible center of the city where various religious and cultural ceremonies are conducted, it has enhanced our brand image and identity.

As part of the Bank's endeavor to possess its own building to coordinate its operation in different cities and towns, budget has been allotted among which the construction project of regional office at Mekelle is worth mentioning.

10. Corporate Social Responsibility (CSR)

We are committed to the ethical business practice and environmental responsibility and engage in activities that benefit communities in the form of donations and sponsorships that add value for the community development and support local initiatives. The Bank recognizes the society within which it operates as they are the source of its successes. Allowing the society to benefit from the Bank's success is critical in terms of fostering trust and belongingness. Accordingly, the Bank donated more than Birr 75 million to different segments of the society during the fiscal year 2023/24 and the practice of doing so will continue to discharge its corporate social responsibility.

11. Environmental, Social, and Governance (ESG)

Wegagen Bank has embraced Environmental, Social, and Governance (ESG) framework into its system and introduced a function entrusted to handle duties related to ESG in its organizational structure to further strengthen its commitment to green financing.

12. Moving Ahead

The macroeconomic environment of the country is highly dynamic and characterized by the introduction of different policies such as the foreign exchange policy, monetary policy, and fiscal policy. To positively respond to policy initiatives and comply with subsequent directives issued in tandem with policy frameworks, the Bank will revise its policies, procedures, and structure in the coming year. Likewise, the Bank strives towards tapping all available opportunities in the capital market ecosystem.

Upgrading of the existing core banking solution in line with operational and technical requirements will be the major assignment to be handled in the next fiscal year. Enhancing the capacity of management and employees will be given attention. Resource mobilization of both local and foreign currency, maintaining asset quality through aggressive loan collection and in depth credit analysis, optimal utilization of resources and soliciting all sources of revenue will be given attention in a manner that ensures the growth of the Bank and subsequent value maximization of our esteemed shareholders.



AUDITOR'S REPORT 2023/24

Wegagen Bank S.C

Annual Financial Statement

For the Year Ended 30 June 2024

Directors, Executive Management, Auditor and Principal Correspondent Banks

Board of Directors

Name	Title	Date Appointed
Mr. Abdishu Hussien	Chairman	April 19,2024
Mr. Woldegebriel Naizghi	Vice Chairman	April 19,2024
Mr. Gebregzabher Hadush	Member	April 19,2024
Mr. Surafel Berhe	Member	April 19,2024
Mr. Fikru Jiregna	Member	April 19,2024
Mr. Hassen Yesuf	Member	April 19,2024
Mr. Zenfu Asefaw	Member	April 19,2024
Mr. Fithanegest Gebru	Member	April 19,2024
Mr. Alemseged Assefa	Member	April 19,2024
Mr. Tesfatsion Desta	Member	April 19,2024

Executive Management

Name	Title	Date Appointed
Aklilu Wubet (PhD)	Chief Executive Officer	January 11,2022
Mr. Yehwalashet Zewdu	Deputy Chief Executive Officer - Enterprise Services	August 5, 2023
Mr. Solomon Tesfaye	Deputy Chief Executive Officer - Technologies	August 5, 2023
Mr. Kidane G/Sellassie	Deputy Chief Executive Officer - Operations	August 5, 2023
Mr. Debela Merga	Chief Risk and Compliance Officer	November 17, 2021
Mr. Negasi G/Aregawi	Chief Internal Auditor	April 11, 2022

Independent Auditor

Tafesse, Shisema and Ayalew Audit Service Partnership (TMS Plus)
Chartered Certified Accountants and Authorized Auditors
Telephone: +251-930034356 Email: tmsplus@ethionet.et tafessef@hotmail.com
Addis Ababa,Ethiopia

Company Secretary

Mr. Haddush Hintsay Atsmu

Principal Correspondent Banks

Citi Bank
Commerz Bank
CAC International Bank
Mashreq Bank
Exim Bank
UniCredit Bank
African Export Import Bank
United Overseas Bank
Natixis Bank
Standard Chartered Bank



Wegagen Bank S.C

Annual Financial Statement

For the Year Ended 30 June 2024

Report of the Directors

The directors submit their report together with the financial statements for the year ended 30 June 2024, to the members of Wegagen Bank ("Wegagen" or the Bank"). This report discloses the financial performance and state of affairs of the Bank.

Incorporation and address

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, 2024, the paid up capital of the Bank reached Birr 5.06 Billion. As at June 30, 2024, the Bank has 11,883 shareholders and a network of 436 branches.

Principal activities

The mandate of the Bank is to provide efficient and effective full-fledged commercial banking services by utilizing qualified, honest and motivated staff and state-of-the-art technology and thereby optimize shareholders interest.

Results and dividends

The Bank's results for the year ended 30 June 2024 are set out on page 40. The profit for the year has been transferred to retained earnings. The summarized results are presented below.

	30 June 2024 Birr'000	30 June 2023 Birr'000
Net Interest Income	4,800,825	3,455,998
Net operating income	6,703,773	4,402,381
Profit before tax	2,220,847	1,194,107
Tax charge	(617,646)	(370,284)
Profit for the year	1,603,201	823,823
Other comprehensive income net of taxes	76,729	81,809
Total comprehensive income for the year	1,679,929	905,632
Earnings Per Share	36.89%	22.70%

Mr. Abdishu Hussien
Chairman, Board of Directors



Wegagen Bank S.C

Annual Financial Statement

For the Year Ended 30 June 2024

Statement of Directors' Responsibilities

In accordance with the Financial Reporting Proclamation No. 847/2014 the Accounting and Auditing Board of Ethiopia (AABE) may direct the Bank to prepare financial statements in accordance with International Financial Reporting Standards, whether their designation changes or they are replaced, from time to time.

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

- a) Exhibit clearly and correctly the state of its affairs;
- b) Explain its transactions and financial position; and
- c) Enable the National Bank to determine whether the Bank had complied with the provisions of the banking business proclamation and regulations and directives issued for the implementation of the aforementioned proclamation.

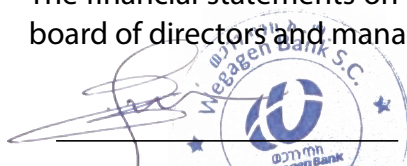
The Directors accepts responsibility for the annual financial statement, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards, Banking Business Proclamation, Commercial code of 2013 E.C and the relevant Directives issued by the National Bank of Ethiopia.

The Directors are the opinion that the financial statements give a true and fair view of the state of the financial affairs of the company and of its profit or loss.

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

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

The financial statements on pages 40 to 43 were approved and authorized for issue by the board of directors and management on October 03, 2024 and signed on their behalf by:


Mr. Abdishu Hussien
Chairman, Board of Directors




Aklilu Wubet (PhD)
Chief Executive Officer

Wegagen Bank S.C

Independent Auditor's Report on The Accounts of Wegagen Bank Share Company

Report on the Audit of the Financial Statement

OPINION

We have audited the financial statements of Wegagen Bank Share Company specified on page 40-141, which comprise the statement of financial position as at 30 June 2024, the statement profit or loss and other comprehensive income, statement of cash flows and statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 30 June 2024, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Ethiopian Code of Ethics for Professional Accountants, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

As described in notes 15a and 15b to the financial statements, the impairment losses have been determined in accordance with IFRS 9 Financial Instruments. This was considered a key audit matter as IFRS 9 is a complex accounting standard which requires significant judgment to determine the impairment losses.

IFRS 13 - fair value measurement requires entities to measure fair value using observable inputs whenever possible, and unobservable inputs only when observable inputs are not available. In the case of the Bank's investment in other entities, the Bank has determined that there are no observable inputs available to measure fair value. Therefore, the Bank has used a valuation model that incorporates unobservable inputs, such as the discount rate and future cash flows.

The use of unobservable inputs in the valuation model poses a risk of material misstatement, as the Bank's judgment in determining these inputs could be biased or inaccurate. We have identified this as a key audit matter because of the following factors:



Wegagen Bank S.C

- The Bank's investment in other entities is significant, is material to the financial statements.
- The valuation of the investment is complex and requires the use of a number of unobservable inputs.

To address this key audit matter, we have performed the following audit procedures:

- We assessed the Bank's valuation methodology and evaluated the reasonableness of the key assumptions used in the valuation model.
- We compared the Bank's valuation results to those of independent market participants.

Based on our audit procedures, we believe that the Bank's valuation of its investment in other entities is reasonable and in accordance with IFRS 13. However, we recommend that the Bank consider the following actions to mitigate the risk of material misstatement in the future:

- Consider using a valuation methodology that incorporates more observable inputs.
- Regularly monitor the performance of the investment and update the valuation model as needed.

Responsibilities of Directors for the Financial Statements

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRSs), and for such internal control as Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so. The Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

Report on other Legal and Regulatory requirement

We have no comment to make on the report of your Board of Directors so far as it relates to these financial statements in accordance with the Commercial Code of Ethiopia of 2021 (Proclamation No-1243/2021), recommend approval of the financial statements. In addition, we have no objection on the amount of dividend proposed by the directors and hence in accordance with article 349 (3) of the commercial code of Ethiopia of 2021 recommended approval of the proposed dividend distribution.

Tafesse, Shisema and Ayalew Certified Audit Partnership
Chartered Certified Accountants (UK)
Authorized Auditors (ETH)



Taf. shi. ay



Addis Ababa, Ethiopia
4 October 2024

Wegagen Bank S.C

Annual Financial Statement

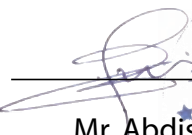
For the Year Ended 30 June 2024

Statement of Profit or Loss and Other Comprehensive Income

	Notes	30 June 2024 Birr'000	30 June 2023 Birr'000
Interest income	5	7,179,283	5,423,034
Interest expense	6	(2,378,457)	(1,967,036)
Net interest income		4,800,825	3,455,998
Net fees and commission income	7	2,146,327	1,373,547
Net Trading Income		6,947,152	4,829,546
Other operating income	8	436,736	166,496
Loan impairment charge	9	(269,292)	(265,197)
Impairment losses on other assets	10	(410,823)	(328,464)
Net operating income		6,703,773	4,402,381
Salaries and benefits	11	(3,204,716)	(2,441,020)
Amortization of intangible assets	19	(34,061)	(30,606)
Depreciation of property, plant and equipment	20	(176,525)	(145,387)
Depreciation of right-of-use asset	20a	(352,663)	(192,094)
Other operating expenses	12	(710,061)	(395,831)
Audit fees		(906)	(829)
Directors' related expenses	30b	(3,994)	(2,508)
Total Operating Expenses		(4,482,925)	(3,208,274)
Profit before tax		2,220,847	1,194,107
Income tax expense	13a	(617,646)	(370,284)
Profit after tax		1,603,201	823,823
Other Comprehensive Income (OCI) net of tax			
Remeasurement loss on retirement benefits	24b	9,080	(33,717)
Fair value gain of Equity Investments	28c	67,649	115,526
Total Other comprehensive Income (net of tax)		76,729	81,809
Total comprehensive income for the period		1,679,929	905,632
Basic & diluted earnings Per Share	26	36.89%	22.70%

The accompanying notes are an integral part of these financial statements

The financial statements were approved and authorized for issue by the directors and management on October 3, 2024 and signed on their behalf by:


Mr. Abdishu Hussien
Chairman, Board of Directors




Aklilu Wubet (PhD)
Chief Executive Officer

Wegagen Bank S.C

Annual Financial Statement

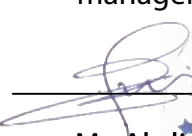
For the Year Ended 30 June 2024

Statement of Financial Position as at June 30, 2024

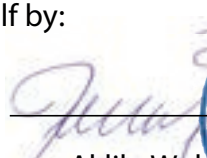
	Notes	30 June 2024 Birr'000	30 June 2023 Birr'000
Assets			
Cash and bank balances	14	13,123,499	9,059,264
Loans and advances to customers	15a	43,300,410	38,293,614
Investment securities:			
- Equity Investments at FVOCI	16a	540,695	312,517
- Debt Securities at Amortized Cost	16b	4,613,155	2,061,789
Other assets	17	1,742,250	1,443,257
Investment property	18	2,585	559
Intangible assets	19	48,068	48,818
Property, Plant and Equipment	20	1,687,442	1,533,163
Right-of-Use Asset	20a	675,445	732,885
Total assets		65,733,550	53,485,867
Liabilities			
Deposit from customers	21	48,417,951	39,894,209
Deposit from financial institutions	22	3,706,774	2,899,464
Current tax liabilities	13c	641,203	354,776
Other liabilities	23	3,368,216	3,086,990
Employee benefit obligations	24	288,457	249,379
Deferred tax liabilities	13d	103,498	94,521
Total liabilities		56,526,098	46,579,340
Equity			
Share capital	25	5,058,890	3,982,139
Share premium	25	74,917	57,736
Retained earnings	27	1,246,781	472,937
Legal reserve	28a	2,191,622	1,790,822
Regulatory Risk Reserve	28b	507,882	552,262
Other Reserve	28c	127,360	50,631
Total equity		9,207,451	6,906,527
Total equity and liabilities		65,733,550	53,485,867

The accompanying notes are an integral part of these financial statements

The financial statements were approved and authorized for issue by the directors and management on October 3, 2024 and signed on their behalf by:


Mr. Abdishu Hussien
Chairman, Board of Directors




Aklilu Wubet (PhD)
Chief Executive Officer

Wegagen Bank S.C

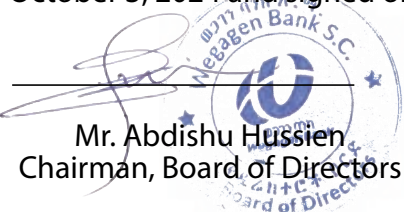
Annual Financial Statement

For the Year Ended 30 June 2024

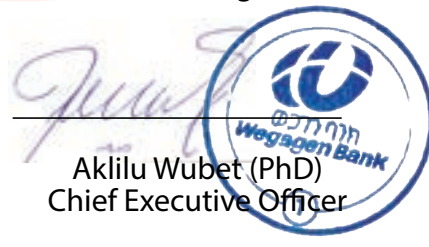
Statement of Changes in Owners Equity

	Share capital Birr'000	Share premium Birr'000	Retained earnings Birr'000	Legal reserve Birr'000	Regulatory Risk Reserve Birr'000	Other Reserve Birr'000	Total Birr'000
As at 1 July 2022	3,391,294	42,788	223,398	1,584,865	402,896	(31,178)	5,614,063
Dividend declared			(223,398)				(223,398)
New shares issued	590,845	14,948					605,793
Fair value gain of Equity investments (net of tax)						115,526	115,526
Profit for the year			823,823				823,823
Remeasurement of Defined Benefit plans (net of tax)						(33,717)	(33,717)
Prior period tax adjustment			4,436				4,436
Transfer to legal reserve			(205,956)	205,956			-
Transfer to Regulatory Risk Reserve			(149,366)		149,366		-
As at 30 June 2023	3,982,139	57,736	472,937	1,790,822	552,262	50,631	6,906,527
Dividend declared			(472,937)				(472,937)
New shares issued	1,076,751	17,181					1,093,932
Fair value gain of Equity investments (net of tax)						67,649	67,649
Profit for the year			1,603,201				1,603,201
Re-measurement of Defined Benefit plans (net of tax)						9,080	9,080
Transfer to legal reserve			(400,800)	400,800			-
Transfer to Regulatory Risk Reserve			44,380		(44,380)		-
As at 30 June 2024	5,058,890	74,917	1,246,781	2,191,622	507,882	127,360	9,207,451

The accompanying notes are an integral part of these financial statements, The financial statements were approved and authorized for issue by the directors and management on October 3, 2024 and signed on their behalf by:


Mr. Abdishu Hussien
Chairman, Board of Directors




Aklilu Wubet (PhD)
Chief Executive Officer

Wegagen Bank S.C

Annual Financial Statement

For the Year Ended 30 June 2024

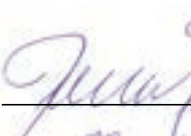
Statement of Cash flows

	Notes	30 June 2024 Birr'000	30 June 2023 Birr'000
Cash flows from operating activities			
Cash generated from operations	29	7,197,323	664,703
Income tax paid	13c	(355,126)	(30,862)
Net cash (outflow)/inflow from operating activities		6,842,197	633,841
Cash flows from investing activities			
Purchase of investment securities	16	(131,536)	(31,396)
Purchase of intangible assets	19	(33,311)	(20,877)
Purchase of property, plant and equipment	20	(340,608)	(237,478)
Payment for asset use right acquisitions	20a	(357,782)	(246,260)
Proceeds from matured debt securities	16b	(2,551,365)	(1,789,436)
Proceeds from sale of PPEs		12,745	13,922
Net cash (outflow)/inflow from investing activities		(3,401,857)	(2,311,525)
Cash flows from financing activities			
Share premium collected	25	17,181	14,948
New shares issued	25	1,076,751	590,845
Dividend paid	27	(472,937)	(223,398)
Net cash (outflow)/inflow from financing activities		620,995	382,395
Net increase/(decrease) in Cash and bank balances		4,061,334	(1,295,289)
Cash and bank balances at the beg. of the year	14	9,059,264	10,322,284
Effect of exchange rate movement on Cash and bank balances		2,901	32,269
Cash and bank balances at the end of the year		13,123,499	9,059,264

The accompanying notes are an integral part of these financial statements
The financial statements were approved and authorized for issue by the directors and management on October 3, 2024 and signed on their behalf by:


Mr. Abdishu Hussien
Chairman, Board of Directors




Aklilu Wubet (PhD)
Chief Executive Officer



Staff Football Competition in Addis Ababa

Wegagen Bank S.C Annual Financial Statement

For the Year Ended 30 June 2024

1. General information

Wegagen Bank Share Company is a private commercial Bank that was established in June 1997 in accordance with the provisions of the Commercial code of Ethiopia of 1960 (which was latter replaced by Commercial code of Ethiopia of 1243/2021) and the Licensing and Supervision of Banking Business Proclamation No. 84/1994 (as amended by 592/2008). As at June 30, 2024, the paid up capital of the Bank reached Birr 5.06 billion contributed by 11,883 shareholders.

The Bank's registered office is at Kirkos sub city, Wereda 10, in front of National Stadium, in Addis Ababa, Ethiopia. Besides, it operates in all the twelve regions and two city administrations of Ethiopia by opening 436 branches.

The Bank is principally engaged in the provision of diverse range of financial services ranging from accepting deposits from the public and lending to a wide range of sectors that mainly includes manufacturing, import, export, construction, domestic trade and transport areas.

It also performs trade services activities to facilitate the import and export process of the Country. Moreover, it facilitates local and international remittance activities through various partners. Last but not least, the Bank reaches its customers through various electronic banking channels like ATM, internet banking, mobile banking and agency banking platforms.

2. Summary of Significant Accounting Policies

2.1 Introduction to summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.



Wegagen Bank S.C

Annual Financial Statement

For the Year Ended 30 June 2024

2.2 Basis of preparation

The financial statements for the year ended 30 June 2024 have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The financial statements comprise the statement of profit or loss and other comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and the notes to the financial statements.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates, assumptions and management judgment in applying the Bank's accounting policies. Changes in estimates and assumptions may have a significant impact on the financial statements in the period the assumptions changed. Management believes that the underlying estimates and assumptions are appropriate and that the Bank's financial statements therefore present the financial position and results fairly. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

2.2.1 Going Concern

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

2.2.2 Changes in accounting policies and disclosures

The Bank has consistently applied the accounting policies to all periods presented in these financial statements. The below are amendments to standards that are effective for annual periods beginning after 1 January 2024, and have not been applied in preparing these financial statements.



Wegagen Bank S.C

Annual Financial Statement

For the Year Ended 30 June 2024

Standard	Description	Effective date	Impact
Amendments to IAS 7 and IFRS 7 on Supplier finance arrangements	Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures. It addressing the presentation of liabilities and the associated cash flows arising out of supplier finance arrangements, as well as disclosures required for such arrangements.	The amendments will be effective for annual reporting periods beginning on or after 1st January 2024, with early application permitted	Do not have significant impact on the banks's financial results or position
Amendment to IFRS 16 – Leases on sale and leaseback	The amendment to IFRS 16 Leases specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.	Annual periods beginning on or after 1 January 2024	Do not have significant impact on the banks's financial results or position
Amendment to IAS 1 – Non-current liabilities with covenants	These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.	Annual periods beginning on or after 1 January 2024.	Do not have significant impact on the banks's financial results or position
Amendments to IAS 21 - Lack of Exchangeability	An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.	Applicable to annual reporting periods beginning on or after 1 January 2025	The Bank opted to apply the amendments when due.



Wegagen Bank S.C

Annual Financial Statement

For the Year Ended 30 June 2024

Standard	Description	Effective date	Impact
IFRS 19 Subsidiaries without Public Accountability: Disclosures	This new standard works alongside other IFRS Accounting Standards. An eligible subsidiary applies the requirements in other IFRS Accounting Standards except for the disclosure requirements and instead applies the reduced disclosure requirements in IFRS 19. IFRS 19's reduced disclosure requirements balance the information needs of the users of eligible subsidiaries' financial statements with cost savings for preparers. IFRS 19 is a voluntary standard for eligible subsidiaries. A subsidiary is eligible if: it does not have public accountability; and it has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.	The amendment is effective from annual reporting periods beginning on or after 1 January 2027	The Bank opted to apply the amendments when due.
IFRS 18 Presentation and Disclosure in Financial Statements	This is the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to: the structure of the statement of profit or loss; required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.	Effective for annual reporting periods beginning on or after 1 January 2027.	The bank shall apply the amendment when due. The amendments are expected to have an impact on the bank's financial statements.



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Standard	Description	Effective date	Impact
Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments	These amendments clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system; clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion; add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).	Effective for annual reporting periods beginning on or after 1 January 2026.	The Bank opted to apply the amendments when due.



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2.3 Foreign currency translation

a. Functional and presentation currency

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

b. Transactions and Balances

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

2.4 Recognition of income and expenses

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

The Bank, earns income from interest on loans and commission and service charges from the various services it provides to customers. The Bank's main expenses includes the interest it paid to deposits from customers, the impairment allowance for loans and the operating expenses it incurs to run the day to day operations of the Bank.



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2.4.1 Net Interest Income

2.4.1.1. Policy applicable

a. Effective interest rate and amortized cost

"Interest income and expense are recognized in profit or loss using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset; or the amortized cost of the financial liability.

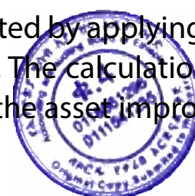
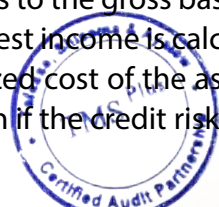
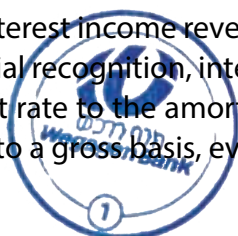
When calculating the effective interest rate for financial instruments other than credit-impaired assets, the Bank estimates future cash flows considering all contractual terms of the financial instrument, but not expected credit losses. For credit-impaired financial assets, a credit-adjusted effective interest rate is calculated using estimated future cash flows including expected credit losses. The calculation of the effective interest rate includes transaction costs and fees and points paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

b. Amortized cost and gross carrying amount

The 'amortized cost' of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any expected credit loss allowance. The 'gross carrying amount of a financial asset' is the amortized cost of a financial asset before adjusting for any expected credit loss allowance.

c. Calculation of interest income and expense

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortized cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis. For financial assets that were credit-impaired on initial recognition, interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of the asset. The calculation of interest income does not revert to a gross basis, even if the credit risk of the asset improves.



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d. Presentation

Interest income and expense presented in the statement of profit or loss and OCI include

- interest on financial assets and financial liabilities measured at amortized cost calculated on an effective interest basis;
- interest on debt instruments measured at FVTPL calculated on an effective interest basis;

Interest income and expense on all trading assets and liabilities are considered to be incidental to the Bank's trading operations and are presented together with all other changes in the fair value of trading assets and liabilities in net trading income. Interest income and expense on other financial assets and financial liabilities at FVTPL are presented in net income from other financial instruments at FVTPL.

2.4.2 Fees and commission

Fees and commission income and expenses that are integral to the effective interest rate on a financial asset or liability are included in the measurement of the effective interest rate. Other fees and commission income (for example commission on drafts, cash payment order (CPO), letter of credit (LC), letter of guarantee, etc) are recognised as the related services are performed.

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

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

2.4.3 Dividend income

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



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2.4.4 Foreign exchange revaluation gains or losses

These are gains and losses arising on settlement and translation of monetary assets and liabilities denominated in foreign currencies at the functional currency's spot rate of exchange at the reporting date. The monetary assets and liabilities include financial assets within the foreign currencies deposits received and held on behalf of third parties etc.

2.4.5 Other income and expense

Other expenses are recognized when they are incurred by the Bank and other revenues recognized when they are earned which usually occurs simultaneously with cash collection.

2.5 Financial instruments

a. Recognition and initial measurement

The Bank shall initially recognize loans and advances, deposits, debt securities issued and subordinated liabilities on the date on which they are originated. All other financial instruments (including regular-way purchases and sales of financial assets) shall be recognized on the trade date, which is the date on which the Bank becomes a party to the contractual provisions of the instrument. A financial asset or financial liability shall be measured initially at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

b. Classification and subsequent measurement

Financial assets- on initial recognition, a financial asset shall be classified either as measured at either amortized cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL).

The Bank shall measure a financial asset at amortized cost if it meets both of the following conditions and is not designated at FVTPL:

- the asset is held within a business model whose objective is to hold it to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI).

A debt instrument shall be measured at FVOCI only if it meets both of the following conditions and is not designated at FVTPL:



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- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI.

On initial recognition, an equity investment that is held for trading shall be classified at FVTPL. However, for equity investment that is not held for trading, the Bank may irrevocably elect to present subsequent changes in fair value in other comprehensive income (OCI). This election is made on an investment-by-investment basis.

All other financial assets that do not meet the classification criteria at amortized cost or FVOCI, above, shall be classified as measured at FVTPL.

In addition, on initial recognition, the Bank may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Business model assessment- The Bank shall make an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realizing cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Bank's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and its strategy for how those risks are managed;
- How managers of the business are compensated (e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected); and
- The frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Bank's stated objective for managing the financial assets is achieved and how cash flows are realized.



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Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis shall be measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

Financial assets shall not be reclassified subsequent to their initial recognition, except in the period after the Bank changes its business model for managing financial assets.

Assessment of whether contractual cash flows are solely payments of principal and interest (SPPI)

For the purposes of this assessment, 'principal' shall be defined as the fair value of the financial asset on initial recognition. 'Interest' shall be defined as the consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are SPPI, the Bank considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Bank considers:

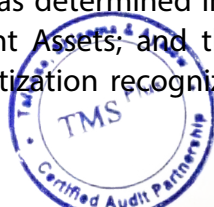
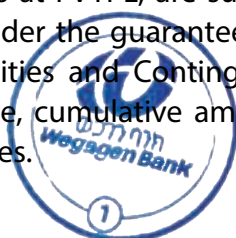
- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Bank's claim to cash flows from specified assets (e.g. non-recourse loans); and
- features that modify consideration of the time value of money (e.g. periodical reset of interest rates).

Financial liabilities

The Bank shall classify its financial liabilities, other than financial guarantees and loan commitments, as measured at amortized cost or FVTPL.

A financial guarantee is an undertaking/commitment that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified party fails to meet its obligation when due in accordance with the contractual terms.

Financial guarantees issued by the Bank are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of: the amount of the obligation under the guarantee, as determined in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets; and the amount initially recognized less, where appropriate, cumulative amortization recognized in accordance with the revenue recognition policies.



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c. Impairment

At each reporting date, the Bank shall assess whether there is objective evidence that financial assets (except equity investments), other than those carried at FVTPL, are impaired. The Bank shall recognize loss allowances for expected credit losses (ECL) on the following financial instruments that are not measured at FVTPL:

- financial assets that are debt instruments;
- lease receivables;
- financial guarantee contracts issued; and
- loan commitments issued.

No impairment loss shall be recognized on equity investments.

The Bank shall measure loss allowances at an amount equal to lifetime ECL, except for the following, which are measured as 12-month ECL:

- debt investment securities that are determined to have low credit risk at the reporting date; and
- other financial instruments (other than lease receivables) on which credit risk has not increased significantly since their initial recognition.

Loss allowances for lease receivables shall always be measured at an amount equal to lifetime ECL.

12-month ECL is the portion of ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Financial instruments for which a 12-month ECL is recognized are referred to as 'Stage 1 financial instruments'.

Life-time ECL is the ECL that result from all possible default events over the expected life of the financial instrument.

Financial instruments for which a lifetime ECL is recognized but which are not credit-impaired are referred to as 'Stage 2 financial instruments'. Financial instruments that are credit impaired and for which a lifetime ECL is recognized are referred to as 'Stage 3 financial instruments'.



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i. Measurement of ECL- it is probability-weighted estimate of credit losses & shall be measured as follows:

- for financial assets that are not credit-impaired at the reporting date (stage 1 and 2): as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Bank in accordance with the contract and the cash flows that the Bank expects to receive);
- for financial assets that are credit-impaired at the reporting date (stage 3): as the difference between the gross carrying amount and the present value of estimated future cash flows;
- for undrawn loan commitments: as the present value of the difference between the contractual cash flows that are due to the Bank if the commitment is drawn down and the cash flows that the Bank expects to receive; and
- for financial guarantee contracts: as the expected payments to reimburse the holder less any amounts that the Bank expects to recover.

Where the terms of a financial asset are renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the borrower, then the Bank shall assess whether the financial asset should be derecognized and ECL are measured as follows:

- If the expected restructuring will not result in derecognition of the existing asset, then the expected cash flows arising from the modified financial asset are included in calculating the cash shortfalls from the existing asset
- If the expected restructuring will result in derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flow from the existing financial asset at the time of its derecognition. This amount is included in calculating the cash shortfalls from the existing financial asset that are discounted from the expected date of derecognition to the reporting date using the original effective interest rate of the existing financial asset.

The key inputs into the measurement of ECL are the term structure of probability of default (PD), loss given default (LGD); and exposure at default (EAD).

ECL for exposures in Stage 1 is calculated by multiplying the 12-month PD by LGD and EAD. Lifetime ECL is calculated by multiplying the lifetime PD by LGD and EAD.



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Probability of Default (PD)– It provides an estimate of the likelihood that a borrower will be unable to meet its debt obligations. The methodology of estimating PDs .

i) Significant increase in credit risk– When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Bank considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Bank's historical experience and expert credit assessment and including forward-looking information.

The objective of the assessment is to identify whether a significant increase in credit risk has occurred for an exposure by comparing:

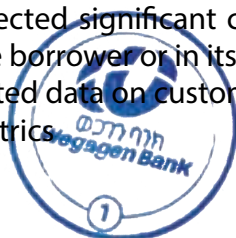
- the remaining lifetime probability of default (PD) as at the reporting date; with the remaining lifetime PD for this point in time that was estimated at the time of initial recognition of the exposure (adjusted where relevant for changes in prepayment expectations).
- the Bank uses three criteria for determining whether there has been a significant increase in credit risk:
 - quantitative test based on movement in PD;
 - qualitative indicators; and
 - a backstop of 30 days past due,

The Bank allocates each exposure to a credit risk grade based on a variety of data that is determined to be predictive of the risk of default and applying experienced credit judgement. Credit risk grades are defined using qualitative and quantitative factors that are indicative of risk of default. These factors vary depending on the nature of the exposure and the type of borrower.

Credit risk grades are defined and calibrated such that the risk of default occurring increases exponentially as the credit risk deteriorates so, for example, the difference in risk of default between credit risk grades 1 and 2 is smaller than the difference between credit risk grades 2 and 3. Each exposure is allocated to a credit risk grade on initial recognition based on available information about the borrower. Exposures are subject to ongoing monitoring, which may result in an exposure being moved to a different credit risk grade. The monitoring typically involves use of the following data;

a. Term loan exposures

- Information obtained during periodic review of customer files – e.g. audited financial statements, management accounts, budgets and projections. Examples of areas of particular focus are: gross profit margins, financial leverage ratios, debt service coverage, compliance
- Data from credit reference agencies, press articles, changes in external credit ratings
- Actual and expected significant changes in the political, regulatory and technological environment of the borrower or in its business activities
- Internally collected data on customer behaviour – e.g. utilisation of credit card facilities
- Affordability metrics



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b. Overdraft exposures

- Payment record – this includes overdue status as well as a range of variables about payment ratios
- Utilisation of the granted limit
- Requests for and granting of forbearance
- Existing and forecast changes in business, financial and economic conditions

The maximum contractual period extends to the date at which the Bank has the right to require repayment of an advance or terminate a loan commitment or guarantee.

As described above, and subject to using a maximum of a 12-month PD for Stage 1 financial assets, the Bank measures ECL considering the risk of default over the maximum contractual period (including any borrower's extension options) over which it is exposed to credit risk, even if, for credit risk management purposes, the Bank considers a longer period. However, for overdrafts that include both a loan and an undrawn commitment component, the Bank measures ECL over a period longer than the maximum contractual period if the Bank's contractual ability to demand repayment and cancel the undrawn commitment does not limit the Bank's exposure to credit losses to the contractual notice period. These facilities do not have a fixed term or repayment structure and are managed on a collective basis. The Bank can cancel them with immediate effect but this contractual right is not enforced in the normal day-to-day management, but only when the Bank becomes aware of an increase in credit risk at the facility level. This longer period is estimated taking into account the credit risk management actions that the Bank expects to take, and that serve to mitigate ECL. These include a reduction in limits, cancellation of the facility and/or turning the outstanding balance into a loan with fixed repayment terms.

Credit risk grades are a primary input into the determination of the term structure of PD for exposures. The Bank collects performance and default information about its credit risk exposures analysed by type of product and borrower as well as by credit risk grading. The Bank employs statistical models to analyse the data collected and generate estimates of the remaining lifetime PD of exposures and how these are expected to change as a result of the passage of time.

The Bank assesses whether credit risk has increased significantly since initial recognition at each reporting date. Determining whether an increase in credit risk is significant depends on the characteristics of the financial instrument and the borrower.

The credit risk may also be deemed to have increased significantly since initial recognition based on qualitative factors linked to the Bank's credit risk management processes that may not otherwise be fully reflected in its quantitative analysis on a timely basis. This will be the case for exposures that meet certain heightened risk criteria, such as placement on a watch list. Such qualitative factors are based on its expert judgment and relevant historical experiences.



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As a backstop, the Bank considers that a significant increase in credit risk occurs no later than when an asset is more than 30 days past due. Days past due are determined by counting the number of days since the earliest elapsed due date in respect of which full payment has not been received. Due dates are determined without considering any grace period that might be available to the borrower.

If there is evidence that there is no longer a significant increase in credit risk relative to initial recognition, then the loss allowance on an instrument returns to being measured as 12-month ECL. Some qualitative indicators such as delinquency or forbearance, may be indicative of an increased risk of default that persists after the indicator itself has ceased to exist. In these cases, the Bank determines a probation period during which the financial asset is required to demonstrate good behaviour to provide evidence that its credit risk has declined sufficiently.

When contractual terms of a loan have been modified, evidence that the criteria for recognising lifetime ECL are no longer met includes a history of up-to-date payment performance against the modified contractual terms.

The Bank monitors the effectiveness of the criteria used to identify significant increases in credit risk by regular reviews to confirm that:

- the criteria are capable of identifying significant increases in credit risk before an exposure is in default;
- the criteria do not align with the point in time when an asset becomes 30 days past due;
- the average time between the identification of a significant increase in credit risk and default appears reasonable;
- exposures are not generally transferred directly from 12-month ECL measurement to credit-impaired; and
- there is no unwarranted volatility in loss allowance from transfers between 12-month PD (Stage 1) and lifetime PD (Stage 2)

Definition of default- The Bank considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Bank in full, without recourse by the Bank to actions such as realising security (if any is held);
- the borrower is more than 90 days past due on any material credit obligation to the Bank.
- overdrafts are considered as being past due once the customer has breached an advised limit or been advised of a limit smaller than the current amount outstanding; or
- it is becoming probable that the borrower will restructure the asset as a result of bankruptcy due to the borrower's inability to pay its credit obligations.



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In assessing whether a borrower is in default, the Bank considers indicators that are:

- qualitative: e.g. breaches of covenant;
- quantitative: e.g. overdue status and non-payment on another obligation of the same issuer to the Bank; and
- based on data developed internally and obtained from external sources.
- Inputs into the assessment of whether a financial instrument is in default and their significance may vary over time to reflect changes in circumstances.

The definition of default largely aligns with that applied by the Bank for regulatory capital purposes

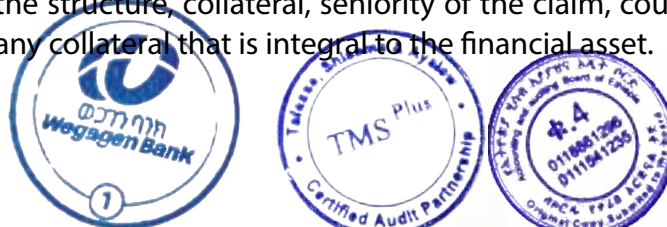
The Bank incorporates forward-looking information into both the assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and the measurement of ECL.

For each segment, the Bank formulates three economic scenarios: a base case, which is the median scenario, and two less likely scenarios, one upside and one downside. For each sector, the base case is aligned with the macroeconomic model's information value output, a measure of the predictive power of the model, as well as base macroeconomic projections for identified macroeconomic variables for each sector. The upside and downside scenarios are based on a combination of a percentage error factor of each sector model as well as simulated optimistic and pessimistic macroeconomic projections based on a measure of historical macroeconomic volatilities.

External information considered includes economic data and forecasts published by Business Monitor International, an external and independent macroeconomic data body. This is in addition to industry – level, semi – annual NPL trends across statistically comparable sectors. Periodically, the Bank carries out stress testing of more extreme shocks to calibrate its determination of the upside and downside representative scenarios. A comprehensive review is performed at least annually on the design of the scenarios by a panel of experts that advises the Bank's senior management.

The Bank has identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses.

LGD is the magnitude of the likely loss if there is a default. The Bank estimates LGD parameters based on the history of recovery rates of claims against defaulted counterparties. The LGD models consider the structure, collateral, seniority of the claim, counterparty industry and recovery costs of any collateral that is integral to the financial asset.



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EAD represents the expected exposure in the event of a default. The Bank derives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract and arising from amortisation. The **EAD** of a financial asset is its gross carrying amount at the time of default. For lending commitments, the EADs are potential future amounts that may be drawn under the contract, which are estimated based on historical observations and forward-looking forecasts. For financial guarantees, the **EAD** represents the amount of the guaranteed exposure when the financial guarantee becomes payable. For some financial assets, **EAD** is determined by modelling the range of possible exposure outcomes at various points in time using scenario and statistical techniques.

Where modelling of a parameter is carried out on a collective basis, the financial instruments are grouped on the basis of shared risk characteristics that include:

- instrument type;
- credit risk grading;
- collateral type;
- LTV ratio for retail mortgages;
- date of initial recognition;
- remaining term to maturity;
- industry; and
- geographic location of the borrower.

The groupings are subject to regular review to ensure that exposures within a particular group remain appropriately homogeneous.

C. Credit-impaired financial assets

At each reporting date, the Bank shall assess whether financial assets carried at amortized cost, debt financial assets carried at FVOCI, and finance lease receivables are credit impaired (referred to as 'Stage 3 financial assets').

A financial asset shall be considered 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the restructuring of a loan or advance by the Bank on terms that the Bank would not consider otherwise;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.



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A loan that has been renegotiated due to a deterioration in the borrower's condition shall be considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment. In addition, a retail loan that is overdue for 90 days or more shall be considered credit-impaired even when the regulatory definition of default is different.

d. Presentation of allowance for ECL in the statement of financial position

Loss allowances for ECL shall be presented in the statement of financial position as follows:

- for financial assets measured at amortized cost: as a deduction from the gross carrying amount of the assets;
- for loan commitments and financial guarantee contracts: generally, as a provision;
- where a financial instrument includes both a drawn and an undrawn component, and the Bank cannot identify the ECL on the loan commitment component separately from those on the drawn component: the Bank presents a combined loss allowance for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component. Any excess of the loss allowance over the gross amount of the drawn component is presented as a provision; and
- for debt instruments measured at FVOCI: no loss allowance is recognized in the statement of financial position because the carrying amount of these assets is their fair value. However, the loss allowance shall be disclosed and is recognized in the fair value reserve.

e. Write-off

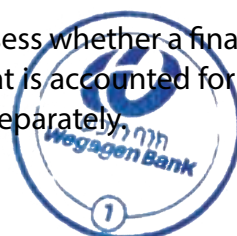
Loans and debt securities shall be written off (either partially or in full) when there is no reasonable expectation of recovering the amount in its entirety or a portion thereof. This is generally the case when the Bank determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. This assessment shall be carried out at the individual asset level.

Recoveries of amounts previously written off shall be included in 'impairment losses on financial instruments' in the statement of profit or loss and OCI.

Financial assets that are written off could still be subject to enforcement activities in order to comply with the Bank's procedures for recovery of amounts due.

f. Non-integral financial guarantee contracts

The Bank shall assess whether a financial guarantee contract held is an integral element of a financial asset that is accounted for as a component of that instrument or is a contract that is accounted for separately.



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Where the Bank determines that the guarantee is an integral element of the financial asset, then any premium payable in connection with the initial recognition of the financial asset shall be treated as a transaction cost of acquiring it. The Bank shall consider the effect of the protection when measuring the fair value of the debt instrument and when measuring ECL. Where the Bank determines that the guarantee is not an integral element of the debt instrument, then it shall recognize an asset representing any prepayment of guarantee premium and a right to compensation for credit losses.

g. Derecognition

The Bank shall derecognise a financial asset when:

- The contractual right to the cash flows from the financial asset expires or
- It transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred; or
- Bank neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognized) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognized in OCI shall be recognized in profit or loss.

Any cumulative gain/loss recognized in OCI in respect of equity investment securities designated as at FVOCI shall not be recognized in profit or loss on derecognition of such securities. Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Bank shall be recognized as a separate asset or liability.

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

h. Modifications of financial assets and financial liabilities

If the terms of a financial asset are modified, then the Bank shall evaluate whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset shall be deemed to have expired. In this case, the original financial asset shall be derecognised and a new financial asset shall be recognized at fair value plus any eligible transaction costs. Any fees received as part of the modification shall be accounted for as follows:



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- fees that are considered in determining the fair value of the new asset and fees that represent reimbursement of eligible transaction costs shall be included in the initial measurement of the asset; and

- other fees are included in profit or loss as part of the gain or loss on derecognition.

If cash flows are modified when the borrower is in financial difficulties, then the objective of the modification is usually to maximise recovery of the original contractual terms rather than to originate a new asset with substantially different terms.

If the Bank plans to modify a financial asset in a way that would result in forgiveness of cash flows, then it shall first consider whether a portion of the asset should be written off before the modification takes place.

Where the modification of a financial asset measured at amortised cost or FVOCI does not result in derecognition of the financial asset, then the Bank shall first recalculate the gross carrying amount of the financial asset using the original effective interest rate of the asset and recognises the resulting adjustment as a modification gain or loss in profit or loss.

Any costs or fees incurred and fees received as part of the modification adjust the gross carrying amount of the modified financial asset and shall be amortised over the remaining term of the modified financial asset.

Where such a modification is carried out because of financial difficulties of the borrower, then the gain or loss shall be presented together with impairment losses. In other cases, it shall be presented as interest income calculated using the effective interest rate method.

The Bank shall derecognise a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms shall be recognised at fair value. The difference between the carrying amount of the financial liability derecognised and consideration paid is recognised in profit or loss. Consideration paid shall include non-financial assets transferred, if any, and the assumption of liabilities, including the new modified financial liability.

Where the modification of a financial liability is not accounted for as derecognition, then the amortised cost of the liability shall be recalculated by discounting the modified cash flows at the original effective interest rate and the resulting gain or loss is recognised in profit or loss. Any costs and fees incurred are recognised as an adjustment to the carrying amount of the liability and amortised over the remaining term of the modified financial liability by re-computing the effective interest rate on the instrument.



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i. Offsetting

Financial assets and financial liabilities shall be offset and the net amount presented in the statement of financial position when, and only when, the Bank currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

Income and expenses shall be presented on a net basis only when permitted under IFRS, or for gains and losses arising from a group of similar transactions such as in the Bank's trading activity.

j. Designation at fair value through profit or loss

At initial recognition, the Bank may designate certain financial assets as at FVTPL because this designation eliminates or significantly reduces an accounting mismatch, which would otherwise arise.

The Bank shall designate certain financial liabilities as at FVTPL in either of the following circumstances:

- the liabilities are managed, evaluated and reported internally on a fair value basis; or
- the designation eliminates or significantly reduces an accounting mismatch that would otherwise arise.

2.6 Interest Free Banking

Murabaha is an Islamic financing transaction which represents an agreement whereby the Bank buys a commodity/good and sells it to a counterparty (customer) based on a promise received from that counterparty to buy the commodity according to specific terms and conditions. The selling price comprises of the cost of the commodity/goods and a pre-agreed profit margin.

It is treated as financing receivables. Financing receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

The profit is quantifiable and contractually determined at the commencement of the contract. Murabaha Income (profit) is recognized as it accrues over the life of the contract using the effective profit method (EPRM) on the principal balance outstanding. These products are carried at amortized cost less impairment.



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2.7 Cash and Cash Equivalents

Cash and cash equivalents' include notes and coins on hand, unrestricted balances held with central banks and highly liquid financial assets with original maturities of three months or less from the date of acquisition that are subject to an 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.

2.8 Property, Plant and Equipment

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

All other repair and maintenance costs are recognised in income statement as incurred.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised.

Depreciation is calculated using the straight-line method to allocate their cost to their residual values starting from the asset is available for use over their estimated useful lives, as follows:

Asset class	Useful Lives
Buildings	50
Computer hardware	7
Furnitures and fittings	10
Equipments	5 to 20
Lifts	15
Motor Vehicles	10

Capital work-in-progress is not depreciated as these assets are not yet available for use.

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

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



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2.9 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in income statement in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life, or the expected pattern of consumption of future economic benefits embodied in the asset, are accounted for by changing the amortisation period or methodology, as appropriate, which are then treated as changes in accounting estimates. The amortisation expenses on intangible assets with finite lives is presented as a separate item in the income statement. Amortisation is calculated using the straight-line method to write down the cost of intangible assets to their residual values over their estimated useful lives, which ranges from two to six years.

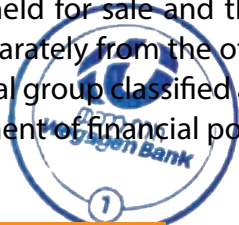
2.10 Non-current assets (or disposal groups) held for sale

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the statement of financial position. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the statement of financial position.



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2.11 Impairment of non-financial assets

The Bank assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Bank estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account.

If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Bank bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Bank's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

For assets an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Bank estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the income statement.



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2.12 Other assets

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

(a) Prepayment

Prepayments are payments made in advance for services to be enjoyed in future. The amount is initially capitalized in the reporting period in which the payment is made and subsequently amortised over the period in which the service is to be enjoyed.

(b) Other receivables

Other receivables are recognised upon the occurrence of event or transaction as they arise and cancelled when payment is received.

The Bank's other receivables are receivables from mastercard, receivables from visa card and other receivables from debtors. This has been added to the carrying amounts of the investment.

2.13 Fair value measurement

The Bank measures financial instruments classified as available-for-sale at fair value at each statement of financial position date. Fair value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed are, summarised in the following notes:

- Disclosures for valuation methods, significant estimates and assumptions
- Quantitative disclosures of fair value measurement hierarchy
- Financial instruments (including those carried at amortised cost)

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

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



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The principal or the most advantageous market must be accessible to by the Bank.

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

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

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

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

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

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



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2.14 Employee benefits

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

(a) Defined contribution plan

The Bank operates the following defined contribution plans;

- Pension scheme in line with the provisions of Ethiopian pension of private organisation employees proclamation 715/2011. Funding under the scheme is 7% and 11% by employees and the Bank respectively;

The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets.

The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation.

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

Past-service costs are recognised immediately in income.

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



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(b) Profit-sharing and bonus plans

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

(c) Defined Benefit plans

The Bank recognizes the liability for severance and other long service awards based on actuarial requirements that set assumptions for salary increases, inflation, discount rates, turnover, mortality and others.

2.15 Provisions

Provisions are recognised when the bank has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Bank expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in income statement net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as other operating expenses.

2.16 Share capital

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

2.17 Earnings per share

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



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2.18 Leases

The Bank has initially adopted IFRS 16 from 1 July 2019. The standard eliminates the classification of leases as either operating leases or finance leases under IAS 17 and introduces a single lease accounting model that requires lessees to recognize assets and corresponding liabilities. Due to the transition method chosen by the Bank in applying IFRS 16, comparative information throughout these financial statements has not generally been restated to reflect its requirements.

