

ANNUAL REPORT 2021/22



Excelling Together

חלקך נכנס
Wegagen Bank





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Table Of Content

Message from Chairperson of the Board of Directors	10
Performance Highlights	16
Operational Performance	19
Financial Performance	22
Customer Base Expansion	26
Accessibility	26
Human Capital	26
Banking Technology	26
Own Building	28
Risk Management and Compliance	28
Internal Audit	28
Corporate Social Responsibility	28
Moving Ahead	28
Auditor's Report	32
Branch Contacts	118



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
Chairman

Board of **Directors**



Hailu Molla
Vice-Chairman



Woldegabriel Naizghi
Member



Kidane Hagos
Member



Fithanegest Gebru
Member



Hassen Yesuf
Member



Fikru Jiregna
Member



Gebregziabher Hadush
Member



Mulu Bisrat
Member





Aklilu Wubet
Chief Executive Officer (CEO)

Executive Management



Haile G/Egziabher
Chief, Resource Mobilization & Digital Banking Operations Officer



Yehwalashet Zewdu
Chief, Finance & Materials Management Officer



Hussen Amde
Chief, Credit Officer



Kidane Gebresellassie
Chief, Human Capital Officer



Geteye Mekuria
Chief, Marketing and Strategy Officer



Negassi G/Aregawi
Chief, Internal Auditor



Debela Merga
Chief, Risk & Compliance Officer



Negassi Fisseha
Delegated Chief, Information Officer



Management Team



Mengistu Tadesse
Director, Resource Mobilization
and Branch Banking



Afewerk Gebretsadik
Director, Marketing &
Corporate Communications



Abebaw Gebretsadik
Director, Treasury
Management



Zeray Gebrewahid
Director, Legal Services



Negassi Fisseha
Director, Management
Information System



Genet Daba
Director, Talent
Development



Fantahun Demissie
Director, Personal and SME
Relationship Management



Kaleb Tadesse
Director, Talent
Management



Tajudin Hussen
Director, Interest Free
Banking



Getachew Berhane
Director, Program
Management



Kibeb Gebreegziabher
Director, Trade
Services



Merid Haile
Director, Credit Analysis &
Portfolio Management



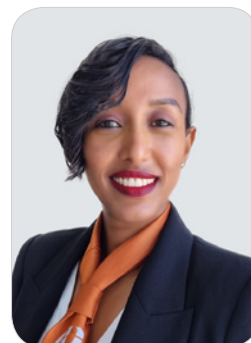
Management Team



Kidus Gebreselassie
Director, Core Infrastructure
Management



Yoseph Gebreyohannes
Director, Procurement and
Supplies Management



Aregash Gudeta
Director, Financial
Accounting



Niguss Girma
Director, Employee Benefit &
Performance Management



Bahiru Demissie
Director, Research and
Business Development



Amanuel Birhane
Director, Corporate & Business
Relationship Management



Tekle Eticha
Director, Corporate Strategy
and Change Management



Goitom Gebretsadkan
Director, Core Application
Management



Sebsibie Zebro
Director, Property
Administration and Facilities



Mulugeta Zerga
Director, Digital Banking
Operations



Yeabsira Zewdie
Director, Digital Banking
Technology



Mengesha Fisseha
Executive Assistant

District Directors **Team**



Ashenafi Gidey
Director,
East Addis Ababa District



Agere Belay
Director,
North Addis Ababa District



Tessema Gessesse
Director,
South Addis Ababa District



Kidane W/Giorgis
Director,
West Addis Ababa District



Habtom G/Egziabher
Director,
Mekelle District



Mehari Berhe
Director,
Shire District



Daniel Liben
Director,
Dire Dawa District



Kassanew Alem
Director,
Bahir Dar District



Bikila Yohannes
Director,
Jimma District



Ashenafi Ayalew
Director, Hawassa
District



Ibrahim Dawd
Sharia Advisor



wegagen.com

Our Payment Cards, For your Easy & Convenient Purchases



We Accept



VISA



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Message from Chairperson of the Board of Directors

I am honored to present to the shareholders of Wegagen Bank the annual report for the fiscal year 2021/22 on behalf of the Board of Directors and myself.

Despite recovery from the two years COVID-19 pandemic, spillover from the war between Russian Federation and Ukraine set to sharply hasten the deceleration of global economic activity. According to IMF's October 2022 projections, global growth was forecasted to slow from 6.0 percent in 2021 to 3.2 percent in 2022 and 2.7 percent in 2023. About a third of the world economy faces two consecutive quarters of negative growth. Global inflation is forecasted to rise from 4.7 percent in 2021 to 8.8 percent in 2022 but decline to 6.5 percent in 2023 and 4.1 percent

by 2024. Upside inflation have been most widespread among advanced economies, with greater variability in emerging markets and developing economies.

The adverse impacts of COVID 19 pandemic, war in the northern part of the country, rising inflation, and a shortage of foreign currency along with the ongoing war in Ukraine have constrained the Ethiopian economy in fiscal year 2021/22. The conflict in Tigray regional state, which stretched to central north of the country until early November 2021 has claimed several lives and disrupted economic activities, lowered the planned fiscal year's economic growth of the country. It has been reported that the Ethiopian economy was projected to have grown by 8.7 percent in the 2021/22 fiscal year while the actual growth is expected to dwindle than the projection due to the war in the northern part of the country, internal displacements, and severe decrease in budget support from development partners.

The war that continued in the northern part of the country has severely impacted the banking industry, particularly our Bank, which has a significant presence in the region. In the fiscal year 2021/22, high inflation remained a serious challenge for the country's economy, with an annual average inflation rate of 33.8 percent.

Our Bank was not immune from unfavourable global and local economic conditions. The FY 2021/22 was a difficult period for Wegagen Bank, a plenary number of branches in Tigray regional state underwent closure and became out of spectrum of the management's supervision because of the ongoing war in the northern part of the country.

In a bid to surmount the multifaceted challenges faced during the elapsed FY, various intervention measures have been crafted and implemented by engaging all concerned stakeholders including the Board, Management and staff of the Bank, prominent shareholders, regulatory organs, and others. The measures were instrumental to achieve turnaround on operational performance and enabled the Bank to prove its mettle during the testing period of last year. In this regard, it is worth to mention that successive consultative meetings were conducted with various stakeholders as part of the effort to ensure the sustainability of the Bank's operational activities. Besides, aggressive image building activities have been undertaken, especially in commemoration of the Bank's 25th anniversary. What is more, vigilant cost reduction measures have been taken apart from the effort exerted to

enhance the operational performance of branches out of the conflict areas.

In spite of the combined threats posed by global and national environment, thus, the Bank's performance in major key performance indicators for the reporting period has shown improvement. Accordingly, our Bank managed to make profit while also registered growth in major key performance indicators. In the fiscal year 2021/22, the Bank earned a total income of Birr 5.1 billion, which is a 2% growth from preceding year balance of Birr 5 billion. Whereas, the Bank's total expense plummeted to Birr 4.5 billion registering a 6% decrease from the previous year's performance of Birr 4.8 billion. As a result, profit before tax stood at Birr 572 million, which showed tremendous improvement over the previous year's low performance of Birr 193 million. Consequently, the rate of return on average asset (ROA) and return on average equity (ROE) for the fiscal year were 1.3% and 10.4%, respectively. Earnings per share for the fiscal year 2021/22 was 16.6%, which showed commendable improvement over preceding year's performance of 4.2%.

The Bank's deposit reached Birr 33.9 billion as of June 30, 2022, with a year-on-year growth of 8 percent. During the fiscal year under review, the Bank generated foreign currency to the tune of USD 195 million though it decreased by 23 percent from last year same period performance of USD 252 million. The Bank has financed different economic sectors by disbursing birr 5 billion during the FY 2021/22 and, as a result, its outstanding loans and advances reached Birr 30.3 billion showing an increment of 11 percent over the preceding year's performance. Loan collection performance of the Bank was among the performances that have been under the shadow of the war in the northern part of the country, which has turned the loan collection performance at only Birr 4.2 billion reflecting a 24 percent reduction from the previous year's performance.

The deposit account of the Bank stood 2,268,448 as at June 30, 2022, declining by 3% year-on-year in connection to closure of quite large number of accounts in compliance with regulatory requirement with regard to customer due diligence and know your customer directive. Digital banking users of the Bank have also shown growth and, as a result, the number of cards issued reached 544,157, wallet account users stood at 331,414 while mobile and internet banking subscribers grew to 1,443,566 and 11,762 respectively, as at June 30, 2022. The number of Branches, ATMs and POS outlets of the Bank stood at 400, 298 and 429 as at June 30, 2022 respectively.

The staff strength of the Bank reached 4,824 as at June 30, 2022. Various technical and leadership trainings were delivered to enhance the capability of the technical and managerial staff of the Bank. As a result, 3,019 employees have taken trainings during the FY under review. The period was also remarked with the introduction of new five-year strategic plan and organizational structure with major thematic areas of business growth, customer centric operational excellence, digital excellence and human capital excellence with better performance achievements expected in the periods to come.

Finally, I would like to express my gratitude to all esteemed customers, respected shareholders, Board Members, Management, and the entire Bank society for their unreserved effort in bringing the Bank to the right track and thus achieving results in major key performance indicators. I would also like to stretch my 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





25th Anniversary
Celebration
in Pictures



**Board Members, Executive Management and Staff
Celebrating Wegagen Bank's 25th founding anniversary
and Staff day (June 5, 2022).**



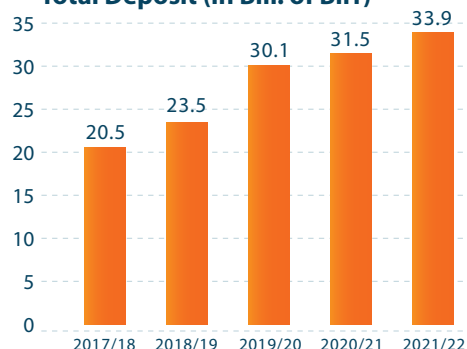
Some of Staff members who have served the Bank for 25 years along with new young successors.



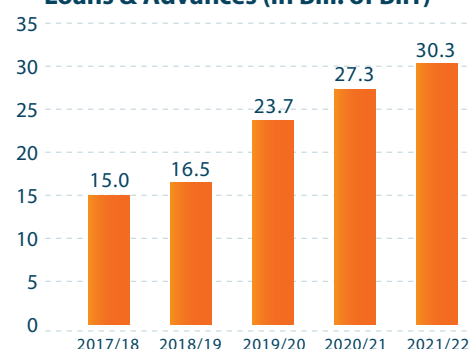
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Performance Highlights

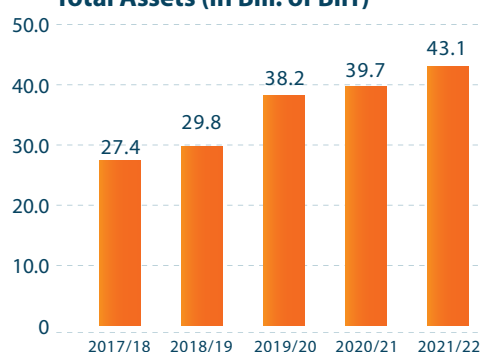
Total Deposit (in Bill. of Birr)



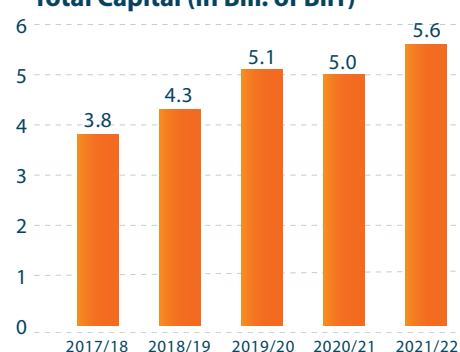
Loans & Advances (in Bill. of Birr)



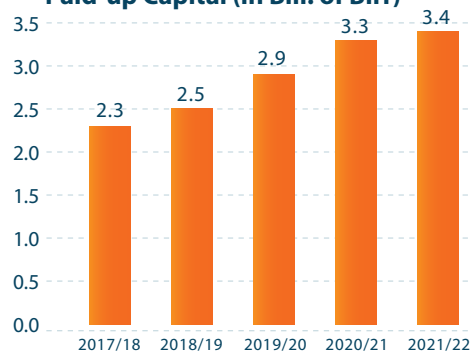
Total Assets (in Bill. of Birr)



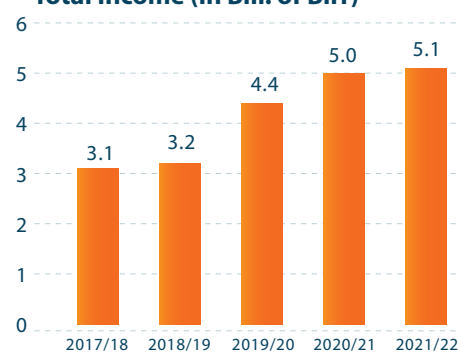
Total Capital (in Bill. of Birr)