It also elected to apply the practical expedient that allows entities to rely on its assessment of whether leases were onerous by applying IAS 37 Provisions, Contingent Liabilities and Contingent Assets immediately before the date of initial application as an alternative to performing an impairment review.

The effect of initially applying IFRS 16 is mainly attributed to:

- an increase in non-current assets as obligations to make future payments under leases previously classified as an operating lease were recognized on the balance sheet, along with the corresponding asset: right-of-use asset.
- Expenditure on operation has decreased and finance cost have increased, as operating lease costs have been replaced by depreciation and interest expense on lease liabilities.

The adoption of IFRS 16 requires the Bank to make a number of assumptions, estimations and judgments that includes:

- lease liabilities were determined based on the value of the remaining lease payments, discounted by an appropriate incremental borrowing rate.
- term of each arrangement was based on the original lease term.
- the discount rate used to determine lease liabilities was the Bank's incremental borrowing rate. It was calculated based on observable inputs.

At the commencement date, the Bank recognized:

- all leases as right right-of-use-asset at cost. Cost of right-of-use asset includes the amount of lease liability, lease payments made at or before the commencement date (less any lease incentives received), any initial direct costs incurred and an estimate of costs to be incurred by the Bank in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.
- a lease liability at the present value of the lease payments that are not paid at that date. Present value of lease payments will be determined by discounting future lease payments at the interest rate implicit in the lease arrangement, if it is readily determined or at Bank's incremental borrowing rate.



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After the commencement date, the Bank measures:

- right-of-use assets using cost model, i.e. cost at initial recognition less accumulated depreciation (in line with IAS 16: Property, plant and Equipment) and accumulated impairment losses (in line with IAS 36: Impairment of Assets).
- lease liability by increasing its carrying amount to reflect interest on the lease liability and by reducing its carrying amount to reflect lease payments made.

Interest incurred on lease liability will be recognized in the statement of profit and loss as a finance cost.

Determination of whether an arrangement is a lease, or contains a lease

The determination of whether an arrangement is a lease, or contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or whether the arrangement conveys a right to use the asset.

Bank as a Lessor

The Bank has rented temporary freehold space in its head office building that is mainly constructed for office use. The lease advance payments are recognized as deferred income until recognized

2.19 Income tax

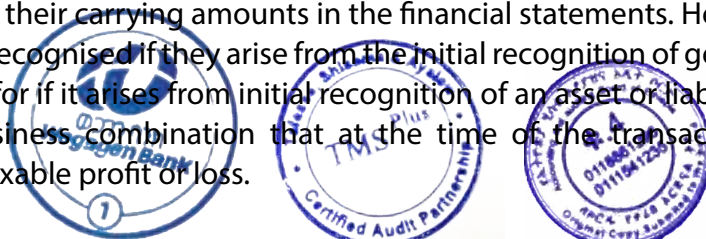
(a) Current income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in Ethiopia. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(b) Deferred tax

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.



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Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the statement of financial position date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Deferred tax assets and liabilities are only offset when there is both the legal right and the intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

3. Significant accounting judgements, estimates and assumptions

The preparation of the Bank's financial statements requires management to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures, as well as the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

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

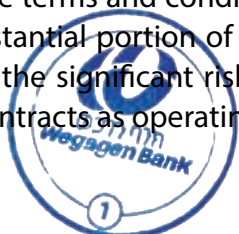
- Capital management
- Financial risk management and policies
- Sensitivity analyses disclosures

3.1 Judgements

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

Operating lease commitments - Bank as lessee

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



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3.2 Estimates and assumptions

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

Impairment losses on financial assets at amortized cost

The Bank reviews its loan portfolios for impairment on an on-going basis. The Bank first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. Impairment provisions are also recognised for losses not specifically identified but which, experience and observable data indicate, are present in the portfolio at the date of assessment. For individually significant financial assets that has been deemed to be impaired, management has deemed that cashflow from collateral obtained would arise within 12 months where the financial asset is collateralised.

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

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



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

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

Fair value measurement of financial instruments

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

Defined benefit plans

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

Depreciation and carrying value of property, plant and equipment

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



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Taxes

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

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Development cost

The Bank capitalises development costs for a project in accordance with the accounting policy. Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits. The development costs that were capitalised by the Bank relates to those arising from the development of computer software.





Chief Executive Officer (CEO) of Wegagen Bank, Aklilu Wubet (PhD), Receiving

Platinum Level Tax Payers Award

from His Excellency Prime Minister Abiy Ahmed (PhD)

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Wegagen Bank





15th Edition
CONNECTED
BANKING

Innovation and Excellence Awards 2024

THIS CERTIFICATE IS PROUDLY PRESENTED TO:

Wegagen Bank

As

“ Excellence in Customer Experience ”

14 - 08 - 2024

Date

A handwritten signature in black ink, likely of the awarding authority.

SIGNATURE



Excellence in Customer Experience Award 2024 Presented to
Wegagen Bank by International Center for Strategic Alliance (CSA)

Wegagen Bank S.C

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4. Financial Risk Management

4.1 Introduction

Risk is inherent in the Bank's activities, but is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Bank's continuing existence and profitability and each individual within the Bank is accountable for the risk exposures relating to his or her responsibilities. The Bank is exposed to credit risk, liquidity risk and market risk. It is also subject to country risk and various operating risk.

4.1.1 Risk Management Structure

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 Risk and Compliance sub-Committee, which is 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 assisted in these functions by the Risk and Compliance Management unit which undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the Risk Management Committee.

4.1.2 Risk Measurement and Reporting Systems

The Bank's risks are measured using a method that reflects both the expected loss likely to arise in normal circumstances and unexpected losses, which are an estimate of the ultimate actual loss based on statistical models. The models make use of probabilities derived from historical experience, adjusted to reflect the economic environment. The Bank also runs worst-case scenarios that would arise in the event that extreme events which are unlikely to occur do, in fact, occur.

Monitoring and controlling risks is primarily performed based on limits established by the Bank. These limits reflect the business strategy and market environment of the Bank as well as the level of risk that the Bank is willing to accept, with additional emphasis on selected regions. In addition, the Bank's policy is to measure and monitor the overall risk bearing capacity in relation to the aggregate risk exposure across all risk types and activities.



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4.1.3 Risk Mitigation

Risk controls and mitigants, identified and approved for the Bank, are documented for existing and new processes and systems. The adequacy of these mitigants is tested on a periodic basis through administration of control self-assessment questionnaires, using an operational risk management tool which requires risk owners to confirm the effectiveness of established controls. These are subsequently audited as part of the review process.

4.2 Classification of financial assets and financial liabilities

The following table shows measurement categories and amounts in accordance IFRS 9 for the Bank's financial assets and financial liabilities as at June 30,2024

Financial assets (Birr '000)

Financial assets	Classification under IFRS 9	30-Jun-24 New carrying amount under IFRS 9	Increase/decrease	30-Jun-23 Original carrying amount
Cash and bank balances	Amortised cost	13,123,499	4,064,235	9,059,264
Loans and advances to customers (net)	Amortised cost	43,300,410	5,006,796	38,293,614
Equity Investments at FVOCI	FVOCI	540,695	228,178	312,517
Investment securities: Loans and receivables	Amortised cost	4,613,155	2,551,365	2,061,789
Other financial assets at amortised cost	Amortised cost	1,742,250	298,993	1,443,257
Total financial assets		63,320,009	12,149,567	51,170,441

Financial liabilities

Deposits from customers	Amortised cost	48,417,951	8,523,741	39,894,209
Deposit from financial institutions	Amortised cost	3,706,774	807,309	2,899,464
Other financial liabilities	Amortised cost	3,368,216	281,226	3,086,990
Total financial liabilities		55,492,941	9,612,277	45,880,664



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The application of the Bank's accounting policies on the classification of financial instruments under IFRS 9 are set out in Note 2.5 resulted in the reclassifications set out in the table above and explained below.

Further equity investment securities were reclassified out available-for-sale categories to FVOCI at their then fair values. The carrying amount of those assets was adjusted so that their amortised cost under IFRS 9 was as if those assets were accounted for at amortised cost from their inception.

On the adoption of IFRS 9, some other financial assets were reclassified out of the loans and receivable to amortized cost and some to non financial assets. The carrying amount of those assets was adjusted so that their amortised cost under IFRS 9 was as if those assets were accounted for at amortised cost from their inception.

4.3 Credit Risk

Credit Risk is risk of financial loss to the bank if a customer or counter party to a financial instrument fails to meet its contractual obligations, and arises principally from the banks loans & advances to customers & other banks & investment securities & other financial assets the bank adopts conservative approach to credit risk.

4.3.1 Management of credit risk

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). Exposure to credit risk is managed through periodic analysis of the ability of borrowers and potential borrowers to determine their capacity to meet principal and interest thereon.

Exposure to credit risk is also mitigated, in part, by obtaining collateral, commercial and personal guarantees. In Managing credit risk the Board of Directors approves the credit policy, risk limits, collateral requirements, risk gradings and follows up the implementation of same. The credit limits are placed on the amount of risk accepted in relation to one borrower, or groups of borrowers, to geographical regions, and to term of the financial instrument and economic sectors. The policies and limits are reviewed and modified periodically based on changes and expectations of the markets where the Bank operates, regulations, and other factors.



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4.3.2 Concentrations of credit risk

Gross loans and advances to customers per sector is analysed as follows:

	30 June 2024 Birr'000	30 June 2023 Birr'000
Manufacturing	6,445,065	5,808,608
Domestic Trade and Services	8,153,159	7,071,214
Construction	7,157,135	5,624,542
Transport Service	3,733,860	2,602,352
Export	7,872,182	8,475,413
Import	10,636,981	7,949,546
Staff loans	694,434	1,975,702
IFB-Financing & Investments	483,817	413,327
	45,176,634	39,920,704

4.3.3 Credit quality analysis

The following table sets out information about the credit quality of financial assets measured at amortised cost, FVOCI debt investments and available-for-sale debt assets. Unless specifically indicated, for financial assets, the amounts in the table represent gross carrying amounts.

The loss allowance for loans and advances to customers also includes the loss allowances for loan commitments and financial guarantee contracts.

Credit Quality Analysis for Loans and Advances

	2024				2023
In Birr'000	Stage 1	Stage 2	Stage 3	Total	Total
Loans & advances to Customers					
Stage 1 – Pass	41,054,288			41,054,288	36,982,911
Stage 2 – Special mention		1,472,296		1,472,296	1,273,462
Stage 3 - Non performing			2,650,049	2,650,049	1,664,332
Total gross exposure	41,054,288	1,472,296	2,650,049	45,176,634	39,920,704
Loss allowance	796,298	23,232	1,056,694	1,876,223	1,627,090
Net carrying amount	40,257,991	1,449,065	1,593,355	43,300,410	38,293,614



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Credit Quality Analysis for Others Assets

In Birr'000	2024			
Item	Stage	Gross Exposure	Loss allowance	Net carrying amount
Cash and balances with banks	12 Month ECL	13,123,675	(176)	13,123,499
Investment securities (debt instruments)	12 Month ECL	4,613,385	(230)	4,613,155
Other financial assets	Lifetime ECL	1,272,549	(810,693)	461,856
Totals		19,009,609	(811,099)	18,198,510

Credit Quality Analysis for others Assets

In Birr'000	2023			
Other financial assets (debt instruments)	Stage	Gross Exposure	Loss allowance	Net carrying amount
Cash and bank balances	12 Month ECL	1,140,170	(57)	1,140,113
Investment securities (debt instruments)	12 Month ECL	1,976,709	(118)	1,976,591
Other financial assets	Lifetime ECL	4,636,275	(400,076)	4,236,199
Totals		7,753,154	(400,251)	7,352,903

4.3.4 Collateral held and their financial effect

The general creditworthiness of a customer tends to be the most relevant indicator of credit quality of a loan extended to it. However, collateral provides additional security and the Bank generally requests collateral for loans and advances granted to customers.



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The Bank may take collateral in the form of a first charge over real estate, liens and guarantees. The Bank does not sell or repledge the collateral in the absence of default by the owner of the collateral. In addition to the Bank's focus on creditworthiness, the Bank aligns with its credit policy guide to periodically update the validation of collaterals held against all loans to customers.

For impaired loans, the Bank obtains appraisals of collateral because the fair value of the collateral is an input to the impairment measurement. The fair value of the collaterals are based on the last revaluations carried out by the Bank's in-house engineers, which is usually done every three years.

The valuation technique adopted for properties is in line with the Bank's valuation manual and the revalued amount is similar to fair values of properties with similar size and location. The fair value of collaterals other than properties such as share certificates, cash, NBE bills etc. are disclosed at the carrying amount as management is of the opinion that the cost of the process of establishing the fair value of the collateral exceeds benefits accruable from the exercise.

Collateral Held ('000)

Type of financial asset	30-Jun-24	30-Jun-23	Principal type of collateral held
Loans and Advances	78,274,023	58,118,268	Land and Building, Vehicles, Machines, Shares and Bank Guarantees

4.3.5 Measurement of Expected Credit Losses (ECL)

i) Techniques used for estimating impairment

ECL is a probability-weighted estimate of credit losses. It shall be measured as follows:

- for financial assets that are not credit-impaired at the reporting date (stage 1 and 2): as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Bank in accordance with the contract and the cash flows that the Bank expects to receive);
- for financial assets that are credit-impaired at the reporting date (stage 3): as the difference between the gross carrying amount and the present value of estimated future cash flows;
- for undrawn loan commitments: as the present value of the difference between the contractual cash flows that are due to the Bank if the commitment is drawn down and the cash flows that the Bank expects to receive; and
- for financial guarantee contracts: as the expected payments to reimburse the holder less any amounts that the Bank expects to recover.



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ii) Incorporation of forward-looking information in the ECL models

The key drivers for credit risk for each of the Bank's economic sectors is summarized below:

Sector/Product	Macroeconomic factors				
Cluster 1 Agriculture, Consumer Loans, Overdraft and Interest Free Financing	Goods debit (Imports)	-	-	-	-
Cluster 2 Domestic Trade & Services, Mining and Energy, Transport, Health, Merchandise, Financial services	-	-	-	-	-
Cluster 3 Building & Construction, Hotel & Tourism, Manufacturing & Production Industry, Real estate, Housing & construction	Gross domestic product	Current prices (U.S. dollars)		-	-
Cluster 4 Export, Import, Advance against import bills, International Trade	Goods debit (Imports)	-	-	-	-

The economic scenarios used included the following key indicators for Ethiopia for the years 2022 to 2024:

Indicators	30-Jun-22	30-Jun-23	30-Jun-24
Consumer price index inflation, 2010=100, ave	762.53	935.37	1,070.36
Exports of goods and services, USD	9,395.61	10,688.62	11,817.59
Government domestic debt, LCU	1,601,205.00	1,831,600.00	2,059,995.00
LCU/USD, ave	53.49	56.63	59.46
Nominal GDP, LCU	6,324,877.00	8,013,281.50	9,616,083.50
Private final consumption, LCU	4,706,090.50	5,637,459.50	6,537,715.00
Total domestic demand, LCU	6,554,527.00	7,774,859.50	9,014,880.00
Savings, LCU	1,139,737.50	1,333,875.50	1,571,133.50
Population	122,292,044.00	125,261,131.00	128,250,163.50
Consumer price index inflation, 2010=100, eop	757.19	892.81	999.41
M1, LCU	519,050.00	584,105.00	660,745.00
M2, LCU	1,669,935.00	1,932,335.00	2,247,120.00
Current expenditure, LCU	510,009.50	596,727.50	716,557.00
Goods imports, USD	15,797.50	16,432.50	17,418.50
Goods exports, USD	4,137.00	4,393.00	4,740.00
Current account balance, USD	-4,804.00	-4,747.50	-4,995.50
Import cover months	1.72	1.89	2.02

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Indicators	30-Jun-22	30-Jun-23	30-Jun-24
Total household spending, LCU	5,494,617.24	6,584,552.36	7,636,051.11
Nominal GDP, USD	115,099.81	130,088.57	144,653.20
Real GDP, LCU (2010 prices)	1,031,006,500,000	1,097,146,000,000	1,172,494,000,000
Real GDP, USD (2010 prices)	71,549,973,629	76,139,934,488	81,368,948,479
Real GDP per capita, USD (2010 prices)	566.61	588.78	614.13
Nominal GDP, USD (PPP)	358,557,612,057.28	394,406,827,578.31	428,362,843,461
Private final consumption, USD	87,765.78	99,433.70	109,822.61
Private final consumption per capita, USD	0.00	0.00	0.00
Government final consumption, LCU	487,844.00	566,297.50	646,227.00
Government final consumption, USD	9,106.13	9,989.90	10,858.07
Exports of goods and services, LCU	503,898.00	605,980.50	703,534.00
Exports of goods and services per capita, USD	0.00	0.00	0.00
Imports of goods and services, LCU	887,821.00	1,004,878.50	1,106,430.00
Imports of goods and services, USD	16,574.61	17,735.38	18,597.80
Total domestic demand, USD	122,278.82	137,135.34	151,433.41
Total domestic demand per capita, USD	0.00	0.00	0.00
Unemployment, % of labour force, ave	3.24	3.28	3.21
Real effective exchange rate index	14.65	10.39	8.22
LCU/USD, eop	55.25	58.01	60.91
Total revenue, LCU	476,482.00	648,396.50	886,024.50
Total revenue, USD	8,876.82	11,411.97	14,856.05
Total expenditure, LCU	681,893.00	857,966.00	1,104,727.50
Total expenditure, USD	12,720.98	15,113.57	18,534.18
Current expenditure, USD	9,524.57	10,521.53	12,031.02
Budget balance, LCU	-205,410.50	-209,569.00	-218,703.50
Budget balance, USD	-3,844.15	-3,701.59	-3,678.15
Services imports, USD	6,267.00	6,696.50	7,182.50
Services exports, USD	5,569.00	5,897.50	6,246.00
Total reserves ex gold, USD	3,159.50	3,648.50	4,137.00
Total external debt stock, USD	40,111.50	44,666.50	49,383.50
Long-term external debt stock, USD	38,315.00	42,836.00	47,517.00

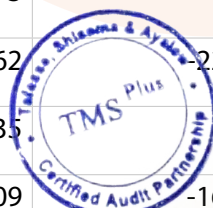


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Indicators	30-Jun-22	30-Jun-23	30-Jun-24
Public external debt stock, USD	38,315.00	42,836.00	47,517.00
Total government debt, USD	71,350.00	80,340.00	87,275.00
Total debt service, USD	2,525.54	2,884.18	3,181.48
Gross domestic product, constant prices	2,329.25	2,485.04	2,643.25
Gross domestic product, current prices	7,439.92	10,299.14	13,591.03
Gross domestic product, current prices	139.36	172.44	186.09
Gross domestic product, current prices	376.99	414.24	449.75
Gross domestic product, deflator	317.89	412.90	512.65
Gross domestic product per capita, constant prices	22,200.96	23,318.01	24,411.68
Gross domestic product per capita, constant prices	2,989.46	3,139.88	3,287.15
Gross domestic product per capita, current prices	70,837.13	96,546.13	125,425.37
Gross domestic product per capita, current prices	1,327.12	1,710.60	2,036.60
Gross domestic product per capita, current prices	3,592.76	3,886.56	4,153.40
Gross domestic product based on purchasing-power-parity (PPP) share of world total	0.22	0.23	0.24
Implied PPP conversion rate	19.61	24.75	30.11
Total investment	23.76	20.78	19.21
Gross national savings	20.32	18.14	17.15
Inflation, average consumer prices	343.31	438.03	532.03
Inflation, end of period consumer prices	376.12	468.94	555.00
Population	104.89	106.55	108.26
General government revenue	621.66	850.92	1,125.35
General government revenue	8.38	8.26	8.28
General government total expenditure	860.28	1,080.27	1,435.44
General government total expenditure	11.73	10.53	10.53
General government net lending/borrowing	-238.62	-229.35	-310.09
General government net lending/borrowing	-3.35	-2.27	-2.25
General government primary net lending/borrowing	-192.09	-165.94	-199.11



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Indicators	30-Jun-22	30-Jun-23	30-Jun-24
General government primary net lending/borrowing	-2.72	-1.65	-1.46
General government net debt	2,932.01	3,269.96	3,804.03
General government net debt	40.17	32.28	28.08
General government gross debt	3,105.69	3,464.85	3,998.92
General government gross debt	42.53	34.22	29.54
Gross domestic product corresponding to fiscal year, current prices	7,439.92	10,299.14	13,591.03
Current account balance	-4.88	-4.94	-4.68
Current account balance	-3.61	-2.73	-2.15
Gross Domestic Product	5.51	5.95	6.40
Domestic Demand	5.51	5.92	6.37
Exports of Goods & NF Services	11.35	14.41	16.63
Imports of Goods & NF Services	25.21	31.99	36.89
Nominal Per-Capita GDP	1,099.17	1,360.19	1,530.59
Year-end	54.64	60.51	71.58
Annual Average	53.17	56.92	65.36
Short-Term Interest Rate	7.67	7.69	7.72
Policy Interest Rate (Year-end)	13.00	12.75	12.50
Unemployment Rate (Annual average)	3.33	3.29	3.40
Current Account Balance	-4.86	-4.82	-4.28
Balance on Goods**	-14.45	-17.84	-19.37
Goods, Credit (Exports)	4.12	4.97	6.43
Goods, Debit (Imports)	18.57	22.80	25.80
Balance on Services	0.27	1.20	1.47
Services, Credit (Exports)	8.11	10.40	12.60
Services, Debit (Imports)	7.83	9.19	11.13
External Debt	28.62	28.63	28.64
International Reserves (Year-end)	3.28	3.94	4.56
Population	124.95	128.12	131.33

Predicted relationships between the key indicators and default rates on various portfolios of financial assets have been developed based on analysing semi – annual historical data over the past 5 years.



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The below scenario weightings have been observed:

SUMMARY OF SCENARIO WEIGHTINGS			
	BASE	DOWNTURN(DOWNSIDE)	OPTIMISTIC(UPSIDE)
Cluster 1	100%	0%	0%
Cluster 2	100%	0%	0%
Cluster 3	92%	8%	0%
Cluster 4	100%	0%	0%

iii). Loss allowance

The following tables show reconciliations from the opening to the closing balance of the loss allowance by class of financial instrument. Comparative amounts for 2024 represent the allowance account for credit losses and reflect the measurement basis under IFRS 9.

Loans and advances to customers at amortized cost (on financial position exposures)	2024				2023
In Birr'000	Stage 1	Stage 2	Stage 3	Total	Total
Balance at 1 July	605,156	24,252	997,478	1,626,886	1,361,896
Transfer to 12 months ECL	183,399	(2,492)	(8,756)	172,151	281,546
Transfer to Lifetime ECL not credit impaired	(6,694)	721	(7)	(5,979)	(7,284)
Transfer to Lifetime ECL credit impaired	(205,727)	(7,913)	451,557	237,917	(146,168)
Net re-measurement of Loss allowance	576,134	14,568	1,440,273	2,030,975	1,489,991
Net financial assets originated or purchased	312,918	8,367	86,101	407,386	256,491
Financial assets derecognised	(160,606)	(6,143)	(101,118)	(267,868)	(108,864)
Balance at 30 June	796,192	23,229	1,056,554	1,875,975	1,626,885

Loan commitments, Letter of credit and financial guarantee contracts (off balance sheet exposures)	2024				2023
In Birr'000	Stage 1	Stage 2	Stage 3	Total	Total
Balance at 1 July	39			39	12
Transfer to 12 months ECL	160			160	-
Transfer to Lifetime ECL not credit impaired				-	-
Transfer to Lifetime ECL credit impaired				-	-
Net remeasurement of Loss allowance	199			199	-
Net financial assets originated or purchased	85			85	193
Financial assets derecognised	36			36	-
Balance at 30 June	248			248	205

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Other financial assets	2024			
In Birr'000	Cash and balances with banks	Investment securities (debt instruments)	Other receivables and financial assets	Total
Balance as at 1 July	57	118	400,076	400,251
Net remeasurement of loss allowance	-	-	387,525	387,525
New financial assets originated or purchased	119	112	23,092	23,323
Balance as at 30 June	176	230	810,693	811,099

Other financial assets	2023			
In Birr'000	Cash and balances with banks	Investment securities (debt instruments)	Other receivables and financial assets	Total
Balance as at 1 July	21	216	71,575	71,812
Net remeasurement of loss allowance	-	(98)	312,252	312,154
New financial assets originated or purchased	36	-	16,274	16,310
Balance as at 30 June	57	118	400,101	400,276

4.3.6 Offsetting financial assets and financial liabilities

- The Bank does not offset financial assets against financial liabilities.

4.4 Liquidity risk

4.4.1 Introduction

Liquidity risk is the risk that the Bank cannot meet its maturing obligations when they become due, at reasonable cost and in a timely manner. Liquidity risk arises because of the possibility that the Bank might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances. Such scenarios could occur when funding needed for liquid asset positions is not available to the Bank on acceptable terms.



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4.4.2 Management of liquidity risk

Cash flow forecasting is performed by the Treasury Management Directorate. The directorate monitors rolling forecasts of liquidity requirements to ensure it has sufficient cash to meet operational needs. The Bank evaluates its ability to meet its obligations on an ongoing basis. Based on these evaluations, the Bank devises strategies to manage its liquidity risk. Prudent liquidity risk management implies that sufficient cash is maintained and that sufficient funding is available to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk damage to the Bank's reputation.

4.4.3 Exposure to liquidity risk

The Treasury directorate receives information from other directorates of Wegagen bank regarding the liquidity profile of their financial assets and liabilities and details of other projected cash flows arising from projected future business. It then maintain a portfolio of short-term liquid assets, largely made up of physical cash, cash with banks, 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 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 and liquidity reports are submitted weekly to the NBE. In addition to regulatory liquidity ratio requirements, the Bank has set its own internal liquidity ratio limits and monitor it accordingly.

The Bank has access to a limited funding base as there is no active primary and secondary market in Ethiopia. Funds are raised using 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.



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As key indicators, that will be used to recognise 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, the following are considered as immediate:

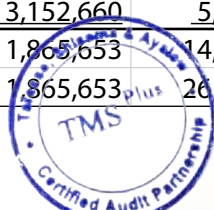
- borrow on inter-bank money market;
- sell short term securities (domestic and foreign);
- borrowing from the National Bank of Ethiopia

4.4.4 Maturity analysis of financial Assets and Financial liabilities

The table below analyses the Bank's financial assets and liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. The cash flows presented are the undiscounted amounts to be settled in future. Considering that 17.81% of the deposits will be withdrawn within a short period of time; one year without any additional deposit mobilization, which is unlikely to happen, there will be a positive liquidity gap between maturing assets and liabilities. Moreover, in terms of regulatory compliance in terms of liquidity position, the Bank's liquidity position as at June 30, 2024 stood at 27.85%, which is well above the regulatory requirement of 15% indicating that the Bank is liquid to honor its commitments. This was a persistent phenomena during the whole year.

30 June 2024

	Below 1 year Birr'000	1-3 years Birr'000	Over 3 years Birr'000	Total
ASSETS	Birr'000	Birr'000	Birr'000	Birr'000
Cash and Bank Balances	13,123,499	-	-	13,123,499
Debt Securities at Amortized Cost	-	999,620	3,613,535	4,613,155
Loans and advances	10,447,523	19,117,131	13,735,756	43,300,410
Other assets	1,447,290	294,959	-	1,742,250
TOTAL	25,018,313	20,411,711	17,349,291	62,779,314
LIABILITIES				
Deposits	9,285,005	5,543,876	37,295,843	52,124,724
Other liabilities	3,226,451	8,506	133,259	3,368,216
Income Tax payable	641,203	-	-	641,203
TOTAL	13,152,660	5,552,382	37,429,102	56,134,144
Net Mismatch	11,865,653	14,859,328	(20,079,811)	6,645,171
Cumulative Mismatch	11,865,653	26,724,981	6,645,171	



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	Below 1 year Birr'000	1-3 years Birr'000	Over 3 years Birr'000	Total
ASSETS	Birr'000	Birr'000	Birr'000	Birr'000
Cash and Bank Balances	9,059,264	0	0	9,059,264
Debt Securities at Amortized Cost	-	573,109	1,488,582	2,061,691
Loans and advances	10,288,173	14,174,630	13,830,811	38,293,614
Other assets	1,300,814	142,443		1,443,257
TOTAL	20,648,251	14,890,182	15,319,393	50,857,826
LIABILITIES				
Deposits	42,785,674	8,000	-	42,793,674
Other liabilities	3,086,990			3,086,990
Income Tax payable	354,776			354,776
TOTAL	46,227,440	8,000	-	46,235,440
Net Mismatch	(25,579,189)	14,882,182	15,319,393	4,622,386
Cumulative Mismatch	(25,579,189)	(10,697,007)	4,622,386	

4.5 Market risk

Market risk is defined as the risk of loss risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market risk factors such as interest rates, foreign exchange rates, equity prices, credit spreads and their volatilities. Market risk can arise in conjunction with trading and non-trading activities of a financial institutions. The Bank does not ordinarily engage in trading activities as there are no active markets in Ethiopia.

4.5.1 Management of market risk

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.



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(i) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will be affected by changes in market interest rates. Borrowings obtained at variable rates give rise to interest rate risk. The Bank's exposure to the risk of changes in market interest rates relates primarily to the Bank's obligations and financial assets with floating interest rates. The Bank is also exposed on fixed rate financial assets and financial liabilities. The Bank's investment portfolio is comprised of loans and advances to customers, Ethiopian government bonds and cash deposits.

The table below sets out information on the exposures to interest rate sensitive financial assets and liabilities:

30 June 2024	Fixed Birr'000	Non-interest bearing Birr'000	Total Birr'000
Financial assets			
Cash and bank balances	2,477,818	10,645,681	13,123,499
Loans and advances to customers (net)	43,300,410		43,300,410
Equity Investments at FVOCI		540,695	540,695
Debt Securities at Amortized Cost	4,613,155		4,613,155
Other Financial Assets		413,481	413,481
Total	50,391,384	11,599,856	61,991,240
30 June 2024	Fixed Birr'000	Non-interest bearing Birr'000	Total Birr'000
Financial liabilities			
Deposits from customers	48,417,951		48,417,951
Deposits from Financial Institutions	3,706,774		3,706,774
Guarantees issued		4,080,986	4,080,986
Letter of credit		4,007,421	4,007,421
Loan commitments	2,137,732		2,137,732
Other Financial liabilities		2,044,925	2,044,925
Total	54,262,456	10,133,332	64,395,789



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30 June 2023	Fixed Birr'000	Non-interest bearing Birr'000	Total Birr'000
Financial assets			
Cash and bank balances	1,807,761	7,251,503	9,059,264
Loans and advances to customers	38,293,614		38,293,614
Investment securities;			
Equity Investments at FVOCI		312,517	312,517
Debt Securities at Amortized Cost	2,061,789	-	2,061,789
Other Financial Assets		475,354	475,354
Total	42,163,165	8,039,373	50,202,538
Financial liabilities			
Deposits from customers	39,894,209		39,894,209
Deposits from Financial Institutions	2,899,464		2,899,464
Guarantees issued		2,985,001	2,985,001
Letter of credit		4,229,005	4,229,005
Loan commitments	2,351,476		2,351,476
Other Financial liabilities		2,261,304	2,261,304
Total	45,145,150	9,475,310	54,620,461

(ii) Foreign exchange risk

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to the changes in foreign exchange rates.

The Bank is exposed to exchange rate risks to the extent of balances and transactions denominated in a currency other than the Ethiopian Birr. The Bank's foreign currency bank accounts act as a natural hedge for these transactions. Management has set up a policy to manage the Bank's foreign exchange risk against its functional currency.

The table below summarises the impact of increases/decreases of 10% on equity and profit or loss arising from the Bank's foreign denominated borrowings and cash and bank balances.

Foreign currency denominated balances

Cash and bank balances;	30 June 2024 Birr'000	30 June 2023 Birr'000
USD	2,881,008	1,266,023
GBP	17,264	8,973
Euro	36,704	56,157
Other currencies	14,006	1,891
	2,948,982	1,333,045



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Sensitivity analysis for foreign exchange risk

The sensitivity analysis for currency rate risk shows how changes in the fair value or future cash flows of a financial instrument will fluctuate because of changes in market rates at the reporting date. The sensitivity of the Bank's earnings to fluctuations in exchange rates is reflected by varying the exchange rates at 10% as shown below:

30 June 24	Basis points Birr'000	Effect of appreciation of the Birr against foreign currencies Birr'000	Effect of depreciation of the Birr against foreign currencies Birr'000
USD	10%	288,101	(288,101)
GBP	10%	1,726	(1,726)
Euro	10%	3,670	(3,670)
Total		293,498	(293,498)

30 June 20223	Basis points Birr'000	Effect of appreciation of the Birr against foreign currencies Birr'000	Effect of depreciation of the Birr against foreign currencies Birr'000
USD	10%	126,602	(126,602)
GBP	10%	897	(897)
Euro	10%	5,616	(5,616)
Total		133,115	(133,115)

4.6 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 operational risk by adopting the policy and procedure on operational risk management as approved by the board of directors 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 risk and control self-assessment on continuous process. During the fiscal year, the Bank made assessment of potential operational risk areas including IT security risks, made register of operational risk incidents, investigated them and took action on perpetrators and strengthen its internal controls accordingly. Despite the number of operational risk incidents, the Bank sustained insignificant losses.



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4.7 Capital management

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

4.7.1 Capital adequacy ratio

According to the Licensing & Supervision of Banking Business Directive No SBB/50/2011 of the National Bank of Ethiopia, the Bank has to maintain capital to risk weighted assets ratio of 8% at all times, the risk weighted assets being calculated as per the provisions of Directive No SBB/9/95 issued on August 18, 1995.

The capital adequacy ratio is the quotient of the capital base of the Bank and the Bank's risk weighted asset base. As at June 30, 2024, the ratio stood at 14.45% showing a marginal increase by 0.99% compared with same period last year. This arises because of new share issue, raise in legal reserve and an increase in risk weighted assets during the fiscal year ended June 30, 2024.

Capital adequacy ratio	30 June 2024 Birr'000	30 June 2023 Birr'000
Capital		
Share capital	5,058,890	3,982,139
Share premium	74,917	57,736
Legal reserve	2,191,622	1,790,822
Total regulatory capital	7,325,429	5,830,697
Total risk weighted assets	50,701,915	43,319,709
Capital Adequacy Ratio (CAR)	14.45%	13.46%
Minimum Capital Adequacy ratio	8%	8%

4.8 Fair value of financial assets and liabilities

IFRS 13 requires an entity to classify measured or disclosed fair values according to a hierarchy that reflects the significance of observable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, which comprises of three levels as described below, based on the lowest level input that is significant to the fair value measurement as a whole.



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4.8.1 Valuation models

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

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

Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active, or other valuation technique in which all significant inputs are directly or indirectly observable from market data.

In conclusion, this category is for valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs). This category includes all assets and liabilities for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the asset or liability's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.



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4.8.2 Financial instruments measured at fair value - fair value hierarchy

The following table summarises the carrying amounts of financial assets and liabilities not measured at fair value and their fair value measurements as at the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorised. The amounts are based on the values recognised in the statement of financial position.

30 June 2024	Carrying amount Birr'000	Fair value Birr'000	Level 1 Birr'000	Level 2 Birr'000	Level 3 Birr'000	Total Birr'000
Financial assets						
Cash and Bank Balances	13,123,499	13,123,499	13,123,499			13,123,499
Loans and advances to customers	43,300,410	43,300,410			43,300,410	43,300,410
Investment securities;					-	-
- Debt Securities at Amortized Cost	4,613,155	4,613,155			4,613,155	4,613,155
- Equity Investments at FVOCI	227,859	540,695			540,695	540,695
Other Financial Assets	413,481	413,481			413,481	413,481
Total	61,678,404	61,991,240	13,123,499	-	48,867,741	61,991,240
Financial liabilities						
Deposits from customers	48,417,951	48,417,951			48,417,951	48,417,951
Deposit from financial institutions	3,706,774	3,706,774			3,706,774	3,706,774
Other Financial liabilities	2,044,925	2,044,925			2,044,925	2,044,925
Total	54,169,649	54,169,649	-	-	54,169,649	54,169,649



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30 June 2023	Carrying amount Birr'000	Fair value Birr'000	Level 1 Birr'000	Level 2 Birr'000	Level 3 Birr'000	Total Birr'000
Financial assets						
Cash and Bank Balances	9,059,264	9,059,264	9,059,264			9,059,264
Loans and advances to customers	38,293,614	38,293,614			38,293,614	38,293,614
Investment securities						
- Debt Securities at Amortized Cost	2,061,789	2,061,789			2,061,789	2,061,789
- Equity Investments at FVOCI	96,322	312,517			312,517	312,517
Other Assets	475,354	475,354			475,354	475,354
Total	49,986,344	50,202,538	9,059,264	-	41,143,274	50,202,538
Financial liabilities						
Deposits from customers	39,894,209	39,894,209			39,894,209	39,894,209
Deposit from financial institutions	2,899,464	2,899,464			2,899,464	2,899,464
Other liabilities	2,261,304	2,261,304			2,261,304	2,261,304
Total	45,054,977	45,054,977	-	-	45,054,977	45,054,977

4.8.3 Transfers between the fair value hierarchy categories

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

4.8.4 Tigray region loans and advances report as stated below;

	30 June 2024 Birr'000	30 June 2023 Birr'000
Principal outstanding	7,077,515	5,063,475
Accrued interest	364,528	843,961
Total	7,442,043	5,907,436
Loan loss provision as per NBE		
Balance as at June 30,2023	390,646	
Additional provision during the year	467,671	
Balance as at June 30,2024	858,317	
Suspended Interest Account		
Balance as at June 30,2023	804,330	
Reduced from non-accrual during the year	(666,251)	
Balance as at June 30,2024	138,079	

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	30 June 2024 Birr'000	30 June 2023 Birr'000
5 Interest income		
Treasury Bill	71,799	233,920
Loans and advances to customers	6,686,739	4,960,990
Investment securities	417,900	225,887
Interest Income on Correspondent Bank Accounts	2,845	2,237
	7,179,283	5,423,034
	30 June 2024 Birr'000	30 June 2023 Birr'000
6 Interest expense		
Saving deposits	1,361,414	1,217,762
Fixed time deposits	904,674	707,631
Current deposits	6,090	1,394
Short term borrowing	20,190	22,564
Leases	86,089	17,683
	2,378,457	1,967,036
	30 June 2024 Birr'000	30 June 2023 Birr'000
7 Net fees and commission income		
Commission and fees on L/C	1,793,764	1,180,907
Commission on Gurantees	163,811	45,354
Agent Banking Fee	21,608	16,440
ATM Transaction Fees-Foreign	2,227	3,041
ATM Transaction Fees-Local	1,233	1,466
Commission on CPO issued	2,675	949
Credit Information Charge	43,378	12,030
Service Charge-Local	15,494	9,104
SWIFT charges	39,345	19,343
Commission Sundries	26,350	29,087
Commission & Charges from IFB	36,407	55,251
Commission and Fees on Fund transfers	35	574
	2,146,327	1,373,547





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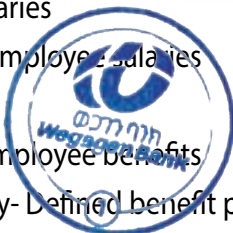
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	30 June 2024 Birr'000	30 June 2023 Birr'000
8 Other operating income		
Rental income	18,642	19,203
Estimation fees	2,677	1,846
Rebates	2,726	129
Fee on Bounced Checks	115	22
Dividend income	21,862	5,875
Gain on Disposal of Old Assets	12,803	12,096
Card purchase & replacement income	465	2,005
Sundries-Local	22,930	18,541
Gain on foreign exchange Dealing	354,515	106,780
	436,736	166,496
	30 June 2024 Birr'000	30 June 2023 Birr'000
9 Loan impairment charge		
Loans and Advances - charge for the year (note 15b)	269,292	265,197
Loans and Advances - reversal of provision (note 15b)	-	-
	269,292	265,197
	30 June 2024 Birr'000	30 June 2023 Birr'000
10 Impairment losses on other assets		
Other assets - charge for the year (note 17)	410,823	328,464
Other assets - reversal of impairment losses (note 17)	-	-
	410,823	328,464
	30 June 2024 Birr'000	30 June 2023 Birr'000
11 Salaries and benefits		
Employee salaries	1,531,044	1,295,515
Outsourced employee salaries	323,128	180,806
Pension costs	167,108	167,722
Short-term employee benefits	1,111,533	742,314
Severance pay- Defined benefit plan	71,904	54,662
	3,204,716	2,441,020



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	30 June 2024 Birr'000	30 June 2023 Birr'000
12 Other operating expenses		
Advertisement & Publicity	66,499	61,255
Agent Banking	1,061	3,316
Bank Charges	7,535	5,313
Broad Band Expense	18,130	12,859
Card payment Charges	24,661	46,992
Consultant Fee	62	431
Communication expenses	5,270	5,407
Consumables	31,179	18,086
Donations	75,708	35,015
Ethswitch Charges	2,091	2,622
Stump Duty Expense	897	823
Entertainment	3,499	2,808
Event organization expense	2,482	1,303
Insurance	25,024	10,215
IT support charges	43,354	24,830
Legal and professional fees	50,042	565
License Fee and Taxes	17,882	3,354
Loss on Disposal of fixed assets	7,372	976
Maintenance	49,019	35,206
Membership Fee	1,081	228
Money transfer charges	11,280	10,276
Penalty Expense	6,309	61
Perdiem and Travel	28,068	23,569
Petrol and Oil	33,715	24,445
Printing and stationary	28,154	18,946
Rental expenses	4,035	6,278
Subscription & Publication	534	642
Sundries	7,376	6,704
Uniform	22,271	19,732
Utilities	13,179	10,807
Wages for non-permanent employees.	3,070	2,769
Deposit Insurance Expense	119,220	-
	710,061	395,831



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	30 June 2024 Birr'000	30 June 2023 Birr'000
13 Company income and deferred tax		
13.a Current income tax		
Company income tax	641,553	355,602
Deferred income tax/(credit) to profit or loss	(23,907)	14,682
Total charge to profit or loss	617,646	370,284
Tax (credit) on other comprehensive income	32,884	35,061
Total tax in statement of comprehensive income	650,530	405,345



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13.b Reconciliation of effective tax to statutory tax

The tax on the Bank's profit before income tax differs from the theoretical amount that would arise using the statutory income tax rate as follows:

	30 June 2024 Birr'000	30 June 2023 Birr'000
Profit before tax	2,220,847	1,194,107
Tax calculated at statutory tax rate of 30 %	666,254	358,232
Add:		
Entertainment	1,050	842
Penalty for Representation Allowance	3,563	
Donation	1,921	62
Other Penalty Expense	1,893	18
Provision for Legal cases	14,758	169
Employee Severance benefits expensed	21,571	16,361
Loss on disposal of fixed assets	1,991	293
Provision for loans and other assets	204,035	178,098
Depreciation for accounting purpose	52,957	43,616
Depreciaion and int. expense IFRS 16	131,626	62,933
Amortization for accounting purpose	10,218	9,182
Loss on FCY revaluation	9,258	0
Life Insurance	4,755	4,612
Staff Loan Fair valuation expense	19,661	7,291
Accrud leave Expense	10,415	-
	489,671	323,478
Less:		
Depreciation for tax purpose	(59,382)	(58,239)
Amortization for tax purpose	(6,627)	(7,250)
Rent expense	(101,530)	(88,999)
Employee severance paid in cash	(5,957)	(6,174)
Provision for loans and other assets	(185,307)	(19,317)
Accrued leave paid in cash to resigned staffs	(862)	(1,442)
Dividend income taxed at source	(6,559)	(1,762)
Interest income exempt/taxed at Sources	(146,910)	(137,942)
Gain from sale of acquired properties (Movable Property)	(385)	(4,311)
Interest income from correspondent bank accounts taxed at 5%	(853)	(671)
	(514,372)	(326,107)
	641,553	355,602



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		30 June 2024 Birr'000	30 June 2023 Birr'000
13.c	Current income tax liability		
	Balance at the beginning of the year	354,776	30,035
	Charge for the year:		
	Income tax expense	641,553	355,602
	Payment during the year	(354,776)	(30,035)
	Withholding tax	(350)	(827)
	Prior period tax adjustment	-	-
	Balance at the end of the year	641,203	354,776

The income tax payable during the period are current in nature.

13.d Deferred income tax

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

Deferred income tax (assets)/ liabilities:	At 1 July 2023 Birr'000	Credit/ (charge) to P/L Birr'000	Credit/ (charge) to OCI Birr'000	30 June 2024 Birr'000
Property, Plant and Equipment	118,652	1,261	-	119,913
Post employment benefit obligation	(74,814)	(15,615)	3,891	(86,537)
Accrued Leave	(14,176)	(9,553)	-	(23,729)
Equity Investments	64,858	-	28,992	93,851
Total deferred tax (assets)/ liabilities	94,521	(23,907)	32,884	103,498
	At 1 July 2022 Birr'000	Credit/ (charge) to P/L Birr'000	Credit/ (charge) to equity Birr'000	30 June 2023 Birr'000
Deferred income tax assets/ (liabilities):				
Property, plant and equipment	79,570	39,082		118,652
Post employment benefit obligation	(50,139)	(10,225)	(14,450)	(74,814)
Accrued Leave	-	(14,176)		(14,176)
Equity Investments	15,347		49,511	64,858
Total deferred tax assets/ (liabilities)	44,778	14,682	35,061	94,521



Wegagen Bank S.C

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For the Year Ended 30 June 2024

	30 June 2024 Birr'000	30 June 2023 Birr'000
14 Cash and bank balances		
Cash in hand	1,225,035	1,248,534
Deposit with local commercial banks	1,066,153	1,192,270.3
Deposit with foreign banks	2,937,736	1,287,898
Deposit with National Bank of Ethiopia	5,416,933	3,522,858
Treasury Bills	2,477,818	1,807,761
Impairment Allowance for cash	(176)	(57)
	13,123,499	9,059,264
Maturity analysis	30 June 2024 Birr'000	30 June 2023 Birr'000
Current	13,123,499	8,169,549
Non-Current	-	889,715
	13,123,499	9,059,264
	30 June 2024 Birr'000	30 June 2023 Birr'000
15 Loans and advances		
15.a Loans and advances to customers		
Manufacturing	6,445,065	5,808,608
Domestic Trade and Services	8,153,159	7,071,214
Construction	7,157,135	5,624,542
Transport Service	3,733,860	2,602,352
Export	7,872,182	8,475,413
Import	10,636,981	7,949,546
Staff loans	694,434	1,975,702
IFB-Financing & Investments	483,817	413,327
Gross amount	45,176,634	39,920,704
Less: Impairment allowance (note 15b)	(1,876,223)	(1,627,090)
	43,300,410	38,293,614
Maturity analysis	30 June 2024 Birr'000	30 June 2023 Birr'000
Current	10,447,523	10,288,173
Non-Current	32,852,887	28,005,441
	43,300,410	38,293,614



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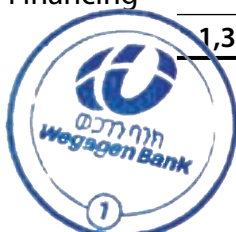
For the Year Ended 30 June 2024

15.b Impairment allowance on loans and advances to customers

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

Allowance for loan impairment	As at 1 July 2023 Birr'000	Write offs during the year Birr'000	Charge for the year Birr'000	As at 30 June 2024 Birr'000
Construction	462,367	-	(205,375)	236,832.14
Domestic Trade and Services	392,362	-	395,701	788,063.61
Export	211,452	-	104,426	315,877.87
Import	227,803	-	(17,882)	209,921.17
Manufacturing	259,250	-	(23,089)	236,161.51
Staff loans	1,570	-	4,299	5,868.62
Transport Service	65,231	-	8,441	73,671.62
Letter of Guarantee	39	-	49	88
Letter of Credit	165	-	(5)	160
IFB Financing	6,851	-	2,728	9,578
	1,627,090	-	269,292	1,876,223

Allowance for loan impairment	As at 1 July 2022 Birr'000	Adjustment as at July 1 ,2022 Birr'000	Write offs during the year Birr'000	Charge for the year Birr'000	As at 30 June 2023 Birr'000
Construction	281,863	-	-	180,504	462,367
Domestic Trade and Services	283,648	-	-	108,714	392,362
Export	201,810	-	-	9,642	211,452
Import	172,525	-	-	55,278	227,803
Manufacturing	388,338	-	-	(129,087)	259,250
Staff loans	3,170	-	-	(1,600)	1,570
Transport Service	30,493	-	-	34,738	65,231
Guarantee	12	-	-	27	39
Letter of Credit	38	-	-	127	165
IFB Financing	-	-	-	6,851	6,851
	1,361,896	-	-	265,197	1,627,090



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	30 June 2024 Cost Birr'000	Fair value(FV) Adjustment	30 June 2024 FV Birr'000	30 June 2023 FV Birr'000
16 Investment Securities				
16.a Equity Investment securities at FVOCI				
Ethio switch	89,095	150,248	449,037	254,465
Africa Insurance S.C	18,000	(7,787)	22,151	27,736
Addis Ababa Exhibition & Con. Center	54,000	(40,402)	3,813	5,216
Ethiopian Reinsurance S.C	17,801	(4,388)	17,453	19,792
Capital Finance Excellence Center	5,000	5,359	10,666	5,307
Allenatech Electronics S.C.	5,000	(6,389)	(1,389)	-
Ethiopian Securities Exchange S.C	38,963	-	38,963	-
	227,859	96,642	540,695	312,517

All the above equity investmnets are made in unquoted companies whose fair value is determined on net asset basis. Valuation of Ethiopian Security Exchange (ESX) share price has not done due to unavailabilitiy of audited fiancial report for the period year end 2023 and 2024.