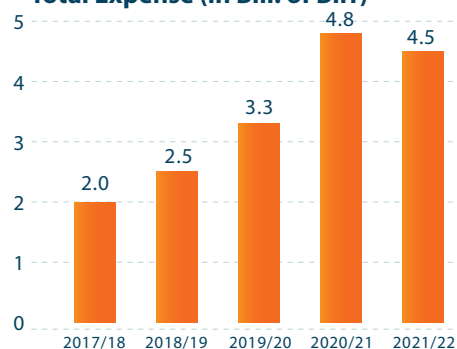
Paid-up Capital (in Bill. of Birr)



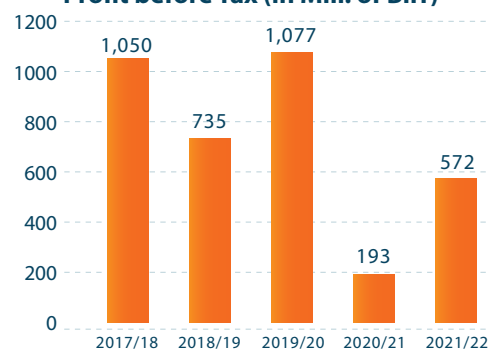
Total Income (in Bill. of Birr)

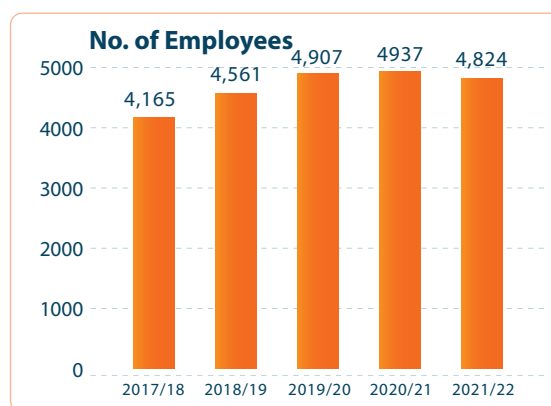
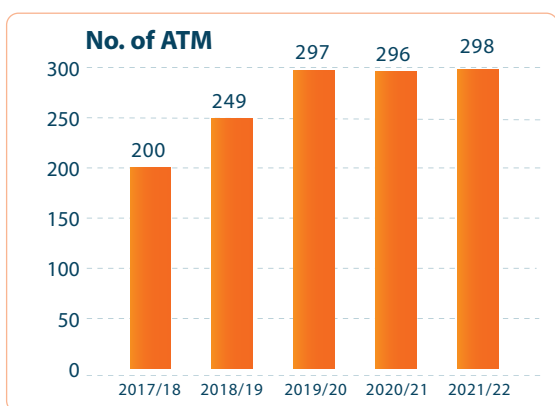
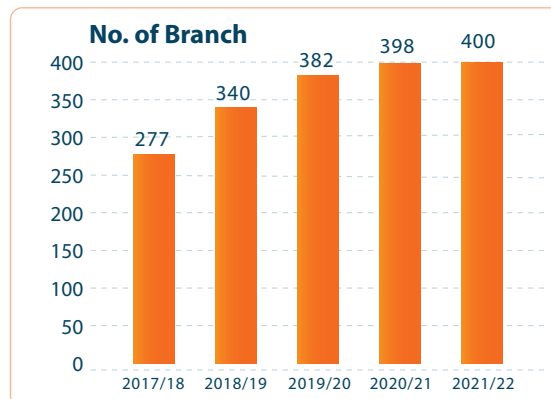
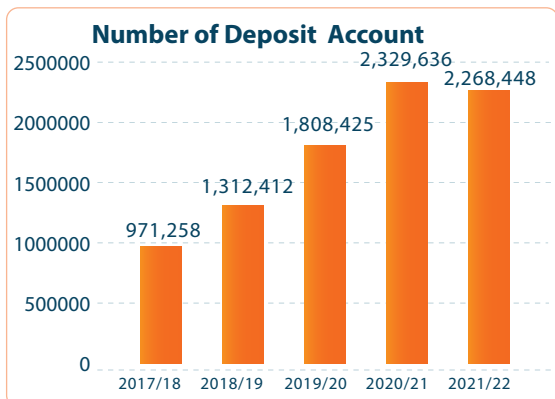


Total Expense (in Bill. of Birr)



Profit before Tax (in Mill. of Birr)