	30 June 2024 Birr'000	30 June 2023 Birr'000
16.b Investment in Debt Securities		
Ethiopian Government Securities	4,613,385	2,061,907
Impairment Allowance for Debt Securities	(230)	(118)
	4,613,155	2,061,789
Maturity analysis		
Current	-	-
Non-Current	4,613,155	2,061,789
	4,613,155	2,061,789



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	30 June 2024 Birr'000	30 June 2023 Birr'000
17 Other assets		
Financial assets		
Staff receivables	1,258	1,606
Receivable from money transfer agents	81,809	24,423
Receivable from VISA	1,147	25,602
Receivable from Master Card	4,046	6,510
Eth-switch Receivable	13,758	4,496
Other receivables	1,122,155	812,818
Gross amount	1,224,174	875,455
Less: Impairment allowance (note 17a)	(810,693)	(400,101)
	413,481	475,354
Non-financial assets		
Prepayments	270,821	73,033
Prepaid expenses on staff loans	600,590	529,072
Inventory	101,260	71,772
Repossessed properties	162,830	142,443
Cash Lost	193,268	151,583
	1,328,769	967,903
Gross amount	1,742,250	1,443,257
Maturity analysis	30 June 2024 Birr'000	30 June 2023 Birr'000
Current	1,447,290	1,300,814
Non-Current	294,959	142,443
	1,742,250	1,443,257

17.a Impairment allowance on other assets

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

	30 June 2024 Birr'000	30 June 2023 Birr'000
Balance at the beginning of the year	400,101	71,575
Written off during the year	410,591	328,526
(Reversal)/charge for the year	-	-
Balance at the end of the year	810,693	400,101



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17.b Inventory

A breakdown of the items included within inventory is as follows:

	30 June 2024 Birr'000	30 June 2023 Birr'000
Stationery	30,898	23,558
Office supplies	37,847	23,892
Visa cards	1,320	1,326
Other stock	31,035	22,835
Memorial Coins	161	161
	101,260	71,772

18 Investment property

Cost:

At the beginning of the year	943	943
Acquisitions	2,084	-
At the end of the year	3,027	943

Accumulated depreciation:

At the beginning of the year	384	366
Charge for the year	58	18
At the end of the year	441	384

Net book value as at 30 June 2024	2,585	559
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18.a Amounts recognised in profit or loss for investment properties

	30 June 2024 Birr'000	30 June 2023 Birr'000
Rental income	18,642	19,203

18.b Fair value measurement of the Bank's Investment properties

The Bank's investment property is measured at cost. These properties include those held for rental purposes and those in which the Bank occupies an insignificant portion. These properties are held to earn rentals and for capital appreciation. There are currently no restrictions on the realisability of these properties. Investment property is initially measured at cost including transaction costs and subsequently measured at depreciated cost (less any accumulated impairment losses). Depreciation is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives of 50 years. The fair value of investment properties has been disclosed as required.



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For the Year Ended 30 June 2024

The fair value of the Bank's Investment property as at 30 June 2024 has been arrived at by in-house engineers qualified estate surveyors and valuers. These valuers have appropriate qualifications and recent experience in the valuation of properties in the relevant locations. The fair value was determined based on the replacement cost concept which approximates the estimated amount for which a property should exchange on the date of valuation between knowledgeable willing parties in an arm's length transaction after proper marketing, prudently and without compulsion. This implies a market comparable approach that reflects the recent transaction prices for similar properties. In estimating the fair value of the properties, the highest and best use of the properties is their current use. There has been no change to the valuation technique during the year.

18c Fair value hierarchy

Details of the Bank's Investment properties and information about the fair value hierarchy at 30 June 2024 and 30 June 2023 are as follows:

30 June 2024	Carrying amount Birr'000	Level 1 Birr'000	Level 2 Birr'000	Level 3 Birr'000
Investment properties	2,585			13,009
30 June 2023	Carrying amount Birr'000	Level 1 Birr'000	Level 2 Birr'000	Level 3 Birr'000
Investment properties	559			12,804
	Purchased Software Birr'000	Software Under development Birr'000	Total Birr'000	

19 Intangible Assets

Cost:

As at 1 July 2022	151,279	-	151,279
Acquisitions	20,877		20,877
As at 30 June 2023	172,156	-	172,156
As at 1 July 2023	172,156	-	172,156
Acquisitions	33,311		33,311
As at 30 June 2024	205,467	-	205,467

Accumulated amortisation

As at 1 July 2022	92,732	-	92,732
Amortisation	30,606		30,606
As at 30 June 2023	123,338	-	123,338
As at 1 July 2023	123,338	-	123,338
Amortisation	34,061		34,061
As at 30 June 2024	157,399	-	157,399

Net book value

As at 30 June 2023	48,818	-	48,818
As at 30 June 2024	48,068	-	48,068

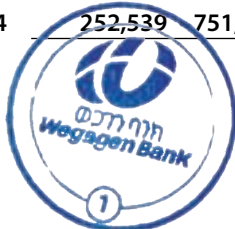


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For the Year Ended 30 June 2024

	Office Equipments Birr'000	Building Birr'000	Motor vehicles Birr'000	Furniture and fittings Birr'000	Computer equipments Birr'000	Capital work in Progress Birr'000	Total Birr'000
20 Property, Plant and Equipment							
Cost:							
As at 1 July 2022	446,605	841,403	263,480	262,242	437,334	9,981	2,261,045
Additions	46,294	16,445	57,622	17,483	97,538	2,096	237,478
Disposals	(4,028)	-	(6,867)	(3,354)	(2,938)	-	(17,187)
Reclassification	-	-	-	-	-	-	-
As at 30 June 2023	488,871	857,848	314,235	276,370	531,935	12,077	2,481,336
As at 1 July 2023	488,871	857,848	314,235	276,370	531,935	12,077	2,481,336
Additions	129,219	-	119,940	74,026	160,326	1,317	484,828
Disposals	(875)	-	(2,266)	(3,359)	(2,114)	-	(8,615)
Write-off	(10,923)	-	(4,002)	(1,205)	(6,529)	-	(22,658)
Reclassification	(55,507)	(2,084)	(3,426)	(9,120)	(76,167)	-	(146,305)
As at 30 June 2024	550,784	855,764	424,481	336,712	607,451	13,395	2,788,586
Accumulated depreciation							
	Acc dep - Office Equipments	Acc dep - Building	Acc dep -Motor vehicles	Acc dep -Furniture and fittings	Acc dep -Computer equipments	Acc dep -Capital work in Progress	Total
As at 1 July 2022	232,238	72,529	166,778	111,280	234,532	-	817,357
Charge for the year	35,351	15,823	19,547	22,311	52,355	-	145,387
Disposals	(3,865)	-	(5,230)	(2,553)	(2,922)	-	(14,384)
As at 30 June 2023	263,724	88,351	181,095	131,038	283,966	-	948,173
As at 1 July 2023	263,724	88,351	181,095	131,038	283,966	-	948,173
Charge for the year	43,201	16,304	28,473	26,408	62,139	-	176,525
Write-off	(8,054)	-	(3,043)	(101)	(4,855)	-	(16,054)
Disposals	(626)	-	(2,142)	(2,741)	(1,991)	-	(7,501)
As at 30 June 2024	298,245	104,655	204,382	154,603	339,259	-	1,101,144
Net book value							
As at 30 June 2023	225,147	769,497	133,140	145,333	247,969	12,077	1,533,162
As at 30 June 2024	252,539	751,109	220,098	182,109	268,192	13,395	1,687,442



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20.a Right-of-Use Asset and lease liability

	30-Jun-24 Birr'000	30-Jun-23 Birr'000
Right-of-Use (ROU) Asset		
ROU-Office buildings	675,445	732,885
Lease liability		
Current	44,768	91,228
Non-current	141,765	71,775
Lease liability	186,533	163,003
Depreciaton on ROU asset	352,663	192,094

	30 June 2024 Birr'000	30 June 2023 Birr'000
21 Deposits from customers		
Demand deposits	16,504,445	13,615,334
Saving deposits	27,864,741	22,740,461
Fixed term deposits	4,048,764	3,538,415
	48,417,951	39,894,209
Maturity analysis		
Current	8,624,716	29,101,521
Non-Current	39,793,235	10,792,689
	48,417,951	39,894,209

	30 June 2024 Birr'000	30 June 2023 Birr'000
22 Deposit from financial institutions		
Saving Deposit	114,976	244,685
Demand Deposit	459,440	421,615
Fixed Term deposit	3,132,357	2,233,164
Total	3,706,774	2,899,464
Maturity analysis		
Current	660,290	2,892,464
Non-Current	3,046,484	7,000
	3,706,774	2,899,464



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23 Other liabilities

Financial liabilities

	30 June 2024 Birr'000	30 June 2023 Birr'000
Blocked Account	9,562	9,626
Cash payment order payable	233,603	232,085
Customer deposits for letter of credit	1,388,599	1,429,057
Deferred revenue	206,156	178,171
Deposit for Guarantees Issued	26,681	45,196
Dividend payable	43,110	37,591
Exchange payable to NBE	49,071	40,440
Nostro Account	29	96,584
Old draft payable	61,092	61,189
Payable to Ethio switch	6,902	12,911
Prepaid card control account	7,705	5,232
Telegraphic transfer payable	12,415	12,562
Borrowing	-	100,658

2,044,925 **2,261,304**

Non-financial liabilities

Provision for court cases	60,115	10,922
Pension Contribution Pay	20,912	41,330
Stamp duty payable	3,138	558
Interest Tax Payable	13,193	10,102
Withholding tax payable	3,180	2,708
Employee income Tax Payable	41,934	50,429
VAT payable	6,136	2,622
Cost Sharing Payable	404	743
Technical Service Payable	1,618	2,047
Accrued leave pay	79,096	47,252
Sundry payables	619,536	493,971
Lease Liability	186,533	163,003
Employee Bonus Payable	287,496	-

1,323,291 **825,687**

Gross amount

3,368,216 **3,086,990**

Maturity analysis

	30 June 2024 Birr'000	30 June 2023 Birr'000
Current	3,226,451	2,963,108
Non-Current	141,765	123,882

3,368,216 **3,086,990**



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	30 June 2024 Birr'000	30 June 2023 Birr'000
24 Employee benefit obligations		
24.a Defined benefits liabilities:		
-Severance benefits	288,457	249,379
Liability in the statement of financial position	288,457	249,379
Income statement charge included in personnel expenses:	30 June 2024 Birr'000	30 June 2023 Birr'000
- Severance pay	71,904	54,662
Total defined benefit expenses	71,904	54,662
Re-measurements for:		
- Severance pay	(12,971)	48,167
	(12,971)	48,167

The income statement charge included within personnel expenses includes current service cost, interest cost, past service costs on the defined benefit schemes.

24.b Severance pay

The Bank operates an unfunded severance pay plan for its employees who have served the Bank for 5 years and above and are below the retirement age (i.e. has not met the requirement to access the pension fund and provident fund). The final pay-out is determined by reference to current benefit's level (monthly salary) and number of years in service and is calculated as 1 month salary for the first year in employment plus 1/3 of monthly salary for each subsequent in employment to a maximum of 12 months final monthly salary.

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

	30 June 2024 Birr'000	30 June 2023 Birr'000
A Liability recognized in the statement of financial position	288,457	249,379
B Amount recognized in profit or loss statement	30 June 2024 Birr'000	30 June 2023 Birr'000
Current and past service cost	18,519	13,200
Interest cost	53,398	41,335
	71,917	54,535
C Amount recognized in other comprehensive income:	30 June 2024 Birr'000	30 June 2023 Birr'000
Remeasurement gain arising from experience	(33,627)	31,786
Remeasurement loss arising from changes in the financial assumptions	20,656	16,381
Tax Credit/Charge	3,891	(14,450)
	(9,080)	33,717

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

	30 June 2024 Birr'000	30 June 2023 Birr'000
At the beginning of the year	249,379	167,130
Current and past service cost	18,519	13,200
Interest cost	53,398	41,335
Re-measurement (gains)/ losses	(12,971)	48,167
Benefits paid	<u>(19,868)</u>	<u>(20,453)</u>
At the end of the year	<u>288,457</u>	<u>249,379</u>

The significant actuarial assumptions were as follows:

i) Financial Assumption Long term Average

	30 June 2024 Birr'000	30 June 2023 Birr'000
Discount Rate	18.80%	20.70%
Salary Increase rate	16.30%	17.10%
Inflation rate	14.30%	15.10%

ii) Mortality in Service

Mortality rates are commonly set with reference to standard tables published by reputable institutions (such as the Actuarial Society of South Africa and the Central Statistics Agency ("CSA")) who have access to statistically significant data from which to derive mortality rates. Sample mortality rates are as follows:

Age	'Mortality rate	
	Males	Females
20	0.31%	0.22%
25	0.30%	0.23%
30	0.36%	0.31%
35	0.41%	0.28%
40	0.52%	0.32%
45	0.45%	0.43%
50	0.63%	0.63%
55	0.98%	0.98%
60	1.54%	1.54%



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iii) Withdrawal/Resignation from Service

The withdrawal rates are believed to be reasonably representative of the Ethiopian experience. The valuation assumed that resignation rates decrease by 2.5% for each age from 15% at age 20 (and below) to 0% at age 50. A sample of the resignation rates is summarised in the table below.

Age	Resignation rates per annum
20	15.00%
25	12.50%
30	10.00%
35	7.50%
40	5.00%
45	2.50%
50	0.00%

The sensitivity of the main results to changes in the assumed salary escalation rates and the discount rate have been calculated based on the duration of the liabilities. The changes in the 30 June 2024 Defined Benefit Obligation and the assets are reflected below:

	Base DBO Birr'000	Current service cost one year impact Birr'000	% Change
Discount rate + 1%	288,457	267,461	-7.3%
Discount rate - 1%	288,457	311,359	7.9%
Salary Increase +1%	288,457	311,665	8.0%
Salary Increase +1%	288,457	266,851	-7.5%

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position.



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	30 June 2024 Birr'000	30 June 2023 Birr'000
25 Share capital		
Authorised:		
Ordinary shares of Birr 1000 each	20,000,000	20,000,000
Issued and fully paid:		
Ordinary shares of Birr 1000 each	5,058,890	3,982,139
Share premium	74,917	57,736
	<u>5,133,807</u>	<u>4,039,875</u>

26 Earnings per share

Basic earnings per share (EPS) is calculated by dividing the profit after tax by the weighted average number of ordinary shares in issue during the year.

	30 June 2024 Birr'000	30 June 2023 Birr'000
Profit attributable to shareholders	1,603,201	823,823
Weighted average number of ordinary shares in issue	4,345,658	3,629,144
Basic earnings per share (%age)	<u>36.89%</u>	<u>22.70%</u>

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. There were no potentially dilutive shares at the reporting date and the year before, hence the basic and diluted profit per share have the same value.

	30 June 2024 Birr'000	30 June 2023 Birr'000
27 Retained earnings		
At the beginning of the year	472,937	223,398
Dividend Paid/Capitalized	(472,937)	(223,398)
Profit/(Loss) for the year	1,603,201	823,823
Transfer to Legal Reserve	(400,800)	(205,956)
Transfer to Regulatory Reserve	44,380	(149,366)
Prior period additional tax charge	-	4,436
Balance at the end of the year	<u>1,246,781</u>	<u>472,937</u>



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For the Year Ended 30 June 2024

	30 June 2024 Birr'000	30 June 2023 Birr'000
28 Reserve		
28.a Legal Reserve		
At the beginning of the year	1,790,822	1,584,865
Transfer from profit or loss	<u>400,800</u>	<u>205,956</u>
At the end of the year	2,191,622	1,790,821

The NBE Directive No. SBB/4/95 requires the Bank to transfer annually 25% of its annual net profit to its legal reserve account until such account equals its capital. When the legal reserve account equals the capital of the Bank, the amount to be transferred to the legal reserve account will be 10% (ten percent) of the annual net profit.

28.b Regulatory Risk Reserve

This includes interest on Non performing loans/Stage 3 loans that are recognized per IFRS but not available for dividend distribution as required by National Bank of Ethiopia directive and the excess of provision per NBE directive over that of IFRS 9 which is not accounted as bad debt expense.

	30 June 2024 Birr'000	30 June 2023 Birr'000
Opening Balance	552,262	402,896
Add : Additional provision per NBE	112,201	(204,510)
: Interest income on Non Performing Loans (NPL)	(244,821)	576,665
Less : Income Tax (30%) and legal reserve		
: Tax on interest from Non-performing loans	73,446	(172,999)
: Transfer to legal reserve from interest income on NPL	42,844	(100,916)
: Transfer to Legal reserve from additional provision	(28,050)	51,128
	507,882	552,262

28.c Other Reserve

The other reserve includes the fair value gain/loss on equity instruments classified at FVOCI and remeasurement gains/losses on defined benefit obligations of the Bank.

	30 June 2024 Birr'000	30 June 2023 Birr'000
Opening Balance	50,631	(31,177)
Fair Value gain of Equity Instruments	67,649	115,526
Remeasurement loss on defined benefit plans(net of tax)	9,080	(33,717)
	127,360	50,631





ወጋጎን ባንክ ሽሪዓውን ተከትሎ በሚሰጣቸው የተለያዩ ከወለድ ነፃ የቁጠባ ሂሳብ አገልግሎቶች፣ ቆጥበው ትርፍ በሚጋሩባቸው ሙዳረባህ የቁጠባ ሂሳብ፣ ሙዳረባህ የኢንሸስትመንትና ሙዳረባህ የጊዜ ገደብ ተቀማጭ የሂሳብ ዓይነቶች እንዲሁም የሙራባሃ ፋይናንሲንግ እና ከፋለ የዋስትና አገልግሎቶች እንዲጠቀሙ እንጋብዝዎታለን።



ከወለድ ነፃ የባንክ አገልግሎት
خدمة من غير الفوائد البنكية





Iftar Program with Customers at Ramada Addis Hotel

Wegagen Bank S.C

Annual Financial Statement

For the Year Ended 30 June 2024

	30 June 2024 Birr'000	30 June 2023 Birr'000
29 Cash generated from operating activities		
Profit before tax	2,220,847	1,194,107
Adjustments for non-cash items:		
Depreciation of property, plant and equipment	176,467	145,369
Depreciation of investment property	58	18
Amortisation of intangible assets	34,061	30,606
Depreciation of right of use assets	352,663	192,094
(Gain)/Loss on disposal of property, plant and equipment	7,372	(11,120)
Impairment on loans and receivables	680,115	593,658
Foreign currency exchange rate gain on cash and cash equivalents	(5,796)	(32,269)
Employee benefit obligations	106,634	34,082
Dividend income	(21,862)	(5,875)
Changes in working capital:		
-Decrease/ (Increase) in loans and advances	(5,255,929)	(9,647,647)
-Decrease/ (Increase) in other assets	(709,584)	(443,216)
-Increase/ (Decrease) in deposits from customers	8,523,741	8,102,577
-Increase/ (Decrease) in deposits from financial institutions	807,309	775,354
-Increase/ (Decrease) in other liabilities	281,226	(264,034)
	7,197,323	663,703

30 Related party transactions

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

	Nature of relationship	30 June 2024 Birr'000	30 June 2023 Birr'000
30.a Transactions with related parties			
I. Loans and advances to:	- Influential shareholders - Key Management Personnel	1,717,250 96,343 1,813,593	1,147,602 19,183 1,166,784
II. Deposit balances of:	- Influential shareholders - Key Management Personnel	414,141 2,660 416,801	91,874 1,691 93,565

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30.b Key management compensation

Key management has been determined to be the members of the Board of Directors and the Executive Management of the Bank. The compensation paid or payable to key management is shown. There were no sales or purchase of goods and services between the Bank and key management personnel as at 30 June 2024

		30 June 2024 Birr'000	30 June 2023 Birr'000
Salaries and other employee benefits to:	• Board of Directors	3,994	2,508
	• Executive Management	22,528	19,971
		26,521	22,479

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

31 Employees

The total number of persons employed by the Bank during the year was as follows:

	30 June 2024 Number	30 June 2023 Number
Total staff	<u>5,426</u>	<u>5,071</u>

32 Contingent liabilities and assets

32.a Claims and litigation

The Bank is a party to numerous legal actions brought by different organizations and individuals arising from its normal business operations. The maximum exposure of the Bank to these legal cases as at 30 June 2024 is Br. 1,089.42 million (30 June 2023: Birr 500.57 million). The Bank has made assessment of these legal cases, and held Br. 60.11 million provision (Br. 10.92 million as at June 30, 2023). The remaining legal cases have low possibility of going against the bank and thus no obligation is expected from the Bank.

32.b Guarantees and letters of credit

The Bank conducts business involving issuance of various bid bond, performance bonds and advance payment guarantees. These instruments are given as a security to support the performance of a customer to third parties. The Bank also issued letter of credit facilities to importers, which created commitment to the Bank to settle the obligation in foreign currency when the L/C documents are clearly presented to the Bank and recover the amount from customers in local currency. As the Bank will only be required to meet these obligations in the event of the customer's default, the cash requirements of these instruments are expected to be considerably below their nominal amounts.

Wegagen Bank S.C

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For the Year Ended 30 June 2024

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

	30 June 2024 Birr'000	30 June 2023 Birr'000
Guarantees issued	4,080,986	2,985,001
Letter of credit	4,007,421	4,229,005
	8,088,407	7,214,007

32.c Commitments

Loan commitments	30 June 2024 Birr'000	30 June 2023 Birr'000
Un-utilized overdraft and other facilities	2,137,732	2,351,476
	2,137,732	2,351,476

33 Events after reporting period

33.a Policy interest rate

To ensure price stability, on 9 July 2024 the National Bank of Ethiopia announced new policy framework, Interest rate policy, the start of open market operation auction and overnight facilities for banks. Interest rate policy known as National Bank rate (NBR) and set at 15%. The policy rate is close to the rate at which banks currently lend to each other and is somewhat below commercial bank lending rates, which are in the range of 16-20 percent for most loan categories.

Open market operation auctions have used as the primary monetary policy instrument to ensure that interest rates in the interbank market—the operating target of monetary policy—remain close to the National Bank rate. The auctions are conducted in every two weeks.

33.b Floating exchange rate

On 29 July 2024, National Bank of Ethiopia announced market based determination of exchange rate instead of previously a very restrictive foreign exchange regime. Rate determined by market instead of regulated rate system. Free float exchange rate is essential to address acute foreign exchange shortages, enhance export competitiveness, attract FDI, and complement multiple other macroeconomic reforms that are being put in place to enhance conditions for private sector enterprises to grow and thrive in the Ethiopian economy.

The major changes in new FX regime are end of surrender requirements of commercial bank to National Bank of Ethiopia, improvement in retention rules, lifting of previously prohibited 38 product categories, removal of restrictions on franco valuta imports, simplification of rules governing foreign currency accounts, allowance for residents to open foreign currency accounts, removal of interest rate ceilings that previously applied to private sector companies or banks, opening of Ethiopia's securities market to foreign investors, granting of special



Wegagen Bank S.C

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For the Year Ended 30 June 2024

foreign exchange privileges to companies within Special Economic Zones and relaxation of various rules on the amount of foreign currency cash notes travelers may carry.

The new FX regime have a number of widespread economic benefit to Wegagen Bank in the coming fiscal year and hereafter by;

- Generating more inflow of hard currency
- Enable to allocate more foreign currency to its customers
- Ease of tight FX regulations
- Enable to open new foreign currency accounts to residents of Ethiopian and the like

In the opinion of the directors, there were no significant post balance sheet events which could have a material effect on the state of affairs of the Bank as at 30 June 2024 and on the profit for the year ended on that date, which have not been adequately provided for or disclosed.

34 Segment reporting

A segment is a distinguishable component of the Bank that is engaged in providing products or services within a particular economic environment which is subject to risks and rewards that are different from those of other segments . Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The chief operating decision maker is the person of the Bank that allocates resources to and assesses the performance of the operating segments of an entity.

The Bank has determined the Board of Directors as its chief operating decision maker. All transactions between business segments are conducted on commercial terms basis with intra-segment revenue and costs being eliminated at Bank level.

Segment information

IFRS 8 requires operating segments to be identified on the bases of internal reports about components of the bank that are regularly reviewed by the board of directors in order to allocate resources to the segment and to assess its performance

Information reported to the Bank's Board of Directors for the purposes of resource allocation and assessment of segment performance is focused on products and services.

The accounting policies of the reportable segments are the same as the Bank's accounting policies described in note 2

For management purposes, the Bank has been organised into two operating segments based on products and services, as follows:



Wegagen Bank S.C

Annual Financial Statement

For the Year Ended 30 June 2024

1• Interest Free Banking- All Islamic banking products offered to customers are included under the Islamic Banking segment. These products include Wadiah deposits, Amanah deposits and mudarabah investments, Murabaha and Qard Financing.

2• Conventional Banking- The conventional banking segment comprises of corporate, retail and institutional banking customers in various sectors which include agriculture, manufacturing, domestic trade, construction, hotel and tourism, microfinance institutions, mortgage loans and personal loans. It also comprises public, private, cooperative, government and non-governmental organizations deposits.

The Executive Management Committee have monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profits or losses and is measured consistently with operating profits or losses in the consolidated financial statements. However, income taxes are managed at bank level and are not allocated to operating segments. Transfer prices between operating segments are based on the Bank's internal pricing framework.

No revenue from transactions with single external customer or Counterparty amounted to 10% or more of the bank's total revenue in 2023/2024

30-Jun-24

34.a Statement of Profit or Loss and Other Comprehensive Income

	Conventional Banking Birr '000	Interest Free Banking Birr '000	The bank Birr '000
Interest income	7,146,891	-	7,146,891
Income from Interest free financing and investment products	-	32,392	32,392
Interest expense	(2,353,076)		(2,353,076)
Distribution to depositors- Interest Free Banking Products		(25,382)	(25,382)
Net interest income and income from Interest Free Banking products net of distribution to depositors	4,793,815	7,010	4,800,825
Fee and commission income	2,143,406	2,921	2,146,327
Other operating income	436,097	639	436,736
Gain from sale of acquired properties	-	-	-
Loan and Other asset impairment charge	(677,387)	(2,728)	(680,115)
Net operating income	6,695,931	7,842	6,703,773
Amortization of intangible assets	(34,061)	-	(34,061)
Depreciation of property, plant and equipment	(175,788)	(736)	(176,525)
Personnel and Other operating expenses	(4,266,807)	(5,532)	(4,272,339)
Segment Profit before tax	2,219,274	1,573	2,220,847
Income tax expense	(617,646)	-	(617,646)
Segment profit after tax	1,601,628	1,573	1,603,201

Wegagen Bank S.C

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For the Year Ended 30 June 2024

30-June - 24

34.b Statement of Financial Position

	Conventional Banking Birr '000	Interest Free Banking Birr '000	The bank Birr '000
Assets			
Cash and bank balances	11,124,038	1,999,461	13,123,499
Loans and advances to customers	42,826,172		42,826,172
IFB financings	-	463,230	463,230
Investment securities	5,153,850	-	5,153,850
IFB profit receivables	-	11,008	11,008
Other assets	1,730,035	12,214	1,742,250
Fixed assets	2,400,808	12,733	2,413,541
Total assets	63,234,903	2,498,647	65,733,550
Liabilities			
Deposit from customers	49,656,941		49,656,941
IFB deposits	-	2,467,783	2,467,783
Current tax liabilities	641,203		641,203
Other liabilities	3,754,476	5,695	3,760,171
Total liabilities	54,052,620	2,473,478	56,526,098
EQUITY			
Share capital	5,058,890		5,058,890
Share premium	74,917		74,917
Retained earnings and reserves	4,048,475	25,169	4,073,644
Total equity	9,182,282	25,169	9,207,451
Total equity and liabilities	63,234,903	2,498,647	65,733,550



Wegagen Bank S.C

Annual Financial Statement

For the Year Ended 30 June 2024

30-Jun-23

34.c Statement of Profit or Loss and Other Comprehensive Income

	Conventional Banking Birr '000	Interest Free Banking Birr '000	The bank Birr '000
Interest income	5,382,336	-	5,382,336
Income from Interest free financing and investment products	-	40,698	40,698
Interest expense	(1,942,252)		(1,942,252)
Distribution to depositors- Interest Free Banking Products		(24,784)	(24,784)
Net interest income and income from Interest Free Banking products net of distribution to depositors	3,440,084	15,914	3,455,998
Fee and commission income	1,368,817	4,730	1,373,547
Other operating income	153,878	306	154,184
Gain from sale of acquired Properties		12,312	12,312
Loan and Other asset impairment charge	(586,810)	(6,851)	(593,661)
Net operating income	4,375,970	26,411	4,402,381
Amortisation of intangible assets	(30,606)	-	(30,606)
Depreciation of property and equipment	(145,061)	(326)	(145,387)
Personal and Other operating expenses	(3,018,882)	(13,400)	(3,032,282)
Segment Profit before tax	1,181,422	12,685	1,194,107
Income tax expense	(370,284)	-	(370,284)
Segment profit after tax	811,138	12,685	823,823



Wegagen Bank S.C

Annual Financial Statement

For the Year Ended 30 June 2024

30-June - 23

34.d Statement of Financial Position

	Conventional Banking Birr '000	Interest Free Banking Birr '000	The bank Birr '000
Cash and bank balances	7,482,904	1,576,360	9,059,264
Loans and advances to customers	37,880,287		37,880,287
IFB financings	-	398,149	398,149
Investment securities	2,374,306	-	2,374,306
IFB recievables	-	15,178	15,178
IFB inventory	-	-	-
Other assets	1,438,105	5,152	1,443,257
Fixed assets	2,312,318	3,107	2,315,425
Total assets	51,487,921	1,997,946	53,485,867
LIABILITIES			
Deposit from customers	40,820,585	-	40,820,585
IFB deposits	-	1,973,089	1,973,089
Current tax liabilities	354,776		354,776
Other liabilities	3,429,629	1,261	3,430,890
Total liabilities	44,604,990	1,974,350	46,579,340
EQUITY			
Share capital	3,982,139		3,982,139
Share premium	57,736		57,736
Retained earnings and reserves	2,843,056	23,596	2,866,652
Total equity	6,882,931	23,596	6,906,527
Total equity and liabilities	51,487,921	1,997,946	53,485,867



ህልምዎን አንጋራለን



ለወጣቶች በተዘጋጀው ወለዱ ከቁጠጣው
መጠን ጋር አብሮ በሚያድገው ብሩህ
የቁጠጣ ሂሳብ ይቆጥቡ



ወገን ባንክ
Wegagen Bank





በወጋገን የኢ-ስኩል የክፍያ ስርዓት በመጠቀም

ትምህርት ቤቶች የተሟላ የትምህርት ክፍያ እና የመማር ማስተማር አስተዳደር ስርዓት መዘርጋት፣ የትምህርት ክፍያ ዝርዝር መግለጫ ማግኘት፣ ደህንነት እና ምስጢራዊነቱ የተጠበቀ የተማሪዎች መረጃ እያያዝ ስርዓት መዘርጋት፣ ሪፖርት ማዘጋጀት እንዲሁም ለተማሪዎች ልዩ ድጋፍ ማድረግ ይችላሉ።



እ.ኤ.አ ሰኔ 30 ፣ 2024 የውጭ አዲተሮች ሪፖርት

የትርፍ ወይም ኪሳራ እና ሌሎች የተጣመሩ ገቢዎች
እንዲሁም የሀብት እና እዳ ሚዛን መግለጫ

ወጋገን ባንክ አ/ማ

የትርፍ ወይም ኪሳራ እና ሌሎች የተጣመሩ ገቢዎች መግለጫ

እ.ኤ.አ. ሰኔ 30፣ 2024 ለተጠናቀቀው በጀት አመት

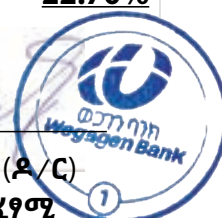
	ማስታወሻ	ሰኔ 30-2024	ሰኔ 30-2023
		በብር '000	በብር '000
የወለድ ገቢ	5	7,179,283	5,423,034
የወለድ ወጪ	6	(2,378,457)	(1,967,036)
የተጣራ የወለድ ገቢ		4,800,825	3,455,998
የተጣራ የክፍያ እና የኮሚሽን ገቢ	7	2,146,327	1,373,547
የተጣራ ከአገልግሎት ክፍያ የተገኙ ገቢዎች		6,947,152	4,829,546
ከሌሎች የአገልግሎት ክፍያ የተገኙ ገቢዎች	8	436,736	166,496
ለደንበኞች የተሰጡ አጠራጣሪ ብድሮች መጠጣባወቂያ ክፍያ	9	(269,292)	(265,197)
ሌሎች አጠራጣሪ የሚሰበሰቡ ክፍያዎች መጠጣባወቂያ ክፍያ	10	(410,823)	(328,464)
የተጣራ የአገልግሎት ገቢ		6,703,773	4,402,381
የሰራተኞች ደመወዝ እና ጥቅማ ጥቅም ክፍያዎች	11	(3,204,716)	(2,441,020)
የማይዳሰሱ ሀብቶች የእርጅና ቅናሽ	19	(34,061)	(30,606)
የቋሚ ንብረት እና መሳሪያዎች የእርጅና ቅናሽ	20	(176,525)	(145,387)
የንብረት መጠቀም መብት የእርጅና ቅናሽ	20a	(352,663)	(192,094)
ሌሎች የአገልግሎት ወጪዎች	12	(710,061)	(395,831)
የውጭ አዲተሮች የአገልግሎት ክፍያ		(906)	(829)
የዳይሬክተሮች የአገልግሎት ክፍያ		(3,994)	(2,508)
ጠቅላላ የአገልግሎት ወጪ		(4,482,925)	(3,208,274)
ከግብር በፊት የተገኘ ትርፍ		2,220,847	1,194,107
የገቢ ግብር ወጪ	13a	(617,646)	(370,284)
ከግብር በኋላ የተገኘ ትርፍ		1,603,201	823,823
የተጣራ ሌሎች የተጣመሩ ገቢዎች			
ለሰራተኞች የአገልግሎት ጥቅም መጠጣባወቂያ ልኬት	24b	9,080	(33,717)
በአክሲዮን ኢንቨስትመንት ድጋሚ ልኬት የተገኙ ገቢዎች	28c	67,649	115,526
የተጣራ ሌሎች የተጣመሩ ገቢዎች ድምር		76,729	81,809
ጠቅላላ ድምር የተጣመረ ገቢ ከግብር በኋላ		1,679,929	905,632
የአንድ ባለ ብር 1,000 አክሲዮን የትርፍ ድርሻ	26	36.89%	22.70%



አቶ አብዱሽ ሁሴን
የዳይሬክተሮች ቦርድ ሊቀ መንበር



አክሊሉ ውበት (ዶ/ር)
ዋና ስራ አስፈጻሚ



ወጋገን ባንክ አ/ማ

የትርፍ ወይም ኪሳራ እና ሌሎች የተጣመሩ ገቢዎች መግለጫ

እ.ኤ.አ. ሰኔ 30፣ 2024 ለተጠናቀቀው በጀት አመት

	ማስታወሻ	ሰኔ 30-2024 በብር '000	ሰኔ 30-2023 በብር '000
እ.ኤ.አ ከሀምሌ 01፤2023 ዓ.ም የዘረ ያልተከፋፈለ ትርፍ		472,937	223,398
ለተጨማሪ አክሲዮን ድርሻ የተላለፈ		-	-
የተከፋፈለ የትርፍ ድርሻ	27	(472,937)	(223,398)
የዘመኑ ትርፍ	27	1,603,201	823,823
ለቀደመ ዓመት በተጨማሪ የተከፈለ የትርፍ ግብር		-	4,436
በህግ የተወሰነ ለመጠጣበቂያ የተላለፈ	28a	(400,800)	(205,956)
የተቆጣጣሪ አካል ስጋት መጠጣበቂያ	28b	44,380	(149,366)
እ.ኤ.አ ሰኔ 30 ፤ 2024 ያልተከፋፈለ ትርፍ		<u>1,246,781</u>	<u>472,937</u>

• የተያያዙት ማስታወሻዎች የሂሳብ መግለጫዎች አካል ናቸው፡፡

• የሂሳብ መግለጫዎች በዳይሬክተሮች ቦርድ እና በማኔጅመንት አማካኝነት እ.ኤ.አ ጥቅምት 03 ቀን 2024 ተፈቅደው እና ፀድቀው ፊርማ የተደረገባቸው ናቸው፡፡



አቶ አብዱሾ ሁሴን

የዳይሬክተሮች ቦርድ ሊቀ መንበር



አክሊሉ ወበት (ዶ/ር)

ዋና ስራ አስፈጻሚ

ወጋገን ባንክ አ.ማ የሀብት እና እዳ ሚዛን መግለጫ

እ.ኤ.አ. ሰኔ 30፣2024 ለተጠናቀቀው በጀት አመት

	ማስታወሻ	ሰኔ 30-2024	ሰኔ 30-2023
		በብር '000	በብር '000
ሀብቶች			
በባንክና በእጅ የሚገኝ ጥሬ ገንዘብ	14	13,123,499	9,059,264
የተጣራ ለደንበኞች የተሰጠ ብድር እና ቅድመ ክፍያ	15a	43,300,410	38,293,614
የአክሲዮን ኢንቨስትመንት ሰነዶች፤			
• የአክሲዮን ኢንቨስትመንት በተጣመረ ገቢ የሚሰላ	16a	540,695	312,517
• የመንግስት ቦንድ ኢንቨስትመንት	16b	4,613,155	2,061,789
ሌሎች ሀብቶች	17	1,742,250	1,443,257
ለኪራይ አገልግሎት የዋለ ንብረት	18	2,585	559
የማይዳሰሱ ሀብቶች የተጣራ	19	48,068	48,818
ቋሚ ንብረት እና መሳሪያ (የተጣራ)	20	1,687,442	1,533,163
ንብረትን የመጠቀም መብት	20a	675,445	732,885
ጠቅላላ ሀብት		65,733,550	53,485,867
እዳዎች			
የደንበኞች ተቀማጭ ሂሳብ	21	48,417,951	39,894,209
የገንዘብ ተቋማት ተቀማጭ ሂሳብ	22	3,706,774	2,899,464
የዚህ አመት ተከፋይ የገቢ ግብር	13c	641,203	354,776
ሌሎች እዳዎች	23	3,368,216	3,086,990
ለሰራተኞች የአገልግሎት ጥቅም የግዴታ መጠጣቢያ	24	288,457	249,379
ወደፊት የሚከፈል የትርፍ ግብር	13d	103,498	94,521
ጠቅላላ እዳ		56,526,098	46,579,340
የተጣራ ሀብት			
የተከፈለ የአክሲዮን ካፒታል	25	5,058,890	3,982,139
ተጨማሪ የአክሲዮን ክፍያ	25	74,917	57,736
ያልተከፋፈለ ትርፍ	27	1,246,781	472,937
በህግ የተወሰነ መጠጣቢያ	28a	2,191,622	1,790,822
የተቆጣጣሪ አካል ስጋት መጠጣቢያ	28b	507,882	552,262
ሌሎች መጠጣቢያዎች	28c	127,360	50,631
ጠቅላላ የተጣራ ሀብት		9,207,451	6,906,527
ጠቅላላ እዳ እና የተጣራ ሀብት		65,733,550	53,485,867

- የተያያዙት ማስታወሻዎች የሂሳብ መግለጫዎች አካል ናቸው፡፡
- የሂሳብ መግለጫዎች በዳይሬክተሮች ቦርድ እና በማኔጅመንት አማካኝነት እ.ኤ.አ. ጥቅምት 03 ቀን 2024 ተፈቅደው እና ፀድቀው ፊርማ የተደረገባቸው ናቸው፡፡

አቶ አብዱሻ ሁሴን
የዳይሬክተሮች ቦርድ ሊቀ
መንበር

አክሊሉ ውበት (ዶ/ር)
ዋና ስራ አስፈጻሚ

ወጋገን ባንክ
Wegagen Bank



ዋርካ 
Warka
የቁጠባ ሒሳብ አገልግሎት



እድሜያቸው 50 እና ከዚያ በላይ ለሆኑ ግለሰቦች በምንሰጠው
ከመደበኛው ቁጠባ ከፍ ያለ ወለድ በሚታሰብለት ዋርካ የቁጠባ ሂሳብ ይጠቀሙ።

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Excelling Together



Our Branch Network



North Addis Ababa District Office Branches

S.N	Branches	ቅርንጫፎች	Telephone
ሰሜን አዲስ አበባ ዲስትሪክት ጽ/ቤት North Addis Ababa District Office			011 170 4455 011 170 4458
1	Addisu Gebeya	አዲሱ ገበያ	011 126 4402 011 126 4412
2	Arada	አራዳ	011 111 1074 011 111 1075
3	Arat Kilo	አራት ኪሎ	011 170 4453 011 170 4452
4	Balderas	ባልደራስ	011 667 4757
5	Bambis	ባምቢስ	011 557 6343 011 557 6358
6	Cathedral	ካቴድራል	011 156 0002 011 156 0060
7	CMC Michael	ሲኤምሲ ሚካኤል	011 667 5913 011 667 1640
8	Enqulal Fabrika	እንቁላል ፋብሪካ	011 126 7355 011 126 7821
9	Eri Bekentu	እሪ በክንቱ	011 126 3861 011 126 3951
10	Gullele	ጉለሌ	011 273 2016 011 273 2017
11	Jan Meda	ጃን ሜዳ	011 126 1400 011 126 1401
12	Kazanchis	ካዛንቺስ	011 554 5670 011 554 5671
13	Kebena	ቀበና	011 126 1094 011 126 1096
14	Kechene	ቀጨኔ	011 126 3139 011 126 3588
15	Kidist Mariam	ቅድስት ማርያም	011 157 0033 011 157 0035
16	Kotebe	ኮተቤ	011 666 3730 011 661 4493
17	Lamberet	ላምበረት	011 667 6289
18	Lamberet Menaheria	ላምበረት መናኸሪያ	011 666 0853 011 666 1947
19	Megenagna	መገናኛ	011 667 4019 011 667 4012
20	Mesfine Harar Avenue	መስፍነ ሀረር ጎዳና	011 171 2033 011 171 2032
21	Nigist Zewditu Street	ንግስት ዘውዲቱ መንገድ	011 557 8071 011 557 8701

22	Piassa	ፒያሳ	011 126 6894 011 126 7958
23	Salite Mihret	ሰዓሊተ ምህረት	011 667 6386 011 667 6387
24	Sebara Babur	ሰባራ ባቡር	011 157 0329
25	Shola	ሾላ	011 659 1822 011 659 5623
26	Sululta	ሱሉልታ	011 161 7501 011 161 7492
27	Wesen	ወሰን	011 667 8951 011 667 8946
28	Wuhalimat	ወኃልማት	011 663 1518 011 663 1517
29	Yeka Abado	የካ አባዶ	011 893 1029 011 893 2408
S.N	Branches	ቅርንጫፎች	Telephone
ምሥራቅ አዲስ አበባ ዲስትሪክት ጽ/ቤት East Addis Ababa District Office			011 672 4649 011 672 4569
30	Agar	አጋር	011 667 0436 011 667 0313
31	Adama	አዳማ	022 111 9055 022 110 0524
32	Adama Boset	አዳማ ቦሰት	022 212 0055 022 212 0037
33	Africa Avenue	አፍሪካ አሼት	011 662 4772 011 662 4769
34	Adey Ababa Stadium	አደይ አበባ ስታድየም	011 635 6496 011 635 6035
35	Atlas	አትላስ	011 639 2083 011 639 2091
36	Atse-Zera Yaekob	አፄ ዘርዓ ያቆብ	011 681 1872 011 681 1803
37	Ayat Addebabay	አያት አደባባይ	011 639 0044 011 639 0028
38	Ayat Noah	አያት ኖህ	011 672 4649 011 672 4569
39	Ayat Gebeya	አያት ገበያ	011 639 0410 011 639 0411
40	Ayat-Tafo	አያት ጣፎ	011 639 0610 011 639 1950
41	Al-Nejashi	አልነጃሺ	011 639 2459
42	Beshale	በሻሌ	011 667 7408 011 667 7688

43	Bole 17	ቦሌ 17	011 667 1916 011 667 1588
44	Bole Arabsa	ቦሌ አራብሳ	011 612 5670 011 612 5672
45	Bole Bulbula	ቦሌ ቡልቡላ	011 470 0869 011 470 0895
46	Bole Medhanialem	ቦሌ መድኃኒአለም	011 661 6135 011 661 6136
47	Bole Michael	ቦሌ ሚካኤል	011 639 2033 011 639 2006
48	Bole Millennium	ቦሌ ሚሊኒየም	011 662 2757 011 666 2620
49	Berecha	በሬቻ	022 212 4041 022 212 3013
50	Bulbula Condominium	ቡልቡላ ኮንዶሚኒየም	011 822 4059
51	Cape Verde Avenue	ኬፕ ቨርድ አቪኒው	011 667 3376 011 667 3448
52	CMC	ሲ ኤም ሲ	011 647 9047 011 647 9044
53	Enewari	እነዋሪ	011 688 0518 011 688 0510
54	Debre Birhan	ደብረ ብርሃን	011 637 5420 011 637 5421
55	Gerji	ገርጂ	011 629 8141 011 629 8114
56	Gerji Mebrat Hayil	ገርጂ መብራት ኃይል	011 667 6405 011 667 6372
57	Gerji Sunshine	ገርጂ ሰንሻይን	011 629 0265 011 629 0016
58	Gerji Unity	ገርጂ ዩኒቲ	011 639 5053 011 639 5052
59	Gollagul	ጎላጉል	011 690 6008 011 690 6222
60	Gurd Shola	ጉርድ ሾላ	011 645 9752 011 645 9753
61	Haya Arat	ሃያ አራት	011 618 0677 011 618 0670
62	Hayahulet	ሃያ ሁለት	011 667 2428 011 667 2414
63	Imperial	ኢምፔሪያል	011 668 6222 011 668 6223
64	Jackros	ጃክሮስ	011 667 1419 011 667 1420
65	Loke	ሎቄ	011 668 0720 011 668 0046
66	Legetafo	ለገጣፎ	011 668 2777 011 668 2779



67	Mehal Adama	መሀል አዳማ	022 111 2280 022 111 2284
68	Meri Loke	መሪ ሎቄ	011 668 2946 011 668 3982
69	Mickey Leland Street	ሚኪ ሊላንድ መንገድ	011 635 4021 011 635 4061
70	Moenco	ሞኔንኮ	011 668 6145 011 668 7118
71	Shalla Menafesha	ሻላ መናፈሻ	011 618 9303 011 663 2094
72	Summit Yetebaberut	ሰሚት የተባበሩት	011 639 1549 011 639 1568
73	Summit 72	ሰሚት ሰባ ሁለት	011 639 1987 011 639 1989
74	Summit	ሰሚት	011 667 9001 011 667 9022
75	Yerer Ber	የረረ በር	011 667 5863 011 667 5873
Branches			ቅርንጫፎች
ምዕራብ አዲስ አበባ ዲስትሪክት ጽ/ቤት West Addis Ababa District Office			011 369 1797 011 369 1828
76	Abakoran	አባኮራን	011 278 1177 011 278 1181
77	Abdi Nono	አብዲ ኖኖ	011 260 1278 011 260 1347
78	Abinet	አብነት	011 278 0544 011 278 0580
79	Africa Union	አፍሪካ ዩኒየን	011 554 7061 011 554 7063
80	Alem Bank	አለም ባንክ	011 369 4708 011 369 4756
81	Alemgena	አለም ገና	011 367 9965 011 367 9281
82	Amana	አማና	011 231 6181 011 231 6182
83	Atena Tera	አጠና ተራ	011 273 9521 011 273 9523
84	Autobis Tera	ኦውቶቢስ ተራ	011 273 5510 011 273 4844
85	Ayer Tena	አየር ጤና	011 369 3400 011 369 3450
86	Berbere Tera	በርበሬ ተራ	011 273 3950
87	Bisrate Gebriel	ብስራተ ገብርኤል	011 369 1794 011 369 1765

88	Dubai Tera	ዱባይ ተራ	011 273 4889 011 273 4890
89	Ehil Berenda	ኣህል በረንዳ	011 273 4981 011 273 5318
90	Furi	ፉሪ	011 367 9207
91	Gambia Street	ጋምቢያ መንገድ	011 531 9082 011 531 9083
92	Geja Sefer	ጌጃ ሰፈር	011 557 9140 011 557 9891
93	Gesho Tera	ጌሾ ተራ	011 273 3873
94	Girar	ግራር	011 369 5406 011 369 4921
95	Gojam Berenda	ጎጃም በረንዳ	011 126 3662 011 126 3858
96	Habte Giorgis	ሀብተ ጊዮርጊስ	011 111 2972 011 111 2973
97	Jemo	ጆሞ	011 471 3033
98	Kolfe	ኮልፌ	011 273 9304 011 273 9942
99	Lideta	ልደታ	011 552 3709 011 553 9872
100	Likuanda	ልኳንዳ	011 273 9296 011 273 9610
101	Mekanisa	መካኒሳ	011 369 8225 011 369 8232
102	Mekanisa Abo	መካኒሳ አቦ	011 369 9963 011 369 8781
103	Mekanisa Michael	መካኒሳ ሚካኤል	011 369 8447 011 369 8449
104	Merkato	መርካቶ	011 275 2867 011 275 2929
105	Merkato Arategna	መርካቶ አራተኛ	011 273 3710 011 273 3966
106	Merkato Tana	መርካቶ ጣና	011 273 5668 011 273 5667
107	Mesalemia	መሳለሚያ	011 276 8611 011 275 8151
108	Meskel	መስቀል	011 551 6652 011 551 6627
109	Mexico	ሜክሲኮ	011 557 5577 011 557 5578
110	Military Tera	ሚሊተሪ ተራ	011 213 4605 011 213 4608
111	Pan African	ፓን አፍሪካን	011 369 1828 091 135 0819

112	Sebeta	ሰበታ	011 338 0359 011 338 0366
113	Sefere Selam	ሰፈረ ሰላም	011 273 5089 011 273 5925
114	Sengatera	ሰንጋተራ	011 557 6952 011 557 6955
115	Shema Tera	ሸማ ተራ	011 273 3473 011 273 2997
116	Shera Tera	ሸራ ተራ	011 273 5562 011 273 5401
117	Sidamo Tera	ሲዳሞ ተራ	011 273 3079 011 273 3055
118	Sost Kutir Mazoriya	ሶስት ቁጥር ማዞሪያ	011 369 2129 011 369 2127
119	Stadium	ስታዲየም	011 558 0105 011 558 0106
120	Tabot Maderiya	ታቦት ማደሪያ	011 369 7242 011 369 7629
121	Tekle Haymanot	ተክለሃይማኖት	011 156 3812 011 156 3813
122	Tulu Bolo	ቱሉ ቦሎ	011 342 0064 011 342 0057
123	Wegagen Amana Alem Bank	ወጋገን አማና አለም ባንክ	011 369 5768
124	Wegagen Amana Bethel	ወጋገን አማና ቤቴል	011 369 6565
125	Welete	ወለቴ	011 380 3174 011 380 3253
126	Weliso	ወሊሶ	011 341 1984 011 341 1617
127	Weyra Bethel	ወይራ ቤተል	011 349 2753 011 349 5308
128	Yeshi Debelle	የሺ ደበሌ	011 384 0191
129	Zenebework	ዘነበወርቅ	011 369 8764 011 369 8762
Branches ቅርንጫፎች			Telephone
ደቡብ አዲስ አበባ ዲስትሪክት ጽ/ቤት South Addis Ababa District Office			011 466 4569 011 466 4649
130	Akaki	አቃቂ	011 471 6847 011 471 6840
131	Arerti	አረርቲ	022 223 0541 022 223 0543
132	Beklobet	በቅሎ ቤት	011 466 3603 011 466 3588
133	Bishoftu	ቢሾፍቱ	011 437 1062 011 437 1025
134	Bulgaria Mazoria	ቡልጋሪያ ማዞሪያ	011 470 1345 011 470 1205



ዋዲያህ-አማርኛ / የአድራ ተቀማጭ ሂሳብ /

በወጋገን አማርኛ

ያለገደብ አድራጭን ያንቀሳቅሱ





135	Bole	ቦሌ	011 552 3524 011 553 6666
136	Bole Mega	ቦሌ ሜጋ	011 558 2517 011 558 2554
137	Crown	ክራውን	011 854 7122 011 462 6018
138	Dukem	ዱክም	011 432 0945 011 432 0753
139	Gara Oda	ጋራ ኦዳ	011 471 1550 011 471 0974
140	Gelan Condominium	ገላን ኮንዶሚኒየም	011 455 0113/84
141	German Adebabay	ጀርመን አደባባይ	011 369 8928 011 369 9938
142	Goffa	ጎፋ	011 465 5816 011 465 5817
143	Goffa Camp	ጎፋ ካምፕ	011 467 2505 011 416 5166
144	Goffa Mebrat Hail	ጎፋ መብራት ኃይል	011 467 3753 011 466 1545
145	Hana Mariam	ሀና ማርያም	011 471 1254 011 471 1854
146	Jati	ጃቲ	011 471 6844 011 471 6846
147	Kaliti Maseltegna	ቃሊቲ ማሰልጠኛ	011 439 1109 011 439 0668
148	Kaliti	ቃሊቲ	011 439 4285 011 439 4286
149	Kera	ቄራ	011 385 2076 011 385 2066
150	Kilinto	ቂሊንጦ	011 451 2279 011 451 2198
151	Kirkos	ቂርቆስ	011 470 3896 011 470 3906
152	Lafto	ላፍቶ	011 471 0028 011 471 0029
153	Lebu	ለቡ	011 471 2756 011 471 2771
154	Lebu Ertu	ለቡ ኤርቱ	011 471 3963 011 471 3964
155	Meskel Flower	መስቀል ፍላወር	011 416 4753 011 416 8005
156	Modjo	ሞጆ	022 236 0300 022 236 0303
157	Nefas Silk	ንፋስ ስልክ	011 470 7612 011 470 7615

158	Flamingo	ፍላሚንጎ	011 558 0663 011 558 0744
159	Olympia	ኦሎምፒያ	011 557 5099 011 557 5916
160	Saris Adey Abeba	ሳሪስ አደይ አበበ	011 470 8410 011 470 8254
161	Saris Addisu Sefer	ሳሪስ አዲሱ ሰፈር	011 470 7694 011 470 7718
162	Saris 58	ሳሪስ 58	011 471 1851 011 471 1454
163	Saris Total	ሳሪስ ቶታል	011 470 9163 011 470 8587
164	Torban Gerba	ቶርባን ገርባ	011 430 0820 011 430 1115
165	Tulu Dimtu	ቱሉ ዲምቱ	011 471 5772 011 471 5497
166	Tulu Dimtu Condominium	ቱሉ ዲምቱ ኮንዶሚኒየም	011 888 6831 011 888 6833
167	Worku Sefer	ወርቁ ሰፈር	011 471 7693 011 471 7692
168	Wello Sefer	ወሎ ሰፈር	011 466 8006 011 466 8093

Bahir Dar District Office Branches

S.N	Branches	ቅርንጫፎች	Telephone
ባህርዳር ዲስትሪክት ጽ/ቤት Bahir Dar District Office			058 320 9667 058 320 6119
169	Abay Mado	አባይ ማዶ	058 321 3213 058 320 2095
170	Adet	አደት	058 338 1110 058 338 1161
171	Ataye	አጣዬ	033 661 0775
172	Bahir Dar	ባህርዳር	058 220 2038 058 220 4490
173	Bati	ባቲ	033 553 1576 033 553 1577
174	Buanbua wuha	ቧንቧ ውሃ	033 311 6317 033 311 5519
175	Bure	ቡሬ	058 774 1194 058 774 1050
176	Debre Markos	ደብረ ማርቆስ	058 178 2524 058 178 2257
177	Debre Tabor	ደብረ ታቦር	058 141 3452 058 141 5465
178	Dessie	ደሴ	033 111 3788 033 111 3789 033 111 6944

179	Dessie Mugad	ሙጋድ	033 312 5789 033 312 0478
180	Fasiledes	ፋሲለደስ	058 126 0022 058 126 0023
181	Finote Selam	ፍኖተ ሰላም	058 775 0476 058 775 0340
182	Gendawuha	ገንዳ ውሃ	058 331 0010 058 331 0031
183	Ghion	ግዮን	058 320 7724 058 320 8720
184	Gish Abay	ግሽ አባይ	058 320 8869 058 320 5536
185	Gondar	ጎንደር	058 111 4816 058 111 1620
186	Injibara	እንጂባራ	058 227 1575 058 227 1682
187	kobo	ቆቦ	033 334 1290 033 334 1297
188	Kombolcha	ኮምቦልቻ	033 551 0753 033 551 1800
189	Maraki	ማራኪ	058 211 3639 058 211 0294
190	Merawi	መርዓዊ	058 330 0972 058 330 0945
191	Metema Yohannes	መተማ ዮሐንስ	058 555 5551 058 555 5760
192	Motta	ሞጣ	058 661 1807 058 661 1293
193	Sefene Selam	ሰፈነ ሰላም	058 320 5456 058 320 7746
194	Sekota	ሰቆጣ	058 320 9667 058 320 6119
195	Shoa Robit	ሸዋ ሮቢት	033 664 0704 033 664 1995
196	Tana Bahir Dar	ጣና ባህር ዳር	058 226 2018 058 226 2002
197	Weldiya	ወልዲያ	033 540 0791 033 540 0789

Hawassa District Office Branches			
S.N	Branches	ቅርንጫፎች	Telephone
ሃዋሳ ዲስትሪክት ጽ/ቤት Hawassa District Office			046 212 2288 046 212 0897
198	Adola Weyu	አዶላ ወዩ	0926582057
199	Aleta Wondo	አለታ ወንዶ	046 224 0453 046 224 0687
200	Angacha	አንገጫ	046 340 0404 046 340 0406
201	Arbaminch	አርባ ምንጭ	046 881 5093 046 881 5076
202	Areka	አረካ	0917190035
203	Asella	አሰላ	022 331 8292 022 331 8294
204	Atote-Hawassa	አቶቴ ሐዋሳ	046 212 5017 046 212 5015
205	Bale Robe	ባሌ ሮቤ	022 244 2959 022 244 1986
206	Batu	ባቱ	046 141 8156 046 141 5362
207	Bonosha	ቦኖሻ	046 453 0371 046 453 0256
208	Bule Hora	ቡሌ ሆራ	046 443 1105 046 443 1106
209	Butajira	ቡታጅራ	046 145 0060 046 145 0061
210	Damboya	ዳምቦያ	046 245 0276 046 245 0233
211	Dilla	ዲላ	046 331 1105 046 331 0120
212	Doyogena	ዶዮገና	046 224 0404 046 224 0405
213	Durame	ዱራሜ	046 554 1449 046 554 1446
214	Fonko	ፎንቆ	046 263 0307 046 263 0308
215	Hadero	ሀደሮ	046 432 0617 046 432 0619
216	Halaba Kulito	ሀላባ ቁሊቶ	046 556 1818 046 556 1316
217	Hawassa	ሐዋሳ	046 220 2629 046 220 4172
218	Hawassa Arab sefer	ሐዋሳ አረብ ሰፈር	046 212 4361 046 212 4302
219	Hawassa Monopol	ሃዋሳ ሞኖፖል	046 212 8081 046 212 7833
220	Hawassa Tabor	ሃዋሳ ታቦር	046 212 3991 046 212 3992

221	Homecho	ሆሜቾ	046 251 0285 046 251 0397
222	Hosaena	ሆሳዕና	046 555 4216 046 555 4209
223	Hosaena Gombora	ሆሳዕና ጎምቦራ	046 178 0533 046 178 0534
224	Hulbareg	ሁልባረግ	046 269 0295 046 269 0499
225	Jajura	ጃጃራ	046 265 0308 046 265 0015
226	Jinka	ጃንካ	046 775 2294 046 775 2112
227	Konso Karat	ኮንሶ ካራት	046 773 0579 046 896 4232
228	Meki	መቂ	022 118 1200 022 118 1227
229	Moyale Sub Branch	ሞያሌ ንዑስ ቅርንጫፍ	046 444 1603 046 444 1750
230	Mudula	ሙዱላ	046 235 0626 046 235 0523
231	Negele	ነጌሌ	046 445 2320 046 445 7473
232	Negele Arsi	ነጌሌ አርሲ	046 116 2815 046 116 2816
233	Shakiso	ሻኪሶ	046 334 1851 046 334 1850
234	Shashemene	ሻሸመኔ	046 110 3468 046 110 3466
235	Shashemene Arada	ሻሸመኔ አራዳ	046 211 0621 046 211 4546
236	Shashemene Oda	ሻሸመኔ ኦዳ	046 211 1536 046 211 0984
237	Shinshicho	ሽንሺቾ	046 339 0893 046 339 0923
238	Wegagen Amana Werabe	ወጋገን አማና ወራቤ	046 212 2288 046 212 1681
239	Wolayita Sodo	ወላይታ ሶዶ	046 551 4592 046 551 4593
240	Yirgachefe	ደርጋጨፌ	046 332 0410 046 332 0161
241	Yirgalem	ደርጋለም	046 225 2421 046 225 2458

Dire Dawa District Office Branches

S.N	Branches	ቅርንጫፎች	Telephone
ድሬዳዋ ዲስትሪክት ጽ/ቤት Dire Dawa District Office			025 111 0827 025 111 0442
242	Al-Baraka	አል በረካ	025 278 3562 025 278 4299
243	Awash 7 Kilo	አዋሽ 7 ኪሎ	022 224 1571 022 224 1484
244	Aweday	አወዳይ	025 662 0280 025 662 0167
245	Babile	ባቢሌ	025 665 0592 025 665 0594
246	Chemin-de-fer	ሼመንደፍር	025 411 5700/02
247	Chiro	ጭሮ	025 659 0685 025 659 0455
248	Degahbur	ደጋህቡር	025 771 0702 025 771 0596
249	Dire Dawa	ድሬዳዋ	025 112 4669 025 111 1101
250	Gode	ጎደ	025 776 1541 025 776 2163
251	Hafet-Issa	ሃፈት ኢሳ	025 112 4674 025 112 4699
252	Harar	ሐረር	025 666 3623 025 666 4622
253	Harar Arategna	ሐረር አራተኛ	025 466 9894 025 466 2289
254	Havana	ሃቫና	025 278 8669 025 278 6326
255	Jigjiga	ጅግጅጋ	025 775 7628 025 775 2057
256	Kebre-Daher	ቀብራ-ደሀር	025 774 1453 025 774 1231
257	Kebri-Beyah	ቀብራ-በያህ	025 669 0477 025 669 0356
258	Kezira	ክዚራ	025 111 0285 025 113 0372
259	Logia	ሎጊያ	033 550 0499 033 550 0503
260	Sabian	ሳቢያን	025 411 1984 025 411 6448
261	Jigjiga Seid-Square	ጅግጅጋ ሰይድ አደባባይ	025 278 0949 025 278 2914
262	Semera	ሰመራ	033 366 0100/02
263	Togo-Wajaale Sub Branch	ቶጎ-ዋጃሌ ንዑስ ቅርንጫፍ	025 882 0032/33
264	Wegagen Amana Babu-Rahema	ወጋገን አማና ባቡ - ራሕማ	025 211 0501



ጎህ የልጅቶ የቁጠባ ሂሳብ

ለልጅቶ የጎህ ህይወት ማማር ዛሬ በወጋገን ባንክ

ጎህ የልጅቶ የቁጠባ ሂሳብ ይቆጥቡላቸው



Jimma District Office Branches			
S.N	Branches	ቅርንጫፎች	Telephone
	ጅማ ዲስትሪክት ጽ/ቤት Jimma District Office		047 111 6168 047 111 6305
265	Abobo	አቦቦ	047 559 0423
266	Agaro	አጋሮ	047 221 1031 047 221 1051
267	Ameya	አመያ	047 227 0424 047 227 3498
268	Assosa	አሶሳ	057 775 1362 057 775 1422
269	Awetu	አዌቱ	047 211 6739 047 211 9630
270	Bedele	በደሌ	047 445 1809/10
271	Bonga	ቦንጋ	047 331 1971 047 331 1933
272	Dimma	ዲማ	09 93 84 95 16 09 25 34 24 75
273	Gambella	ጋምቤላ	047 551 1767 047 551 1944
274	Gambella New Land	ጋምቤላ ኒውላንድ	047 151 3233 047 151 0044
275	Gimbi	ጊምቢ	057 771 2308 057 771 2797
276	Itang	ኢታንግ	047 465 0404
277	Jimma Abajifar	ጅማ አባጅፋር	047 111 6393 047 112 3616
278	Jimma Gibe	ጅማ ጊቤ	047 211 1003 047 211 2838
279	Jimma Jiren	ጅማ ጅሬን	047 211 3184/86
280	Jimma Bore	ጅማ ቦሬ	047 211 3180
281	Lare	ላሬ	047 553 0023 047 553 0540
282	Limmu Genet	ሊሙ ገነት	047 111 6168 047 111 6305
283	Maji	ማጂ	047 811 1258
284	Menit Shasha	መኔኒት ሻሻ	047 452 7576/99
285	Meti	ሜጢ	047 339 0627/28
286	Metu	መቱ	047 141 1050
287	Mizan Aman	ሚዛን አማን	047 135 0066/98
288	Nekemte	ነቀምት	057 661 3068/81
289	Omo	ኦሞ	09 10 23 04 20

290	Openo	ኦፔኖ	047 151 0038 047 151 0039
291	Pinyudo	ፒንዎዶ	047 465 0404
292	Sheko	ሸኮ	047 778 0526 047 778 0313
293	Shey Bench	ሼይ ቤንች	047 777 0508 047 777 0725
294	Tello	ጠሎ	047 077 1033 047 077 1019
295	Tepi	ቴፒ	047 556 2620/1
296	Terpham	ተርፋም	047 851 9369
297	Wacha	ዋቻ	047 338 0455/6
298	Welkite	ወልቂጤ	011 365 8180/16

Mekelle District Office Branches

S.N	Branches	ቅርንጫፎች	Telephone
መቀሌ ዲስትሪክት ጽ/ቤት Mekelle District Office			034 241 5185 034 241 5186
299	16 KEBELE	16 ቀበሌ	0979396823
300	Abala (Afar)	አብዓለ (አፋር)	034 665 0495/0491
301	Abyi Addi	ዓብይ ዓዲ	034 446 0503 034 446 0313
302	Addi Hawusi	አዲ ሃውሲ	034 440 8439/31
303	Adi Shumdhun	አዲ ሹምድህን	034 241 0017/44
304	Adi Gudem	አዲ ጉዶም	034 437 0665
305	Adi Ha	ዓዲሐ	034 241 5575 034 241 8477
306	Adigrat	አዲግራት	034 445 2866 034 445 2790
307	Adigrat Menaheria	አዲግራት መናኸሪያ	0918 81 26 80
308	Adishu	ዓዲሹ	034 241 5185/86
309	Agaziyan	አግኦዝያን	0924221332 0914586441
310	Agulae	አጉላዕ	034 314 0486 034 314 8221
311	Alamata	አላማጣ	034 774 0772 034 774 0264
312	Ambasera	አምባሴራ	0917 331 937 0342 401 303
313	Arid	አሪድ	0914 215 467
314	Atsbi	አፅቢ	034 340 0322/27
315	Ayder (Mekelle)	አይደር (መቀሌ)	034 240 8582

316	Aynalem	አይናለም	09 14 757159
317	Castle (Mekelle)	ካስትል (መቀሌ)	034 440 2689/79
318	Chercher (Raya)	ጨርጨር (ራያ)	034 317 0338
319	Daero	ዳዕሮ	034 241 3466
320	Dera	ዴራ	034 241 5185/86
321	Edaga Arbi	እዳጋ አርቢ	034 346 0360/44
322	Edaga Hamus	እዳጋ ሐሙስ	034 773 0546 034 773 0185
323	Edaga Kedam	እዳጋ ቀዳም	0914 17 91 70
324	Edaga Mekelle	እዳጋ መቀሌ	034 441 3666/22
325	Edaga Rebue	እዳጋረቡዕ	09 45 058172
326	Enda Tirota	እንዳ ጥሮታ	0945 05 81 72
327	Enkodo Mekelle	እንኮዶ መቀሌ	034 241 5415/26
328	Fatsi	ፋዲ	034 241 5185/86
329	Freweyni	ፍረወይኒ	034 447 0645/35
330	Gidimti	ግድምቲ	034 241 9839 034 241 6946
331	Gijet	ግጀት	0914404639
332	Guya	ጉያ	0914 47 35 93
333	Hadish Adi	ሀዲሽ አዲ	0926697874
334	Hadnet	ሐድነት	034 241 5414/23
335	Hagereselam	ሀገረሰላም	0910525264
336	Haik Mesahal	ሃይቅ መስሐል	0968 88 93 21
337	Hawelti	ሀውልቲ	034 441 9674 034 441 9433
338	Hawzen	ሐውዜን	034 667 0206/ 8604
339	Hawzen Adebabay	ሐውዜን አደባባይ	034 241 5185
340	Hewane	ሒዋነ	034 315 0483 034 315 0528
341	Kalid	ኻሊድ	0914705524
342	Kedamay Weyane	ቆዳማይ ወያነ	034 241 5185/86
343	Illala	ኢላላ	034 440 6954/56
344	Kelamino	ቃላሚኖ	09 14 15 49 49
345	Kelkel Debri	ቀልቀል ደብሪ	034 241 2564/79
346	Kilte Awlaelo	ክልተ አውላሎ	034 443 1217/44
347	korem	ኮረም	09 14 16 70 85
348	Kukufto	ኩኩፍቶ	09 04 04 93 27/30



349	Lachi	ላጪ	034 241 4895 034 241 3268
350	Lachi Meneharia	ላጪ መናኸሪያ	09 14 74 89 20
351	Maichew	ማይጨው	034 777 0563/49
352	Mayliham	ማይሊሐም	034 240 3490 034 240 3256
353	Mere Mieti	መረሚኢቲ	0914114245
354	Megab	መጋብ	034 241 5185/86
355	Mehoni	መኸኒ	034 664 0258/62
356	Mekelle	መቀለ	034 440 8933/34
357	Meles Zenawi	መለስ ዜናዊ	034 241 5185
358	Mere Mieti	መረሚኢቲ	0914114245
359	Messebo	መሰቦ	034 241 5185/86
360	Meyda Agame (Adigrat)	መይዳ ዓጋመ (ዓዲግራት)	034 445 1785/94
361	Midregenat Mekelle	ምድረገነት መቐለ	034 241 5185/86
362	Miwtsae Werki	ምውዳዕ ወርቂ	034 245 2413/0697
363	Momona	ሞሞና	034 240 4874
364	Nebelet	ነበለት	034 328 0240/85
365	Negash	ነጋሽ	0913020294
366	Quiha	ኩሃ	034 240 2590/2054
367	Ras Alula Abanega	ራስ አሉላ አባነጋ	034 446 1777 034 446 1337
368	Raya Timuga	ራያ ጥመጋ	034 316 0280/18
369	Romanat	ሮማናት	034 440 6608/10
370	Samre	ሳምረ	034 241 5185/86
371	Sebeya	ሰበያ	0914 09 65 59
372	Semaetat	ሰማዕታት	0914120922
373	Tsigereda	ፅጌረዳ	034 241 5185/86
374	Swuha Welwalo	ሰውሃ ወልዋሎ	0914590577
375	Welwalo	ወልዋሎ	0930 00 18 73
376	Werk Amba	ወርቅ አምባ	0910525264
377	Wukro	ውቅሮ	034 443 0373/0683
378	Yechila	የጭላ	034 422 0372
379	Zala Ambesa	ዛላ አምበሳ	034 779 0647

Shire District Office Branches

S.N	Branches	ቅርንጫፎች	Telephone
	ሽረ ዲስትሪክት ጽ/ቤት Shire District Office		034 244 3685 034 244 4248
380	Adi Abun	አዲ- አቡን	034 271 0001/02
381	Adi Awala	ዓዲ አውዓለ	034 241 5185/86
382	Adi Daero	አዲ ዳዕሮ	034 432 0539/41
383	Adi Goshu	አዲ ጎሹ	09 14 11 45 87
384	Adi Hageray	አዲ ሃገራይ	034 324 0707/0372
385	Adi Mahleka	ዓዲ ማህለካ	034 244 3685/4248
386	Adi Mohameday	አዲ-መሐመዳይ	0914791283
387	Adi Nebried	ዓዲ ነብሪዒድ	034 325 0005/06
388	Adi Remets	ዓዲ ረመፅ	034 244 3681/85
389	Adwa	አድዋ	034 771 4046/43
390	Ahsea	አሕሰአ	09 66 85 38 24
391	Axum	አክሱም	034 775 3631/95
392	Axum University Sub Branch	አክሱም ዩኒቨርሲቲ ንዑስ ቅርንጫፍ	034 775 3631
393	Baeker	ባዕከር	034 244 3681/85
394	Bizet	ብዘት	034 312 0424/0501
395	Chila	ጭላ	034 559 4308
396	Dansha	ዳንሻ	034 436 0451/0118
397	Daero-Hafash	ዳዕሮ ሐፋሽ	0914 00 2352
398	Dibdibo	ድብድቦ	034 556 0415/0358
399	Edaga Axum	እዳጋ አክሱም	034 275 6108
400	Edaga Enticho	እዳጋ እንጥጮ	034 244 3685/4248
401	Edaga Hibret	እዳጋ ህብረት	034 244 3681/85
402	Edaga Selus	ዕዳጋ ሰሉስ	034 244 3685 034 244 4248
403	Edaga Shire	እዳጋ ሽረ	034 244 6107 034 244 4587
404	Endabaguna	እንዳባጉና	034 661 0473/86
405	Endasellasia	እንዳስላሴ	034 444 4117/31
406	Enticho	እንትጮ	034 449 0602 034 449 0803
407	Feres May	ፈረስ ማይ	034 310 0174/62

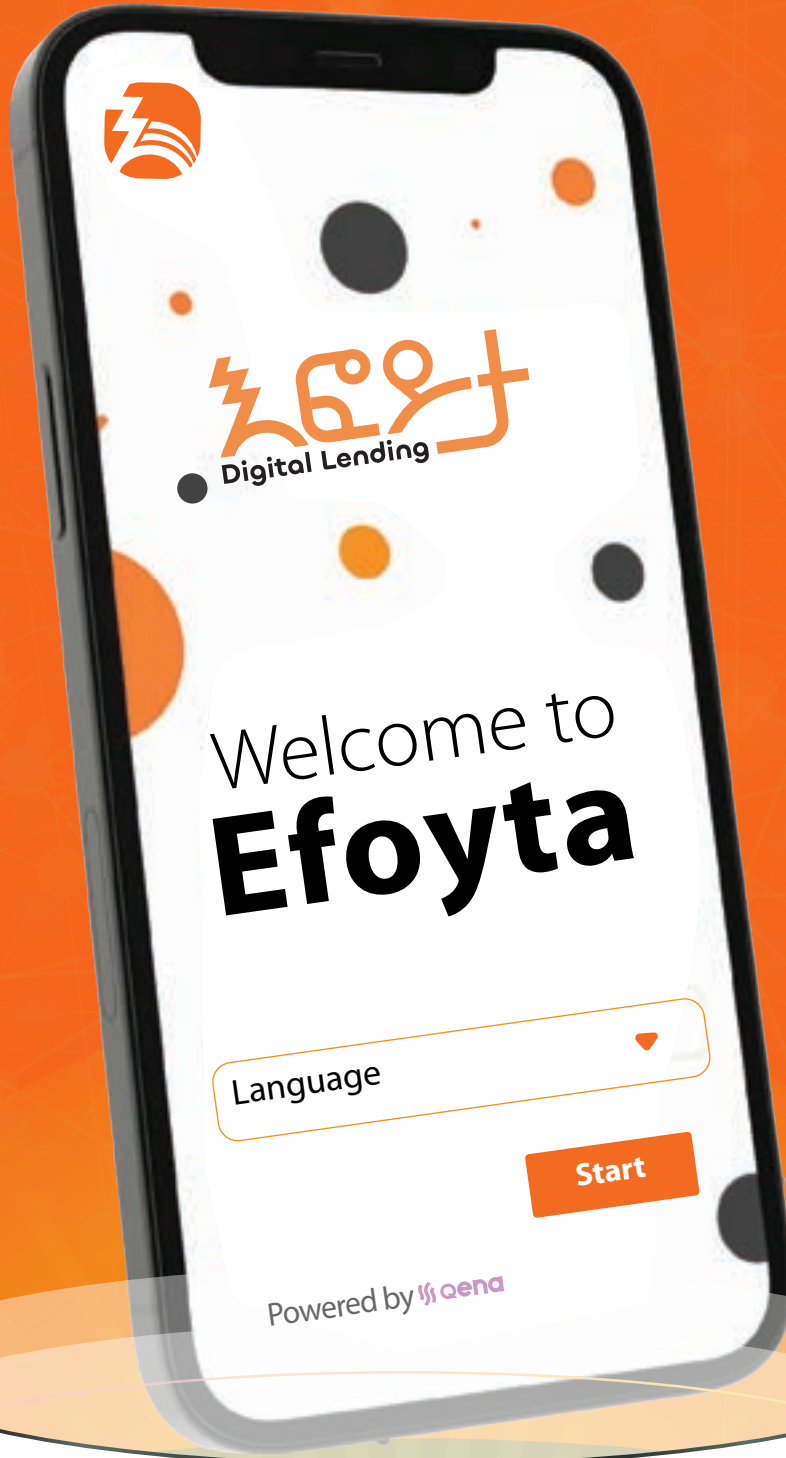


408	Gerhu Sirnay	ገርሁ ስርናይ	034 438 0408 034 438 0353
409	Hitsats	ህፃፅ	034 140 8520
410	Humera	ሁመራ	034 448 0005/07
411	Kaleb	ካሌብ	034 275 0081/82
412	Kisad Geba	ክሳድ ገባ	0914447572
413	Korarit	ቆራሪት	034 844 0772/81
414	Mahbere Dego	ማህበረ ዴጎ	034 329 0122/23
415	May kinetal	ማይ ቅነጣል	0930 49 38 64
416	May Tsebri	ማይ ፀብሪ	034 662 0368/70
417	Maygaba	ማይገባ	0972 16 17 00
418	Mayhanse	ማይሀንስ	034 244 3681/85
419	Maykadra	ማይካድራ	034 332 0055 034 332 0122
420	Midre Genet	ምድረ ገነት	0914 18 63 44
421	Midre-Hayelom	ምድረ ሐየሎም	0914 21 08 10
422	Nigiste Saba	ንግስተ-ሳባ	034 275 0061/74
423	Rama	ራማ	034 555 0585
424	Remhay	ረምሃይ	034 275 0066/77
425	Sefeo	ሰፊዮ	0914114587
426	Sehul Shire	ስሁል ሽረ	0913 80 22 30
427	Selekleka	ሰለክለካ	034 776 0495/97
428	Semema	ሰመማ	034 445 5576/80
429	Setit Humera	ሰቲት ሁመራ	0914 44 75 72
430	Sheraro	ሸራሮ	034 550 0025 034 550 0104
431	Shire	ሽረ	034 444 2165 034 444 2424
432	Shire meneharia	ሽረ መነሃሪያ	034 444 2165 034 444 2424
433	Soloda	ሶሎዳ	034 271 0001/20
434	Tahtay Adiyabo	ታህታይ አዲያቦ	0914 17 47 17
435	Tekeze	ተክዜ	0921 99 12 12
436	Wukro Maray	ወቅሮ ማራይ	034 668 0208 034 668 0575



ወጋገን ኔፎይታ

የዲጂታል ብድር አገልግሎት



ለውጭ ጉዞዎ በወጋገን

የቅድመ ክፍያ ሺዛ ካርድ ይጠቀሙ



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ስልክ፡- +251 115 523800 +251 115 177500

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D. Annual Report and Audited Annual Financial Statements of the Bank as at and for the year ended 30 June 2023



ANNUAL REPORT

2022/23



በትጋት፣ ለሥራ ፣ ለስኬት
ማልደው ሲነሱ ፤
ከእርስዎ ጋር ነን።



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Our Vision

**Aspiring to be a champion of excellence
in banking business in Ethiopia.**

Mission

**Maximize stakeholders' value by providing
diversified banking services through
competent and motivated employees,
and up-to-date technology.**

Core Values

Teamwork

- ⌚ We collaborate and work collectively to meet our common goals
- ⌚ We promote and support a diverse, yet unified team

Integrity

- ⌚ We do the right thing, even when no one is watching
- ⌚ We keep our word and honor our commitments
- ⌚ We maintain confidentiality and privacy of all stakeholders

Innovation

- ⌚ We adapt and respond rapidly to changes
- ⌚ We encourage creativity and new ideas

Responsiveness

- ⌚ We provide prompt and convenient customer service





Abdishu Hussien
Chairperson

Board of **Directors**



Hailu Molla
Vice, Chairperson



Woldegabriel Naizghi
Member



Kidane Hagos
Member



Fithanegest Gebru
Member



Hassen Yesuf
Member



Fikru Jiregna
Member



Gebregziabher Hadush
Member



Kibreab Tewelde
Member



Mulu Bisrat
Member

Board of Directors



Shariah Advisory Committee



Sheikh Ibrahim Dawud
Chairman

Ustaz Mohammed Ferej
Member

Sheikh Fethalbari Mohammednur
Member



Aklilu Wubet (PhD)
Chief Executive Officer

Core Management



Yehwalashet Zewdu
**Deputy CEO - Enterprise
Services**



Solomon Tesfaye
Deputy CEO-Technologies



Kidane G/Sellassie
Deputy CEO- Operations



Senior Management



Aregash Gudeta
Chief Finance & Materials
Mgt Officer



Haile G/Egziabher
Chief Human Capital
Officer



Hussen Amde
Chief Digital Banking
Officer



Kibeb G/Egziabher
Chief International
Banking Officer



Geteye Mekuria
Chief Marketing and
Strategy Officer



Yoseph G/Yohannes
Chief Credit Officer



Habtom G/Egziabher
Chief Officer - Northern
Regional Office



Mengistu Tadesse
Chief Resource Mobilization
& Branch Banking Officer



Goitom G/Tsadkan
Chief Information
Officer



Debela Merga
Chief Risk & Compliance
Officer



Negasi G/Aregawi
Chief Internal Auditor

Management Team



Genet Daba
Director, Talent Development



Zeray G/Wahid
Director, Legal Services



Abebaw G/Tsadik
Director, Treasury Management



Kaleb Tadesse
Director, Marketing & Corporate Communications



Tekle Eticha
Director, Corporate Strategy and Change Management



Negassi Fisseha
Director, Management Information System



Fantahun Demissie
Director, Personal and SME Relationship Management



Amanuel Abebe
Director, Talent Management



Tajudin Hussen
Director, Interest Free Banking



Meried Haile
Director, Credit Analysis & Portfolio Management



Niguss Girma
Director, Employee Benefits & Performance Management



Bahiru Demissie
Director, Research and Business Development

Management Team



Tsigereda Ashenafi
Director, Resource
Mobilization & Branch Banking



Amanuel Birhane
Director, Corporate &
Business R/ship Management



Sebsibe Zebro
Director, Engineering &
Facility Management



Yonas Alemayehu
Director, Program
Management



Tesfatsion Gebreyohannes
Director, Digital Innovation
& Marketing



Million Legesse
Director, Financial
Accounting



Desalegn Haile
Director, IT Security



Yishak Yilma
Director, Core Infrastructure
Management



Abadi Leake
Director, Core Application
Management



Paulos G/Mariam
Director, Export &
Remittance



Defaru Afework
Director, Digital Banking
Technology Management



Mulugeta Zerga
Director, Digital Banking
Operation

Management Team



Yimegnushal Teshome
Director, Import & Payments



Tewodros Assefa
Director, Supply Chain
Management



Mengesha Fisseha
Executive Assistant



Haddush Hintsay
Company Secretary

District Directors **Team**

Excelling Together



Ashenafi Gidey
District Director, West
Addis Ababa



Agere Belay
District Director, North
Addis Ababa



Tessema Gessesse
District Director, East
Addis Ababa



Kidane W/Giorgis
District Director, South
Addis Ababa



Yohannes Assefa
District Director,
Mekelle



Zenebe Asayehegn
District Director,
Shire



Daniel Liben
District Director,
Dire Dawa



Ashenafi Ayalew
District Director,
Hawassa



Kassanew Alem
District Director,
Bahir Dar



Yehualashet Alemayehu
District Director,
Jimma



ዋርካ 
Warkka
የቁጠባ ሒሳብ አገልግሎት

እድሜያቸው 50 ዓመት እና ከዚያ በላይ ለሆኑ ሰዎች
በምንስጠው ከመደበኛው ቁጠባ ከፍ ያለ ወለድ በሚታሰብለት
ዋርካ የቁጠባ ሂሳብ ይጠቀሙ





ጎህ የልጆች የቁጠባ ሒሳብ

ለልጆችዎ የወደፊት ህይወት መሳካት
በጎህ የልጆች የቁጠባ ሂሳብ ይቆጥቡላቸው ፤
የቁጠባ ሳህልን ያስተምሩአቸው



Message from Chairperson of the Board of Directors



On behalf of the Board of Directors and myself, I am honored to present the Board of Directors' report and audited financial performance report of Wegagen Bank for the fiscal year 2022/23 to the 30th Ordinary Annual meeting of Shareholders.

The world economy experienced myriad of challenges during the elapsed fiscal year. Among others, the COVID-19 pandemics aftereffects, the protracted conflict between Ukraine and Russia, the adverse effects of climate change, and quickly altering macroeconomic conditions across the globe all continued to pose challenges on the world economy.

According to the International Monetary Fund world economic outlook, the global economy which grew by 3.5 percent in 2022 is projected to decline to 3 percent in 2023. Though tight monetary policy has been in place to contain excessive inflation, reducing the inflationary pressure to the pre-pandemic levels has still been out of reach. The outlook also highlighted that emerging markets and developing economies are projected to have modestly declined growth from 4.1 percent in 2022 to 4.0 percent in both 2023 and 2024.

Sub-Saharan Africa did not escape the global economic downturn. In Sub-Saharan Africa, growth is projected to decline to 3.3 percent in 2023 from 4 percent in 2022 with growth remaining below the historical average of 4.8 percent. The projected decline reflected by a number of cases such as worsening weather shocks, the global economy slowdown and domestic supply issues including notably in the electricity sector. Several of the region's economies are experiencing a funding squeeze amid rising borrowing costs and tightening credit conditions.

Global commodity prices increased in FY 2022/23 as manifested by the surge in energy prices by 5.7 percent, led by crude oil at 7.8 percent and coal at 3.8 percent. The average price of Coffee Arabica in this fiscal year was about USD 5.09 /kg, which witnessed a decline when compared to the previous year's average price of USD 5.55/Kg.

The confluence of adverse factors affected the Ethiopian economy during the FY 2022/23. The aftereffect of COVID-19 pandemic, the conflict in the northern part of the country, drought in some parts of the country which put many people in need of food assistance, inflation, and shortage of foreign currency along with the ongoing war between Ukraine and Russia constrained the Ethiopian economy in fiscal year 2022/23. Despite all these challenges, Ethiopia's economy grew by 7.5 percent in the FY 2022/23 as stated by the government.

High inflation continued to be the major problem of the country's economy in the fiscal year 2022/23, with an annual average inflation rate of 32.6 percent. The Ethiopian government took several monetary and fiscal measures to minimize double-digit inflation rate with the goal of achieving a single-digit inflation rate.

In line with its regulatory role, the National Bank of Ethiopia has issued various directives and circulars deemed to enhance the economic growth of the country by creating conducive environment for the financial sector to play its intermediation role. The forbearance measure taken by the National Bank of Ethiopia to support rehabilitation of areas affected by internal conflict was a commendable initiative. On the other hand, the 20 percent Treasury bond purchase requirement was introduced.

Unfavourable regional and global economic conditions had their own impact on the banking industry in general and our Bank in particular. Though the fiscal year 2022/23 was challenging on the one hand, a glimmer of hope was witnessed for our Bank following the restoration of peace in Tigray region. To this effect, almost all branches of the Bank which were closed due to the conflict in the region have commenced operation during the second quarter of the fiscal year 2022/23.

The Bank devised a variety of intervention strategies and put into action by involving all stakeholders including the Board, Management, and Staff of the Bank, prominent shareholders, and other pertinent organs in an effort to overcome the adverse issues faced during the year under consideration.

Accordingly, the Bank's performance in the key performance metrics for the reporting period showed commendable progress even in the face of the combined challenges posed by the global and national economic, political and social environments. It is with great pleasure that we disclose that our Bank managed to register remarkable profit while also recording increases in other key performance indicators. In the fiscal year 2022/23, the Bank earned a total income of Birr 7 billion, which saw a 36 percent growth from preceding year balance of Birr 5.1 billion whereas the Bank's total expense rose to Birr 5.8 billion, registering a 27 percent increase from the previous year's performance of Birr 4.5 billion.

As a result, the Bank registered the highest ever recorded profit before tax of Birr 1.2 billion which in comparison depicted an increment of 109 percent over the previous year's performance of Birr 572 million. Consequently, the rate of return on average asset (ROA) and return on average equity (ROE) for the fiscal year stood at 1.7 percent and 22 percent, respectively. Earnings per share for the fiscal year 2022/23 was 22.7 percent, which showed increment of 6.1 percentage point over preceding year's performance of 16.6 percent.

The Bank's total deposit reached Birr 42.8 billion as of June 30, 2023 with a year-on-year growth of 26 percent over previous year's performance of Birr 33.9 billion. During the fiscal year under review, the Bank generated foreign currency to the tune of USD 241 million, which climbed by 24 percent from last year same period performance of USD 195 million. The Bank financed different economic sectors by disbursing Birr 12.7 billion during the FY 2022/23 and, as a result, the Bank's gross outstanding loans and advances reached Birr 39.9 billion reflecting an increment of 32 percent over the preceding year's performance. A commendable performance was also seen in loan collection, where the Bank managed to collect Birr 6.5 billion, witnessing a 55 percent increment against the performance registered during the previous year.

As part of the Bank's effort to boost its customer base, the total deposit accounts of the Bank reached 2,648,179 as at June 30, 2023, increasing by 17 percent year-on-year with due compliance with customer due diligence and know your customer directive. Likewise, aligned with the digital strategy of the Bank, effort was made to ramp up the number of digital banking service users. Accordingly, the number of mobile banking subscribers reached 2,026,748 while wallet account users constituted 478,007 as at June 30, 2023. Besides, the number of cards issued reached 447,362 and internet banking subscribers stood at 13,340 at the close of the reporting period. Number of Branch, ATM and POS outlets of the Bank stood at 410, 319 and 436 as at June 30, 2023, correspondingly.

The number of employees of the Bank stood at 5,071 as at June 30, 2023. Various on-the-job and off-the-job technical and leadership trainings were delivered to enhance the capacity of technical and managerial employees of the Bank. As a result, 4,815 employees underwent trainings during the fiscal year under review.

Finally, I would like to express my gratitude to all esteemed customers, respected shareholders, Board Members, Management, and the entire community of the Bank for their unreserved effort in bringing the Bank to the right track and thus achieving incredible results in major key performance indicators. I would also like to stretch my special heartfelt thanks to the National Bank of Ethiopia for its role in facilitating conducive business environment for the banking industry.

Mr. Abdishu Hussien
Chairman, Board of Directors





866

የደንበኞች ግንኙነት ማዕከል

Contact Center

ስለገንዘብ አገልግሎቶች ለማወቅ ወይም ለሌሎች ጥያቄዎችዎ
በ 866 ነፃ የስልክ መስመር ደውለው ይጠይቁ፤ ይስተናገዱ



**ETB 42.8 Billion
Deposit
Mobilization**



**ETB 39.9 Billion
Outstanding
Loans &
Advances**



**13,340 Internet
Banking Users**



**2,026,748
Mobile Banking
Subscribers**



**478,007
E-float Account**



319 ATM



**2,648,179
Customer Base**



436 POS



**447,362
Card Holders**



**USD 241 Million
Foreign Currency
Generation**



3,644 Agents



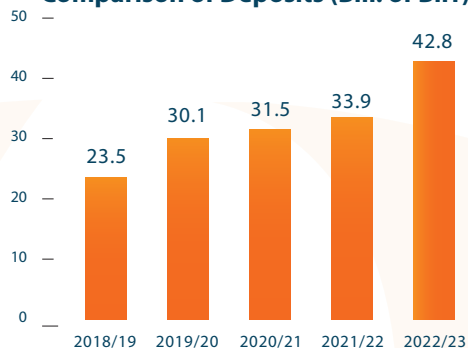
Wegagen in Numbers

**410
Branches**

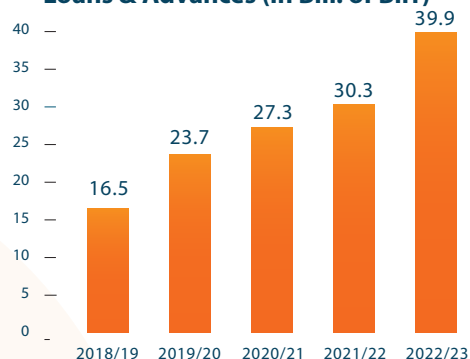


Performance Highlights

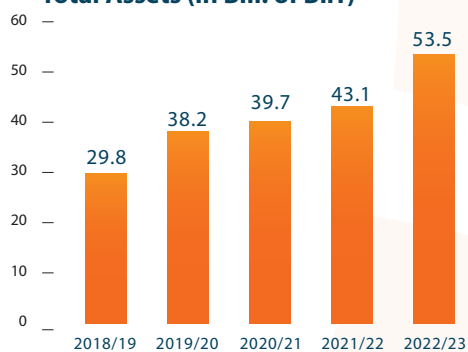
Comparison of Deposits (Bill. of Birr)



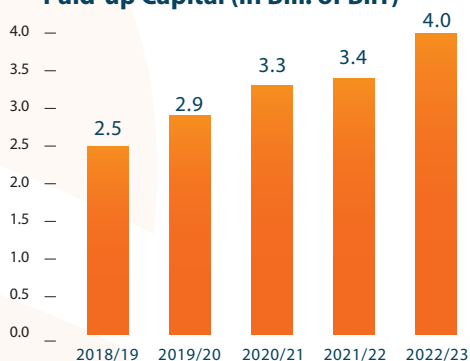
Loans & Advances (in Bill. of Birr)



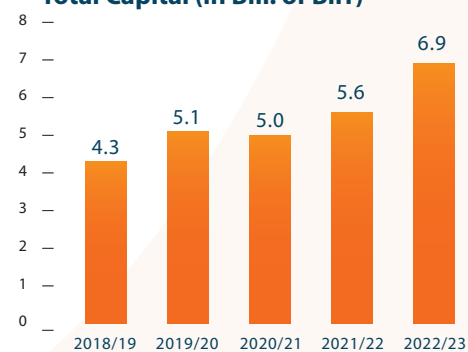
Total Assets (in Bill. of Birr)



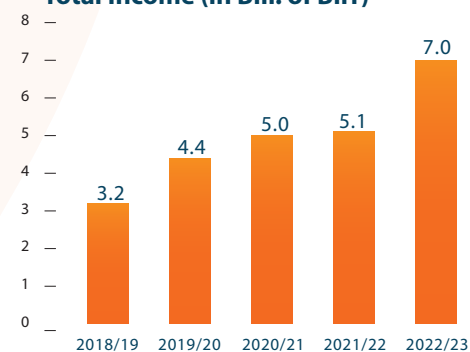
Paid-up Capital (in Bill. of Birr)



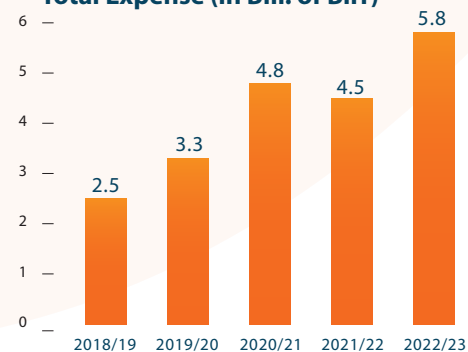
Total Capital (in Bill. of Birr)



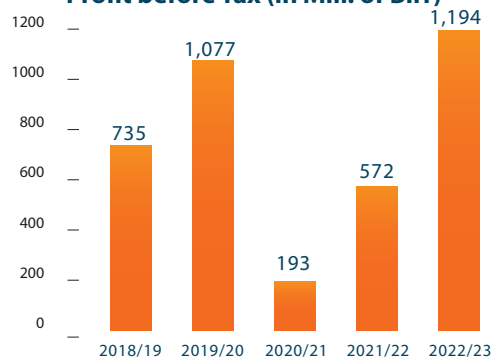
Total Income (in Bill. of Birr)

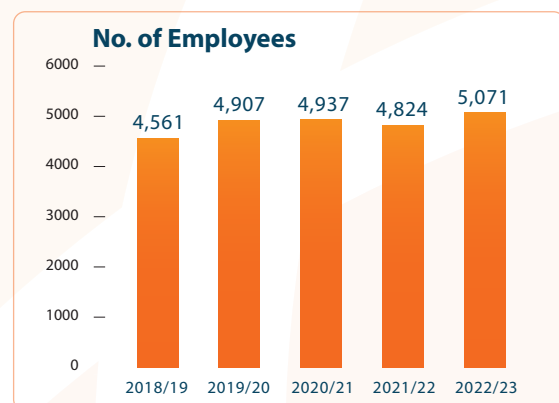
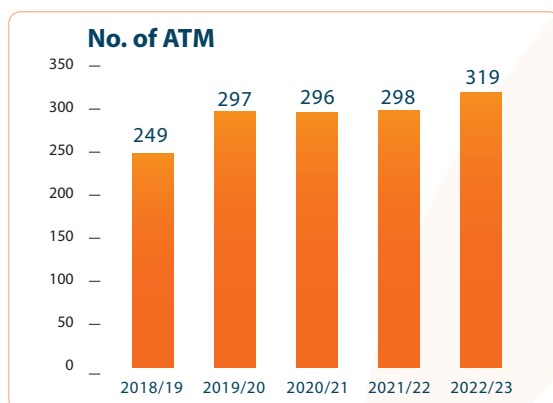
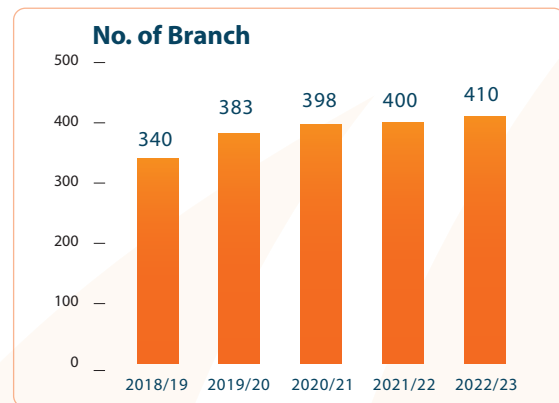
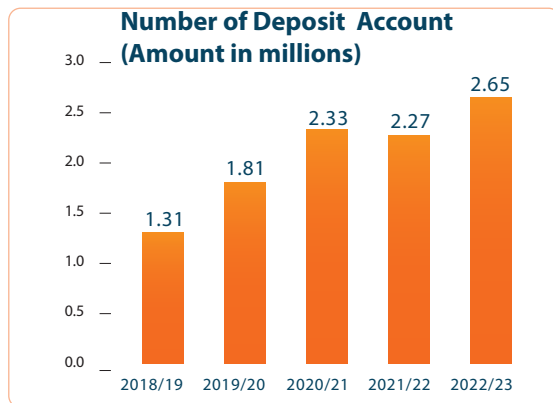


Total Expense (in Bill. of Birr)



Profit before Tax (in Mill. of Birr)



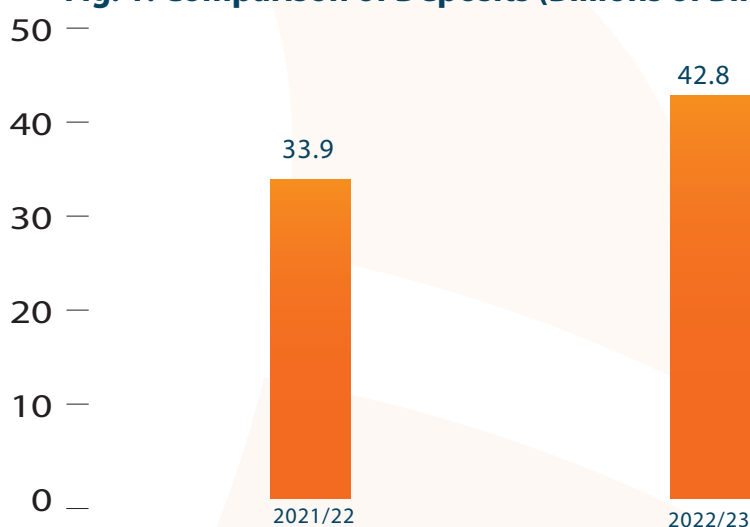


1. Operational Performance

1.1 Deposit Mobilization

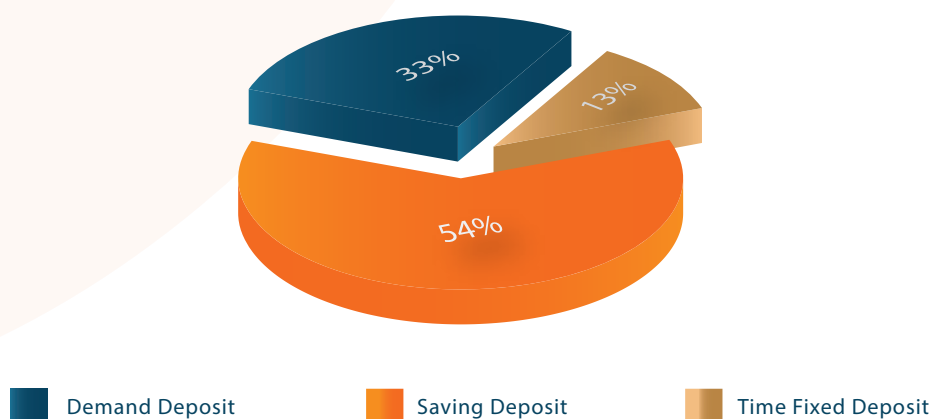
In spite of the headwinds affecting the overall economic and business activities in the operating and task environments, our Bank crafted and implemented a well-thought-out resource mobilization strategy. As a result, total deposits of the Bank grew by 26 percent to Birr 42.8 billion owing to improved products and services portfolio, enhanced community engagement, and increased partnership and collaboration with various stakeholders. Accordingly, our Bank was able to mobilize net deposit of Birr 8.9 billion during the year under review.