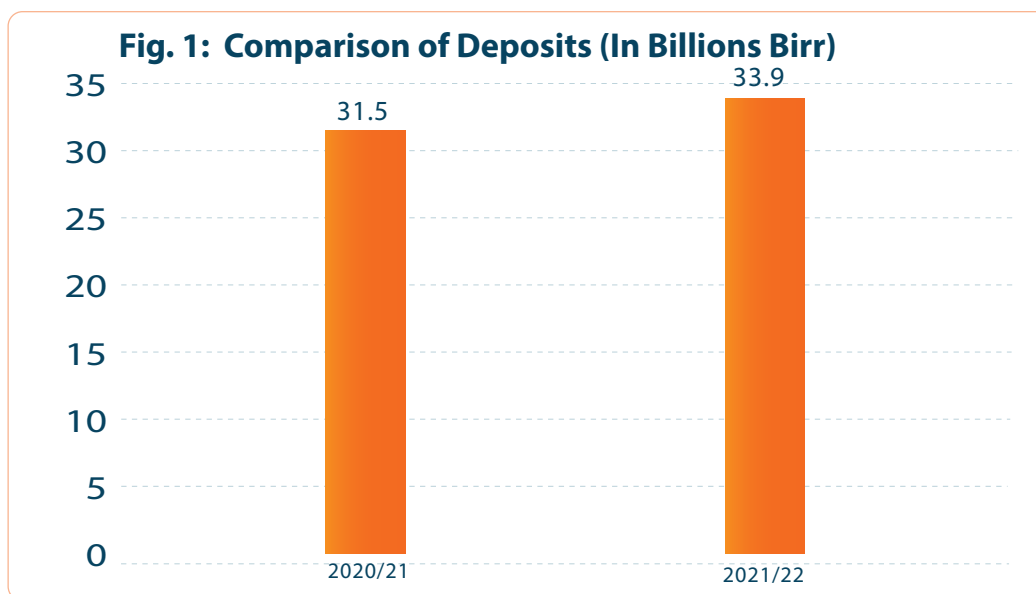
Wegagen in Numbers



1. Operational Performance

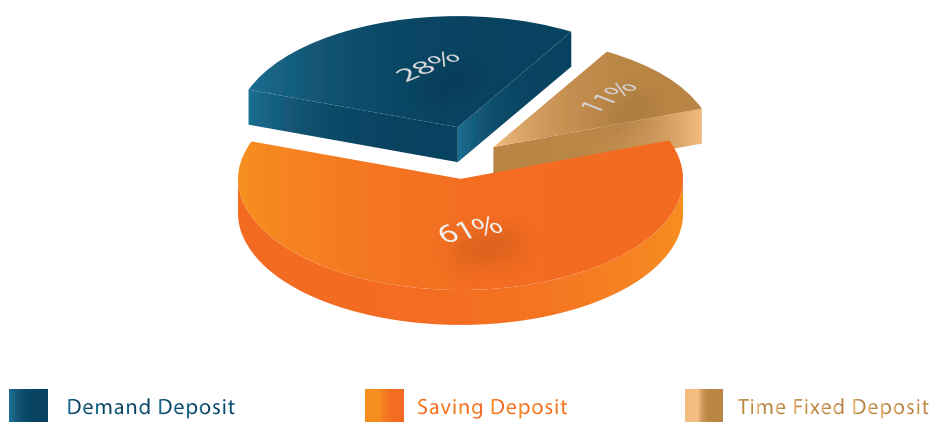
1.1 Deposit Mobilization

The total deposit mobilized by the Bank during the fiscal year 2021/22 witnessed an absolute increment of Birr 2.4 billion with 8 percent increase over the previous fiscal year's deposit performance of Birr 31.5 billion. As a result, the total outstanding deposit of the Bank reached Birr 33.9 billion as of June 30, 2022. The incremental performance was attained only from branches found in the other regions of the country as those in Tigray regional state remained closed due to the conflict.



To elucidate the deposit structure, saving deposits continue to preponderate in share of deposits. The Bank's effort to mobilize deposit from the core and stable element of deposit resulted in a prolific share of 61% followed by demand deposit at 28 % while time fixed deposit constituted 11% of the total deposit. Furthermore, the total number of deposit account holders maintained at 2,268,448 as of June 30, 2022, a decrease of 61,188 or 2.6% from the previous year's position. The decrease is attributable to NBE's directive of clearing customers' account information and merging different accounts of the same person under one customer ID number.

Fig. 2: Structure of Total Deposit

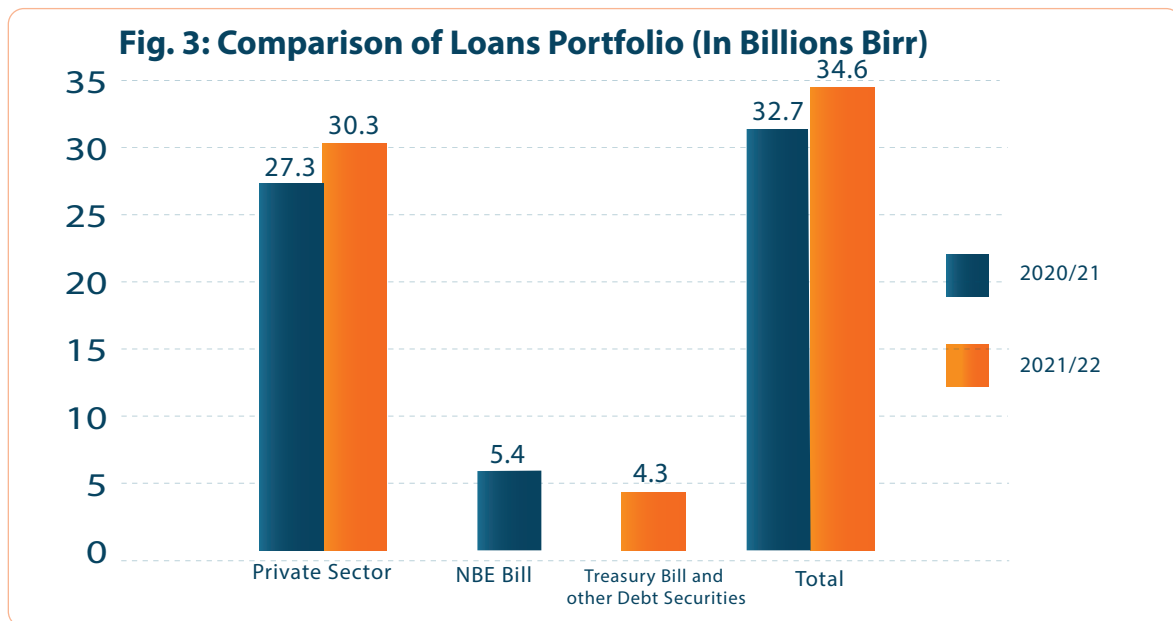


1.2 Interest Free Banking Service

To address all customers' needs and preferences, the Bank is offering interest free banking service through full-fledged branches and dedicated windows. As of June 30, 2022, the Bank's total deposit from interest-free banking services reached Birr 1.6 billion, reflecting an increment of 5% over previous year's performance of Birr 1.5 billion. At the end of FY 2021/22, the total financing through IFB stood at Birr 339 million.

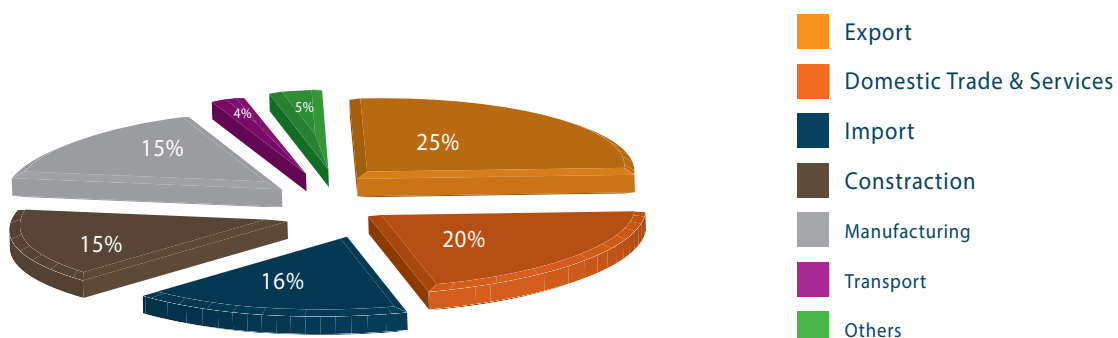
1.3 Loans and Advances

At the end of fiscal year 2021/22, the Bank's total outstanding loans and advances totaled Birr 30.3 billion, showing an absolute increment of Birr 2.9 billion or 11% upon the comparative period of the preceding year balance of Birr 27.35 billion. The investment in Treasury bill and other debt securities of the Bank also reached birr 4.3 billion as of June 30, 2022 with the total of loans and advances and that of Treasury bills and other debt financing constituted Birr 34.5 billion at the end of the reporting period.