Fig. 1. Comparison of Deposits (Billions of Birr)



Comparing the performance to the previous year, all deposit types showed increment. In terms of deposit composition, saving deposits continued to account for the majority of deposits (54 percent), followed by demand deposits (33 percent), and time fixed deposits (13 percent). Furthermore, the total number of deposit account holders reached 2,648,179 as of June 30, 2023, depicting an increment of 379,731 or 17 percent from the previous year's position.

Fig. 2: Structure of Total Deposit



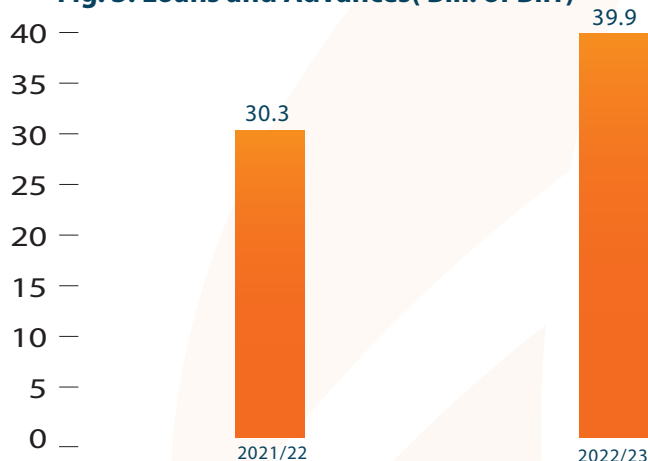
1.2 Interest Free Banking Service

As of June 30, 2023, the Bank's total deposit from interest-free banking services reached Birr 1.97 billion. In comparison to last year's balance of Birr 1.6 billion, the IFB deposit increased by 23 percent year- on- year. As a result, Time deposits and Qard deposits made up 3.2 percent and 19.4 percent, respectively of the deposits composition whereas Wegagen Amanah deposits represented 77.4 percent. With the aim of enhancing interest-free banking services, the Bank has implemented various initiatives among which opening additional full-fledged interest-free banking branches, sub branches, and IFB dedicated windows are the major ones.

1.3 Loans and Advances

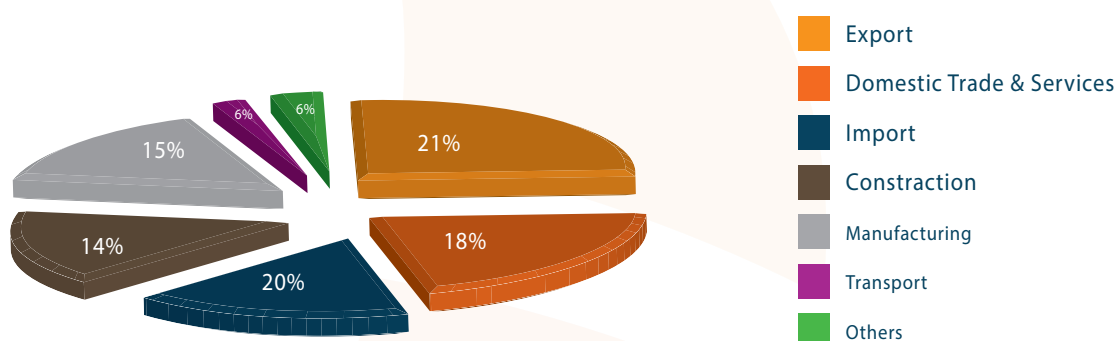
The gross amount of loans and advances extended to different sectors of the economy constituted Birr 39.9 billion at the end of June 2023, up by 32 percent over the same period of the previous year. It is worth to mention that the stated amount doesn't include the investment made on Treasury bond, which is 20 percent of loan disbursement as per the regulatory requirement.

Fig. 3: Loans and Advances(Bill. of Birr)



All sectors of the economy have benefited from the loans and advances availed by the Bank. Accordingly, loans and advances extended to the export sector accounted for the lion's share (21 percent), followed by import (20 percent), domestic trade and services (18 percent), Manufacturing (15 percent), construction (14 percent), transport service (6 percent), and other sectors (6 percent).

Fig. 4 Composition of Loans Portfolio



1.4 International Banking Operations

The Bank's total foreign currency earnings during FY 2022/23 was USD 241 million, which increased by USD 46 million (24 percent) against the previous year performance of USD 195 million. The achievement is attributed to efforts made to attract and retain exporters and other FCY generating sources.

The Bank's performance started rebounding to the performance track despite all local and global challenges that had adverse effects on international banking operation.

SWIFT: WEGAETAA

Dahabshiil

fast money transfer you can trust

AMAL EXPRESS

RELIABLE MONEY TRANSFER

**WESTERN
UNION**

moving money for better

Ria Money
Transfer

MoneyGram
money transfer

Thunes.

TRANSFAST
Worldwide Money Transfer

TAAJ
MONEY TRANSFER

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2. Financial Performance

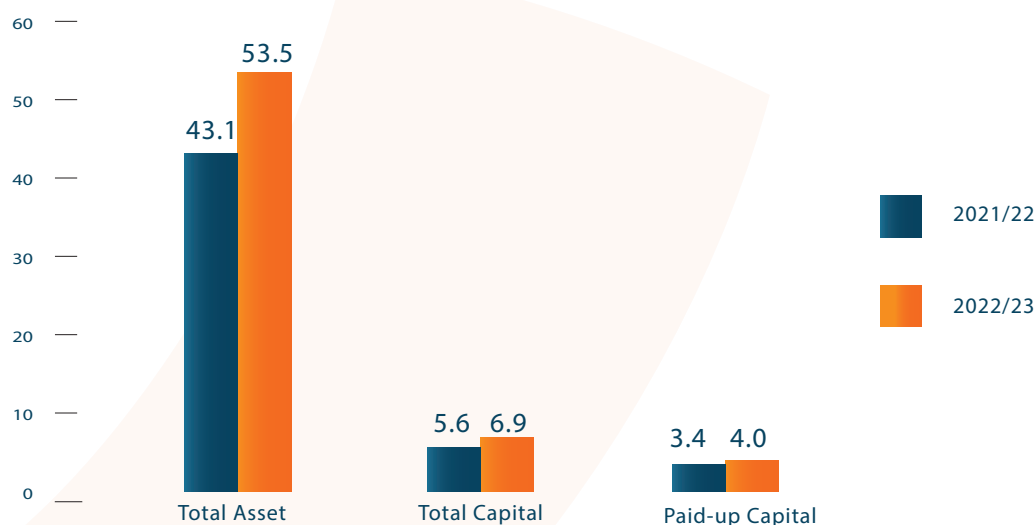
2.1 Asset Expansion

At the end of fiscal year 2022/23, the Bank's total assets amounted to Birr 53.5 billion, showing an increment of 24 percent against the previous year's balance of Birr 43.1 billion. Outstanding loans and advances accounted for 72 percent of the Bank's total assets followed by Cash and Bank Balance at 17 percent. Moreover, investment in securities represented 4 percent followed by property, plant and equipment with 3 percent while the rest portion constituted 4 percent of total asset.

2.2 Capital Growth

The Bank's total capital reached Birr 6.9 billion at the end of the Fiscal Year 2022/23, an increase of Birr 1.3 billion (23 percent) year-on-year. The paid-up capital also increased by Birr 591 million (17 percent) from the previous year's balance of Birr 3.4 billion and reached Birr 4 billion at the end of the FY 2022/23. The Bank's capital adequacy measured in terms of capital-risk weighted assets was above the minimum 8 percent requirement set by NBE.

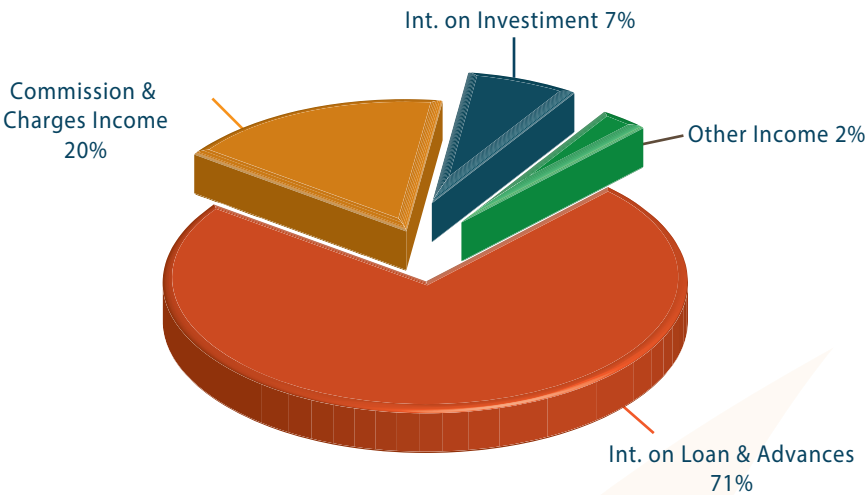
Fig.5: Comparison of Assets, Capital and Paid-up Capital (Bill. of Birr)



2.3 Total Income

In the fiscal year under review, the Bank generated a total income of Birr 7 billion, well above previous year's performance of Birr 5.1 billion, indicating a total growth of Birr 1.9 billion (36 percent) driven by a remarkable increase in all income components. In terms of composition, interest earned on loans and advances represented 71 percent, with commission and charges and interest on investment constituting 20 percent and 7 percent, respectively. Other income accounted for 2 percent of the total income.

Fig.6: Composition of total income

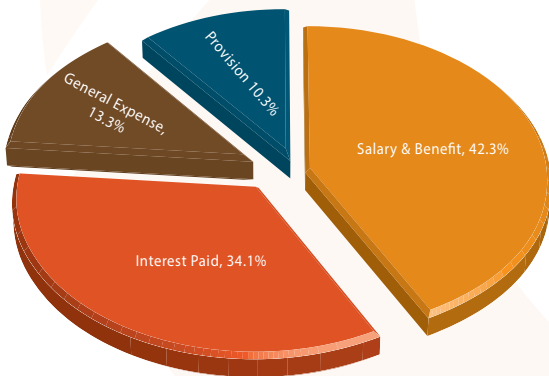


2.4 Total Expense

The Bank incurred a total expense of Birr 5.8 billion during the fiscal year under consideration with 27 percent increase against the previous year's total expense of Birr 4.5 billion. All expense categories have shown an increment over the previous year's expense performance of the Bank.

Employee salary and benefits expense made up the lion's share, constituting 42 percent of total expense, followed by interest expense which accounted for 34 percent while general expense and provision expense represented 13 percent and 10 percent, respectively. Moreover, the remaining 1 percent of total expense went to Digital and Agency banking charges.

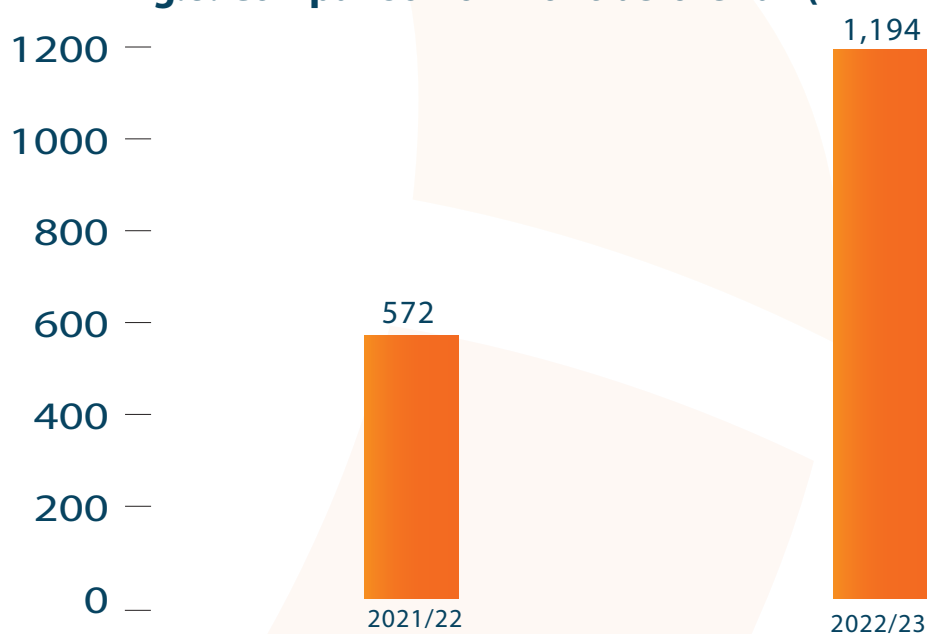
Fig. 7 Composition of the Total Expense



2.5 Profit before Tax

During the fiscal year 2022/23, the Bank managed to earn record high total profit before tax of Birr 1.2 billion, which exhibited a meritorious growth of 109 percent over the previous year's profit before tax performance of Birr 572 million.

Fig.8: Comparison of Profit before Tax (In Millions of Birr)





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የወርቅ ደረጃ ተሸላሚ





Tripartite agreement made among Wegagen Bank, Ministry of Revenue (MOR) and Information Network Security Agency (INSA) to facilitate digital based tax payment and settlement system

3. Customer Base Expansion

The Bank's branch outlets have exerted utmost effort to increase the number of new deposit account opening during the fiscal year 2022/23. Continually pursuing the Bank's grand strategic objective of enhancing customer base, better achievements have been registered in deepening our roots in the urban and rural communities.

During the fiscal year, the Bank managed to open 379,731 additional deposit accounts, exhibiting deposit customer base expansion by 17 percent over the performance of the previous year. As a result, the total deposit accounts reached 2,648,179 by the end of June 2023. The digital channel's customer expansion performance has also witnessed better achievements. During the FY 2022/23, the performances of E-float accounts, mobile banking, and Internet banking subscribers increased by 44 percent, 40 percent, 13 percent, respectively to reach 478,007 e-float accounts, 2,026,748 mobile banking subscribers, and 13,340 internet banking subscribers. Moreover, the number of the Bank's agents reached 3,644 with 34 percent growth over the previous year's performance.

4. Accessibility

During the fiscal year 2022/23, the Bank managed to open ten branches thereby bringing the total number of branches of the Bank to 410 as of June 30, 2023. In addition, branches in Tgiray region have been reopened & subsequently resumed banking services following the restoration of peace. The total number of ATMs and POS machines at the end of June 2023 stood at 319 and 436, respectively.

5. Human Capital

Our human capital is the source of our sustainable competitive advantage and we give due consideration for this invaluable resource. The attention provided by the Bank commences from the entry level throughout the employment journey with the Bank. The Bank's journey towards realizing its vision of "aspiring to be a champion of excellence in banking business in Ethiopia" basically relies on competent and motivated employees. In light of this, the Bank has implemented a number of intervention measures meant to enhance the competency of its employees during the fiscal year 2022/23.

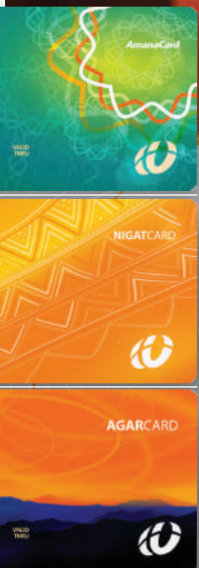
The Bank's total number of employees, excluding outsourced personnel, stood at 5,071 at the end of fiscal year 2022/23 with a 5 percent increment over the previous year's position of 4,824 employees. Looking at the workforce composition of the Bank by gender, 3,259 (64.3 percent) were male while the remaining 1,812 (35.7 percent) were female employees. In terms of position, 496 (10 percent) were managerial, 2,991 employees (59 percent) professional, 60 employees (1 percent) clerical, 1,492 employees (29 percent) non-clerical, and the remaining 32 employees (1 percent) were contract employees.

In a bid to further sustain its growth, the Bank continued to invest in enhancing its staff capacity through continuous trainings and development programs. Accordingly, 4,815 employees attended technical and developmental trainings both internally and externally during the FY 2022/23.



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6. Banking Technology

To realize the underlying results of digital excellence, the Bank has been constantly adjusting and improving its IT and digital banking operations by keeping abreast of new developments. In this respect, improved results have been registered regarding the utilization of digital platforms. Transactions conducted through the digital platforms of ATMs, POS machines, mobile banking and internet banking have tremendously increased. The increment shown was not only in number of transactions but also boost in income generated through the digital platforms. Various digital channels and IT service supports have been provided to internal and external customers during the period under review.

Moreover, major activities were conducted regarding the information security of the Bank in protecting sensitive information, privacy, confidentiality and ensuring availability and integrity of the Bank's vital data.

7. Own Building

The Bank's headquarters, which is situated at the heart of the capital, has been a beacon of aesthetic value to the city thereby contributing to the image of the Bank as well as serving as a convenient customer service center not to mention the revenue it generates in terms of rent income. As the Bank has a growth strategy and plans to expand its presence in various parts of the country, owning buildings in various regional cities is instrumental. The Bank has laid a foundation stone at Mekelle to construct 25 storey own building on a 3,500 square meter parcel of land. The effort to secure plot of land for the expansion of the headquarters building has shown positive results and is expected to be finalized in the fiscal year to come.

8. Risk Management and Compliance

Risk is an inherent part of Wegagen Bank's business and the effective management of risks plays a crucial role in enabling the Bank to achieve its strategic goals on a sustainable basis. The Bank is exposed to both financial and non-financial risks and is committed to practice a high standard of risk management by developing and implementing risk management program, policies, procedures and practices. This practice has enabled the Board of Directors of the Bank to oversee the risk management taking into account the risk appetite, prudential regulatory requirements and strategic and business priorities of the Bank. It has also enabled the management of the Bank to undertake prudent risk taking activities.

The Bank's risk management process encompasses the identification, measurement, control and monitoring of risks including credit, liquidity, and market, strategic and operational risks. Wegagen Bank firmly believes that existence of a proactive risk management culture would infuse the action and words of all staff of the Bank. In this respect, efforts are being invigorated to inculcate and implant such culture across the breadth and width of the Bank.

In the concluded fiscal year of 2022/23, the Bank was able to register remarkable performance in key performance indicators while prudent risk management activities were undertaken. The Bank's liquidity ratio has been above the minimum regulatory requirement which has been brought by effective liquidity risk management in a face of high liquidity crunch in the banking industry. Moreover, the Bank held large provision for loans and advances while registering high profit growth.

The Bank also effectively managed its market risk where its net interest margin remained positive and growing, and the Bank generated income from foreign currency revaluation. With the aim of improving operational risk management, various trainings were provided for employees and various internal control measures have been taken.

In consideration of the growing need for compliance, the Bank strives to ensure that the overall business operations are pursued in conformity with applicable national and international laws, regulations and standards so that the Bank is duly protected from risk of non-compliance. As part of this endeavour, the Bank has given special emphasis in fighting against financing of terrorism and money laundering by placing appropriate policies and procedures and cooperating with competent authorities and international organs.

9. Internal Audit

Internal audit function is organized at Chief Auditor level and provides objective assurance and advisory service designed to add value and improve the Bank's operations. It has been given the authority to provide objective assurance regarding compliance with national and international regulatory requirements, own policies, procedures, and standards by conducting examinations on different functions of the Bank. In the fiscal year 2022/23, audit examinations were conducted on the overall operations of branches and head office organs based on the risk based audit plan.

Moreover, unplanned audit activities have been conducted through special audit engagements on fraud cases reported to the unit. Accordingly, regular and special audit reports requiring corrective action were submitted to concerned organs of the Bank for which the management has drawn action plan aimed at rectifying the audit findings.

10. Corporate Social Responsibility (CSR)

Wegagen Bank is operating in all corners of the country and serving the society by providing banking products and services as per their taste and preferences. We believe that the society we are operating in are the source of our competitive advantage. Making the society benefit from the Bank's success is critical in terms of fostering trust and belongingness. To this end, the Bank has been progressively engaged in CSR activities, since its establishment, aiming at improving the socio-economic situation of the communities in which it operates.

Accordingly, the Bank donated more than Birr 35 million to different segments of the society during the financial year 2022/23 and the practice of doing so will continue to discharge its corporate social responsibility.



Donation to Tigray Education Bureau

11. Moving Ahead

The Bank had to operate with limited capacity for about two and half years as many of its branches were closed due to the conflict in the northern part of the country. With the restoration of peace in Tigray region almost all branches of the Bank found in the region have been reopened and resumed operation. As a result, the Bank has rebounded to its normal full-scale operation and positive achievements were registered in major key performance indicators during the fiscal year 2022/23. To further sustain and enhance the performance registered so far, the Bank has revised its organizational structure in a manner that fosters efficiency and effectiveness as well as enhancing competitiveness.

The Bank has planned and allotted adequate budget to upgrade its core banking solution in the coming fiscal year. Moreover, some major IT projects deemed to enhance the digital banking operation and automation of back office services have also been planned to be implemented during the FY 2023/24. On the other hand, enhancing resource mobilization through local and foreign sources, allocation of available resource on feasible economic sectors, increasing income from various sources whilst minimizing expenses at the right level to boost the return on investment will get the right attention during the FY 2023/24. Customer base expansion through account opening and digital platforms are also the major focus areas during the FY 2023/24.

As part of the human capital excellence, initiatives will be conducted to attract and retain talent in a phased approach during the FY 2023/24. Likewise, training need assessments have been conducted with the aim of building the competencies of employees of the Bank by delivering appropriate trainings and developmental programs during the upcoming FY 2023/24.

Last but not least, cognizant to the dynamic business and regulatory environment, the Bank's existing strategy will be revised in a manner that considers latest developments thereby enhancing the competitiveness of the Bank and sustaining its growth trajectory.



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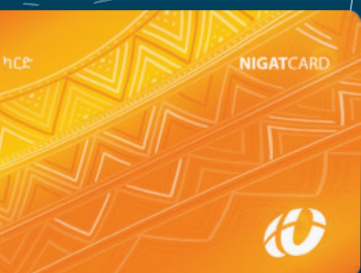
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AUDITOR'S --- REPORT 2022/23

Wegagen Bank S.C

Annual Financial Statement

For the Year Ended 30 June 2023

Directors, Executive Management, Auditor and Principal Correspondent Banks

Board of Directors

Name	Title	Date Appointed
Mr. Abdishu Hussien	Chairman	May 03,2021
Mr. Hailu Molla	Vice chairman	May 03,2021
Mr. Woldegebriel Naizghi	Member	May 03,2021
Mr. Fikru Jiregna	Member	May 03,2021
Mr. Kidane Hagos	Member	May 03,2021
Mr. Hassen Yesuf	Member	October 04,2021
Mr. Gebregabher Hadush	Member	May 03,2021
Mr. Fithanegest Gebru	Member	May 03,2021
Mr. Mulu Bisrat	Member	February 09,2022
Mr. Kibreab Tewelde	Member	May 03,2021

Executive Management

Name	Title	Date Appointed
Mr. Aklilu Wubet	Chief Executive Officer	January 11,2022
Mr. Hussen Amde	Chief Credit Officer	November 17,2021
Mr. Yehwalashet Zewdu	Chief Finance & Materials Mgt Officer	April 11,2022
Mr. Haile G/Egzabher	Chief Resource Mobilization & Digital Banking Operations Officer	November 17,2021
Mr. Kidane G/Sellassie	Chief Human Capital Officer	April 11,2022
Mr. Geteye Mekuria	Chief Marketing & Strategy Officer	April 11,2022
Mr. Solomon Tesfaye	Chief Information Officer	June 10,2023
Mr. Negasi G/Aregawi	Chief Internal Auditor	April 11,2022
Mr. Debela Merga	Chief Risk & Compliance Officer	November 17,2021

Independent Auditor

Tewodros and Fikre Audit Service Partnership
Authorized Auditors, Chartered Certified Accountants
Addis Ababa, Ethiopia

Principal Correspondent Banks

Citi Bank
Commerz Bank
Mashreq Bank
CAC International Bank
Exim Bank
Standard Chartered Bank
UniCredit Bank
African Export Import Bank
United Overseas Bank
Natixis Bank



Wegagen Bank S.C

Annual Financial Statement

For the Year Ended 30 June 2023

Report of the Directors

The directors submit their report together with the financial statements for the year ended 30 June 2023, to the members of Wegagen Bank ("Wegagen or the Bank"). This report discloses the financial performance and state of affairs of the Bank.

Incorporation and address

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, 2023, the paid up capital of the Bank reached Birr 3.98 Billion. As at June 30, 2023, the Bank has 10,885 shareholders and a network of 410 branches.

Principal activities

The mandate of the Bank is to provide efficient and effective full-fledged commercial banking services by utilizing qualified, honest and motivated staff and state-of-the-art technology and thereby optimize shareholders interest.

Results and dividends

The Bank's results for the year ended 30 June 2023 are set out on page 44. The profit for the year has been transferred to retained earnings. The summarized results are presented below.

	30 June 2023 Birr'000	30 June 2022 Birr'000
Net Interest Income	3,455,998	2,246,188
Net operating income	4,402,381	3,190,548
Profit before tax	1,194,107	572,280
Tax charge	(370,284)	(20,881)
Profit for the year	823,823	551,399
Other comprehensive income net of taxes	81,809	(11,574)
Total comprehensive income for the year	905,632	539,825
Earnings Per Share	22.7%	16.6%

Mr. Abdishu Hussien
Chairman, Board of Directors



Wegagen Bank S.C

Annual Financial Statement

For the Year Ended 30 June 2023

Statement of Directors' Responsibilities

In accordance with the Financial Reporting Proclamation No. 847/2014 the Accounting and Auditing Board of Ethiopia (AABE) may direct the Bank to prepare financial statements in accordance with International Financial Reporting Standards, whether their designation changes or they are replaced, from time to time.

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

- a) Exhibit clearly and correctly the state of its affairs;
- b) Explain its transactions and financial position; and
- c) Enable the National Bank to determine whether the Bank had complied with the provisions of the banking business proclamation and regulations and directives issued for the implementation of the aforementioned proclamation.

The Directors accepts responsibility for the annual financial statement, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards, Banking Business Proclamation, Commercial code of 2013 E.C and the relevant Directives issued by the National Bank of Ethiopia.

The Directors are the opinion that the financial statements give a true and fair view of the state of the financial affairs of the company and of its profit or loss.

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

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

The financial statements on pages 44 to 47 were approved and authorized for issue by the board of directors and management on October 27,2023 and signed on their behalf by:



Mr. Abdishu Hussien
Chairman, Board of Directors









Mr. Aklilu Wubet
Chief Executive Officers



Wegagen Bank S.C

Independent Auditors Report to the Shareholders of Wegagen Bank Share Company For the Year Ended 30 June 2023

OPINION

We have audited the accompanying financial statements of Wegagen Bank Share Company which comprise the statement of profit or loss and other comprehensive income for the year ended 30 June 2023, statement of financial position as at 30 June 2023, statement of changing in equity and statement of cash flows for the year then ended and summary of significant accounting policies and other explanatory information.

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 2023 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards as issued by IASB.

As required by the commercial code of Ethiopia, based on our audit we report as follows:

- i) Pursuant to Article 349 (1) of the Commercial Code of Ethiopia, 2013 E.C and based on our reviews of the board of directors' report, we have not noted any matter that we may wish to bring to your attention.
- ii) Pursuant to article 349 (2) of the commercial code of Ethiopia, 2013 E.C, We recommend the financial statements be approved.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Ethiopia, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Wegagen Bank S.C

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon; we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to be communicated in our report.

Responsibilities of Management and those Charged with Governance For the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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.

In preparing the financial statements management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis for accounting unless management either intends to liquidate the company or to close operations, or has no realistic alternative but to do so.

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

Auditors Responsibility for the Audit of the financial Statements

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

Addis Ababa
October 28, 2023



Tewodros & Fikre Audit Services Partnership,
Chartered Certified Accountants



Wegagen Bank S.C

Annual Financial Statement

For the Year Ended 30 June 2023

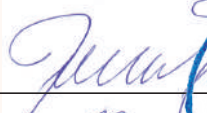
Statement of Profit or Loss and Other Comprehensive Income

	Notes	30 June 2023 Birr'000	30 June 2022 Birr'000
Interest income	5	5,423,034	4,052,487
Interest expense	6	(1,967,036)	(1,806,299)
Net interest income		3,455,998	2,246,188
Net fees and commission income	7	1,373,547	897,399
Net trading income		4,829,546	3,143,587
Other operating income	8	166,496	40,619
Loan impairment charge	9	(265,197)	(107,386)
Impairment losses on other assets	10	(328,464)	113,728
Net operating income		4,402,381	3,190,548
Salaries and benefits	11	(2,441,020)	(1,599,521)
Amortization of intangible assets	19	(30,606)	(26,925)
Depreciation of property, plant and equipment	20	(145,387)	(157,045)
Depreciation of right-of-use asset	20a	(192,094)	(243,587)
Other operating expenses	12	(395,831)	(587,897)
Audit fees		(829)	(883)
Directors' related expenses		(2,508)	(2,411)
Total Operating Expenses		(3,208,274)	(2,618,268)
Profit before tax		1,194,107	572,280
Income tax expense	13a	(370,284)	(20,881)
Profit after tax		823,823	551,399
Other Comprehensive Income (OCI) net of income tax			
Re-measurement loss on retirement benefits	24b	(33,717)	(28,348)
Fair value gain of Equity Investments		115,526	16,774
Total Other Comprehensive Income (net of tax)		81,809	(11,574)
Total comprehensive income for the period		905,632	539,825
Basic & diluted earnings Per Share	26	22.7%	16.6%

The accompanying notes are an integral part of these financial statements. The financial statements were approved and authorized for issue by the directors and management on October 27, 2023 and signed on their behalf by:


Mr. Abdishu Hussien
Chairman, Board of Directors




Mr. Aklilu Wubet
Chief Executive Officers



Wegagen Bank S.C

Annual Financial Statement

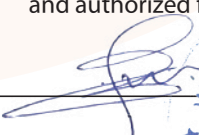
For the Year Ended 30 June 2023

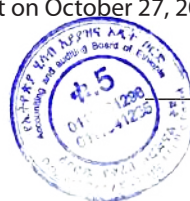
Statement of Financial Position as at June 30, 2023

	Notes	30 June 2023 Birr'000	30 June 2022 Birr'000
ASSETS			
Cash and bank balances	14	9,059,264	10,322,284
Loans and advances to customers	15	38,293,614	28,911,161
Investment securities:			
- Equity Investments at FVOCI	16a	312,517	110,210
- Debt Securities at Amortized Cost	16b	2,061,789	272,354
Other assets	17	1,443,257	1,324,131
Investment property	18	559	577
Intangible assets	19	48,818	58,546
Property, Plant and Equipment	20	1,533,163	1,443,687
Right-of-Use Asset	20a	732,885	678,719
Total assets		53,485,867	43,121,669
LIABILITIES			
Deposit from customers	21	39,894,209	31,791,632
Deposit from financial institutions	22	2,899,464	2,124,111
Current tax liabilities	13c	354,776	30,035
Other liabilities	23	3,086,990	3,349,919
Employee benefit obligations	24	249,379	167,130
Deferred tax liabilities	13d	94,521	44,778
Total liabilities		46,579,339	37,507,605
EQUITY			
Share capital	25	3,982,139	3,391,294
Share premium	25	57,736	42,787
Retained earnings	27	472,937	223,398
Legal reserve	28a	1,790,822	1,584,866
Regulatory Risk Reserve	28b	552,262	402,896
Other Reserve	28c	50,631	(31,177)
Total equity		6,906,527	5,614,064
Total equity and liabilities		53,485,867	43,121,669

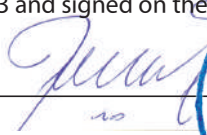
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Chairman, Board of Directors





Mr. Aklilu Wube
Chief Executive Officers




Wegagen Bank S.C

Annual Financial Statement

For the Year Ended 30 June 2023

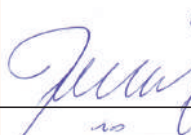
Statement of Changes in Owners Equity

	Share capital Birr'000	Share premium Birr'000	Retained earnings Birr'000	Legal reserve Birr'000	Regulatory Risk Reserve Birr'000	Other Reserve Birr'000	Total Birr'000
As at 1 July 2021	3,282,041	46,284	(125,416)	1,447,016	384,592	(19,604)	5,014,913
Contributions to equity	9,788						9,788
Dividend declared							
New shares issued	99,465	3,355					102,820
Fair value gain of Equity investments (net of tax)						16,774	16,774
Reversl of previous year directors' share of profit			1,000				1,000
Profit for the year			551,399				551,399
Remeasurement of Defined Benefit plans (net of tax)						(28,348)	(28,348)
Prior period tax adjustment		(6,851)	(47,431)				(54,282)
Directors' share of profit							
Transfer to legal reserve			(137,850)	137,850			
Transfer from Regulatory Risk Reserve			(18,304)		18,304		
As at 30 June 2022	3,391,294	42,788	223,398	1,584,866	402,896	(31,178)	5,614,064
Dividend declared			(223,398)				(223,398)
New shares issued	590,845	14,948					605,793
Fair value gain of Equity investments (net of tax)						115,526	115,526
Profit for the year			823,823				823,823
Remeasurement of Defined Benefit plans (net of tax)						(33,717)	(33,717)
Prior period tax adjustment			4,436				4,436
Directors' share of profit							-
Transfer to legal reserve			(205,956)	205,956			-
Transfer to Regulatory Risk Reserve			(149,366)		149,366		-
As at 30 June 2023	3,982,139	57,736	472,937	1,790,822	552,262	50,631	6,906,527

The accompanying notes are an integral part of these financial statements. The financial statements were approved and authorized for issue by the directors and management on October 27, 2023 and signed on their behalf by:


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Chairman, Board of Directors




Mr. Aklilu Wubet
Chief Executive Officers



Wegagen Bank S.C

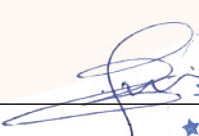
Annual Financial Statement

For the Year Ended 30 June 2023

Statement of Cash flows

	Notes	30 June 2023 Birr'000	30 June 2022 Birr'000
Cash flows from operating activities			
Cash generated from operations	29	664,703	667,607
Profit tax assesment paid		-	(54,283)
Income tax paid	13c	(30,862)	(59,317)
Net cash (outflow)/inflow from operating activities		633,841	554,007
Cash flows from investing activities			
Purchase of investment securities	16	(31,396)	(8,284)
Purchase of intangible assets	19	(20,877)	(25,288)
Purchase of property, plant and equipment	20	(237,478)	(60,284)
Payment for asset use right acquisitions	20a	(246,260)	(221,428)
Proceeds from matured debt securities	16b	(1,789,436)	5,125,929
Proceeds from sale of PPEs		13,922	6,501
Net cash (outflow)/inflow from investing activities		(2,311,525)	4,817,147
Cash flows from financing activities			
Directors share of profit paid		-	1,000
Share premium collected	25	14,948	3,355
New shares issued	25	590,845	99,465
Dividend paid		(223,398)	-
Net cash (outflow)/inflow from financing activities		382,395	103,820
Net increase/(decrease) in Cash and bank balances		(1,295,289)	5,474,974
Cash and bank balances at the beg. of the year	14	10,322,284	4,847,309
Effect of exchange rate movement on Cash and bank balances		32,269	-
Cash and bank balances at the end of the year		9,059,264	10,322,284

The accompanying notes are an integral part of these financial statements. The financial statements were approved and authorized for issue by the directors and management on October 27, 2023 and signed on their behalf by:


 Mr. Abdishu Hussien
 Chairman, Board of Directors




 Mr. Aklilu Wubet
 Chief Executive Officers



Wegagen Bank S.C

Annual Financial Statement

For the Year Ended 30 June 2023

Notes to the financial statement

1. General information

Wegagen Bank S.C. (Wegagen Bank or the Bank) is a private commercial Bank that was established in June 1997 in accordance with the provisions of the Commercial code of Ethiopia of 1960 (which was latter replaced by Commercial code of Ethiopia of 1243/2021) and the Licensing and Supervision of Banking Business Proclamation No. 84/1994 (as amended by 592/2008). As at June 30, 2023, the paid up capital of the Bank reached Birr 3.98 billion contributed by 10,885 shareholders.

The Bank's registered office is at Kirkos sub city, Wereda 7, in front of National Stadium, in Addis Ababa, Ethiopia. Besides, it operates in all the thirteen regions and two city administrations of Ethiopia by opening 410 branches.

The Bank is principally engaged in the provision of diverse range of financial services ranging from accepting deposits from the public and lending to a wide range of sectors that mainly includes manufacturing, import, export, construction, domestic trade and transport areas. It also performs trade services activities to facilitate the import and export process of the Country. Moreover, it facilitates local and international remittance activities through various partners. Last but not least, the Bank reaches its customers through various electronic banking channels like ATM, internet banking, mobile banking and agency banking platforms.

2. Summary of Significant Accounting Policies

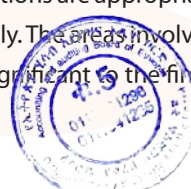
2.1 Introduction to summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.2 Basis of preparation

The financial statements for the year ended 30 June 2023 have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The financial statements comprise the statement of profit or loss and other comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and the notes to the financial statements.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates, assumptions and management judgment in applying the Bank's accounting policies. Changes in estimates and assumptions may have a significant impact on the financial statements in the period the assumptions changed. Management believes that the underlying estimates and assumptions are appropriate and that the Bank's financial statements therefore present the financial position and results fairly. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.



Wegagen Bank S.C

Annual Financial Statement

For the Year Ended 30 June 2023

2.2.1 Going Concern

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

2.2.2 Changes in accounting policies and disclosures

The Bank has consistently applied the accounting policies to all periods presented in these financial statements. The below are amendments to standards that are effective for annual periods beginning after 1 July 2022, and have not been applied in preparing these financial statements.

Standard	Description	Effective date	Impact
Amendments to IAS 7 and IFRS 7 on Supplier finance arrangements	Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures. It addressing the presentation of liabilities and the associated cash flows arising out of supplier finance arrangements, as well as disclosures required for such arrangements.	The amendments will be effective for annual reporting periods beginning on or after 1st January 2024, with early application permitted	The Bank opted to apply the amendments when due.
Amendment to IFRS 16 – Leases on sale and leaseback	The amendment to IFRS 16 Leases specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.	Annual periods beginning on or after 1 January 2024	The Bank opted to apply the amendments when due.
Amendment to IAS 12 - International tax reform - pillar two model rules	These amendments give companies temporary relief from accounting for deferred taxes arising from the Organisation for Economic Co-operation and Development's (OECD international tax reform. The amendments also introduce targeted disclosure requirements for affected companies	The deferred tax exemption and disclosure of the fact that the exception has been applied, is effective immediately. The other disclosure requirements are effective annual periods beginning on or after 1 January 2023	Do not have significant impact on the banks's financial results or position
Amendment to IAS 1 – Non-current liabilities with covenants	These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.	Annual periods beginning on or after 1 January 2024.	The Bank opted to apply the amendments when due.
IFRS 17 Insurance contracts	The standard requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts	Applicable to annual reporting periods beginning on or after 1 January 2023	Do not have significant impact on the banks's financial results or position



Wegagen Bank S.C

Annual Financial Statement

For the Year Ended 30 June 2023

Standard	Description	Effective date	Impact
Amendments to IFRS 17 Insurance Contracts (Amendments to IFRS 17 and IFRS 4)	Amends IFRS 17 to address concerns and implementation challenges that were identified after IFRS 17 Insurance Contracts was published in 2017	The amendment is effective from annual reporting periods beginning on or after 1 January 2023	Do not have significant impact on the bank's financial results or position
IAS 12 amendments on deferred tax	Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) that clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations.	The amendments are effective for annual periods beginning on or after 1 January 2023	Do not have significant impact on the bank's financial results or position
Definition of Accounting Estimates (Amendments to IAS 8)	The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not the correction of an error.	Effective for annual reporting periods beginning on or after 1 January 2023.	The bank shall apply the amendment when due. The amendments are expected to have an impact on the bank's financial statements.
Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)	The amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies. Further amendments explain how an entity can identify a material accounting policy. Examples of when an accounting policy is likely to be material are added. To support the amendment, the Board has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.	Effective for annual reporting periods beginning on or after 1 January 2023.	The bank shall apply the amendment when due. The amendments are expected to have an impact on the bank's financial statements.



Wegagen Bank S.C Annual Financial Statement

For the Year Ended 30 June 2023

2.3 Foreign currency translation

a. Functional and presentation currency

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

b. Transactions and Balances

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

2.4 Recognition of income and expenses

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

The Bank, earns income from interest on loans and commission and service charges from the various services it provides to customers. The Bank's main expenses includes the interest it paid to deposits from customers, the impairment allowance for loans and the operating expenses it incurs to run the day to day operations of the Bank.

2.4.1 Net Interest Income

2.4.1.1. Policy applicable

a. Effective interest rate and amortized cost

Interest income and expense are recognized in profit or loss using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset; or the amortized cost of the financial liability.



Wegagen Bank S.C

Annual Financial Statement

For the Year Ended 30 June 2023

When calculating the effective interest rate for financial instruments other than credit-impaired assets, the Bank estimates future cash flows considering all contractual terms of the financial instrument, but not expected credit losses.

For credit-impaired financial assets, a credit-adjusted effective interest rate is calculated using estimated future cash flows including expected credit losses. The calculation of the effective interest rate includes transaction costs and fees and points paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

b. Amortized cost and gross carrying amount

The 'amortized cost' of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any expected credit loss allowance. The 'gross carrying amount of a financial asset' is the amortized cost of a financial asset before adjusting for any expected credit loss allowance.

c. Calculation of interest income and expense

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortized cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis. For financial assets that were credit-impaired on initial recognition, interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of the asset. The calculation of interest income does not revert to a gross basis, even if the credit risk of the asset improves.

d. Presentation

Interest income and expense presented in the statement of profit or loss and OCI include

- interest on financial assets and financial liabilities measured at amortized cost calculated on an effective interest basis;
- interest on debt instruments measured at FVOCI calculated on an effective interest basis;

Interest income and expense on all trading assets and liabilities are considered to be incidental to the Bank's trading operations and are presented together with all other changes in the fair value of trading assets and liabilities in net trading income. Interest income and expense on other financial assets and financial liabilities at FVTPL are presented in net income from other financial instruments at FVTPL.



Wegagen Bank S.C

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For the Year Ended 30 June 2023

2.4.2 Fees and commission

Fees and commission income and expenses that are integral to the effective interest rate on a financial asset or liability are included in the measurement of the effective interest rate. Other fees and commission income (for example commission on drafts, cash payment order (CPO), letter of credit (LC), letter of guarantee, etc) are recognised as the related services are performed.

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

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

2.4.3 Dividend income

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

2.4.4 Foreign exchange revaluation gains or losses

These are gains and losses arising on settlement and translation of monetary assets and liabilities denominated in foreign currencies at the functional currency's spot rate of exchange at the reporting date. The monetary assets and liabilities include financial assets within the foreign currencies deposits received and held on behalf of third parties etc.

2.4.5 Other income and expense

Other expenses are recognized when they are incurred by the Bank and other revenues recognized when they are earned which usually occurs simultaneously with cash collection.

2.5 Financial instruments

a. Recognition and initial measurement- The Bank shall initially recognize loans and advances, deposits, debt securities issued and subordinated liabilities on the date on which they are originated. All other financial instruments (including regular-way purchases and sales of financial assets) shall be recognized on the trade date, which is the date on which the Bank becomes a party to the contractual provisions of the instrument. A financial asset or financial liability shall be measured initially at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.



Wegagen Bank S.C

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For the Year Ended 30 June 2023

b. Classification and subsequent measurement

Financial assets- On initial recognition, a financial asset shall be classified either as measured at either amortized cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL). The Bank shall measure a financial asset at amortized cost if it meets both of the following conditions and is not designated at FVTPL:

- the asset is held within a business model whose objective is to hold it to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI).

A debt instrument shall be measured at FVOCI only if it meets both of the following conditions and is not designated at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI.

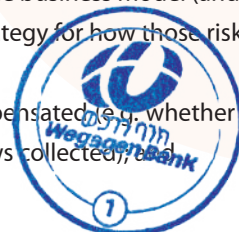
On initial recognition, an equity investment that is held for trading shall be classified at FVTPL. However, for equity investment that is not held for trading, the Bank may irrevocably elect to present subsequent changes in fair value in other comprehensive income (OCI). This election is made on an investment-by-investment basis.

All other financial assets that do not meet the classification criteria at amortized cost or FVOCI, above, shall be classified as measured at FVTPL.

In addition, on initial recognition, the Bank may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Business model assessment- The Bank shall make an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realizing cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Bank's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and its strategy for how those risks are managed;
- How managers of the business are compensated (e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected); and



Wegagen Bank S.C

Annual Financial Statement

For the Year Ended 30 June 2023

- The frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Bank's stated objective for managing the financial assets is achieved and how cash flows are realized.

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis shall be measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

Financial assets shall not be reclassified subsequent to their initial recognition, except in the period after the Bank changes its business model for managing financial assets.

Assessment of whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' shall be defined as the fair value of the financial asset on initial recognition. 'Interest' shall be defined as the consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are SPPI, the Bank considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Bank considers:

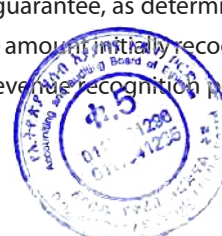
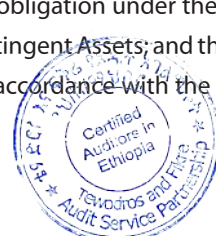
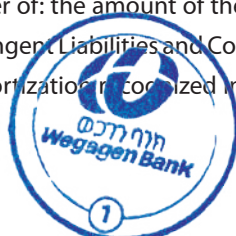
- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Bank's claim to cash flows from specified assets (e.g. non-recourse loans); and
- features that modify consideration of the time value of money (e.g. periodical reset of interest rates).

Financial liabilities

The Bank shall classify its financial liabilities, other than financial guarantees and loan commitments, as measured at amortized cost or FVTPL.

A financial guarantee is an undertaking/commitment that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified party fails to meet its obligation when due in accordance with the contractual terms.

Financial guarantees issued by the Bank are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of: the amount of the obligation under the guarantee, as determined in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets; and the amount initially recognized less, where appropriate, cumulative amortization recognized in accordance with the revenue recognition policies.



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c. Impairment- At each reporting date, the Bank shall assess whether there is objective evidence that financial assets (except equity investments), other than those carried at FVTPL, are impaired. The Bank shall recognize loss allowances for expected credit losses (ECL) on the following financial instruments that are not measured at FVTPL:

- financial assets that are debt instruments;
- lease receivables;
- financial guarantee contracts issued; and
- loan commitments issued.

No impairment loss shall be recognized on equity investments.

The Bank shall measure loss allowances at an amount equal to lifetime ECL, except for the following, which are measured as 12-month ECL:

- debt investment securities that are determined to have low credit risk at the reporting date; and
- other financial instruments (other than lease receivables) on which credit risk has not increased significantly since their initial recognition.

Loss allowances for lease receivables shall always be measured at an amount equal to lifetime ECL.

12-month ECL is the portion of ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Financial instruments for which a 12-month ECL is recognized are referred to as 'Stage 1 financial instruments'.

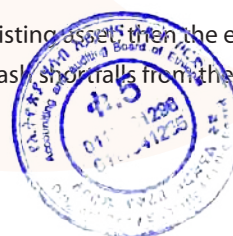
Life-time ECL is the ECL that result from all possible default events over the expected life of the financial instrument. Financial instruments for which a lifetime ECL is recognized but which are not credit-impaired are referred to as 'Stage 2 financial instruments'. Financial instruments that are credit impaired and for which a lifetime ECL is recognized are referred to as 'Stage 3 financial instruments'.

Measurement of ECL- it is probability-weighted estimate of credit losses & shall be measured as follows:

- for financial assets that are not credit-impaired at the reporting date (stage 1 and 2): as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Bank in accordance with the contract and the cash flows that the Bank expects to receive);
- for financial assets that are credit-impaired at the reporting date (stage 3): as the difference between the gross carrying amount and the present value of estimated future cash flows;
- for undrawn loan commitments: as the present value of the difference between the contractual cash flows that are due to the Bank if the commitment is drawn down and the cash flows that the Bank expects to receive; and
- for financial guarantee contracts: as the expected payments to reimburse the holder less any amounts that the Bank expects to recover.

Where the terms of a financial asset are renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the borrower, then the Bank shall assess whether the financial asset should be de-recognized and ECL are measured as follows:

- If the expected restructuring will not result in de-recognition of the existing asset, then the expected cash flows arising from the modified financial asset are included in calculating the cash shortfalls from the existing asset



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- If the expected restructuring will result in derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flow from the existing financial asset at the time of its de-recognition. This amount is included in calculating the cash shortfalls from the existing financial asset that are discounted from the expected date of derecognition to the reporting date using the original effective interest rate of the existing financial asset.

The key inputs into the measurement of ECL are the term structure of probability of default (PD), loss given default (LGD); and exposure at default (EAD).

ECL for exposures in Stage 1 is calculated by multiplying the 12-month PD by LGD and EAD. Lifetime ECL is calculated by multiplying the lifetime PD by LGD and EAD.

Probability of Default (PD)-It provides an estimate of the likelihood that a borrower will be unable to meet its debt obligations. The methodology of estimating PDs .

i) Significant increase in credit risk- When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Bank considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Bank's historical experience and expert credit assessment and including forward-looking information.

The objective of the assessment is to identify whether a significant increase in credit risk has occurred for an exposure by comparing:

- the remaining lifetime probability of default (PD) as at the reporting date; with the remaining lifetime PD for this point in time that was estimated at the time of initial recognition of the exposure (adjusted where relevant for changes in prepayment expectations).
- the Bank uses three criteria for determining whether there has been a significant increase in credit risk:
 - quantitative test based on movement in PD;
 - qualitative indicators; and
 - a backstop of 30 days past due,

The Bank allocates each exposure to a credit risk grade based on a variety of data that is determined to be predictive of the risk of default and applying experienced credit judgement. Credit risk grades are defined using qualitative and quantitative factors that are indicative of risk of default. These factors vary depending on the nature of the exposure and the type of borrower.



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Credit risk grades are defined and calibrated such that the risk of default occurring increases exponentially as the credit risk deteriorates so, for example, the difference in risk of default between credit risk grades 1 and 2 is smaller than the difference between credit risk grades 2 and 3. Each exposure is allocated to a credit risk grade on initial recognition based on available information about the borrower. Exposures are subject to ongoing monitoring, which may result in an exposure being moved to a different credit risk grade. The monitoring typically involves use of the following data;

a. Term loan exposures

- Information obtained during periodic review of customer files – e.g. audited financial statements, management accounts, budgets and projections. Examples of areas of particular focus are: gross profit margins, financial leverage ratios, debt service coverage, compliance
- Data from credit reference agencies, press articles, changes in external credit ratings
- Actual and expected significant changes in the political, regulatory and technological environment of the borrower or in its business activities
- Internally collected data on customer behaviour – e.g. utilisation of credit card facilities
- Affordability metrics

b. Overdraft exposures

- Payment record – this includes overdue status as well as a range of variables about payment ratios
- Utilisation of the granted limit
- Requests for and granting of forbearance
- Existing and forecast changes in business, financial and economic conditions

The maximum contractual period extends to the date at which the Bank has the right to require repayment of an advance or terminate a loan commitment or guarantee.

As described above, and subject to using a maximum of a 12-month PD for Stage 1 financial assets, the Bank measures ECL considering the risk of default over the maximum contractual period (including any borrower's extension options) over which it is exposed to credit risk, even if, for credit risk management purposes, the Bank considers a longer period. However, for overdrafts that include both a loan and an undrawn commitment component, the Bank measures ECL over a period longer than the maximum contractual period if the Bank's contractual ability to demand repayment and cancel the undrawn commitment does not limit the Bank's exposure to credit losses to the contractual notice period. These facilities do not have a fixed term or repayment structure and are managed on a collective basis. The Bank can cancel them with immediate effect but this contractual right is not enforced in the normal day-to-day management, but only when the Bank becomes aware of an increase in credit risk at the facility level.



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This longer period is estimated taking into account the credit risk management actions that the Bank expects to take, and that serve to mitigate ECL. These include a reduction in limits, cancellation of the facility and/or turning the outstanding balance into a loan with fixed repayment terms.

Credit risk grades are a primary input into the determination of the term structure of PD for exposures. The Bank collects performance and default information about its credit risk exposures analysed by type of product and borrower as well as by credit risk grading. The Bank employs statistical models to analyse the data collected and generate estimates of the remaining lifetime PD of exposures and how these are expected to change as a result of the passage of time.

The Bank assesses whether credit risk has increased significantly since initial recognition at each reporting date. Determining whether an increase in credit risk is significant depends on the characteristics of the financial instrument and the borrower.

The credit risk may also be deemed to have increased significantly since initial recognition based on qualitative factors linked to the Bank's credit risk management processes that may not otherwise be fully reflected in its quantitative analysis on a timely basis. This will be the case for exposures that meet certain heightened risk criteria, such as placement on a watch list. Such qualitative factors are based on its expert judgment and relevant historical experiences.

As a backstop, the Bank considers that a significant increase in credit risk occurs no later than when an asset is more than 30 days past due. Days past due are determined by counting the number of days since the earliest elapsed due date in respect of which full payment has not been received. Due dates are determined without considering any grace period that might be available to the borrower.

If there is evidence that there is no longer a significant increase in credit risk relative to initial recognition, then the loss allowance on an instrument returns to being measured as 12-month ECL. Some qualitative indicators such as delinquency or forbearance, may be indicative of an increased risk of default that persists after the indicator itself has ceased to exist. In these cases, the Bank determines a probation period during which the financial asset is required to demonstrate good behaviour to provide evidence that its credit risk has declined sufficiently. When contractual terms of a loan have been modified, evidence that the criteria for recognising lifetime ECL are no longer met includes a history of up-to-date payment performance against the modified contractual terms.

The Bank monitors the effectiveness of the criteria used to identify significant increases in credit risk by regular reviews to confirm that:

- the criteria are capable of identifying significant increases in credit risk before an exposure is in default;
- the criteria do not align with the point in time when an asset becomes 30 days past due;
- the average time between the identification of a significant increase in credit risk and default appears reasonable;
- exposures are not generally transferred directly from 12-month ECL measurement to credit-impaired; and
- there is no unwarranted volatility in loss allowance from transfers between 12-month PD (Stage 1) and lifetime PD (Stage 2)



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Definition of default- The Bank considers a financial asset to be in default when:

- The borrower is unlikely to pay its credit obligations to the Bank in full, without recourse by the Bank to actions such as realising security (if any is held);
- The borrower is more than 90 days past due on any material credit obligation to the Bank.
- Overdrafts are considered as being past due once the customer has breached an advised limit or been advised of a limit smaller than the current amount outstanding; or
- It is becoming probable that the borrower will restructure the asset as a result of bankruptcy due to the borrower's inability to pay its credit obligations.

In assessing whether a borrower is in default, the Bank considers indicators that are:

- Qualitative: e.g. breaches of covenant;
- Quantitative: e.g. overdue status and non-payment on another obligation of the same issuer to the Bank; and
- Based on data developed internally and obtained from external sources.
- Inputs into the assessment of whether a financial instrument is in default and their significance may vary over time to reflect changes in circumstances.

The definition of default largely aligns with that applied by the Bank for regulatory capital purposes

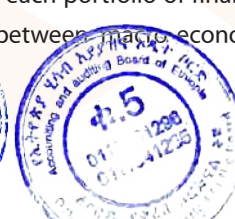
The Bank incorporates forward-looking information into both the assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and the measurement of ECL.

For each segment, the Bank formulates three economic scenarios: a base case, which is the median scenario, and two less likely scenarios, one upside and one downside. For each sector, the base case is aligned with the macroeconomic model's information value output, a measure of the predictive power of the model, as well as base macroeconomic projections for identified macroeconomic variables for each sector. The upside and downside scenarios are based on a combination of a percentage error factor of each sector model as well as simulated optimistic and pessimistic macroeconomic projections based on a measure of historical macroeconomic volatilities.

External information considered includes economic data and forecasts published by Business Monitor International, an external and independent macroeconomic data body. This is in addition to industry –level, semi – annual NPL trends across statistically comparable sectors.

Periodically, the Bank carries out stress testing of more extreme shocks to calibrate its determination of the upside and downside representative scenarios. A comprehensive review is performed at least annually on the design of the scenarios by a panel of experts that advises the Bank's senior management.

The Bank has identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro economic variables and credit risk and credit losses.



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LGD is the magnitude of the likely loss if there is a default. The Bank estimates LGD parameters based on the history of recovery rates of claims against defaulted counterparties. The LGD models consider the structure, collateral, seniority of the claim, counterparty industry and recovery costs of any collateral that is integral to the financial asset.

EAD represents the expected exposure in the event of a default. The Bank derives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract and arising from amortisation. The EAD of a financial asset is its gross carrying amount at the time of default.

For lending commitments, the EADs are potential future amounts that may be drawn under the contract, which are estimated based on historical observations and forward-looking forecasts. For financial guarantees, the EAD represents the amount of the guaranteed exposure when the financial guarantee becomes payable. For some financial assets, EAD is determined by modelling the range of possible exposure outcomes at various points in time using scenario and statistical techniques.

Where modelling of a parameter is carried out on a collective basis, the financial instruments are grouped on the basis of shared risk characteristics that include:

- instrument type;
- credit risk grading;
- collateral type;
- LTV ratio for retail mortgages;
- date of initial recognition;
- remaining term to maturity;
- industry; and
- geographic location of the borrower.

The groupings are subject to regular review to ensure that exposures within a particular group remain appropriately homogeneous.

c. Credit-impaired financial assets

At each reporting date, the Bank shall assess whether financial assets carried at amortized cost, debt financial assets carried at FVOCI, and finance lease receivables are credit impaired (referred to as 'Stage 3 financial assets').

A financial asset shall be considered 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the restructuring of a loan or advance by the Bank on terms that the Bank would not consider otherwise;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.



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A loan that has been renegotiated due to a deterioration in the borrower's condition shall be considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment. In addition, a retail loan that is overdue for 90 days or more shall be considered credit-impaired even when the regulatory definition of default is different.

d. Presentation of allowance for ECL in the statement of financial position

Loss allowances for ECL shall be presented in the statement of financial position as follows:

- for financial assets measured at amortized cost: as a deduction from the gross carrying amount of the assets;
- for loan commitments and financial guarantee contracts: generally, as a provision;
- where a financial instrument includes both a drawn and an undrawn component, and the Bank cannot identify the ECL on the loan commitment component separately from those on the drawn component: the Bank presents a combined loss allowance for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component. Any excess of the loss allowance over the gross amount of the drawn component is presented as a provision; and
- for debt instruments measured at FVOCI: no loss allowance is recognized in the statement of financial position because the carrying amount of these assets is their fair value. However, the loss allowance shall be disclosed and is recognized in the fair value reserve.

e. Write-off

Loans and debt securities shall be written off (either partially or in full) when there is no reasonable expectation of recovering the amount in its entirety or a portion thereof. This is generally the case when the Bank determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. This assessment shall be carried out at the individual asset level.

Recoveries of amounts previously written off shall be included in 'impairment losses on financial instruments' in the statement of profit or loss and OCI.

Financial assets that are written off could still be subject to enforcement activities in order to comply with the Bank's procedures for recovery of amounts due.

f. Non-integral financial guarantee contracts

The Bank shall assess whether a financial guarantee contract held is an integral element of a financial asset that is accounted for as a component of that instrument or is a contract that is accounted for separately.

Where the Bank determines that the guarantee is an integral element of the financial asset, then any premium payable in connection with the initial recognition of the financial asset shall be treated as a transaction cost of acquiring it. The Bank shall consider the effect of the protection when measuring the fair value of the debt instrument and when measuring ECL.

Where the Bank determines that the guarantee is not an integral element of the debt instrument, then it shall recognize an asset representing any prepayment of guarantee premium and a right to compensation for credit losses.



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g. De-recognition

The Bank shall de-recognise a financial asset when:

- The contractual right to the cash flows from the financial asset expires or
- It transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred; or
- Bank neither transfers nor retains substantially all of 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 de-recognized) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognized in OCI shall be recognized in profit or loss.

Any cumulative gain/loss recognized in OCI in respect of equity investment securities designated as at FVOCI shall not be recognized in profit or loss on de-recognition of such securities. Any interest in transferred financial assets that qualify for de-recognition that is created or retained by the Bank shall be recognized as a separate asset or liability.

The Bank shall de-recognise a financial liability when its contractual obligations are discharged or cancelled, or expire.

h. Modifications of financial assets and financial liabilities

If the terms of a financial asset are modified, then the Bank shall evaluate whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset shall be deemed to have expired. In this case, the original financial asset shall be de-recognized and a new financial asset shall be recognized at fair value plus any eligible transaction costs. Any fees received as part of the modification shall be accounted for as follows:

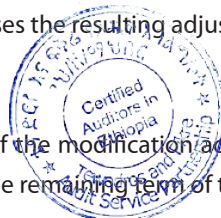
- fees that are considered in determining the fair value of the new asset and fees that represent reimbursement of eligible transaction costs shall be included in the initial measurement of the asset; and
- other fees are included in profit or loss as part of the gain or loss on de-recognition.

If cash flows are modified when the borrower is in financial difficulties, then the objective of the modification is usually to maximise recovery of the original contractual terms rather than to originate a new asset with substantially different terms.

If the Bank plans to modify a financial asset in a way that would result in forgiveness of cash flows, then it shall first consider whether a portion of the asset should be written off before the modification takes place.

Where the modification of a financial asset measured at amortised cost or FVOCI does not result in de-recognition of the financial asset, then the Bank shall first recalculate the gross carrying amount of the financial asset using the original effective interest rate of the asset and recognises the resulting adjustment as a modification gain or loss in profit or loss.

Any costs or fees incurred less fees received as part of the modification adjust the gross carrying amount of the modified financial asset and shall be amortised over the remaining term of the modified financial asset.



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Where such a modification is carried out because of financial difficulties of the borrower, then the gain or loss shall be presented together with impairment losses. In other cases, it shall be presented as interest income calculated using the effective interest rate method.

The Bank shall de-recognise a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms shall be recognised at fair value. The difference between the carrying amount of the financial liability derecognised and consideration paid is recognised in profit or loss. Consideration paid shall include non-financial assets transferred, if any, and the assumption of liabilities, including the new modified financial liability.

Where the modification of a financial liability is not accounted for as derecognition, then the amortised cost of the liability shall be recalculated by discounting the modified cash flows at the original effective interest rate and the resulting gain or loss is recognised in profit or loss. Any costs and fees incurred are recognised as an adjustment to the carrying amount of the liability and amortised over the remaining term of the modified financial liability by re-computing the effective interest rate on the instrument.

i. Offsetting

Financial assets and financial liabilities shall be offset and the net amount presented in the statement of financial position when, and only when, the Bank currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

Income and expenses shall be presented on a net basis only when permitted under IFRS, or for gains and losses arising from a group of similar transactions such as in the Bank's trading activity.

j. Designation at fair value through profit or loss

At initial recognition, the Bank may designate certain financial assets as at FVTPL because this designation eliminates or significantly reduces an accounting mismatch, which would otherwise arise.

The Bank shall designate certain financial liabilities as at FVTPL in either of the following circumstances:

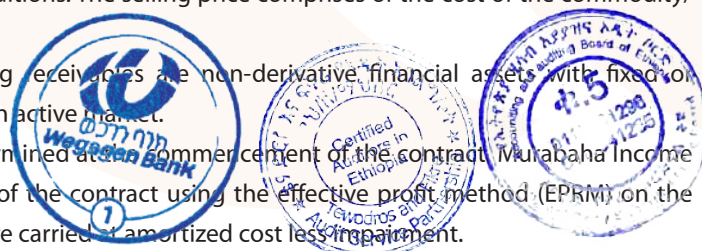
- the liabilities are managed, evaluated and reported internally on a fair value basis; or
- the designation eliminates or significantly reduces an accounting mismatch that would otherwise arise.

2.6 Interest Free Banking

Murabaha is an Islamic financing transaction which represents an agreement whereby the Bank buys a commodity/ good and sells it to a counterparty (customer) based on a promise received from that counterparty to buy the commodity according to specific terms and conditions. The selling price comprises of the cost of the commodity/ goods and a pre-agreed profit margin.

It is treated as financing receivables. Financing receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

The profit is quantifiable and contractually determined at the commencement of the contract. Murabaha Income (profit) is recognized as it accrues over the life of the contract using the effective profit method (EPRM) on the principal balance outstanding. These products are carried at amortized cost less impairment.



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2.7 Cash and Cash Equivalents

Cash and cash equivalents' include notes and coins on hand, unrestricted balances held with central banks and highly liquid financial assets with original maturities of three months or less from the date of acquisition that are subject to an 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.

2.8 Property, Plant and Equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property, plant and equipment if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Bank recognises such parts as individual assets with specific useful lives and depreciates them accordingly. All other repair and maintenance costs are recognised in income statement as incurred. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of the replaced part is de-recognised.

Depreciation is calculated using the straight-line method to allocate their cost to their residual values starting from the asset is available for use over their estimated useful lives, as follows:

Asset class	Useful Lives
Buildings	50
Computer hardware	7
Furnitures and fittings	10
Equipments	5 to 20
Lifts	15
Motor Vehicles	10

Capital work-in-progress is not depreciated as these assets are not yet available for use.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in income statement when the asset is derecognised.

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



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2.9 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in income statement in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life, or the expected pattern of consumption of future economic benefits embodied in the asset, are accounted for by changing the amortisation period or methodology, as appropriate, which are then treated as changes in accounting estimates. The amortisation expenses on intangible assets with finite lives is presented as a separate item in the income statement.

Amortisation is calculated using the straight-line method to write down the cost of intangible assets to their residual values over their estimated useful lives, which ranges from two to six years.

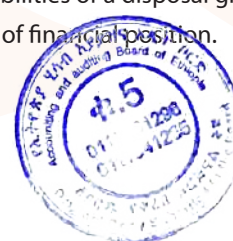
2.10 Non-current assets (or disposal groups) held for sale

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the statement of financial position. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the statement of financial position.



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2.11 Impairment of non-financial assets

The Bank assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Bank estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account.

If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Bank bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Bank's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

For assets an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Bank estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the income statement.

2.12 Other assets

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

(a) Prepayment

Prepayments are payments made in advance for services to be enjoyed in future. The amount is initially capitalized in the reporting period in which the payment is made and subsequently amortised over the period in which the service is to be enjoyed.



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(b) Other receivables

Other receivables are recognised upon the occurrence of event or transaction as they arise and cancelled when payment is received.

The Bank's other receivables are receivables from mastercard, receivables from visa card and other receivables from debtors. This has been added to the carrying amounts of the investment.

2.13 Fair value measurement

The Bank measures financial instruments classified as available-for-sale at fair value at each statement of financial position date. Fair value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed are, summarised in the following notes:

- Disclosures for valuation methods, significant estimates and assumptions
- Quantitative disclosures of fair value measurement hierarchy
- Financial instruments (including those carried at amortised cost)

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

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

The principal or the most advantageous market must be accessible to by the Bank.

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

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

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



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- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

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

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

2.14 Employee benefits

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

(a) Defined contribution plan

The Bank operates two defined contribution plans;

- pension scheme in line with the provisions of Ethiopian pension of private organisation employees proclamation 715/2011. Funding under the scheme is 7% and 11% by employees and the Bank respectively;
- provident fund contribution, funding under this scheme is 6% and 12% by employees and the Bank respectively based on the employees' salary. Employer's contributions to this scheme are charged to profit or loss and other comprehensive income in the period in which they relate.

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



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

Past-service costs are recognised immediately in income.

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

(b) Profit-sharing and bonus plans

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

(c) Defined Benefit plans

The Bank recognizes the liability for severance and other long service awards based on actuarial requirements that set assumptions for salary increases, inflation, discount rates, turnover, mortality and others.

2.15 Provisions

Provisions are recognised when the bank has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Bank expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in income statement net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as other operating expenses.

2.16 Share capital

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



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2.17 Earnings per share

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

2.18 Leases

The Bank has initially adopted IFRS 16 from 1 July 2019. The standard eliminates the classification of leases as either operating leases or finance leases under IAS 17 and introduces a single lease accounting model that requires lessees to recognize assets and corresponding liabilities. Due to the transition method chosen by the Bank in applying IFRS 16, comparative information throughout these financial statements has not generally been restated to reflect its requirements.

It also elected to apply the practical expedient that allows entities to rely on its assessment of whether leases were onerous by applying IAS 37 Provisions, Contingent Liabilities and Contingent Assets immediately before the date of initial application as an alternative to performing an impairment review.

The effect of initially applying IFRS 16 is mainly attributed to:

- an increase in non-current assets as obligations to make future payments under leases previously classified as an operating lease were recognized on the balance sheet, along with the corresponding asset: right-of-use asset.
- Expenditure on operation has decreased and finance cost have increased, as operating lease costs have been replaced by depreciation and interest expense on lease liabilities.

The adoption of IFRS 16 requires the Bank to make a number of assumptions, estimations and judgments that includes:

- lease liabilities were determined based on the value of the remaining lease payments, discounted by an appropriate incremental borrowing rate.
- term of each arrangement was based on the original lease term.
- the discount rate used to determine lease liabilities was the Bank's incremental borrowing rate. It was calculated based on observable inputs.

At the commencement date, the Bank recognized:

- all leases as right right-of-use-asset at cost. Cost of right-of-use asset includes the amount of lease liability, lease payments made at or before the commencement date (less any lease incentives received), any initial direct costs incurred and an estimate of costs to be incurred by the Bank in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.



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- a lease liability at the present value of the lease payments that are not paid at that date. Present value of lease payments will be determined by discounting future lease payments at the interest rate implicit in the lease arrangement, if it is readily determined or at Bank's incremental borrowing rate.

After the commencement date, the Bank measures:

- right-of-use assets using cost model, i.e. cost at initial recognition less accumulated depreciation (in line with IAS 16: Property, plant and Equipment) and accumulated impairment losses (in line with IAS 36: Impairment of Assets).
- lease liability by increasing its carrying amount to reflect interest on the lease liability and by reducing its carrying amount to reflect lease payments made.

Interest incurred on lease liability will be recognized in the statement of profit and loss as a finance cost.

Determination of whether an arrangement is a lease, or contains a lease

The determination of whether an arrangement is a lease, or contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or whether the arrangement conveys a right to use the asset.

Bank as a Lessor

The Bank has rented temporary freehold space in its head office building that is mainly constructed for office use. The lease advance payments are recognized as deferred income until recognized.

2.19 Income tax

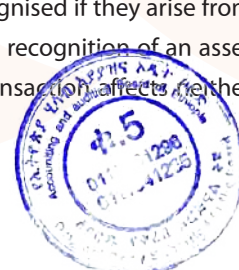
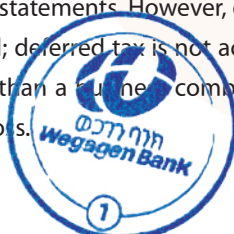
(a) Current income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in Ethiopia. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(b) Deferred tax

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.



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Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the statement of financial position date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Deferred tax assets and liabilities are only offset when there is both the legal right and the intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

3. Significant accounting judgements, estimates and assumptions

The preparation of the Bank's financial statements requires management to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures, as well as the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

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

- Capital management
- Financial risk management and policies
- Sensitivity analyses disclosures

3.1 Judgements

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



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3.2 Estimates and assumptions

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

Impairment losses on financial assets at amortized cost

The Bank reviews its loan portfolios for impairment on an on-going basis. The Bank first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. Impairment provisions are also recognised for losses not specifically identified but which, experience and observable data indicate, are present in the portfolio at the date of assessment. For individually significant financial assets that has been deemed to be impaired, management has deemed that cashflow from collateral obtained would arise within 12 months where the financial asset is collateralised.

Management uses estimates based on historical loss experience for assets with credit risk characteristics and objective evidence of impairment similar to those in the portfolio, when scheduling its future cash flows. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience. The use of historical loss experience is supplemented with significant management judgment to assess whether current economic and credit conditions are such that the actual level of inherent losses is likely to differ from that suggested by historical experience.

In normal circumstances, historical experience provides objective and relevant information from which to assess inherent loss within each portfolio. In other circumstances, historical loss experience provides less relevant information about the inherent loss in a given portfolio at the statement of financial position date, for example, where there have been changes in economic conditions such that the most recent trends in risk factors are not fully reflected in the historical information. In these circumstances, such risk factors are taken into account when calculating the appropriate levels of impairment allowances, by adjusting the impairment loss derived solely from historical loss experience. The detailed methodologies, areas of estimation and judgement applied in the calculation of the Bank's impairment charge on financial assets are set out in the Financial risk management section.

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



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Fair value measurement of financial instruments

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

Defined benefit plans

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

Depreciation and carrying value of property, plant and equipment

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

Taxes

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

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.



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Development cost

The Bank capitalises development costs for a project in accordance with the accounting policy. Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits. The development costs that were capitalised by the Bank relates to those arising from the development of computer software.

4. Financial Risk Management

4.1 Introduction

Risk is inherent in the Bank's activities, but is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Bank's continuing existence and profitability and each individual within the Bank is accountable for the risk exposures relating to his or her responsibilities. The Bank is exposed to credit risk, liquidity risk and market risk. It is also subject to country risk and various operating risk.

4.1.1 Risk Management Structure

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 Risk and Compliance sub-Committee, which is responsible for developing and monitoring Bank's risk management policies.

The Bank's risk management policies are established to identify and analyse 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 assisted in these functions by the Risk and Compliance Management unit which undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the Risk Management Committee.



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4.1.2 Risk Measurement and Reporting Systems

The Bank's risks are measured using a method that reflects both the expected loss likely to arise in normal circumstances and unexpected losses, which are an estimate of the ultimate actual loss based on statistical models. The models make use of probabilities derived from historical experience, adjusted to reflect the economic environment. The Bank also runs worst-case scenarios that would arise in the event that extreme events which are unlikely to occur do, in fact, occur.

Monitoring and controlling risks is primarily performed based on limits established by the Bank. These limits reflect the business strategy and market environment of the Bank as well as the level of risk that the Bank is willing to accept, with additional emphasis on selected regions. In addition, the Bank's policy is to measure and monitor the overall risk bearing capacity in relation to the aggregate risk exposure across all risk types and activities.

4.1.3 Risk Mitigation

Risk controls and mitigants, identified and approved for the Bank, are documented for existing and new processes and systems. The adequacy of these mitigants is tested on a periodic basis through administration of control self-assessment questionnaires, using an operational risk management tool which requires risk owners to confirm the effectiveness of established controls. These are subsequently audited as part of the review process.

4.2 Classification of financial assets and financial liabilities

The following table shows measurement categories and amounts in accordance IFRS 9 for the Bank's financial assets and financial liabilities as at June 30, 2023

Financial assets (Birr '000)

Financial assets	Classification under IFRS 9	30-Jun-23 New carrying amount under IFRS 9	Increase/decrease	30-Jun-22 Original carrying amount
Cash and bank balances	Amortised cost	9,059,264	(1,263,020)	10,322,284
Loans and advances to customers (net)	Amortised cost	38,293,614	9,382,453	28,911,161
Equity Investments at FVOCI	FVOCI	312,517	202,307	110,210
Investment securities: Loans and advances	Amortised cost	2,061,789	1,789,436	272,354
Other financial assets at amortised cost	Amortised cost	1,443,257	119,126	1,324,131
Total financial assets		51,170,441	10,230,302	40,940,139
Financial liabilities				
Deposits from customers	Amortised cost	39,894,209	8,102,577	31,791,632
Deposit from financial institutions	Amortised cost	2,899,464	775,354	2,124,111
Other financial liabilities	Amortised cost	3,086,991	(262,929)	3,349,919
Total financial liabilities		45,880,664	8,615,002	37,265,662



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The application of the Bank's accounting policies on the classification of financial instruments under IFRS 9 are set out in Note 2.5 resulted in the reclassifications set out in the table above and explained below.

Further equity investment securities were reclassified out available-for-sale categories to FVOCI at their then fair values. The carrying amount of those assets was adjusted so that their amortised cost under IFRS 9 was as if those assets were accounted for at amortised cost from their inception. On the adoption of IFRS 9, some other financial assets were reclassified out of the loans and receivable to amortized cost and some to non financial assets. The carrying amount of those assets was adjusted so that their amortised cost under IFRS 9 was as if those assets were accounted for at amortised cost from their inception.

4.3 Credit Risk

Credit Risk is risk of financial loss to the bank if a customer or counter party to a financial instrument fails to meet its contractual obligations, and arises principally from the banks loans & advances to customers & other banks & investment securities & other financial assets the bank adopts conservative approach to credit risk.

4.3.1 Management of credit risk

For risk management reporting purposes, the Bank considers and consolidates all elements of credit risk exposure (such as individual obliger default risk and sector risk).

Exposure to credit risk is managed through periodic analysis of the ability of borrowers and potential borrowers to determine their capacity to meet principal and interest thereon. Exposure to credit risk is also mitigated, in part, by obtaining collateral, commercial and personal guarantees. In Managing credit risk the Board of Directors approves the credit policy, risk limits, collateral requirements, risk gradings and follows up the implementation of same. The credit limits are placed on the amount of risk accepted in relation to one borrower, or groups of borrowers, to geographical regions, and to term of the financial instrument and economic sectors. The policies and limits are reviewed and modified periodically based on changes and expectations of the markets where the Bank operates, regulations, and other factors.



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4.3.2 Concentrations of credit risk

Gross loans and advances to customers per sector is analysed as follows:

	30 June 2023 Birr'000	30 June 2022 Birr'000
Manufacturing	5,808,608	4,448,860
Domestic Trade and Services	7,071,214	5,995,374
Construction	5,624,542	4,603,894
Transport Service	2,602,352	1,256,572
Export	8,475,413	7,648,603
Import	7,949,546	4,775,830
Staff loans	1,975,702	1,192,479
IFB-Financing & Investments	413,327	351,445
	39,920,704	30,273,057

4.3.3 Credit quality analysis

The following table sets out information about the credit quality of financial assets measured at amortised cost, FVOCI debt investments (2023) and available-for-sale debt assets (2023). Unless specifically indicated, for financial assets, the amounts in the table represent gross carrying amounts.

The loss allowance for loans and advances to customers also includes the loss allowances for loan commitments and financial guarantee contracts.

Credit Quality Analysis for Loans and Advances

	2023				2022
In Birr'000	Stage 1	Stage 2	Stage 3	Total	Total
Loans & advances to customers at amortised cost					
Stage 1 – Pass	36,982,911			36,982,911	26,482,135
Stage 2 – Special mention		1,273,462		1,273,462	541,207
Stage 3 - Non performing				2,966,904	3,249,716
Total gross exposure	36,982,911	1,273,462	2,966,904	41,223,277	30,273,057
Loss allowance	605,156	24,252	997,478	1,626,885	1,361,846
Net carrying amount	36,377,755	1,249,209	1,969,427	39,596,391	28,911,211



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Credit Quality Analysis for Others Assets

In Birr'000	2023			
Item	Stage	Gross Exposure	Loss allowance	Net carrying amount
Cash and balances with banks	12 Month ECL	1,140,170	(57)	1,140,113
Investment securities (debt instruments)	12 Month ECL	1,976,709	(118)	1,976,591
Other financial assets	Lifetime ECL	4,636,275	(400,076)	4,236,199
Emergency staff loans	Lifetime ECL	497,032	(25)	497,007
Totals		8,250,186	(400,276)	7,849,910

Credit Quality Analysis for others Assets

In Birr'000	2022			
Other financial assets (debt instruments)	Stage	Gross Exposure	Loss allowance	Net carrying amount
Cash and bank balances	12 Month ECL	10,322,284	(21)	10,322,263
Investment securities (debt instruments)	12 Month ECL	272,354	(216)	272,137
Other financial assets	Lifetime ECL	1,324,131	(71,575)	1,252,556
Emergency staff loans	Lifetime ECL	212,852	(19)	212,833
Totals		12,131,620	(71,831)	12,059,789

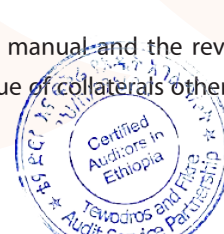
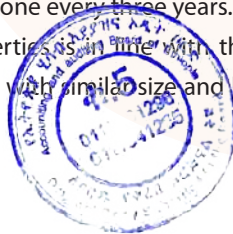
4.3.4 Collateral held and their financial effect

The general creditworthiness of a customer tends to be the most relevant indicator of credit quality of a loan extended to it. However, collateral provides additional security and the Bank generally requests collateral for loans and advances granted to customers.

The Bank may take collateral in the form of a first charge over real estate, liens and guarantees. The Bank does not sell or repledge the collateral in the absence of default by the owner of the collateral. In addition to the Bank's focus on creditworthiness, the Bank aligns with its credit policy guide to periodically update the validation of collaterals held against all loans to customers.

For impaired loans, the Bank obtains appraisals of collateral because the fair value of the collateral is an input to the impairment measurement. The fair value of the collaterals are based on the last revaluations carried out by the Bank's in-house engineers, which is usually done every three years.

The valuation technique adopted for properties is in line with the Bank's valuation manual and the revalued amount is similar to fair value of properties with similar size and location. The fair value of collaterals other than



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properties such as share certificates, cash, NBE bills etc. are disclosed at the carrying amount as management is of the opinion that the cost of the process of establishing the fair value of the collateral exceeds benefits accruable from the exercise.

Collateral Held ('000)

Type of financial asset	30-Jun-23	30-Jun-22	Principal type of collateral held
Loans and Advances	58,118,268	44,336,405	Land and Building, Vehicles, Machines, Shares and Bank Guarantees

4.3.5 Measurement of Expected Credit Losses (ECL)

i) Techniques used for estimating impairment

ECL is a probability-weighted estimate of credit losses. It shall be measured as follows:

- for financial assets that are not credit-impaired at the reporting date (stage 1 and 2): as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Bank in accordance with the contract and the cash flows that the Bank expects to receive);
- for financial assets that are credit-impaired at the reporting date (stage 3): as the difference between the gross carrying amount and the present value of estimated future cash flows;
- for undrawn loan commitments: as the present value of the difference between the contractual cash flows that are due to the Bank if the commitment is drawn down and the cash flows that the Bank expects to receive; and
- for financial guarantee contracts: as the expected payments to reimburse the holder less any amounts that the Bank expects to recover.

ii) Incorporation of forward-looking information

The key drivers for credit risk for each of the Bank's economic sectors is summarized below:

Sector/Product	Macroeconomic factors				
Cluster 1 Agriculture, Consumer Loans, Overdraft and Interest Free Financing	Goods exports, USD	-	-	-	-
Cluster 2 Domestic Trade & Services, Mining and Energy, Transport, Health, Merchandise, Financial services	-	-	-	-	-
Cluster 3 Building & Construction, Hotel & Tourism, Manufacturing & Production Industry, Real estate, Housing & construction	Goods imports, USD	Nominal GDP, USD	Real GDP per capita, USD (2010 prices)	-	-
Cluster 4 Export, Import, Advance against Import bills, International Trade	Goods imports, USD	-	-	-	-

The economic scenarios used included the following key indicators for Ethiopia for the years 2022 to 2024:



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Indicators	30-Jun-22	30-Jun-23	30-Jun-24
Consumer price index inflation, 2010=100, ave	584	763	935
Exports of goods and services, USD	7,949	9,396	10,689
Government domestic debt, LCU	1,311,530	1,601,205	1,831,600
LCU/USD, ave	48	53	57
Nominal GDP, LCU	4,907,655	6,324,877	8,013,282
Private final consumption, LCU	3,602,073	4,706,091	5,637,460
Total domestic demand, LCU	5,199,565	6,554,527	7,774,860
Savings, LCU	1,058,363	1,139,738	1,333,876
Population	119,344,463	122,292,044	125,261,131
Consumer price index inflation, 2010=100, eop	591	757	893
M1, LCU	463,645	519,050	584,105
M2, LCU	1,450,580	1,669,935	1,932,335
Current expenditure, LCU	396,721	510,010	596,728
Goods imports, USD	14,996	15,798	16,433
Goods exports, USD	4,022	4,137	4,393
Current account balance, USD	(4,482)	(4,804)	(4,748)
Import cover months	2	2	2
Total household spending, LCU	4,197,597	5,494,617	6,584,552
Nominal GDP, USD	100,847	115,100	130,089
Real GDP, LCU (2010 prices)	979,927,000,000	1,031,006,500,000	1,097,146,000,000
Real GDP, USD (2010 prices)	68,005,149,345	71,549,973,629	76,139,934,488
Real GDP per capita, USD (2010 prices)	549	567	589
Nominal GDP, USD (PPP)	315,978,796,495	358,557,612,057	394,406,827,578
Private final consumption, USD	74,903	87,766	99,434
Government final consumption, LCU	406,173	487,844	566,298
Government final consumption, USD	8,490	9,106	9,990
Exports of goods and services, LCU	382,338	503,898	605,981
Imports of goods and services, LCU	740,831	887,821	1,004,879
Imports of goods and services, USD	15,481	16,575	17,735
Total domestic demand, USD	108,379	122,279	137,135
Unemployment, % of labour force, ave	3	3	3
Real effective exchange rate index	25	15	10
LCU/USD, eop	52	55	58
Total revenue, LCU	363,207	476,482	640,297
Total revenue, USD	7,576	8,877	11,412



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Total expenditure, LCU	523,143	681,893	857,966
Total expenditure, USD	10,869	12,721	15,114
Current expenditure, USD	8,225	9,525	10,522
Budget balance, LCU	(159,936)	(205,411)	(209,569)
Budget balance, USD	(3,293)	(3,844)	(3,702)
Services imports, USD	5,858	6,267	6,697
Services exports, USD	5,202	5,569	5,898
Total reserves ex gold, USD	2,955	3,160	3,649
Total external debt stock, USD	35,573	40,112	44,667
Long-term external debt stock, USD	33,809	38,315	42,836

Predicted relationships between the key indicators and default rates on various portfolios of financial assets have been developed based on analysing semi – annual historical data over the past 5 years.

The below scenario weightings have been observed:

SUMMARY OF SCENARIO WEIGHTINGS			
	BASE	DOWNTURN(DOWNSIDE)	OPTIMISTIC(UPSIDE)
Cluster 1	91%	0%	9%
Cluster 2	100%	0%	0%
Cluster 3	52%	0%	48%
Cluster 4	91%	0%	9%

iii). Loss allowance

The following tables show reconciliations from the opening to the closing balance of the loss allowance by class of financial instrument. Comparative amounts for 2022 represent the allowance account for credit losses and reflect the measurement basis under IFRS 9.

Loans and advances to customers at amortized cost (on financial position exposures)	2023				2022
In Birr'000	Stage 1	Stage 2	Stage 3	Total	Total
Balance at 1 July	326,990	9,568	1,025,339	1,361,896	1,254,425
Transfer to 12 months ECL	326,756	(4,286)	(40,924)	281,546	217,864
Transfer to Lifetime ECL not credit impaired	(8,626)	1,553	(211)	(7,284)	(3,797)
Transfer to Lifetime ECL credit impaired	(564,452)	(2,651)	420,935	(146,168)	(148,188)
Net re-measurement of Loss allowance	80,669	4,184	1,405,139	1,489,992	518,536
Net financial assets originated or purchased	233,190	13,862	9,439	256,491	88,677
Financial assets derecognised	(33,144)	(1,213)	(74,508)	(108,865)	(314,710)
Balance at 30 June	605,156	24,252	997,478	1,626,886	1,561,896



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Loan commitments and financial guarantee contracts (off balance sheet exposures)	2023				2022
In Birr'000	Stage 1	Stage 2	Stage 3	Total	Total
Balance at 1 July	12	-		12	99
Transfer to 12 months ECL				-	-
Transfer to Lifetime ECL not credit impaired				-	(87)
Transfer to Lifetime ECL credit impaired				-	-
Net remeasurement of Loss allowance				-	-
Net financial assets originated or purchased	27			27	-
Financial assets derecognised				-	-
Balance at 30 June	39			39	12

Other financial assets	2023				
In Birr'000	Cash and balances with banks	Investment securities (debt instruments)	Emergency staff loans	Other receivables and financial assets	Total
Balance as at 1 July	21	216	19	71,575	71,831
Net remeasurement of loss allowance	-	(98)	-	312,252	312,252
New financial assets originated or purchased	36		6	16,249	16,291
Balance as at 30 June	57	118	25	400,076	400,276

Other financial assets	2022				
In Birr'000	Cash and balances with banks	Investment securities (debt instruments)	Emergency staff loans	Other receivables and financial assets	Total
Balance as at 1 July	29	269	14	185,242	185,554
Net remeasurement of loss allowance	(8)	(53)	3	(113,667)	(113,725)
New financial assets originated or purchased				-	-
Balance as at 30 June	21	216	19	71,575	71,831



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4.3.6 Offsetting financial assets and financial liabilities

The Bank does not offset financial assets against financial liabilities.

4.4 Liquidity risk

4.4.1 Introduction

Liquidity risk is the risk that the Bank cannot meet its maturing obligations when they become due, at reasonable cost and in a timely manner. Liquidity risk arises because of the possibility that the Bank might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances. Such scenarios could occur when funding needed for liquid asset positions is not available to the Bank on acceptable terms.

Liquidity risk management in the Bank 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.

4.4.2 Management of liquidity risk

Cash flow forecasting is performed by the Treasury Management Directorate. The directorate monitors rolling forecasts of liquidity requirements to ensure it has sufficient cash to meet operational needs. The Bank evaluates its ability to meet its obligations on an ongoing basis. Based on these evaluations, the Bank devises strategies to manage its liquidity risk. Prudent liquidity risk management implies that sufficient cash is maintained and that sufficient funding is available to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk damage to the Bank's reputation.

The Treasury directorate receives information from other directorates regarding the liquidity profile of their financial assets and liabilities and details of other projected cash flows arising from projected future business. It then maintain a portfolio of short-term liquid assets, largely made up of physical cash, cash with banks, 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 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 and liquidity reports are submitted weekly to the NBE. In addition to regulatory liquidity ratio requirements, the Bank has set its own internal liquidity ratio limits and monitor it accordingly.

The Bank has access to a limited funding base as there is no active primary and secondary market in Ethiopia. Funds are raised using 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.



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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 recognise 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, the following are considered as immediate:

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

4.4.3 Maturity analysis of financial Assets and Financial liabilities

The table below analyses the Bank's financial assets and liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. The cash flows presented are the undiscounted amounts to be settled in future. Considering that 43% of the deposits will be withdrawn within a short period of time; one year without any additional deposit mobilization, which is unlikely to happen, there will be a positive liquidity gap between maturing assets and liabilities. Moreover, in terms of regulatory compliance in terms of liquidity position, the Bank's liquidity position as at June 30,2023 stood at 19.01%, which is well above the regulatory requirement of 15% indicating that the Bank is liquid to honor its commitments. This was a persistent phenomena during the whole year.



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30 June 2023

	Below 1 year Birr'000	1-3 years Birr'000	Over 3 years Birr'000
ASSETS			
Cash and Bank Balances	9,059,264	-	-
Debt Securities at Amortized Cost	-	573,109	1,488,582
Loans and advances	10,288,173	14,174,630	13,830,811
Other assets	1,300,814	142,443	
TOTAL	20,648,251	14,890,182	15,319,393
LIABILITIES			
Deposits	42,785,674	8,000	-
Other liabilities	3,086,990		
Income Tax payable	354,776		
TOTAL	46,227,440	8,000	-
Net Mismatch	(25,579,189)	14,882,182	15,319,393
Cumulative Mismatch	(25,579,189)	(10,697,007)	4,622,386

30 June 2022

	Below 1 year Birr'000	1-3 years Birr'000	Over 3 years Birr'000
ASSETS			
Cash and Bank Balances	10,322,284		
Debt Securities at Amortized Cost	-	260,428	11,926
Loans and advances	8,389,586	9,282,975	12,600,497
Other assets	1,324,131		
TOTAL	20,036,001	9,543,403	12,612,423
LIABILITIES			
Deposits	29,576,908	4,200	-
Other liabilities	3,349,919		
Income Tax payable	30,035		
TOTAL	32,956,862	4,200	-
Net Mismatch	(12,920,861)	9,539,203	12,612,423
Cumulative Mismatch	(12,920,861)	(3,381,658)	9,230,765



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4.4.4 Financial assets pledged as collaterals

The Bank had no financial asset pledged as collateral during the year under review.