In terms of economic sector, export sliced the largest share of the bank's total loan portfolio, accounting for 25%, followed by domestic trade and service (19%), import (16%), construction and manufacturing at 15% each, transportation (4%) while other sectors accounted for 6%.

Fig. 4: Composition of Loans Portfolio





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خدمة من غير الفوائد البنكية



1.4 Trade Services Operations

The Bank's total foreign currency earning during FY 2021/22 was USD 195 million, which saw contraction by 23% against previous year's performance of USD 252 million. The performance was encumbered by a myriad of problems. The war in the northern part of the country, China's zero-COVID-19 policy, and the war in Ukraine, which resulted in a decline in trade and remittances are worth mentioning.

To attenuate the challenges posed by the national and global environment, the Bank strived to enhance partnership with NGOs, correspondent banks and other remittance agents in order to enhance foreign currency.

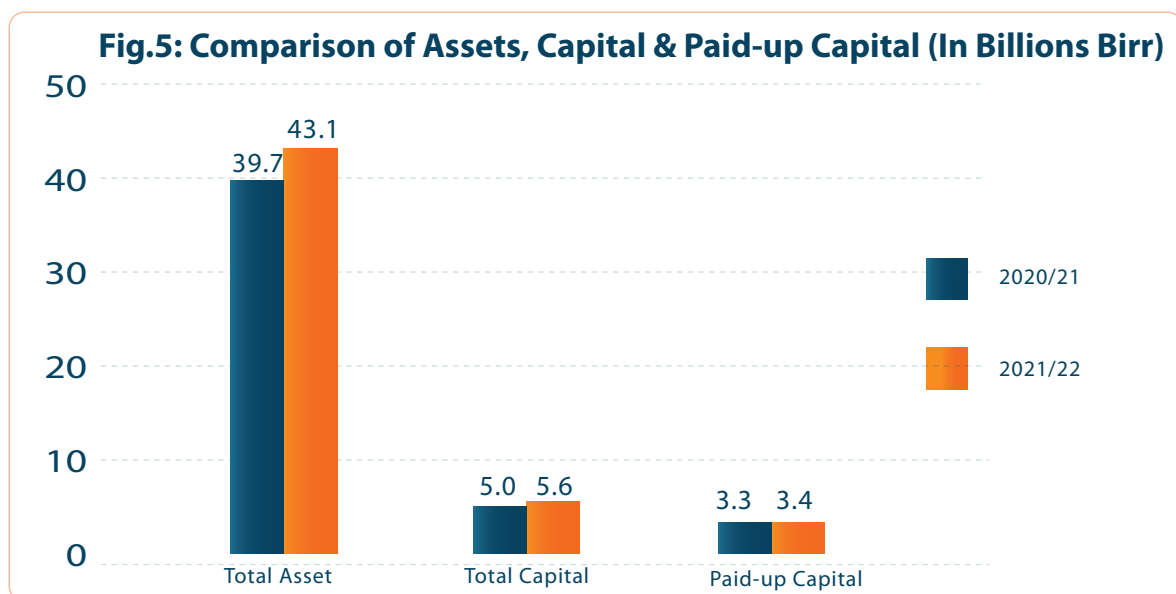
2. Financial Performance

2.1 Asset Expansion

At the end of fiscal year 2021/22, the Bank's total assets jumped to Birr 43.1 billion with 9% increment over the previous year's performance of Birr 39.7 billion. Net outstanding loans and advances accounted for 67% of the Bank's total assets, followed by Cash and Bank Balance (24%), Fixed Assets (3%), other assets (3%), and the rest took up 3%.

2.2 Capital Growth

By the end of FY 2021/22, the Bank's paid-up capital increased to Birr 3.4 billion, showing 3% increment over previous year's performance of Birr 3.3 billion. With the same vein, the Bank's total capital comprising of paid-up capital, retained earnings, legal and regulatory risk reserve reached Birr 5.6 billion as at June 30, 2022, exhibiting 12% growth over last year's performance of Birr 5 billion.





Some of the Projects financed by **Wegagen**

Manufacturing



Import & Export

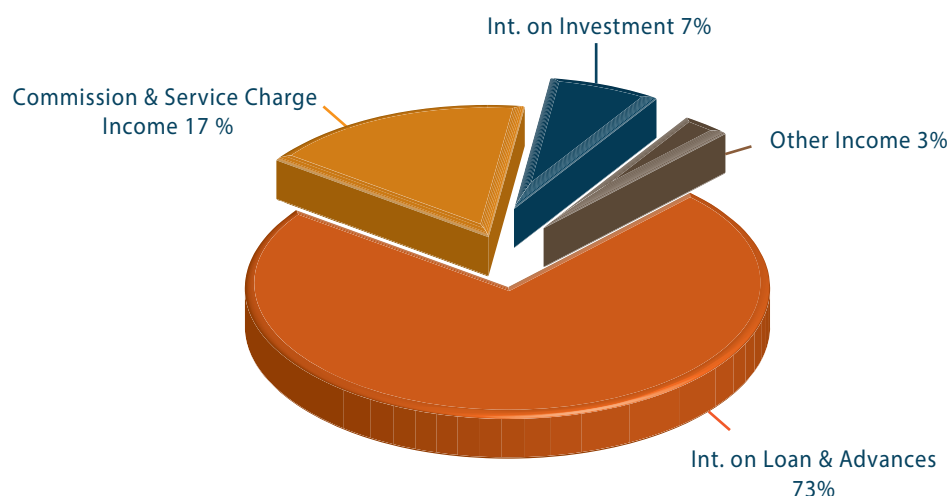


Construction

2.3 Total Income

The Bank earned a total income of Birr 5.1 billion in the fiscal year under review, a 2 % increase over the previous year's total income of Birr 5 billion. Interest income from loans and advances constituted the major portion at 73 % followed by commission and service charge income that took 17%, income from investment 7% and other sources of income comprising 3% of the total income.