4.5 Market risk

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

The Bank does not ordinarily engage in trading activities as there are no active markets in Ethiopia.

4.5.1 Management of market risk

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) analyses 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 analysing the risk of the Bank's treasury unit.

(i) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will be affected by changes in market interest rates. Borrowings obtained at variable rates give rise to interest rate risk.

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



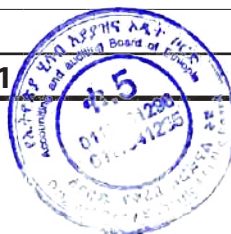
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The table below sets out information on the exposures to interest rate sensitive financial assets and liabilities:

30 June 2023	Fixed Birr'000	Non-interest bearing Birr'000	Total Birr'000
Financial assets			
Cash and bank balances	1,807,761	7,251,503	9,059,264
Loans and advances to customers (net)	38,293,614		38,293,614
Equity Investments at FVOCI		312,517	312,517
Debt Securities at Amortized Cost	2,061,789		2,061,789
Other Financial Assets		475,354	475,354
Total	42,163,165	8,039,373	50,202,538
Financial liabilities			
Deposits from customers	39,894,209		39,894,209
Deposits from Financial Institutions	2,899,464		2,899,464
Guarantees issued		2,985,001	2,985,001
Letter of credit		4,229,005	4,229,005
Loan commitments	2,351,476		2,351,476
Other Financial liabilities		2,261,304	2,261,304
Total	45,145,150	9,475,310	54,620,461
30 June 2022	Fixed Birr'000	Non-interest bearing Birr'000	Total Birr'000
Financial assets			
Cash and bank balances		10,322,284	10,322,284
Loans and advances to customers	28,911,161		28,911,161
Investment securities;		-	-
Equity Investments at FVOCI		110,210	110,210
Debt Securities at Amortized Cost	272,354	-	272,354
Other Financial Assets		717,466	717,466
Total	29,183,515	11,149,960	40,333,475
Financial liabilities			
Deposits from customers	31,791,632		31,791,632
Deposits from Financial Institutions	2,124,111		2,124,111
Guarantees issued		743,683	743,683
Letter of credit		1,546,147	1,546,147
Loan commitments	1,732,147		1,732,147
Other Financial liabilities		2,393,236	2,393,236
Total	35,647,891	4,683,066	40,330,957



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(ii) Foreign exchange risk

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to the changes in foreign exchange rates.

The Bank is exposed to exchange rate risks to the extent of balances and transactions denominated in a currency other than the Ethiopian Birr. The Bank's foreign currency bank accounts act as a natural hedge for these transactions. Management has set up a policy to manage the Bank's foreign exchange risk against its functional currency.

The table below summarises the impact of increases/decreases of 10% on equity and profit or loss arising from the Bank's foreign denominated borrowings and cash and bank balances.

Foreign currency denominated balances

Cash and bank balances;	30 June 2023 Birr'000	30 June 2022 Birr'000
USD	1,266,023	806,846
GBP	8,973	1,423
Euro	56,157	21,446
Other currencies	1,891	26,122
	1,333,045	855,837

Sensitivity analysis for foreign exchange risk

The sensitivity analysis for currency rate risk shows how changes in the fair value or future cash flows of a financial instrument will fluctuate because of changes in market rates at the reporting date. The sensitivity of the Bank's earnings to fluctuations in exchange rates is reflected by varying the exchange rates at 10% as shown below:

30 June 23	Basis points Birr'000	Effect of appreciation of the Birr against foreign currencies Birr'000	Effect of depreciation of the Birr against foreign currencies Birr'000
USD	10%	126,602.35	(126,602.35)
GBP	10%	897	(897.35)
Euro	10%	5,616	(5,615.70)
Total		133,115	(133,115)

30 June 2022	Basis points Birr'000	Effect of appreciation of the Birr against foreign currencies Birr'000	Effect of depreciation of the Birr against foreign currencies Birr'000
USD	10%	80,685	(80,685)
GBP	10%	142	(142)
Euro	10%	2,145	(2,145)
		82,972	(82,972)



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4.6 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 operational risk by adopting the policy and procedure on operational risk management as approved by the board of directors 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 risk and control self-assessment on continuous process. During the fiscal year, the Bank made assessment of potential operational risk areas including IT security risks, made register of operational risk incidents, investigated them and took action on perpetrators and strengthen its internal controls accordingly. Despite the number of operational risk incidents, the Bank sustained insignificant losses.

4.7 Capital management

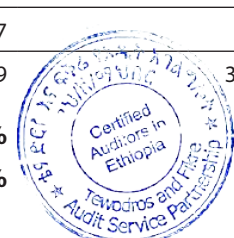
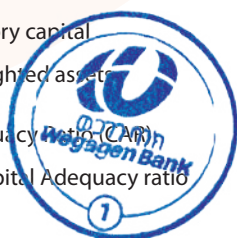
The Bank's objectives when managing capital are to comply with the capital requirements set by the National Bank of Ethiopia, safeguard its ability to continue as a going concern, and to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development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

4.7.1 Capital adequacy ratio

According to the Licensing & Supervision of Banking Business Directive No SBB/50/2011 of the National Bank of Ethiopia, the Bank has to maintain capital to risk weighted assets ratio of 8% at all times, the risk weighted assets being calculated as per the provisions of Directive No SBB/9/95 issued on August 18, 1995.

The capital adequacy ratio is the quotient of the capital base of the Bank and the Bank's risk weighted asset base. As at June 30,2023, the ratio stood at 13.46% showing a marginal decrease by 1.67% compared with same period last year. This arises because of an expansion of capital and a increase in risk weighted assets during the fiscal year ended June 30,2023.

	30 June 2023 Birr'000	30 June 2022 Birr'000
Capital		
Share capital	3,982,139	3,391,294
Share premium	57,736	42,787
Legal reserve	1,790,822	1,584,866
Total regulatory capital	5,830,697	5,018,947
Total risk weighted asset	43,319,709	33,168,058
Capital Adequacy ratio (CAR)	13.46%	15.13%
Minimum Capital Adequacy ratio	8%	8%



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4.8 Fair value of financial assets and liabilities

IFRS 13 requires an entity to classify measured or disclosed fair values according to a hierarchy that reflects the significance of observable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, which comprises of three levels as described below, based on the lowest level input that is significant to the fair value measurement as a whole.

4.8.1 Valuation models

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

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

- Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active, or other valuation technique in which all significant inputs are directly or indirectly observable from market data.

In conclusion, this category is for valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs). This category includes all assets and liabilities for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the asset or liability's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.



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4.8.2 Financial instruments measured at fair value - fair value hierarchy

The following table summarises the carrying amounts of financial assets and liabilities not measured at fair value and their fair value measurements as at the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorised. The amounts are based on the values recognised in the statement of financial position.

30 June 2023	Carrying amount Birr'000	Fair value Birr'000	Level 1 Birr'000	Level 2 Birr'000	Level 3 Birr'000	Total Birr'000
Financial assets						
Cash and Bank Balances	9,059,264	9,059,264	9,059,264			9,059,264
Loans and advances to customers	38,293,614	38,293,614			38,293,614	38,293,614
Investment securities;					-	-
- Debt Securities at Amortized Cost	2,061,789	2,061,789			2,061,789	2,061,789
- Equity Investments at FVOCI	96,322	312,517			312,517	312,517
Other Financial Assets	475,354	475,354			475,354	475,354
Total	49,986,344	50,202,538	9,059,264	-	41,143,274	50,202,538
Financial liabilities						
Deposits from customers	39,894,209	39,894,209			39,894,209	39,894,209
Deposit from financial institutions	2,899,464	2,899,464			2,899,464	2,899,464
Other Financial liabilities	2,261,304	2,261,304			2,261,304	2,261,304
Total	45,054,977	45,054,977	-	-	45,054,977	45,054,977



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30 June 2022	Carrying amount Birr'000	Fair value Birr'000	Level 1 Birr'000	Level 2 Birr'000	Level 3 Birr'000	Total Birr'000
Financial assets						
Cash and Bank Balances	10,322,284	10,322,284	10,322,284			10,322,284
Loans and advances to customers	28,911,161	28,911,161			28,911,161	28,911,161
Investment securities;						
- Debt Securities at Amortized Cost	272,354	272,354			272,354	272,354
- Equity Investments at FVOCI	59,052	110,210			110,210	110,210
Other Assets	717,466	717,466			717,466	717,466
Total	40,282,317	40,333,475	10,322,284	-	30,011,191	40,333,475
Financial liabilities						
Deposits from customers	31,791,632	31,791,632			31,791,632	31,791,632
Deposit from financial institutions	2,124,111	2,124,111			2,124,111	2,124,111
Other liabilities	2,393,236	2,393,236			2,393,236	2,393,236
Total	36,308,979	36,308,979	-	-	36,308,979	36,308,979

4.8.3 Transfers between the fair value hierarchy categories

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



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4.8.4 Tigray region loans and advances report as stated below;

	30 June 2023 Birr'000	30 June 2022 Birr'000
Principal outstanding	5,063,475.46	4,908,330.14
Accrued interest	843,960.57	812,838.65
Total	5,907,436.03	5,721,168.79
Loan loss provision as per NBE		
Balance as at June 30,2022 (in '000)	274,345.78	
Additional provision during the year	116,300.20	
Balance as at June 30,2023	390,645.98	
Interest on non-accrual basis as per NBE		
Balance as at June 30,2022 (in '000)	37,487.28	
Additions to non-accrual during the year	766,843.04	
Balance as at June 30,2023	804,330.32	

5 Interest income

	30 June 2023 Birr'000	30 June 2022 Birr'000
Treasury Bill	233,920	220,379
Loans and advances to customers	4,960,990	3,707,257
Investment securities	225,887	123,227
Interest Income on Correspondent Bank Accounts	2,237	1,624
	5,423,034	4,052,487

6 Interest expense

	30 June 2023 Birr'000	30 June 2022 Birr'000
Saving deposits	1,217,762	1,127,589
Fixed time deposits	707,631	516,154
Current deposits	1,394	6,075
Short term borrowing	22,564	128,409
Leases	17,683	28,072
	1,967,036	1,806,299



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	30 June 2023 Birr'000	30 June 2022 Birr'000
7 Net fees and commission income		
Commission and fees on L/C	1,180,907	790,127
Commission on Guarantees	45,354	35,317
Agent Banking Fee	16,440	9,305
ATM Transaction Fees-Foreign	3,041	997
ATM Transaction Fees-Local	1,466	1,919
Commission on CPO issued	949	758
Credit Information Charge	12,030	3,935
Service Charge-Local	9,104	9,675
SWIFT charges	19,343	11,082
Commission Sundries	29,087	13,855
Commission & Charges from IFB	55,251	20,399
Commission and Fees on Fund transfers	574	31
	1,373,547	897,399
8 Other operating income		
Rental income	19,203	13,386
Estimation fees	1,846	839
Cash Surplus	-	33
Rebates	129	848
Fee on Bounced Checks	22	42
Dividend income	5,875	6,056
Gain on Disposal of Old Assets	12,096	3,023
Card purchase & replacement income	2,005	1,721
Sundries-Local	18,541	14,670
Gain on foreign exchange Dealing	106,780	-
	166,496	40,619
9 Loan impairment charge		
Loans and Advances - charge for the year (note 15b)	265,197	107,386
Loans and Advances - reversal of provision (note 15b)	-	-
	265,197	107,386



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10 Impairment losses on other assets

	30 June 2023 Birr'000	30 June 2022 Birr'000
Other assets - charge for the year (note 17a)	328,464	-
Other assets - reversal of impairment losses (note 17a)	-	(113,667)
	328,464	(113,667)

11 Salaries and benefits

	30 June 2023 Birr'000	30 June 2022 Birr'000
Employee salaries	1,295,515	898,690
Outsourced employee salaries	180,806	148,169
Pension costs	167,722	79,372
Short-term employee benefits	742,314	444,728
Severance pay- Defined benefit plan	54,662	28,562
	2,441,020	1,599,521

12 Other operating expenses

	30 June 2023 Birr'000	30 June 2022 Birr'000
Other operating expenses	54,258	45,361
Advertisement & Publicity	61,255	54,258
Agent Banking	3,316	1,518
Bank Charges	5,313	6,222
Broad Band Expense	12,859	9,383
Card payment Charges	46,992	47,779
Consultant Fee	431	60
Communication expenses	5,407	5,159
Consumables	18,086	10,858
Donations	35,015	8,304
Ethswitch Charges	2,622	4,187
Stamp Duty Expense	823	457
Entertainment	2,808	2,081
Event organization expense	1,303	2,993
Insurance	10,215	9,578
IT support charges	24,830	33,124
Legal and professional fees	565	10,286
License Fee and Taxes	3,354	2,392
Loss on Disposal of fixed assets		3,653



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Maintenance	35,206	27,447
Membership Fee	228	563
Money transfer charges	10,276	7,797
Penalty Expense	61	393
Per-diem and Travel	23,569	7,225
Petrol and Oil	24,445	12,021
Printing and stationary	18,946	9,773
Rental expenses	6,278	2,188
Subscription & Publication	642	537
Sundries	6,704	8,666
Uniform	19,732	10,803
Utilities	10,807	6,746
Loss on foreign exchange Dealing	-	279,734
Wages for non-permanent employees.	2,769	1,709
	395,831	587,897

13 Company income and deferred tax

13.a Current income tax

	30 June 2023 Birr'000	30 June 2022 Birr'000
Company income tax	355,602	30,575
Deferred income tax/ (credit) to profit or loss	14,682	(9,694)
Total charge to profit or loss	370,284	20,881
Tax (credit) on other comprehensive income	35,061	(4,960)
Total tax in statement of comprehensive income	405,345	15,921



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13.b Reconciliation of effective tax to statutory tax

The tax on the Bank's profit before income tax differs from the theoretical amount that would arise using the statutory income tax rate as follows:

	30 June 2023 Birr'000	30 June 2022 Birr'000	
Profit before tax		1,194,107	572,280
Tax calculated at statutory tax rate of 30 %		358,232	171,684
Add:			
Entertainment	842	624	
Donation	62	216	
Penalty	18	118	
Provision for Legal cases	169	2,968	
Employee Severance benefits expensed	16,361	8,573	
Loss on disposal of fixed assets	293	1,096	
Provision for loans and other assets	178,098	(1,903)	
Depreciation for accounting purpose	43,616	47,114	
Depreciation and int. expense IFRS 16	62,933	81,498	
Amortization for accounting purpose	9,182	8,077	
Loss on FCY revaluation	-	28,292	
Life Insurance	4,612	4,672	
Staff Loan Fair valuation expense	7,291	15,496	
Accrued leave Expense	-	12,028	
		323,478	208,868
Less:			
Depreciation for tax purpose	(58,239)	(59,246)	
Amortization for tax purpose	(7,250)	(7,615)	
Rent expense	(88,999)	(93,390)	
Employee severance paid in cash	(6,174)	(3,603)	
Provision for loans and other assets	(19,317)	(78,405)	
Accrued leave paid in cash to resigned staffs	(1,442)	(2,307)	
Dividend income taxed at source	(1,762)	(1,817)	
Interest income exempt/taxed at Sources	(137,942)	(103,082)	
Gain from sale of acquired properties (collaterals)	(4,311)	-	
Interest income from correspondent bank accounts taxed at 5%	(671)	(513)	
		(326,107)	(349,977)
	355,602		30,575



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13.c Current income tax liability

	30 June 2023 Birr'000	30 June 2022 Birr'000
Balance at the beginning of the year	30,035	58,777
Charge for the year:		
Income tax expense	355,602	30,575
Payment during the year	(30,035)	(58,777)
Withholding tax	(827)	(540)
Balance at the end of the year	354,776	30,035

The income tax payable during the period are current in nature.

13.d Deferred income tax

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

Deferred income tax (assets)/liabilities:	At 1 July 2022 Birr'000	Credit/ (charge) to P/L Birr'000	Credit/ (charge) to OCI Birr'000	30 June 2023 Birr'000
Property, Plant and Equipment	79,570	39,082		118,652
Post employment benefit obligation	(50,139)	(10,225)	(14,450)	(74,814)
Accrued Leave	-	(14,176)		(14,176)
Equity Investments	15,348		49,511	64,858
Total deferred tax (assets)/liabilities	44,778	14,682	35,061	94,521

Deferred income tax assets/ (liabilities):	At 1 July 2021 Birr'000	Credit/ (charge) to P/L Birr'000	Credit/ (charge) to equity Birr'000	30 June 2022 Birr'000
Property, plant and equipment	86,570	(7,001)		79,570
Post employment benefit obligation	(35,296)	(2,694)	(12,149)	(50,139)
Equity Investments	8,159		7,189	15,348
Total deferred tax assets/ (liabilities)	59,433	(9,694)	(4,960)	44,778



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14 Cash and bank balances

	30 June 2023 Birr'000	30 June 2022 Birr'000
Cash in hand	1,248,534	844,509
Deposit with local commercial banks	1,192,270	499,102.3
Deposit with foreign banks	1,287,898	798,997
Deposit with National Bank of Ethiopia	3,522,858	4,180,966
Treasury Bills	1,807,761	3,998,730
Impairment Allowance for cash	(57)	(21)
	9,059,264	10,322,284

Maturity analysis

	30 June 2023 Birr'000	30 June 2022 Birr'000
Current	8,169,549	3,268,033
Non-Current	889,715	1,579,276
	9,059,264	4,847,309

15 Loans and advances

15.a Loans and advances to customers

Manufacturing	5,808,608	4,448,860
Domestic Trade and Services	7,071,214	5,995,374
Construction	5,624,542	4,603,894
Transport Service	2,602,352	1,256,572
Export	8,475,413	7,648,603
Import	7,949,546	4,775,830
Staff loans	1,975,702	1,192,479
IFB-Financing & Investments	413,327	351,445

Gross amount

	39,920,704	30,273,057
Less: Impairment allowance (note 15b)	(1,627,090)	(1,361,896)
	38,293,614	28,911,161

Maturity analysis

	30 June 2023 Birr'000	30 June 2022 Birr'000
Current	10,288,173	8,389,586
Non-Current	28,005,441	20,521,575
	38,293,614	28,911,161



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For the Year Ended 30 June 2023

15.b Impairment allowance on loans and advances to customers

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

Allowance for loan impairment	As at 1 July 2022 Birr'000	Write offs during the year Birr'000	Charge for the year Birr'000	As at 30 June 2023 Birr'000
Construction	281,863	-	180,597	462,460
Domestic Trade and Serves	283,648	-	110,503	394,151
Export	201,810	-	12,757	214,567
Import	172,525	-	56,530	229,055
Manufacturing	388,338	-	(128,697)	259,641
Staff loans	3,170	-	(1,600)	1,570
Transport Service	30,493	-	34,949	65,442
Guarantee	12	-	27	39
Letter of Credit	38	-	127	165
	1,361,896	-	265,197	1,627,090

Allowance for loan impairment	As at 1 July 2021 Birr'000	Adjustment as at July 1, 2019 Birr'000	Write offs during the year Birr'000	Charge for the year Birr'000	As at 30 June 2022 Birr'000
Construction	188,745			93,118	281,863
Domestic Trade and Services	89,086			194,562	283,648
Export	833,655			(631,845)	201,810
Import	51,814			120,711	172,525
Manufacturing	44,599			343,739	388,338
Staff loans	3,755			(585)	3,170
Transport Service	24,278			6,215	30,493
Guarantee	-			12	12
Letter of Credit	-			38	38
IFB-Financing & Investments	18,578			(18,578)	-
	1,254,510		-	107,387	1,361,896



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	30 June 2023 Cost Birr'000	Fair value(FV) Adjustment	30 June 2023 FV Birr'000	30 June 2022 FV Birr'000
16 Investment Securities				
16.a Equity Investment securities at FVOCI				
Ethio switch	44,772	209,693	254,465	60,848
Africa Insurance S.C	15,798	11,938	27,736	19,291
Addis Ababa Exhibition & Con. Center	15,000	(9,784)	5,216	14,141
Ethiopian Reinsurance S.C	15,752	4,040	19,792	15,930
Capital Finance Excellence Center	5,000	307	5,307	-
	96,322	216,194	312,517	110,210

All the above equity investments are made in unquoted companies whose fair value is determined on net asset basis.

	30 June 2023 Birr'000	30 June 2022 Birr'000
16.b Investment in Debt Securities		
Ethiopian Government Securities	2,061,907	272,570
Impairment Allowance for Debt Securities	(118)	(216)
Balance	2,061,789	272,354
Maturity analysis		
Current	-	-
Non-Current	2,061,907	272,570
	2,061,907	272,570



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17 Other assets

Financial assets

	30 June 2023 Birr'000	30 June 2022 Birr'000
Staff receivables	1,606	1,436
Receivable from money transfer agents	24,423	2,189
Receivable from VISA	25,602	3,337
Receivable from Master Card	6,510	30
Eth-switch Receivable	4,496	17,797
Other receivables	812,818	764,253

Gross amount

	875,455	789,041
Less: Impairment allowance (note 17a)	(400,101)	(71,575)
	475,354	717,466

Non-financial assets

Prepayments

	73,033	16,586
Prepaid expenses on staff loans	529,072	332,084
Inventory	71,772	62,293
Repossessed properties	142,443	154,536
Cash Shortage	151,583	41,166

Gross amount

Maturity analysis

	30 June 2023 Birr'000	30 June 2022 Birr'000
Current	1,300,814	1,169,595
Non-Current	142,443	154,536
	1,443,257	1,324,131

17.a Impairment allowance on other assets

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

	30 June 2023 Birr'000	30 June 2022 Birr'000
Balance at the beginning of the year	71,575	185,242
Written off during the year	328,526	0
(Reversal)/ charge for the year	-	(113,667)
Balance at the end of the year	400,101	71,575



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17.b Inventory

A breakdown of the items included within inventory is as follows:

	30 June 2023 Birr'000	30 June 2022 Birr'000
Stationery	23,558	17,222
Office supplies	23,892	25,170
Visa cards	1,326	6,040
Other stock	22,835	13,700
Memorial Coins	161	161
	71,772	62,293

18 Investment property

Cost:

At the beginning of the year

Acquisitions

At the end of the year

Accumulated depreciation:

At the beginning of the year

Charge for the year

At the end of the year

Net book value

As at 30 June 2023

	30 June 2023 Birr'000	30 June 2022 Birr'000
	943	943
	-	-
	943	943
	366	348
	18	18
	384	366
	559	577

18.a Amounts recognised in profit or loss for investment properties

Rental income

	30 June 2023 Birr'000	30 June 2022 Birr'000
	19,203	13,386



For the Year Ended 30 June 2023

The Bank's investment property is measured at cost. These properties include those held for rental purposes and those in which the Bank occupies an insignificant portion. These properties are held to earn rentals and for capital appreciation. There are currently no restrictions on the realisability of these properties.

The fair value of the Bank's Investment property as at 30 June 2023 has been arrived at by in-house engineers qualified estate surveyors and valuers. These valuers have appropriate qualifications and recent experience in the valuation of properties in the relevant locations. The fair value was determined based on the replacement cost concept which approximates the estimated amount for which a property should exchange on the date of valuation between knowledgeable willing parties in an arm's length transaction after proper marketing, prudently and without compulsion. This implies a market comparable approach that reflects the recent transaction prices for similar properties. In estimating the fair value of the properties, the highest and best use of the properties is their current use. There has been no change to the valuation technique during the year.

Details of the Bank's Investment properties and information about the fair value hierarchy at 30 June 2023 and 30 June 2022 are as follows:



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19 Intangible Assets

Cost:

	Purchased Software Birr'000	Software Under development Birr'000	Total Birr'000
As at 1 July 2021	125,991	-	125,991
Acquisitions	25,288		25,288
De-recognition	-		-
Adjustments/Transfers to intangible assets	-	-	-
As at 30 June 2022	151,279	-	151,279
As at 1 July 2022	151,279	-	151,279
Acquisitions	20,877		20,877
De-recognition	-		-
Adjustments/Transfers to intangible assets	-	-	-
As at 30 June 2023	172,156	-	172,156

Accumulated amortisation

As at 1 July 2021	65,808	-	65,808
De-recognition	-		-
Amortisation	26,925		26,925
As at 30 June 2022	92,732	-	92,732
As at 1 July 2022	92,732	-	92,732
Amortisation	30,606		30,606
As at 30 June 2023	123,338	-	123,338

Net book value

As at 30 June 2022	58,546	-	58,546
As at 30 June 2023	48,818	-	48,818



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For the Year Ended 30 June 2023

20 Property, Plant and Equipment

Cost:

	Office Equipments Birr'000	Building Birr'000	Motor vehicles Birr'000	Furniture and fittings Birr'000	Computer equipments Birr'000	Capital work in Progress Birr'000	Total Birr'000
As at 1 July 2021	432,549	841,403	261,875	259,705	425,239	9,981	2,230,752
Additions	17,702	-	1,670	4,985	35,926		60,284
Disposals	(3,647)	-	(65)	(2,448)	(23,830)		(29,990)
Reclassification	-	-	-	-	-		-
As at 30 June 2022	446,605	841,403	263,480	262,242	437,334	9,981	2,261,045

As at 1 July 2022	446,605	841,403	263,480	262,242	437,334	9,981	2,261,045
Additions	46,294	16,445	57,622	17,483	97,538	2,096	237,478
Disposals	(4,028)	-	(6,867)	(3,354)	(2,938)		(17,187)
Reclassification			-	-	-	-	-
As at 30 June 2023	488,871	857,848	314,235	276,370	531,935	12,077	2,481,336

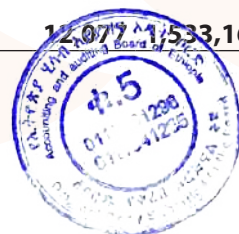
Accumulated depreciation

As at 1 July 2021	190,646	56,542	146,361	89,204	206,557	-	689,309
Charge for the year	44,916	15,987	20,452	24,177	51,496		157,027
Disposals	(3,323)	-	(35)	(2,100)	(23,520)		(28,979)
As at 30 June 2022	232,238	72,529	166,778	111,280	234,532	-	817,357

	Acc dep - Office Equipments	Acc dep - Building	Acc dep -Motor vehicles	Acc dep -Furniture and fittings	Acc dep -Computer equipments	Acc dep -Capital work in Progress	Total
As at 1 July 2022	232,238	72,529	166,778	111,280	234,532	-	817,357
Charge for the year	35,351	15,823	19,547	22,311	52,168	-	145,200
Disposals	(3,865)	-	(5,230)	(2,553)	(2,735)	-	(14,384)
As at 30 June 2023	263,724	88,351	181,095	131,038	283,966	-	948,173

Net book value

As at 30 June 2022	214,366	768,874	96,702	150,962	202,802	9,981	1,443,687
As at 30 June 2023	225,147	769,497	133,140	145,333	247,969	12,077	1,533,163



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For the Year Ended 30 June 2023

20.a Right-of-Use Asset (ROU) and lease liability

	30-Jun-23 Birr'000	30-Jun-22 Birr'000
Right of Use Asset		
ROU-Office buildings	732,885	678,719
Lease liability		
Current	39,121	91,228
Non current	<u>123,882</u>	<u>125,267</u>
Lease liability	163,003	216,495
Depreciation on ROU asset	<u>192,094</u>	<u>243,587</u>

21 Deposits from customers

	30 June 2023 Birr'000	30 June 2022 Birr'000
Demand deposits	13,615,334	9,391,427
Saving deposits	22,740,461	19,960,151
Fixed term deposits	<u>3,538,415</u>	<u>2,440,054</u>
	39,894,209	31,791,632

Maturity analysis

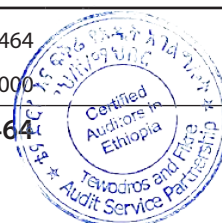
	30 June 2023 Birr'000	30 June 2022 Birr'000
Current	29,101,521	28,645,854
Non-Current	10,792,689	3,145,778
	39,894,209	31,791,632

22 Deposit from financial institutions

	30 June 2023 Birr'000	30 June 2022 Birr'000
Saving Deposit	244,685	826,048
Demand Deposit	421,615	105,006
Fixed Term deposit	<u>2,233,164</u>	<u>1,193,057</u>
Total	2,899,464	2,124,111

Maturity analysis

	30 June 2023 Birr'000	30 June 2022 Birr'000
Current	2,892,464	931,054
Non-Current	7,000	1,193,057
	<u>2,899,464</u>	<u>2,124,111</u>



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Annual Financial Statement

For the Year Ended 30 June 2023

23 Other liabilities

Financial liabilities

	30 June 2023 Birr'000	30 June 2022 Birr'000
Blocked Account	9,626	10,157
Cash payment order payable	232,085	222,070
Customer deposits for letter of credit	1,429,057	880,076
Deferred revenue	178,171	54,526
Deposit for Guarantees Issued	45,196	6,733
Dividend payable	37,591	30,232
Exchange payable to NBE	40,440	40,178
Nostro Account	96,584	1,078,114
Old draft payable	61,189	41,546
Payable to Ethio switch	12,911	16,052
Prepaid card control account	5,232	1,518
Telegraphic transfer payable	12,562	12,035
Borrowing	100,658	-

2,261,304

2,393,236

Non-financial liabilities

Provision for court cases	10,922	10,914
Pension Contribution Pay	41,330	23,464
Stamp duty payable	558	2,254
Interest Tax Payable	10,102	7,863
Withholding tax payable	2,708	1,656
Employee income Tax Payable	50,429	46,065
VAT payable	2,622	803
Cost Sharing Payable	743	487
Technical Service Payable	2,047	123
Accrued leave pay	47,252	88,103
Sundry payables	493,971	558,453
Lease Liability	163,003	216,495

825,687

956,683

Gross amount

3,086,990

3,349,919

Maturity analysis

	30 June 2023 Birr'000	30 June 2022 Birr'000
Current	2,963,108	3,224,652
Non-Current	123,882	125,267
	3,086,990	3,349,919



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For the Year Ended 30 June 2023

24 Employee benefit obligations

24.a Defined benefits liabilities:

-Severance benefits

Liability in the statement of financial position

Income statement charge included in personnel expenses:

- Severance pay

Total defined benefit expenses

Re-measurements for:

- Severance pay

30 June 2023
Birr'000

30 June 2022
Birr'000

249,379

167,130

249,379

167,130

30 June 2023
Birr'000

30 June 2022
Birr'000

54,662

28,562

54,662

28,562

48,167

40,497

48,167

40,497

The income statement charge included within personnel expenses includes current service cost, interest cost, past service costs on the defined benefit schemes.

24.b Severance pay

The Bank operates an unfunded severance pay plan for its employees who have served the Bank for 5 years and above and are below the retirement age (i.e. has not met the requirement to access the pension fund and provident fund). The final pay-out is determined by reference to current benefit's level (monthly salary) and number of years in service and is calculated as 1 month salary for the first year in employment plus 1/3 of monthly salary for each subsequent in employment to a maximum of 12 months final monthly salary.

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

A Liability recognized in the statement of financial position

30 June 2023
Birr'000

30 June 2022
Birr'000

249,379

167,130

B Amount recognized in profit or loss statement

30 June 2023
Birr'000

30 June 2022
Birr'000

Current and past service cost

13,200

10,560

Interest cost

41,335

18,002

54,535

28,562

C Amount recognized in other comprehensive income:

30 June 2023
Birr'000

30 June 2022
Birr'000

Re-measurement losses arising from experience

31,786

(56,037)

Re-measurement losses arising from changes in the financial assumptions

16,381

15,540

Tax Credit/Charge

(14,450)

12,149

33,717

(28,348)



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For the Year Ended 30 June 2023

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

	30 June 2023 Birr'000	30 June 2022 Birr'000
At the beginning of the year	167,130	117,655
Current and past service cost	13,200	10,573
Interest cost	41,335	18,002
Re-measurement (gains)/ losses	48,167	40,497
Benefits paid	(20,453)	(19,597)
At the end of the year	249,379	167,130

The significant actuarial assumptions were as follows:

i) Financial Assumption Long term Average

	30 June 2023 Birr'000	30 June 2022 Birr'000
Discount Rate	20.70%	24.30%
Salary Increase rate	17.10%	19.30%
Inflation rate	15.10%	17.30%

ii) Mortality in Service

Mortality rates are commonly set with reference to standard tables published by reputable institutions (such as the Actuarial Society of South Africa and the Central Statistics Agency ("CSA")) who have access to statistically significant data from which to derive mortality rates. Sample mortality rates are as follows:

Age	'Mortality rate	
	Males	Females
20	0.31%	0.22%
25	0.30%	0.23%
30	0.36%	0.31%
35	0.41%	0.28%
40	0.52%	0.32%
45	0.45%	0.43%
50	0.63%	0.63%
55	0.98%	0.98%
60	1.54%	1.54%



Wegagen Bank S.C

Annual Financial Statement

For the Year Ended 30 June 2023

iii) Withdrawal/Resignation from Service

The withdrawal rates are believed to be reasonably representative of the Ethiopian experience. The valuation assumed that resignation rates decrease by 0.5% for each age from 15% at age 20 (and below) to 0% at age 50. A sample of the resignation rates is summarised in the table below.

Age	Resignation rates per annum
20	15.00%
25	12.50%
30	10.00%
35	7.50%
40	5.00%
45	2.50%
50	0.00%

The sensitivity of the main results to changes in the assumed salary escalation rates and the discount rate have been calculated based on the duration of the liabilities. The changes in the 30 June 2023 Defined Benefit Obligation and the assets are reflected below:

	Base DBO	Current service cost one year impact
	Birr'000	Birr'000
Discount rate + 1%	249,379	232,252
Discount rate - 1%	249,379	267,955
Salary Increase +1%	249,379	268,381
Salary Increase -1%	249,379	231,602

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position.



Wegagen Bank S.C

Annual Financial Statement

For the Year Ended 30 June 2023

	30 June 2023 Birr'000	30 June 2022 Birr'000
25 Share capital		
Authorised:		
Ordinary shares of Birr 1000 each	20,000,000	6,000,000
Issued and fully paid:		
Ordinary shares of Birr 1000 each	3,982,139	3,391,294
Share premium	57,736	42,787
	4,039,875	3,434,081

26 Earnings per share

Basic earnings per share (EPS) is calculated by dividing the profit after tax by the weighted average number of ordinary shares in issue during the year.

	30 June 2023 Birr'000	30 June 2022 Birr'000
Profit attributable to shareholders	823,823	551,399
Weighted average number of ordinary shares in issue	3,629,144	3,323,084
Basic earnings per share (%age)	22.7%	16.6%

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. There were no potentially dilutive shares at the reporting date and the year before, hence the basic and diluted profit per share have the same value.

	30 June 2023 Birr'000	30 June 2022 Birr'000
27 Retained earnings		
At the beginning of the year	223,398	(125,416)
Dividend Paid/Capitalized	(223,398)	-
Impairment for loans	-	-
Impairment for other assets	-	-
Adjustment of Defined Benefit obligation	-	-
Profit/(Loss)for the year	823,823	551,399
Transfer to Legal Reserve	(205,956)	(137,850)
Transfer to Regulatory Reserve	(149,366)	(18,304)
Directors' share of profit	-	-
Prior period additional tax charge	4,436	(47,431)
Prior year directors' share of profit reversed	-	1,000
Balance at the end of the year	472,937	223,398

Wegagen Bank S.C

Annual Financial Statement

For the Year Ended 30 June 2023

28 Reserve

28.a Legal Reserve

	30 June 2023 Birr'000	30 June 2022 Birr'000
At the beginning of the year	1,584,865	1,447,015
Transfer from profit or loss	<u>205,956</u>	<u>137,850</u>
At the end of the year	<u>1,790,821</u>	<u>1,584,865</u>

The NBE Directive No. SBB/4/95 requires the Bank to transfer annually 25% of its annual net profit to its legal reserve account until such account equals its capital. When the legal reserve account equals the capital of the Bank, the amount to be transferred to the legal reserve account will be 10% (ten percent) of the annual net profit.

28.b Regulatory Risk Reserve

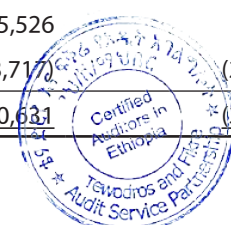
This includes interest on Non performing loans/Stage 3 loans that are recognized per IFRS but not available for dividend distribution as required by National Bank of Ethiopia directive and the excess of provision per NBE directive over that of IFRS 9 which is not accounted as bad debt expense.

	30 June 2023 Birr'000	30 June 2022 Birr'000
Opening Balance	402,896	384,592
Add : Additional provision per NBE	(204,510)	24,405
: Interest income on Non Performing Loans (NPL)	576,665	-
Less : Income Tax (30%) and legal reserve	-	-
: Tax on interest from Non-performing loans	(172,999)	-
: Transfer to legal reserve from interest income on NPL	(100,916)	-
: Transfer to Legal reserve from additional provision	51,128	(6,101)
: Transfer to Retained Earnings prior year adjustment	-	-
	<u>552,262</u>	<u>402,896</u>

28.c Other Reserve

The other reserve includes the fair value gain/loss on equity instruments classified at FVOCI and remeasurement gains/losses on defined benefit obligations of the Bank.

	30 June 2023 Birr'000	30 June 2022 Birr'000
Opening Balance	(31,177)	(19,604)
Reclassification of defined Benefit plan	-	-
Fair Value gain of Equity Instruments	115,526	16,774
Re-measurement loss on defined benefit plans (net of tax)	(33,717)	(28,348)
	<u>50,632</u>	<u>(31,177)</u>



Wegagen Bank S.C

Annual Financial Statement

For the Year Ended 30 June 2023

29 Cash generated from operating activities

	30 June 2023 Birr'000	30 June 2022 Birr'000
Profit before tax	1,194,107	572,280
Adjustments for non-cash items:		
Depreciation of property, plant and equipment	145,369	157,027
Depreciation of investment property	18	18
Amortisation of intangible assets	30,606	26,925
Amortization of right of use assets	192,094	243,587
(Gain)/Loss on disposal of property, plant and equipment	(11,120)	629
Impairment on loans and receivables	593,658	(6,342)
Foreign currency exchange rate gain on cash and cash equivalents	(32,269)	-
Employee benefit obligations	34,082	8,978
Dividend income	(5,875)	(6,056)
Changes in working capital:		
-Decrease/ (Increase) in loans and advances	(9,647,647)	(2,981,368)
-Decrease/ (Increase) in other assets	(443,216)	(218,682)
-Increase/ (Decrease) in deposits from customers	8,102,577	2,210,525
-Increase/ (Decrease) in deposits from financial institutions	775,354	214,023
-Increase/ (Decrease) in other liabilities	(263,034)	446,064
	664,703	667,607

30 Related party transactions

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

	Nature of relationship	30 June 2023 Birr'000	30 June 2022 Birr'000
30.a Transactions with related parties			
Loans and advances	Influential shareholders	414,297	916,840
Deposit balances	Influential shareholders	821,700	764,823
		1,235,996	1,681,663



Wegagen Bank S.C

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For the Year Ended 30 June 2023

30.b Key management compensation

Key management has been determined to be the members of the Board of Directors and the Executive Management of the Bank. The compensation paid or payable to key management is shown. There were no sales or purchase of goods and services between the Bank and key management personnel as at 30 June 2023

	30 June 2023 Birr'000	30 June 2022 Birr'000
Salaries and other employee benefits	22,479	14,561
	22,479	14,561

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

31 Employees

The total number of persons employed by the Bank during the year was as follows:

	30 June 2023 Number	30 June 2022 Number
Total number of staff	5,071	4,788

32 Contingent liabilities and assets

32.a Claims and litigation

The Bank is a party to numerous legal actions brought by different organizations and individuals arising from its normal business operations. The maximum exposure of the Bank to these legal cases as at 30 June 2023 is Br. 500.57 million (30 June 2022: Birr 145.87 million). The Bank has made assessment of these legal cases, and held Br. 10.92 million provision (Br. 10.91 million as at June 30,2022). The remaining legal cases have low possibility of going against the bank and thus no obligation is expected from the Bank.

32.b Guarantees and letters of credit

"The Bank conducts business involving issuance of various bid bond, performance bonds and advance payment guarantees. These instruments are given as a security to support the performance of a customer to third parties. The Bank also issued letter of credit facilities to importers, which created commitment to the Bank to settle the obligation in foreign currency when the L/C documents are clearly presented to the Bank and recover the amount from customers in local currency. As the Bank will only be required to meet these obligations in the event of the customer's default, the cash requirements of these instruments are expected to be considerably below their nominal amounts.



Wegagen Bank S.C

Annual Financial Statement

For the Year Ended 30 June 2023

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

	30 June 2023 Birr'000	30 June 2022 Birr'000
Guarantees issued	2,985,001	743,683
Letter of credit	4,229,005	1,546,147
	7,214,007	2,289,830

32.c Commitments

Loan commitments	30 June 2023 Birr'000	30 June 2022 Birr'000
Un-utilized overdraft and other facilities	2,351,476	1,732,147
	2,351,476	1,732,147

33 Events after reporting period

In the opinion of the directors, there were no significant post balance sheet events which could have a material effect on the state of affairs of the Bank as at 30 June 2023 and on the profit for the year ended on that date, which have not been adequately provided for or disclosed.

34 Segment reporting

A segment is a distinguishable component of the Bank that is engaged in providing products or services within a particular economic environment which is subject to risks and rewards that are different from those of other segments. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The chief operating decision maker is the person or Bank that allocates resources to and assesses the performance of the operating segments of an entity.

The Bank has determined the Board of Directors as its chief operating decision maker. All transactions between business segments are conducted on commercial terms basis with intra-segment revenue and costs being eliminated at Bank level.



Wegagen Bank S.C Annual Financial Statement

For the Year Ended 30 June 2023

Segment information

IFRS 8 requires operating segments to be identified on the bases of internal reports about components of the bank that are regularly reviewed by the board of directors in order to allocate resources to the segment and to assess its performance. Information reported to the Bank's Board of Directors for the purposes of resource allocation and assessment of segment performance is focused on products and services.

The accounting policies of the reportable segments are the same as the Bank's accounting policies described in note 2.

For management purposes, the Bank has been organised into two operating segments based on products and services, as follows:

1. Interest Free Banking- All Islamic banking products offered to customers are included under the Islamic Banking segment. These products include Wadiah deposits, Amanah deposits and mudarabah investments.

2. Conventional Banking- The conventional banking segment comprises of corporate and commercial banking customers in various sectors which include agriculture, manufacturing, domestic trade, construction, hotel and tourism, micro-finance institutions, mortgage loans and personal loans.

The Executive Management Committee monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profits or losses and is measured consistently with operating profits or losses in the consolidated financial statements. However, income taxes are managed at bank level and are not allocated to operating segments.

Transfer prices between operating segments are based on the Bank's internal pricing framework.

No revenue from transactions with single external customer or counterparty amounted to 10% or more of the bank's total revenue in 2022 or 2023.



Wegagen Bank S.C

Annual Financial Statement

For the Year Ended 30 June 2023

30-June - 23

34.a Statement of Profit or Loss and Other Comprehensive Income

	Conventional Banking Birr '000	Interest Free Banking Birr '000	The bank Birr '000
Interest income	5,382,336	-	5,382,336
Income from Interest free financing and investment products	-	40,698	40,698
Interest expense	(1,942,251)		(1,942,251)
Distribution to depositors- Interest Free Banking Products		(24,784)	(24,784)
Net interest income and income from Interest Free Banking products net of distribution to depositors	3,440,085	15,914	3,455,998
Fee and commission income	1,368,817	4,730	1,373,547
Other operating income	153,878	306	154,184
Gain from sale of acquired properties	-	12,312	12,312
Loan impairment charge/reversal	(586,810)	(6,851)	(593,661)
Net operating income	4,375,970	26,411	4,402,381
Amortization of intangible assets	(30,606)	-	(30,606)
Depreciation of property, plant and equipment	(145,061)	(326)	(145,387)
Personal and Other operating expenses	(3,018,881)	(13,400)	(3,032,282)
Segment Profit before tax	1,181,422	12,685	1,194,107
Income tax expense	(370,284)	-	(370,284)
Segment profit after tax	811,138	12,685	823,823

Wegagen Bank S.C

Annual Financial Statement

For the Year Ended 30 June 2023

30-June - 23

34.b Statement of Financial Position

	Conventional Banking Birr '000	Interest Free Banking Birr '000	The bank Birr '000
Assets			
Cash and bank balances	7,491,989	1,567,275	9,059,264
Loans and advances to customers	37,878,755		37,878,755
IFB financings	-	414,859	414,859
Investment securities	2,374,306	-	2,374,306
IFB receivables	-	15,178	15,178
Other assets	1,422,928	5,152	1,428,079
Fixed assets	2,312,319	3,107	2,315,425
Total assets	51,480,298	2,005,570	53,485,867
Liabilities			
Deposit from customers	40,820,585		40,820,585
IFB deposits	-	1,973,089	1,973,089
Current tax liabilities	354,776		354,776
Unearned IFB profits		-	-
Other liabilities	3,429,628	1,261	3,430,890
Total liabilities	44,604,989	1,974,350	46,579,339
EQUITY			
Share capital	3,982,139		3,982,139
Share premium	57,736		57,736
Retained earnings and reserves	2,843,056	23,596	2,866,652
Total equity	6,882,931	23,596	6,906,527
Total equity and liabilities	51,487,921	1,997,946	53,485,867



Wegagen Bank S.C

Annual Financial Statement

For the Year Ended 30 June 2023

30-Jun-22

34.c Statement of Profit or Loss and Other Comprehensive Income

	Conventional Banking Birr '000	Interest Free Banking Birr '000	The bank Birr '000
Interest income	4,031,908	-	4,031,908
Income from Interest free financing and investment products	-	20,579	20,579
Interest expense	(1,803,258)		(1,803,258)
Distribution to depositors- Interest Free Banking Products		(3,041)	(3,041)
Net interest income and income from Interest Free Banking products net of distribution to depositors	2,228,650	17,538	2,246,188
Fee and commission income	893,913	3,486	897,399
Other operating income	40,168	451	40,619
Loan impairment charge/reversal	9,999	(3,657)	6,342
Net operating income	3,172,730	17,818	3,190,548
Armortisation of intangible assets	(26,925)	-	(26,925)
Depreciation of property and equipment	(156,747)	(298)	(157,045)
Personal and Other operating expenses	(2,421,387)	(12,912)	(2,434,299)
Segment Profit before tax	567,671	4,609	572,280
Income tax expense	(20,881)	-	(20,881)
Segment profit after tax	546,790	4,609	551,399

Wegagen Bank S.C

Annual Financial Statement

For the Year Ended 30 June 2023

30-June - 22

34.d Statement of Financial Position

	Conventional Banking Birr '000	Interest Free Banking Birr '000	The bank Birr '000
Cash and bank balances	9,050,871	1,271,413	10,322,284
Loans and advances to customers	28,572,203		28,572,203
IFB financings	-	338,958	338,958
Investment securities	382,563	-	382,563
IFB receivables	-	5,908	5,908
IFB inventory	-	4,792	4,792
Other assets	1,313,097	333	1,313,431
Fixed assets	2,178,345	3,185	2,181,530
Total assets	41,497,081	1,624,589	43,121,670
LIABILITIES			
Deposit from customers	32,309,195	-	32,309,195
IFB deposits	-	1,606,548	1,606,548
Current tax liabilities	30,035		30,035
Unearned IFB profits		5,908	5,908
Other liabilities	3,553,708	2,212	3,555,919
Total liabilities	35,892,938	1,614,668	37,507,606
EQUITY			
Share capital	3,391,294		3,391,294
Share premium	42,787		42,787
Retained earnings and reserves	2,170,062	9,921	2,179,983
Total equity	5,604,143	9,921	5,614,064
Total equity and liabilities	41,497,081	1,624,589	43,121,670

Wegagen Bank S.C

Annual Financial Statement

For the Year Ended 30 June 2023

Sharia Advisor's Attestation Report on Wegagen Bank's Interest Free Banking (IFB) Window services

In the name of Allah, the most beneficent, the most merciful

To: Chief Executive Officer of Wegagen Bank

As one of the deliverables dictated on our IFB Consultancy Service Agreement, I hereby provide this attestation report for the consumption of all concerned stakeholders.

I have reviewed the principles and the contracts relating to the IFB (Interest Free Banking) transactions provided by Wegagen Bank during the year ending June 30, 2023. The NBE directive number SBB/72/2019, which allowed the operation of IFB services in Ethiopia, emphasized that IF Banking is required to follow Islamic law or Sharia Principles.

I have, therefore, conducted my review to form an independent opinion as to whether Wegagen Bank S.C. has complied with Islamic law or Sharia principles in providing IFB services.

Wegagen Bank's management is responsible for ensuring that the bank conducts its IF banking business in accordance with Islamic law (Sharia) principles. It is my responsibility to form an independent opinion, based on my review of the IFB operations of the bank.

My review included examining each type of transaction, the relevant documentation, systems and procedures adopted by Wegagen Bank. I have made my review so as to acquire all the information and explanation which are considered necessary to obtain sufficient evidence to provide reasonable assurance that the IFB operation of Wegagen Bank has not materially violated Islamic Sharia rules and principles.

Therefore, in my opinion

1. The contracts, procedures and formats used by Wegagen Bank that I have reviewed follow the Islamic Sharia rules and principles
2. The financial statements reported by management which is enclosed with this attestation report fairly represent the sources and uses of funds related to the IFB operations of the bank for the year ended June 30, 2023, except system adjustments required on some items like charity payable and profit on Mudarabah term deposit accounts. It is witnessed that the system is currently being upgraded and the indicated issues are expected to be addressed as part of the upgrade.

With regards,



Ibrahim Dawd,
IFB Consultant Sharia Advisor/





በወጋገን አማር ከወለድ ሂጻ

የቁጠባ እና የፋይናንስ
አገልግሎቶች ይጠቀሙ።



ከወለድ ሂጻ የገንዘብ አገልግሎት
خدمة من غير الفوائد البنكية





**New Branch inauguration
(Cermony of Khalid Branch)**



ዋዲያህ-አማርኛ / የአድራ ተቀማጭ ሂሳብ /

በወጋገን አማርኛ

ያለገደብ አድራጭን ያንቀሳቅሱ



ወገን ባንክ ወገን ክብረ ስዓል 's 25th Anniversary Celebration

June 03, 2015 Planet Hotel, Mekelle



**Donation program organized during the 25th year
Anniversary celebration in Mekelle**



Laying of the foundation stone for the future Northern Regional Office

ወጋገን ባንክ አ/ማ

የትርፍ ወይም ኪሳራ እና ሌሎች የተጣመሩ ገቢዎች መግለጫ

እ.ኤ.አ. ሰኔ 30፣2023 ለተጠናቀቀው በጀት አመት

		ሰኔ 30፣ 2023	ሰኔ 30፣ 2022
	ማስታወሻ	በብር '000	በብር '000
ከወለድ የተገኘ ገቢ	5	5,423,034	4,052,487
የወለድ ወጪ	6	(1,967,036)	(1,806,299)
የተጣራ የወለድ ገቢ		3,455,998	2,246,188
የተጣራ የክፍያ እና የኮሚሽን ገቢ	7	1,373,547	897,399
የተጣራ ከአገልግሎት ክፍያ የተገኙ ገቢዎች		4,829,546	3,143,587
ከሌሎች ክፍያ የተገኙ ገቢዎች	8	166,496	40,619
ለደንበኞች የተሰጡ አጠራጣሪ ብድሮች መጠባበቂያ ክፍያ	9	(265,197)	(107,386)
ሌሎች አጠራጣሪ የሚሰበሰቡ ክፍያዎች መጠባበቂያ ክፍያ	10	(328,464)	113,728
የተጣራ ገቢ		4,402,381	3,190,548
የሰራተኞች ደመወዝ እና ጥቅማ ጥቅም ክፍያዎች	11	(2,441,020)	(1,599,521)
የማይዳሰሱ ሀብቶች የእርጅና ቅናሽ	19	(30,606)	(26,925)
የቋሚ ንብረት እና መሳሪያዎች የእርጅና ቅናሽ	20	(145,387)	(157,045)
የንብረት መጠቀም መብት የእርጅና ቅናሽ	20a	(192,094)	(243,587)
ሌሎች የአገልግሎት ወጪዎች	12	(395,831)	(587,897)
የወጭ ኦዲተሮች የአገልግሎት ክፍያ		(829)	(883)
የዳሬክተሮች የአገልግሎት ክፍያ		(2,508)	(2,411)
ጠቅላላ የአገልግሎት ወጪ		(3,208,274)	(2,618,268)
ከግብር በፊት የተገኘ ትርፍ		1,194,107	572,280
የገቢ ግብር	13a	(370,284)	(20,881)
ከግብር በኋላ የተገኘ ትርፍ		823,823	551,399
የተጣራ ሌሎች የተጣመሩ ገቢዎች			
ለሰራተኞች የአገልግሎት ጥቅም መጠባበቂያ ልኬት	24b	(33,717)	(28,348)
በአክሲዮን ኢንቨስትመንት ድጋሚ ልኬት የተገኙ ገቢዎች		115,526	16,774
የተጣራ ሌሎች የተጣመሩ ገቢዎች ድምር		81,809	(11,574)
ጠቅላላ ድምር የተጣመረ ገቢ ከግብር በኋላ		905,632	539,825
የአንድ ባለ ብር 1,000 አክሲዮን የትርፍ ድርሻ	26	22.70%	16.60%

ወጋገን ባንክ አ/ማ

የትርፍ ወይም ኪሳራ እና ሌሎች የተጣመሩ ገቢዎች መግለጫ

እ.ኤ.አ. ሰኔ 30፣2023 ለተጠናቀቀው በጀት አመት

ያልተከፋፈለ ትርፍ			
እ.ኤ.አ. በሐምሌ 01፤2022 ዓ.ም የዘረ ትርፍ		223,398	(125,416)
ለተጨማሪ አክሲዮን ድርሻ የተላለፈ		-	-
ለተከፈለ የትርፍ ድርሻ		(223,398)	-
የቀደመ አመት የዳሬክተሮች የትርፍ ድርሻ		-	1,000
የዘመኑ ትርፍ		823,823	551,399
ለቀደመ ዓመት በተጨማሪ የተከፈለ የትርፍ ግብር		4,436	(47,431)
በህግ የተወሰነ ለመጠጣቢያ የተላለፈ		(205,956)	(137,850)
የተቆጣጣሪ አካል ስጋት ተጨማሪ መጠጣቢያ		(149,366)	(18,304)
እ.ኤ.አ. ሰኔ 30፣2023 ዓ.ም ያልተከፋፈለ ትርፍ		472,937	223,398

- የተያያዙት ማስታወሻዎች የሂሳብ መግለጫዎቹ አካል ናቸው፡፡
- የሂሳብ መግለጫዎቹ በዳሬክተሮች ቦርድ እና በማኔጅመንት አማካኝነት እ.ኤ.አ ጥቅምት 27 ቀን 2023 ዓ.ም ተፈቅደው እና ፀድቀው ፊርማ የተደረገባቸው ናቸው፡፡



አቶ አብዱሽ ሁሴን
የዳሬክተሮች ቦርድ ሊቀ መንበር




አቶ አክሊሉ ወበት
ዋና ስራ አስፈጻሚ



ወጋገን ባንክ አ.ማ የሀብት እና እዳ ሚዛን መግለጫ

እ.ኤ.አ. ሰኔ 30፣2023 ለተጠናቀቀው በጀት አመት

		በሰኔ 30፣ 2023	በሰኔ 30፣ 2022
	ማስታወሻ	በብር '000	በብር '000
ሃብት			
በባንክና በእጅ የሚገኝ ጥሬ ገንዘብ	14	9,059,264	10,322,284
የተጣራ ለደንበኞች የተሰጠ ብድር እና ቅድመ ክፍያ	15	38,293,614	28,911,161
የአክሲዮን ኢንቨስትመንት ሰነዶች፤			
. የአክሲዮን ኢንቨስትመንት በተጣመረ ገቢ የሚሰላ	16a	312,517	110,210
. የመንግስት ቦንድ ኢንቨስትመንት	16b	2,061,789	272,354
ሌሎች ሀብቶች	17	1,443,257	1,324,131
ለኪራይ አገልግሎት የዋለ ንብረት	18	559	577
የማይዳሰሱ ሀብቶች (የተጣራ)	19	48,818	58,546
ቋሚ ንብረት እና መሳሪያ (የተጣራ)	20	1,533,163	1,443,687
ንብረትን የመጠቀም መብት ሃብት	20a	732,885	678,719
ጠቅላላ ሃብት		53,485,867	43,121,669
እዳ			
የደንበኞች ተቀማጭ ገንዘብ	21	39,894,209	31,791,632
የገንዘብ ተቋማት ተቀማጭ ገንዘብ	22	2,899,464	2,124,111
የዚህ አመት ተከፋይ የገቢ ግብር	13c	354,776	30,035
ሌሎች እዳዎች	23	3,086,990	3,349,919
ለሰራተኞች የአገልግሎት ጥቅም የግዴታ መጠጣቢያ	24	249,379	167,130
ወደፊት የሚከፈል የትርፍ ግብር	13d	94,521	44,778
ጠቅላላ እዳ		46,579,339	37,507,605
ካፒታል እና መጠጣቢያ			
የተከፈለ የአክሲዮን ካፒታል	25	3,982,139	3,391,294
ተጨማሪ የአክሲዮን ክፍያ	25	57,736	42,787
ያልተከፈለ ትርፍ	27	472,937	223,398
በህግ የተወሰነ መጠጣቢያ	28a	1,790,822	1,584,866
የተቆጣጣሪ አካል ስጋት መጠጣቢያ	28b	552,262	402,896
ሌሎች መጠጣቢያዎች	28c	50,631	(31,177)
ጠቅላላ ካፒታል		6,906,527	5,614,064
ጠቅላላ እዳ እና ካፒታል		53,485,867	43,121,669

- የተያያዙት ማስታወሻዎች የሂሳብ መግለጫዎች አካል ናቸው፡፡
- የሂሳብ መግለጫዎች በዳሬክቶሮች ቦርድ እና በማኔጅመንት አማካኝነት እ.ኤ.አ ጥቅምት 27 ቀን 2023 ተፈቅደው እና ፀድቀው ፊርማ የተደረገባቸው ናቸው፡፡

አቶ አብዱሽ ሁሴን
የዴሬክተሮች ቦርድ ሊቀ መንበር

አቶ አክሊሉ ወበት
ዋና ስራ አስፈጻሚ

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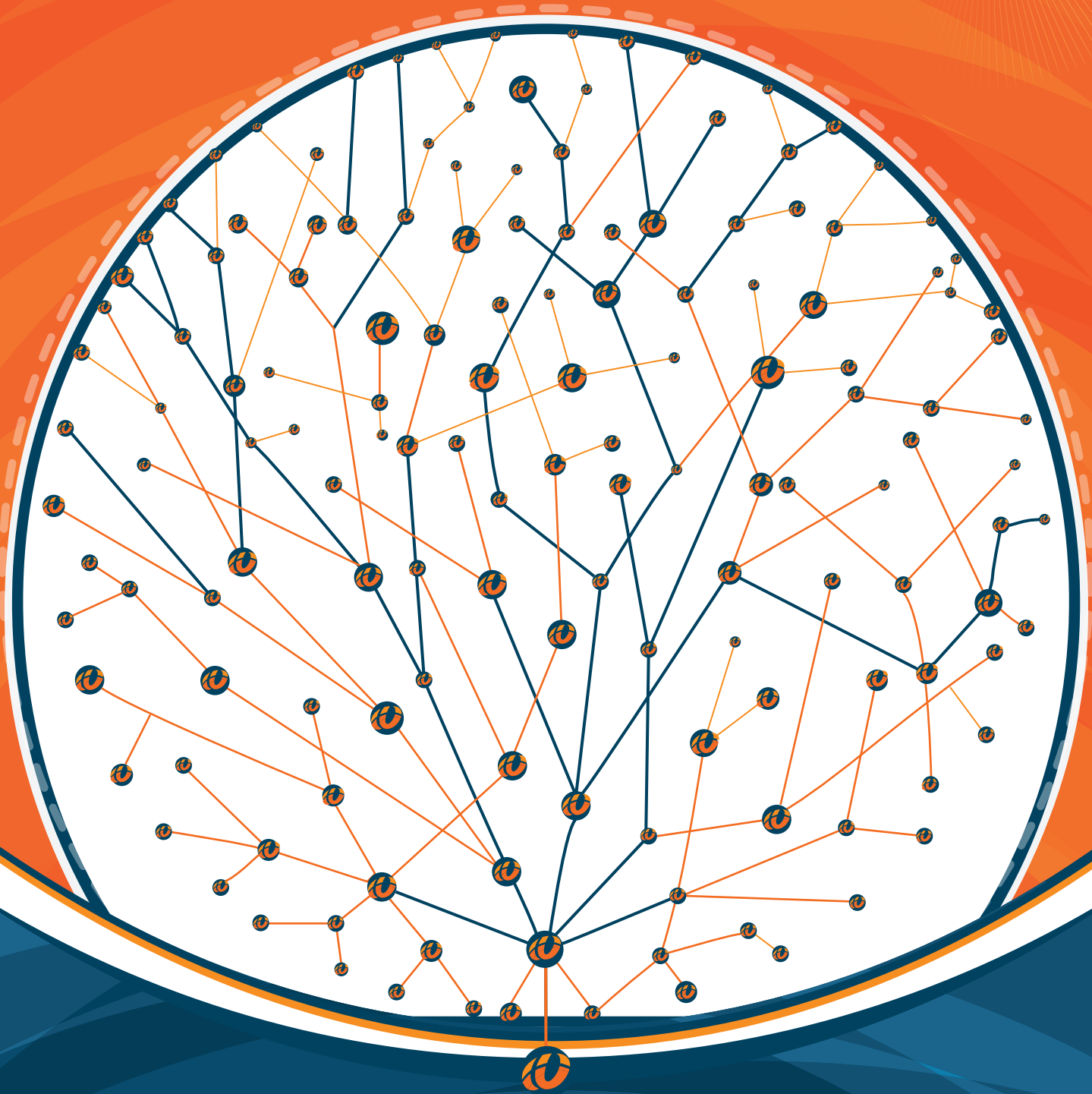
ETHSWITCH





ክሊክ ወጋገን

ካሉበት ሆነው በድርጅት የኢንተርኔት
ባንክ አገልግሎታችን ስራዎን ያቀላጥፉ



Our Branch Network

North Addis Ababa District Office Branches

S.N	Branches	ቅርንጫፎች	Telephone
ሰሜን አዲስ አበባ ዲስትሪክት ጽ/ቤት North Addis Ababa District Office			011 170 4455 011 170 4458
1	Addisu Gebeya	አዲሱ ገበያ	011 126 4402 011 126 4412
2	Arada	አራዳ	011 111 1074 011 111 1075
3	Arat Kilo	አራት ኪሎ	011 170 4453 011 170 4452
4	Balderas	ባልደራስ	011 667 4757
5	Bambis	ባምቢስ	011 557 6343 011 557 6358
6	Cathedral	ካቴድራል	011 156 0002 011 156 0060
7	CMC Michael	ሲኤምሲ ሚካኤል	011 667 5913 011 667 1640
8	Enqulal Fabrika	እንቁላል ፋብሪካ	011 126 7355 011 126 7821
9	Eri Bekentu	እሪ በክንቱ	011 126 3861 011 126 3951
10	Gullele	ጉለሌ	011 273 2016 011 273 2017
11	Jan Meda	ጃን ሜዳ	011 126 1400 011 126 1401
12	Kazanchis	ካዛንቺስ	011 554 5670 011 554 5671
13	Kebena	ቀበና	011 126 1094 011 126 1096
14	Kechene	ቀጨኔ	011 126 3139 011 126 3588
15	Kidist Mariam	ቅድስት ማርያም	011 157 0033 011 157 0035
16	Kotebe	ኮተቤ	011 666 3730 011 661 4493
17	Lamberet	ላምበረት	011 667 6289
18	Lamberet Menaheria	ላምበረት መናኸሪያ	011 666 0853 011 666 1947
19	Megenagna	መገናኛ	011 667 4019 011 667 4012
20	Mesfine Harar Avenue	መስፍን ሀረር ጎዳና	011 171 2033 011 171 2032
21	Nigist Zewditu Street	ንግስት ዘውዲቱ መንገድ	011 557 8071 011 557 8701
22	Piassa	ፒያሳ	011 126 6894 011 126 7958

23	Salite Mihret	ሰዓሊት ምህረት	011 667 6386 011 667 6387
24	Sebara Babur	ሰባራ ባቡር	011 157 0329
25	Shola	ሾላ	011 659 1822 011 659 5623
26	Sululta	ሱሉልታ	011 161 7501 011 161 7492
27	Wesen	ወሰን	011 667 8951 011 667 8946
28	Wuhalimat	ወህልማት	011 663 1518 011 663 1517
29	Yeka Abado	የካ አባዶ	011 893 1029 011 893 2408

East Addis Ababa District Office Branches

S.N	Branches	ቅርንጫፎች	Telephone
ምሥራቅ አዲስ አበባ ዲስትሪክት ጽ/ቤት East Addis Ababa District Office			011 672 4649 011 672 4569
30	Agar	አጋር	011 667 0436 011 667 0313
31	Adama	አዳማ	022 111 9055 022 110 0524
32	Adama Boset	አዳማ ቦሰት	022 212 0055 022 212 0037
33	Africa Avenue	አፍሪካ አሼት	011 662 4772 011 662 4769
34	Adey Ababa Stadium	አደይ አበባ ስታድየም	011 635 6496 011 635 6035
35	Atlas	አትላስ	011 639 2083 011 639 2091
36	Ayat Addebabay	አያት አደባባይ	011 639 0044 011 639 0028
37	Ayat Noah	አያት ኖህ	011 672 4649 011 672 4569
38	Ayat Gebeya	አያት ገበያ	011 639 0410 011 639 0411
39	Ayat-Tafo	አያት ጣፎ	011 639 0610 011 639 1950
40	Al-Nejashi	አልነጃሺ	011 639 2459
41	Beshale	በሻሌ	011 667 7408 011 667 7688
42	Bole 17	ቦሌ 17	011 667 1916 011 667 1588
43	Bole Arabsa	ቦሌ አራብሳ	011 612 5670 011 612 5672
44	Bole Bulbula	ቦሌ ቡልቡላ	011 470 0869 011 470 0895

45	Bole Medhanialem	ቦሌ መድኃኒአለም	011 661 6135 011 661 6136
46	Bole Michael	ቦሌ ሚካኤል	011 639 2033 011 639 2006
47	Bole Millennium	ቦሌ ሚሊኒየም	011 662 2757 011 666 2620
48	Berecha	በሬቻ	022 212 4041 022 212 3013
49	Bulbula Condominium	ቡልቡላ ኮንዶሚኒየም	011 822 4059
50	Cape Verde Avenue	ኬፕ ቨርድ አቪኒው	011 667 3376 011 667 3448
51	CMC	ሲ ኤም ሲ	011 647 9047 011 647 9044
52	Enewari	እነዋሪ	011 688 0518 011 688 0510
53	Debre Birhan	ደብረ ብርሃን	011 637 5420 011 637 5421
54	Atse-Zera Yaekob	አፄ ዘርዓ ያቆብ	011 681 1872 011 681 1803
55	Gerji	ገርጂ	011 629 8141 011 629 8114
56	Gerji Mebrat Hayil	ገርጂ መብራት ኃይል	011 667 6405 011 667 6372
57	Gerji Sunshine	ገርጂ ሰንሻይን	011 629 0265 011 629 0016
58	Gerji Unity	ገርጂ ዩኒቲ	011 639 5053 011 639 5052
59	Gollagul	ጎላጉል	011 690 6008 011 690 6222
60	Gurd Shola	ጉርድ ሾላ	011 645 9752 011 645 9753
61	Haya Arat	ሃያ አራት	011 618 0677 011 618 0670
62	Hayahulet	ሃያ ሁለት	011 667 2428 011 667 2414
63	Imperial	ኢምፔሪያል	011 668 6222 011 668 6223
64	Jackros	ጃክሮስ	011 667 1419 011 667 1420
65	Loke	ሎቄ	011 668 0720 011 668 0046
66	Legetafo	ለገጣፎ	011 668 2777 011 668 2779
67	Mehal Adama	መሀል አዳማ	022 111 2280 022 111 2284
68	Meri Loke	መሪ ሎቄ	011 668 2946 011 668 3982
69	Mickey Leland Street	ሚኪ ሊላንድ መንገድ	011 635 4021 011 635 4061

70	Moenco	ሞኔንኮ	011 668 6145 011 668 7118
71	Shalla Menafesha	ሻላ መናፈሻ	011 618 9303 011 663 2094
72	Summit Yetebaberut	ሰሚት የተባበሩት	011 639 1549 011 639 1568
73	Summit 72	ሰሚት ሰባ ሁለት	011 639 1987 011 639 1989
74	Summit	ሰሚት	011 667 9001 011 667 9022
75	Yerer Ber	የረረ በር	011 667 5863 011 667 5873

West Addis Ababa District Office Branches

S.N	Branches	ቅርንጫፎች	Telephone
ምዕራብ አዲስ አበባ ዲስትሪክት ጽ/ቤት West Addis Ababa District Office			011 369 1797 011 369 1828
76	Abakoran	አባኮራን	011 278 1177 011 278 1181
77	Abdi Nono	አብዲ ኖኖ	011 260 1278 011 260 1347
78	Abinet	አብነት	011 278 0544 011 278 0580
79	Africa Union	አፍሪካ ዩኒየን	011 554 7061 011 554 7063
80	Alem Bank	አለም ባንክ	011 369 4708 011 369 4756
81	Alemgena	አለም ገና	011 367 9965 011 367 9281
82	Amana	አማና	011 231 6181 011 231 6182
83	Atena Tera	አጠና ተራ	011 273 9521 011 273 9523
84	Autobis Tera	አውቶቢስ ተራ	011 273 5510 011 273 4844
85	Ayer Tena	አየር ጤና	011 369 3400 011 369 3450
86	Berbere Tera	በርበሬ ተራ	011 273 3950
87	Bisrate Gebriel	ብስራተ ገብርኤል	011 369 1794 011 369 1765
88	Dubai Tera	ዱባይ ተራ	011 273 4889 011 273 4890
89	Ehil Berenda	እህል በረንዳ	011 273 4981 011 273 5318
90	Furi	ፉሪ	011 367 9207
91	Gambia Street	ጋምቢያ መንገድ	011 531 9082 011 531 9083



92	Geja Sefer	ጌጃ ሰፈር	011 557 9140 011 557 9891
93	Gesho Tera	ጌሾ ተራ	011 273 3873
94	Girar	ግራር	011 369 5406 011 369 4921
95	Gojam Berenda	ጎጃም በረንዳ	011 126 3662 011 126 3858
96	Habte Giorgis	ሀብተ ጊዮርጊስ	011 111 2972 011 111 2973
97	Jemo	ጀም	011 471 3033
98	Kolfe	ኮልፌ	011 273 9304 011 273 9942
99	Lideta	ልደታ	011 552 3709 011 553 9872
100	Likuanda	ልኳንዳ	011 273 9296 011 273 9610
101	Mekanisa	መካኒሳ	011 369 8225 011 369 8232
102	Mekanisa Abo	መካኒሳ አቦ	011 369 9963 011 369 8781
103	Mekanisa Michael	መካኒሳ ሚካኤል	011 369 8447 011 369 8449
104	Merkato	መርካቶ	011 275 2867 011 275 2929
105	Merkato Arategna	መርካቶ አራተኛ	011 273 3710 011 273 3966
106	Merkato Tana	መርካቶ ጣና	011 273 5668 011 273 5667
107	Mesalemia	መሳለሚያ	011 276 8611 011 275 8151
108	Meskel	መስቀል	011 551 6652 011 551 6627
109	Mexico	ሜክሲኮ	011 557 5577 011 557 5578
110	Military Tera	ሚሊታሪ ተራ	011 213 4605 011 213 4608
111	Pan African	ፓን አፍሪካን	011 369 1828 091 135 0819
112	Sefere Selam	ሰፈረ ሰላም	011 273 5089 011 273 5925
113	Sengatera	ሰንጋተራ	011 557 6952 011 557 6955
114	Shema Tera	ሸማ ተራ	011 273 3473 011 273 2997
115	Shera Tera	ሸራ ተራ	011 273 5562 011 273 5401
116	Sidamo Tera	ሲዳሞ ተራ	011 273 3079 011 273 3055

117	Sost Kutir Mazoriya	ሶስት ቁጥር ማዘሪያ	011 369 2129 011 369 2127
118	Stadium	ስታዲየም	011 558 0105 011 558 0106
119	Tabot Maderiya	ታቦት ማደሪያ	011 369 7242 011 369 7629
120	Tekle Haymanot	ተክለሃይማኖት	011 156 3812 011 156 3813
121	Tulu Bolo	ቱሉ ቦሎ	011 342 0064 011 342 0057
122	Welete	ወላቴ	011 380 3174 011 380 3253
123	Weliso	ወሊሶ	011 341 1984 011 341 1617
124	Weyra Bethel	ወይራ ቤተል	011 349 2753 011 349 5308
125	Yeshi Debelle	የሺ ደበሌ	011 384 0191
126	Zenebework	ዘነበወርቅ	011 369 8764 011 369 8762

South Addis Ababa District Office Branches

S.N	Branches	ቅርንጫፎች	Telephone
ደቡብ አዲስ አበባ ዲስትሪክት ጽ/ቤት South Addis Ababa District Office			011 466 4569 011 466 4649
127	Akaki	አቃቂ	011 471 6847 011 471 6840
128	Arerti	አረርቲ	022 223 0541 022 223 0543
129	Beklobet	በቅሎ ቤት	011 466 3603 011 466 3588
130	Bishoftu	ቢሾፍቱ	011 437 1062 011 437 1025
131	Bulgaria Mazoria	ቡልጋሪያ ማዘሪያ	011 470 1345 011 470 1205
132	Bole	ቦሌ	011 552 3524 011 553 6666
133	Bole Mega	ቦሌ ሜጋ	011 558 2517 011 558 2554
134	Crown	ክራውን	011 854 7122 011 462 6018
135	Dukem	ዱክም	011 432 0945 011 432 0753
136	Gara Oda	ጋራ አዳ	011 471 1550 011 471 0974
137	German Adebabay	ጀርመን አደባባይ	011 369 8928 011 369 9938
138	Goffa	ጎፋ	011 465 5816 011 465 5817



139	Goffa Camp	ጐፋ ካምፕ	011 467 2505 011 416 5166
140	Goffa Mebrat Hail	ጐፋ መብራት ኃይል	011 467 3753 011 466 1545
141	Hana Mariam	ሀና ማርያም	011 471 1254 011 471 1854
142	Jatiw	ጃቲ	011 471 6844 011 471 6846
143	Kaliti Masetegna	ቃሊቲ ማሰልጠኛ	011 439 1109 011 439 0668
144	Kaliti	ቃሊቲ	011 439 4285 011 439 4286
145	Kera	ቄራ	011 385 2076 011 385 2066
146	Kilinto	ቂሊንጦ	011 451 2279 011 451 2198
147	Kirkos	ቂርቆስ	011 470 3896 011 470 3906
148	Lafto	ላፍቶ	011 471 0028 011 471 0029
149	Lebu	ለቡ	011 471 2756 011 471 2771
150	Lebu Ertu	ለቡ ኤርቱ	011 471 3963 011 471 3964
151	Meskel Flower	መስቀል ፍላወር	011 416 4753 011 416 8005
152	Modjo	ሞጆ	022 236 0300 022 236 0303
153	Nefas Silk	ንፋስ ስልክ	011 470 7612 011 470 7615
154	Flamingo	ፍላሚንጎ	011 558 0663 011 558 0744
155	Olympia	ኦሎምፒያ	011 557 5099 011 557 5916
156	Saris Adey Abeba	ሳሪስ አደይ አበበ	011 470 8410 011 470 8254
157	Saris Addisu Sefer	ሳሪስ አዲሱ ሰፈር	011 470 7694 011 470 7718
158	Saris 58	ሳሪስ 58	011 471 1851 011 471 1454
159	Saris Total	ሳሪስ ቶታል	011 470 9163 011 470 8587
160	Sebeta	ሰበታ	011 338 0359 011 338 0366
161	Torban Gerba	ቶርባን ገርባ	011 430 0820 011 430 1115
162	Tulu Dimtu	ቱሉ ዲምቱ	011 471 5772 011 471 5497

163	Tulu Dimtu Condominium	ቱሊ ዲሞቱ ኮንዶሚኒየም	011 888 6831 011 888 6833
164	Worku Sefer	ወርቁ ሰፈር	011 471 7693 011 471 7692
165	Wello Sefer	ወሎ ሰፈር	011 466 8006 011 466 8093
Bahir Dar District Office Branches			
S.N	Branches	ቅርንጫፎች	Telephone
ባህርዳር ዲስትሪክት ጽ/ቤት Bahir Dar District Office			058 320 9667 058 320 6119
166	Abay Mado	አባይ ማዶ	058 321 3213 058 320 2095
167	Adet	አዴት	058 338 1110 058 338 1161
168	Ataye	አጣዬ	033 661 0775
169	Bahir Dar	ባህርዳር	058 220 2038 058 220 4490
170	Bati	ባቲ	033 553 1576 033 553 1577
171	Buanbua wuha	ቧንቧ ውሃ	033 311 6317 033 311 5519
172	Bure	ቡሬ	058 774 1194 058 774 1050
173	Debre Markos	ደብረ ማርቆስ	058 178 2524 058 178 2257
174	Debre Tabor	ደብረ ታቦር	058 141 3452 058 141 5465
175	Dessie	ደሴ	033 111 3788 033 111 3789 033 111 6944
176	Fasiledes	ፋሲለደስ	058 126 0022 058 126 0023
177	Finote Selam	ፍኖተ ሰላም	058 775 0476 058 775 0340
178	Gendawuha	ገንዳ ውሃ	058 331 0010 058 331 0031
179	Ghion	ግዮን	058 320 7724 058 320 8720
180	Gish Abay	ግሽ አባይ	058 320 8869 058 320 5536
181	Gondar	ጎንደር	058 111 4816 058 111 1620
182	Injibara	እንጂባራ	058 227 1575 058 227 1682
183	kobo	ቆቦ	033 334 1290 033 334 1297
184	Kombolcha	ኮምቦልቻ	033 551 0753 033 551 1800

185	Maraki	ማራኪ	058 211 3639 058 211 0294
186	Merawi	መርዓዊ	058 330 0972 058 330 0945
187	Metema Yohannes	መተማ ዮሐንስ	058 555 5551 058 555 5760
188	Motta	ሞጣ	058 661 1807 058 661 1293
189	Mugad	ሙጋድ	033 312 5789 033 312 0478
190	Sefene Selam	ሰፈነ ሰላም	058 320 5456 058 320 7746
191	Shoa Robit	ሸዋ ሮቢት	033 664 0704 033 664 1995
192	Tana Bahir Dar	ጣና ባህር ዳር	058 226 2018 058 226 2002
193	Weldiya	ወልዲያ	033 540 0791 033 540 0789

Hawassa District Office Branches

S.N	Branches	ቅርንጫፎች	Telephone
ሃዋሳ ዲስትሪክት ጽ/ቤት Hawassa District Office			046 212 2288 046 212 0897
194	Aleta Wondo	አለታ ወንዶ	046 224 0453 046 224 0687
195	Angacha	አንገጫ	046 340 0404 046 340 0406
196	Arbaminch	አርባ ምንጭ	046 881 5093 046 881 5076
197	Asella	አሰላ	022 331 8292 022 331 8294
198	Atote-Hawassa	አቶቴ ሐዋሳ	046 212 5017 046 212 5015
199	Bale Robe	ባሌ ሮቤ	022 244 2959 022 244 1986
200	Batu	ባቱ	046 141 8156 046 141 5362
201	Bonosha	ቦኖሻ	046 453 0371 046 453 0256
202	Bule Hora	ቡሌ ሆራ	046 443 1105 046 443 1106
203	Butajira	ቡታጅራ	046 145 0060 046 145 0061
204	Damboya	ዳምቦያ	046 245 0276 046 245 0233
205	Dilla	ዲላ	046 331 1105 046 331 0120
206	Doyogena	ዶዮገና	046 224 0404 046 224 0405

207	Durame	ዱራሜ	046 554 1449 046 554 1446
208	Fonko	ፎንቆ	046 263 0307 046 263 0308
209	Hadero	ሀደሮ	046 432 0617 046 432 0619
210	Halaba Kulito	ሀላባ ቁሊቶ	046 556 1818 046 556 1316
211	Hawassa	ሐዋሳ	046 220 2629 046 220 4172
212	Hawassa Arab sefer	ሐዋሳ አረብ ሰፈር	046 212 4361 046 212 4302
213	Hawassa Monopol	ሃዋሳ ሞኖፖል	046 212 8081 046 212 7833
214	Hawassa Tabor	ሃዋሳ ታቦር	046 212 3991 046 212 3992
215	Homecho	ሆሜቾ	046 251 0285 046 251 0397
216	Hosaena	ሆሳዕና	046 555 4216 046 555 4209
217	Hosaena Gombora	ሆሳዕና ኅምቦራ	046 178 0533 046 178 0534
218	Hulbareg	ሁልባረግ	046 269 0295 046 269 0499
219	Jajura	ጃጃራ	046 265 0308 046 265 0015
220	Jinka	ጃንካ	046 775 2294 046 775 2112
221	Konso Karat	ኮንሶ ካራት	046 773 0579 046 896 4232
222	Meki	መቂ	022 118 1200 022 118 1227
223	Moyale Sub Branch	ሞያሌ ንዑስ ቅርንጫፍ	046 444 1603 046 444 1750
224	Mudula	ሙዱላ	046 235 0626 046 235 0523
225	Negele	ነጌሌ	046 445 2320 046 445 7473
226	Negele Arsi	ነጌሌ አርሲ	046 116 2815 046 116 2816
227	Shakiso	ሻኪሶ	046 334 1851 046 334 1850
228	Shashemene	ሻሸመኔ	046 110 3468 046 110 3466
229	Shashemene Arada	ሻሸመኔ አራዳ	046 211 0621 046 211 4546
230	Shashemene Oda	ሻሸመኔ ኦዳ	046 211 1536 046 211 0984
231	Shinshicho	ሽንሺቾ	046 339 0893 046 339 0923

232	Wegagen Amana Werabe	ወጋገን አማና ወራቤ	046 212 2288 046 212 1681
233	Wolayita Sodo	ወላይታ ሶዶ	046 551 4592 046 551 4593
234	Yirgachefe	ደርጋጨፌ	046 332 0410 046 332 0161
235	Yirgalem	ደርጋለም	046 225 2421 046 225 2458

Dire Dawa District Office Branches

S.N	Branches	ቅርንጫፎች	Telephone
ድሬዳዋ ዲስትሪክት ጽ/ቤት Dire Dawa District Office			025 111 0827 025 111 0442
236	Al-Baraka	አል ቦረካ	025 278 3562 025 278 4299
237	Awash 7 Kilo	አዋሽ 7 ኪሎ	022 224 1571 022 224 1484
238	Aweday	አወዳይ	025 662 0280 025 662 0167
239	Babile	ባቢሌ	025 665 0592 025 665 0594
240	Chiro	ጭሮ	025 659 0685 025 659 0455
241	Degahbur	ደጋህቡር	025 771 0702 025 771 0596
242	Dire Dawa	ድሬዳዋ	025 112 4669 025 111 1101
243	Gode	ጎደ	025 776 1541 025 776 2163
244	Hafet-Issa	ሃፈት ኢሳ	025 112 4674 025 112 4699
245	Harar	ሐረር	025 666 3623 025 666 4622
246	Harar Arategna	ሐረር አራተኛ	025 466 9894 025 466 2289
247	Havana	ሃቫና	025 278 8669 025 278 6326
248	Jigjiga	ጅግጅጋ	025 775 7628 025 775 2057
249	Kebre-Daher	ቀብራ-ደሀር	025 774 1453 025 774 1231
250	Kebri-Beyah	ቀብራ-በያህ	025 669 0477 025 669 0356
251	Kezira	ከዚራ	025 111 0285 025 113 0372
252	Logia	ሎጊያ	033 550 0499 033 550 0503
253	Sabian	ሳቢያን	025 411 1984 025 411 6448

254	Seid-Square	ሰይድ አደባባይ	025 278 0949 025 278 2914
255	Semera	ሰመራ	033 366 0100 033 366 0102
256	Togo-Wajaale Sub Branch	ቶጎ-ዋጃሌ ንዑስ ቅርንጫፍ	025 882 0033 025 882 0032
Jimma District Office Branches			
S.N	Branches	ቅርንጫፎች	Telephone
ጅማ ዲስትሪክት ጽ/ቤት Jimma District Office			047 111 6168 047 111 6305
257	Abobo	አቦቦ	047 559 0423
258	Agaro	አጋሮ	047 221 1031 047 221 1051
259	Ameya	አመያ	047 227 0424 047 227 3498
260	Assosa	አሶሳ	057 775 1362 057 775 1422
261	Awetu	አዌቱ	047 211 6739 047 211 9630
262	Bedele	በደሌ	047 445 1809 047 445 1810
263	Bonga	ቦንጋ	047 331 1971 047 331 1933
264	Dimma	ዲማ	09 93 84 95 16 09 25 34 24 75
265	Gambella	ጋምቤላ	047 551 1767 047 551 1944
266	Gambella New Land	ጋምቤላ ኒውላንድ	047 151 3233 047 151 0044
267	Gimbi	ጊምቢ	057 771 2308 057 771 2797
268	Itang	ኢታንግ	047 465 0404
269	Jimma Abajifar	ጅማ አባጅፋር	047 111 6393 047 112 3616
270	Jimma Gibe	ጅማ ጊቤ	047 211 1003 047 211 2838
271	Jimma Jiren	ጅማ ጅሬን	047 211 3184 047 211 3186
272	Jimma Bore	ጅማ ቦሬ	047 211 3180
273	Lare	ላሬ	047 553 0023 047 553 0540
274	Maji	ማጂ	047 811 1258
275	Menit Shasha	መኔኒት ሻሻ	047 452 7576 047 452 7599
276	Meti	ሜጢ	047 339 0627 047 339 0628

277	Metu	መቼ	047 141 1050
278	Mizan Aman	ሚዛን አማን	047 135 0066 047 135 0098
279	Nekemte	ነቀምት	057 661 3068 057 661 3081
280	Omo	አሞ	09 10 23 04 20
281	Openo	አፔኖ	047 151 0038 047 151 0039
282	Pinyudo	ፒንወዶ	047 465 0404
283	Sheko	ሸኮ	047 778 0526 047 778 0313
284	Shey Bench	ሼይ ቤንች	047 777 0508 047 777 0725
285	Tello	ጠሎ	047 077 1033 047 077 1019
286	Tepi	ቴፒ	047 556 2620 047 556 2621
287	Terpham	ተርፋም	047 851 9369
288	Wacha	ዋቻ	047 338 0455 047 338 0456
289	Welkite	ወልቂጤ	011 365 8180 011 365 8116

Mekelle District Office Branches

S.N	Branches	ቅርንጫፎች	Telephone
መቀሌ ዲስትሪክት ጽ/ቤት Mekelle District Office			034 241 5185 034 241 5186
290	Abala (Afar)	አብዓለ (አፋር)	034 665 0495/0491
291	Abyi Addi	ዓብይ ዓዲ	034 446 0503 034 446 0313
292	Addi Hawusi	አዲ ሃውሲ	034 440 8439/31
293	Adi Shumdhun	አዲ ሹምድሁን	034 241 0017/44
294	Adi Gudem	አዲ ጉደም	034 437 0665
295	Adi Ha	ዓዲሐ	034 241 5575 034 241 8477
296	Adigrat	አዲግራት	034 445 2866 034 445 2790
297	Adigrat Menaheria	አዲግራት መናኸሪያ	0918 81 26 80
298	Adishu	ዓዲሹ	034 241 5185/86
299	Agaziyan	አግአዝያን	0924221332 0914586441
300	Agulae	አጉላዕ	034 314 0486 034 314 8221

301	Alamata	አላማጣ	034 774 0772 034 774 0264
302	Ambasera	አምባሴራ	0917 331 937 0342 401 303
303	Arid	አሪድ	0914 215 467
304	Atsbi	አፅቢ	034 340 0322/27
305	Ayder (Mekelle)	አይደር (መቀሌ)	034 240 8582
306	Castle (Mekelle)	ካስትል (መቀሌ)	034 440 2689/79
307	Chercher (Raya)	ጨርጨር (ራያ)	034 317 0338
308	Daero	ዳዕሮ	034 241 3466
309	Dera	ደራ	034 241 5185/86
310	Edaga Arbi	እዳጋ አርቢ	034 346 0360/44
311	Edaga Hamus	እዳጋ ሐሙስ	034 773 0546 034 773 0185
312	Edaga Kedam	እዳጋ ቀዳም	0914 17 91 70
313	Edaga Mekelle	እዳጋ መቀሌ	034 441 3666/22
314	Enda Tirota	እንዳ ጥሮታ	0945 05 81 72
315	Enkodo Mekelle	እንኮዶ መቀሌ	034 241 5415/26
316	Fatsi	ፋዒ	034 241 5185/86
317	Freweyni	ፍረወይኒ	034 447 0645/35
318	Gidimti	ግድምቲ	034 241 9839 034 241 6946
319	Guya	ጉያ	0914 47 35 93
320	Hadnet	ሐድነት	034 241 5414/23
321	Hageresalam	ሀገረሰላም	0910525264
322	Haik Mesahal	ሃይቅ መስሐል	0968 88 93 21
323	Hawelti	ሀውልቲ	034 441 9674 034 441 9433
324	Hawzen	ሐውዜን	034 667 0206/ 8604
325	Hawzen Adebabay	ሐውዜን አደባባይ	034 241 5185
326	Hewane	ሒዋነ	034 315 0483 034 315 0528
327	Kalid	ኻሊድ	0914705524
328	Illala	ኢላላ	034 440 6954/56
329	Kelamino	ቃላሚኖ	09 14 15 49 49
330	Kelkel Debri	ቀልቀል ደብሪ	034 241 2564/79
331	Kilte Awlaelo	ክልተ አውላሎ	034 443 1217/44
332	korem	ኮረም	09 14 16 70 85



333	Kukufto	ኩኩፍቶ	09 04 04 93 27/30
334	Lachi	ላጪ	034 241 4895 034 241 3268
335	Lachi Meneharia	ላጪ መናኸሪያ	09 14 74 89 20
336	Maichew	ማይጨው	034 777 0563/49
337	Mayliham	ማይሊሐም	034 240 3490 034 240 3256
338	Megab	መጋብ	034 241 5185/86
339	Mehoni	መኸኒ	034 664 0258/62
340	Mekelle	መቀለ	034 440 8933/34
341	Meles Zenawi	መለስ ዜናዊ	034 241 5185
342	Messebo	መሰቦ	034 241 5185/86
343	Meyda Agame (Adigrat)	መይዳ ዓጋመ (ዓዲግራት)	034 445 1785/94
344	Midregenet Mekelle	ምድረገነት መቐለ	034 241 5185/86
345	Miwtsae Werki	ምውዳዕ ወርቂ	034 245 2413/0697
346	Momona	ሞሞና	034 240 4874
347	Nebelet	ነበለት	034 328 0240/85
348	Quiha	ኩሃ	034 240 2590/2054
349	Ras Alula Abanega	ራስ አሉላ አባነጋ	034 446 1777 034 446 1337
350	Raya Timuga	ራያ ጥሙጋ	034 316 0280/18
351	Romanat	ሮማናት	034 440 6608/10
352	Samre	ሳምረ	034 241 5185/86
353	Sebeya	ሰበያ	0914 09 65 59
354	Tsigereda	ፅጌረዳ	034 241 5185/86
355	Welwalo	ወልዋሎ	0930 00 18 73
356	Wukro	ውቅሮ	034 443 0373/0683
357	Yechila	የጭላ	034 422 0372
358	Zala Ambesa	ዛላ አምበሳ	034 779 0647

Shire District Office Branches

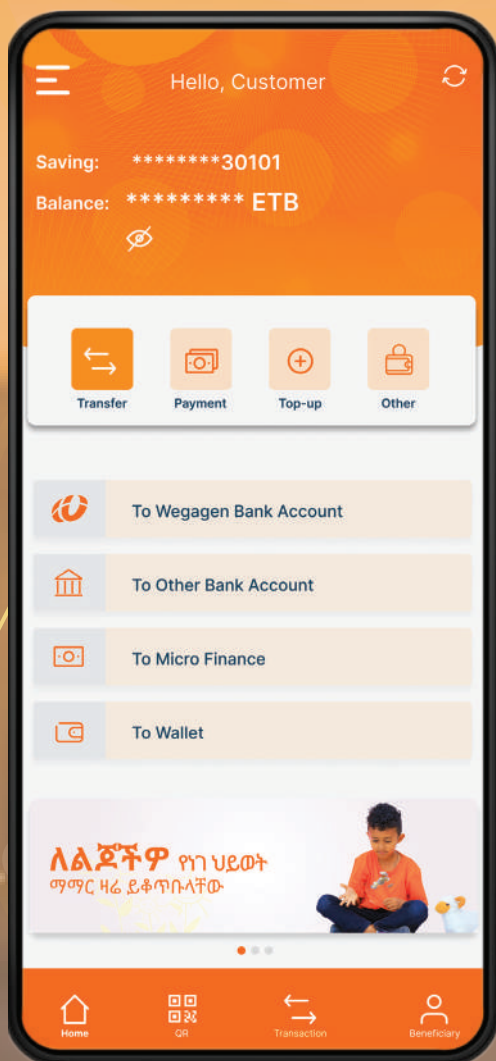
S.N	Branches	ቅርንጫፎች	Telephone
	ሽረ ዲስትሪክት ጽ/ቤት Shire District Office		034 244 3685 034 244 4248
359	Adi Abun	አዲ- አቡን	034 271 0001/02
360	Adi Awala	ዓዲ አውዓለ	034 241 5185/86
361	Adi Daero	አዲ ዳዕሮ	034 432 0539/41
362	Adi Goshu	አዲ ጎሹ	09 14 11 45 87

363	Adi Hageray	አዲ ሃገራይ	034 324 0707/0372
364	Adi Mahleka	ዓዲ ማህለካ	034 244 3685/4248
365	Adi Nebried	ዓዲ ነብሪዲ	034 325 0005/06
366	Adi Remets	ዓዲ ረመፅ	034 244 3681/85
367	Adwa	አድዋ	034 771 4046/43
368	Ahsea	አሕሰአ	09 66 85 38 24
369	Axum	አክሱም	034 775 3631/95
370	Axum University Sub Branch	አክሱም ዩኒቨርሲቲ ንዑስ ቅርንጫፍ	034 775 3631
371	Baeker	ባዕከር	034 244 3681/85
372	Bizet	ብዘት	034 312 0424/0501
373	Chila	ጭላ	034 559 4308
374	Dansha	ዳንሻ	034 436 0451/0118
375	Dibdibo	ድብድቦ	034 556 0415/0358
376	Edaga Axum	እዳጋ አክሱም	034 275 6108
377	Edaga Enticho	እዳጋ እንጥጮ	034 244 3685/4248
378	Edaga Hibret	እዳጋ ህብረት	034 244 3681/85
379	Edaga Shire	እዳጋ ሸረ	034 244 6107/4587
380	Endabaguna	እንዳባጉና	034 661 0473/86
381	Endasellasie	እንዳስላሴ	034 444 4117/31
382	Enticho	እንትጮ	034 449 0602/0803
383	Feres May	ፈረስ ማይ	034 310 0174/62
384	Gerhu Sirnay	ገርሁ ስርናይ	034 438 0408/0353
385	Hitsats	ህፃፅ	034 140 8520
386	Humera	ሁመራ	034 448 0005/07
387	Kaleb	ካሌብ	034 275 0081/82
388	Korarit	ቆራሪት	034 844 0772/81
389	Mahbere Dego	ማህበረ ዴጎ	034 329 0122/23
390	May kinetal	ማይ ቅነጣል	0930 49 38 64
391	May Tsebri	ማይ ፀብሪ	034 662 0368/70
392	Maygaba	ማይገባ	0972 16 17 00
393	Mayhanse	ማይሀንስ	034 244 3681/85
394	Maykadra	ማይካድራ	034 332 0055/0122
395	Midre Genet	ምድረ ገነት	0914 18 63 44

396	Midre-Hayelom	ምድረ ሓየሎም	0914 21 08 10
397	Nigiste Saba	ንግስተ-ሳባ	034 275 0061/74
398	Rama	ራማ	034 555 0585
399	Remhay	ረምሃይ	034 275 0066/77
400	Sehul Shire	ስሁል ሽረ	0913 80 22 30
401	Selekleka	ሰለክለካ	034 776 0495/97
402	Semema	ሰመማ	034 445 5576/80
403	Setit Humera	ሰቲት ሁመራ	0914 44 75 72
404	Sheraro	ሸራሮ	034 550 0025/0104
405	Shire	ሽረ	034 444 2165/2424
406	Shire meneharia	ሽረ መነሃሪያ	034 444 2165/2424
407	Soloda	ሶሎዳ	034 271 0001/20
408	Tahtay Adiyabo	ታህታይ አዲያቦ	0914 17 47 17
409	Tekeze	ተክኬ	0921 99 12 12
410	Wukro Maray	ወቅሮ ማራይ	034 668 0208/0575

ስልክዎ ገንክዎ

ወጋገን ሞባይል መተግበሪያን በማውረድ
ወይም *866# በመጠቀም በማንኛውም
ጊዜ እና ቦታ ሂሳብዎን ያንቀሳቅሱ



ለተጨማሪ መረጃ ወደ ደንበኞች ግንኙነት ማዕከል 866
በነፃ ደውለው ይጠይቁ፣ ይስተናገዱ።



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