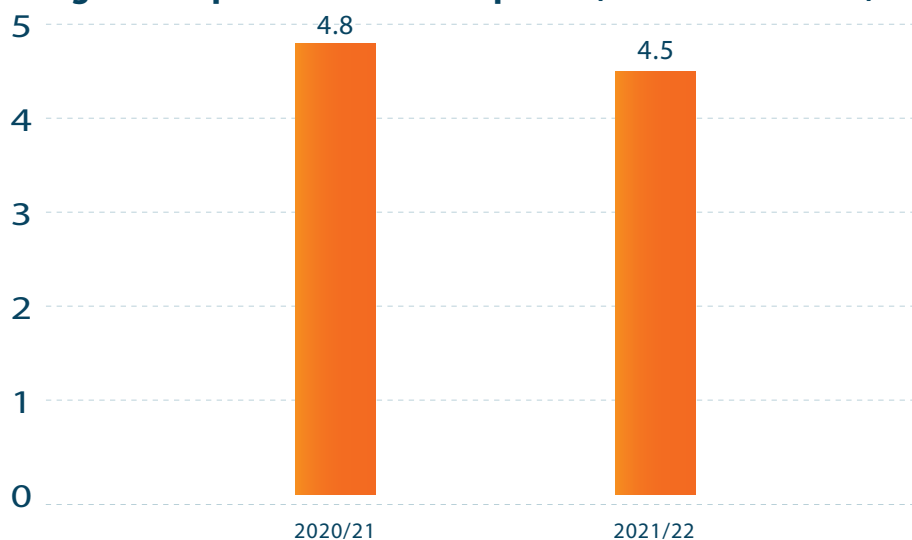
Fig.6: Composition of total income



2.4 Total Expense

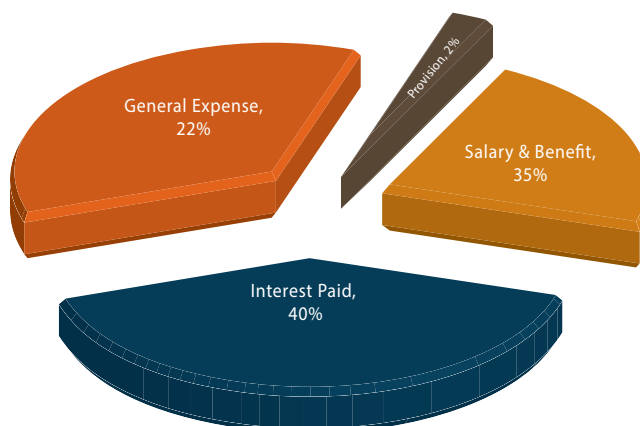
The Bank's total expense favorably dropped to Birr 4.5 billion from previous year's performance of Birr 4.8 billion. The decrease in the overall expenses is primarily due to a huge reduction in provision expense following improved loan collection. Besides, the Bank's cost management practice has also contributed to the reduction in controllable expenses. Year on year, expenses from Interest, amortization of intangible assets, employee salaries and benefit, other operating expense increased by 23%, 24%, 7%, and 5% respectively, while provision expense plummeted by 101%.

Fig. 7: Comparison of Total Expense (In Billions of Birr)



In terms of total expense composition, interest expense took the largest share (40%) followed by employee salary and benefits (35%) and general expense accounted for 22 percent while provision expense took the remaining 2%.

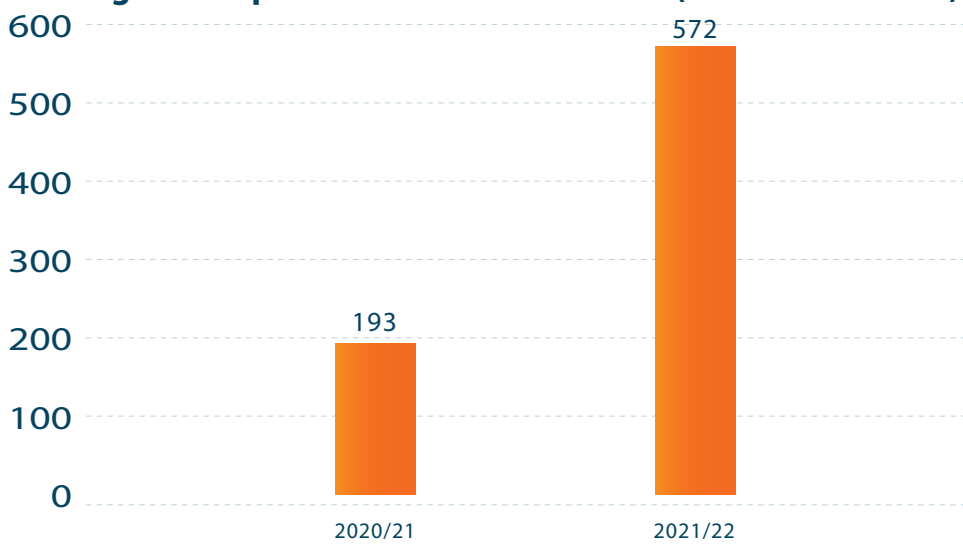
Fig. 8: Composition of the Total Expense



2.5 Profit Before Tax

In the fiscal year 2021/22, the Bank earned a profit before tax of Birr 572 million, witnessing a commendable growth over the previous year's profit before tax of Birr 193 million. Despite myriad of challenges occurred during the reporting period and year before, the Bank has recovered and rebounded to growth trajectory.

Fig. 9: Comparison of Profit before Tax (In Millions of Birr)



3. Customer Base Expansion

A coordinated effort has been exerted by branches, districts, and pertinent head office organs to increase the number of new deposit accounts during fiscal year 2021/22. However, with the view to maintain accounts that comply with the Bank's internal procedure and regulatory body's directive, account cleansing activities have been conducted and subsequently resulted in a closure of quite large number of accounts during the reporting period. As a result, the total number of deposit accounts of the Bank was forced to be maintained at 2,268,448 as of June 30, 2022, a 3% decline against previous year's performance. As of June 30, 2022, the number of card holders increased to 544,157 by 3% from the previous year's balance of 528,010. Similarly, E-float accounts increased by 41% to 331,414, mobile banking subscribers by 42% to 1,443,566 while Internet and agency banking users saw growth by 2% and 31% year-on-year respectively, to 11,762 and 2,712 users.

4. Accessibility

With the effort to serve customers in close proximity, the Bank strives to expand its accessibility by opening branches throughout the country. However, as the adverse effects of the war in the northern part of country coupled with other social and economic environment did not create a conducive environment and stymied the expansion effort of the Bank, it managed to open only two branches during the reporting period. Accordingly, the total number of branches of the Bank reached 400 as of June 30, 2022 among which 144 are found in Addis Ababa while the major portion is found under outlying districts. The total number of ATMs and PoS machines at the end of June 2022 stood at 298 and 429 respectively.

5. Human Capital

With the endeavour to enhance the sustainable competitive advantage in human capital, the Bank has organized the human capital management function at Chief Officer level and also streamlined the function to have three directorates with specialized roles. The Bank's total number of employees including contractual employees stood at 4,824 at the end of fiscal year 2021/22. This figure does not include those employees serving on outsourced facilities. The gender composition of the Bank's employees shows that 3,149 (66%) are male and 1,675 (34%) are female.

In a bid to help the Bank achieve its newly crafted five-year strategic plan, it has revised its organizational structure in alignment with the strategic plan with a view to maximize the stakeholder's value. In line with this, due consideration was also given to retain high caliber employees and accordingly a new salary scale was devised and commenced implementation effective April 1, 2022.

The other important development during the period under review was the attention given to enhance the execution capability of leadership and operational staff. In the reporting period, the Bank provided technical and developmental training to 3,019 managerial and operational staff with own capacity and external trainers. Accordingly, 1,899 leadership and operational staff were trained on various topics internally (62.9%) while 1,120 employees trained externally (37.1%).

6. Banking Technology

The bank has been constantly keeping abreast of emerging developments in the technology arena and making the necessary improvements in its IT and operational systems. In this regard, it has made huge investments in system resilience, availability, and optimization. The Bank has recently begun expanding its digital channels in order to better support its digitalization goal and enhancement of service offerings to customers.

Unequivocal direction was given to utilize in-house capacity to resolve technical issues that might arise in the digital channels. In support of this premise, the revised organizational structure has given emphasis for the digital platform and organized specialized functional units to support the envisaged digital excellence. Moreover, due attention was also given to the cybersecurity function under the information services platform to ensure the security of the Bank's digital environment. Various skill upgrading and certification trainings were delivered to the pertinent personnel engaged in the information technology function of the Bank.



ዋርካ 
Warka
የቁጠባ ሒሳብ አገልግሎት

ዋርካ በተሰኘው እድሜያቸው 50 እና ከዛ በላይ ለሆኑ የሀገር ባለውለታ ጎልማሶች በምንሰጠው ጠቀም ያለ ወለድ (ከመደበኛው ከፍ ያለ) ወለድ የሚታሰብለት የቁጠባ ሂሳብ አገልግሎት ይጠቀሙ።

7. Own Building

The Bank's headquarters enabled the Bank to circumvent its rent expenses in addition to its role of building the image of the Bank and generation of rent income from available space in excess of head office functional units. The Bank is striving to acquire its own branch office buildings in other regions of the country.

8. Risk Management and Compliance

Risk management is one of the Bank's key focus areas, which has been emphasized by structuring the function at the Chief Officer level. During the fiscal year, the function has prioritized risk management by identifying potential risk hot - spots, calculating the likelihood and potential consequences, implementing the best-fitting mitigating measures, and continuously monitoring both realized and future risks. In this regard, the Bank is constantly working to internalize risk management practices across the organization by embedding risk management in all operation of the Bank to implant risk management culture across the Bank. This has been achieved through ongoing awareness-raising training sessions, risk registering, monitoring risk indicators, and periodic risk assessment reports on credit, IFB financing, liquidity, market, strategic and operational risks.

On the compliance front, unwavering effort is being made to ensure that the operational activities of the Bank is in conformity with applicable laws, regulations, directives and the growing requirements of Anti-Money Laundering and the Financing of Terrorism, among others.

9. Internal Audit

Internal control systems serve as a checking mechanism to detect and correct errors as quickly as possible. Internal Audit function, which has been given impetus and organized at Chief Auditor level, provides a timely assessment and assurance on whether the Bank is complying with national and international regulatory requirements, own policies, procedures, and standards by cross-examining different functions of the Bank under various functional units. The Internal Audit function has been given the authority to give objective assurance on the operation of the Bank. In the fiscal year 2021/22, planned and special audit examinations were conducted on the overall operational activities of branches, as well as head office organs/processes and accordingly, 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

The Bank is operating in all geographic areas of the country and serving various social groups. As a financial institution, the Bank is inextricably linked to the society in various ways and required to foster trust and belongingness by sharing its successes with the society. In addition to upholding its profit motive, the Bank pledged to devote sufficient attention and resources to discharge its corporate social responsibility and support projects that promote community well-being.

Cognizant to this, the Bank made contribution to the Coalition of Civil Societies for Ethiopians (CoCSE) for a fund-raising event for internally displaced citizens, and extend donation to financially strengthen the newly established South Western Regional state. There was also a donation of chairs and tables to Weyira Kindergarten and Primary School in Kolfe Keraniyo Subcity. The donation made to the Children's Heart Fund of Ethiopia and donation to other relief organizations are worth mentioning. In general, the Bank stretched significant amount of money to discharge its corporate social responsibility activities in the FY 2021/22.

11. Moving Ahead

The Bank will strive to better contribute to the economic and social well-being of the country through aggressive resource mobilization, capital build-up, service excellence, and more importantly through extension of credit facility to help strengthen financial inclusion. Maintaining asset quality within the regulatory threshold is also the area of concern.

Moreover, Staff and technological development will be among the core areas that will be given attention.

Finally, by capitalizing on the lessons drawn from those challenging periods and engaging all stakeholders, unremitting effort will be exerted to aggressively work on revenue generation and expense reduction activities so as to ramp up profitability in the coming periods.

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Wegagen Bank



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AUDITOR'S REPORT



Wegagen Bank S.C

Financial Statement

For the Year Ended 30 June 2022

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 02,2021
Mr. Gebregzabher Hadush	Member	May 03,2021
Mr. Fithanegest Gebru	Member	May 03,2021
Mr. Mulu Bisrat	Member	February 02,2021

Executive Management

Name	Title	Date Appointed
Mr. Aklilu Wubet	Chief Executive Officer	January 11,2022
Mr. Kidane G/Sellassie	Chief Human Capital Officer	April 11,2022
Mr. Yehwalashet Zewdu	Chief Finance and Materials Mgt Officer	April 11,2022
Mr. Haile G/Egziabher	Chief Resource Mobilization & Digital Banking Officer	November 17,2021
Mr. Negassi Fisseha	Delegated, Chief Information Officer	March 14,2022
Mr. Geteye Mekuria	Chief Marketing and Strategy Officer	April 11,2022
Mr. Negasi G/Aregawi	Chief Internal Auditor	April 11,2022
Mr. Debela Merga	Chief Risk & Compliance Mgt Officer	November 17,2021
Mr. Hussien Amde	Chief Credit Officer	November 17,2021

Independent Auditor

Degefa and Tewodros Audit Sevice Partnership
 Authorised Auditors, Chartered Certified Accountants
 Addis Ababa, Ethiopia.

Principal Correspondent Banks

- Citi Bank
- Commerz Bank
- Masheq Bank PSC
- CAC Bank
- United Overseas Bank
- Exim Bank (Djibouti) S.A
- Africa Export Import Bank
- Bank of Africa
- Uni credit SAA
- Equity Bank
- Bank of China
- Natixis Bank
- Banque Pour Le'commerce et L' Industrie



Wegagen Bank S.C

Financial Statement

For the Year Ended 30 June 2022

Report of the Directors

The Directors submit their report together with the financial statements for the year ended 30 June 2022, 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, 2022, the paid up capital of the Bank reached Birr 3.39 Billion. As at June 30, 2022, the Bank has 5,834 shareholders and a network of 400 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 2022 are set out on page 37. The profit for the year has been transferred to retained earnings. The summarized results are presented below.

	30 June 2022 Birr'000	30 June 2021 Birr'000
Net Interest Income	2,246,188	2,462,003
Net operating income	3,190,548	2,661,443
Profit before tax	572,280	193,118
Tax charge	(20,881)	(66,396)
Profit for the year	551,399	126,722
Other comprehensive income net of taxes	(11,574)	(19,688)
Total comprehensive income for the year	539,825	107,034
Earnings Per Share	<u>16.6%</u>	<u>4.2%</u>

Mr. Abdishu Hussien
Chairman, Board of Directors



Wegagen Bank S.C

Financial Statement

For the Year Ended 30 June 2022

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 to 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 afore mentioned 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 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 37 to 40 were approved and authorized for issue by the board of directors and management on October 24,2022 and were signed on their behalf by:


Mr. Abdishu Hussien
Chairman, Board of Directors




Mr. Aklilu Wubet
Chief Executive Officers



Wegagen Bank S.C

Financial Statement

For the Year Ended 30 June 2022

Independent Auditors' Report to the Shareholders of Wegagen Bank S.C

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 2022, statement of financial position as at 30 June 2022, 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 2022 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 Financial Statement

For the Year Ended 30 June 2022

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 the matters described below to be the key audit matters to be communicated in our report.

<u>Key Audit Matter</u>	<u>How our Audit Addressed the key Audit matter</u>
<p>During our review of the financial records of the bank for the year ended 30 June 2022, we noted that the bank has large amount of outstanding loans and advances, cash balances, fixed assets and other un-cleared receivable balances at conflict zone in the northern part of Ethiopia. As the result, we have requested the bank to assess its maximum risk exposure in these areas and maintain adequate provision for all probable losses.</p> <p>The foregoing matter required us to have an in-depth discussion with Management and Board of the Directors of the bank to ensure whether this risk exposure has been catered for seriously.</p>	<p>We have addressed the matter:</p> <p>As it is national issue, the bank is communicating with stakeholders to come up with a coordinated way forward for handling these risk exposures. As of reporting date, there is limited information to specifically assess the risk. Hence, the Management has maintained maximum possible provision based on the available information.</p> <p>In addition, we have checked implementation and outcome of last year action plan and further requested the bank to provide us revised action plan to adequately mitigate the risks associated with its financial and non-financial resources located at the conflict zones. Thus, the bank prepared revised action plan based on its rough assessment of the situation with respective risk mitigation strategies.</p>



Wegagen Bank S.C

Financial Statement

For the Year Ended 30 June 2022

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.



Degefa & Tewodros Audit Services

Partnership

Chartered Certified Accountants

Addis Ababa

November 7, 2022

Wegagen Bank S.C

Financial Statement

For the Year Ended 30 June 2022

Statement of Profit or Loss and Other Comprehensive Income

	Notes	30 June 2022 Birr'000	30 June 2021 Birr'000
Interest income	5	4,052,487	3,928,065
Interest expense	6	(1,806,299)	(1,466,062)
Net interest income		2,246,188	2,462,003
Net fees and commission income	7	897,399	1,053,555
Net Trading Income		3,143,587	3,515,558
Other operating income	8	40,619	25,931
Loan impairment charge	9	(107,386)	(789,497)
Impairment losses on other assets	10	113,728	(90,548)
Net operating income		3,190,548	2,661,443
Salaries and benefits	11	(1,599,521)	(1,501,791)
Amortization of intangible assets	19	(26,925)	(21,680)
Depreciation of property, plant and equipment	20	(157,045)	(148,803)
Depreciation of right of use asset	20 a	(243,587)	(233,298)
Other operating expenses	12	(587,897)	(560,913)
Audit fees		(883)	(518)
Directors' related expenses		(2,411)	(1,323)
Total Operating Expenses		(2,618,268)	(2,468,326)
Profit before tax		572,280	193,118
Income tax expense	13.a	(20,881)	(66,396)
Profit after tax		551,399	126,722
Other comprehensive income (OCI) net of income tax			
Remeasurement loss on retirement benefits	24	(28,348)	(21,323)
Fair value gain of Equity Investments		16,774	1,635
Total Other comprehensive income(net of tax)		(11,574)	(19,688)
Total comprehensive income for the period		539,825	107,035
Basic & diluted earnings Per Share	26	16.6%	4.2%

The accompanying notes are an integral part of these financial statements. The financial statements were approved and authorised for issue by the Directors and Management on October 24, 2022 and were signed on their behalf by:


 Mr. Abdishu Hussien
 Chairman, Board of Directors




 Mr. Akililu Wubet
 Chief Executive Officers



Wegagen Bank S.C

Financial Statement

For the Year Ended 30 June 2022

Statement of Financial Position as of 30 June 2022

	Notes	30 June 2022 Birr'000	30 June 2021 Birr'000
ASSETS			
Cash and bank balances	14	10,322,284	4,847,309
Loans and advances to customers	15	28,911,161	26,037,179
Investment securities:			
- Equity Investments at FVOCI	16a	110,210	77,962
- Debt Securities at Amortized Cost	16b	272,354	5,398,283
Other assets	17	1,324,131	991,782
Investment property	18	577	595
Intangible assets	19	58,546	60,183
Property, Plant and Equipment	20	1,443,687	1,541,438
Right of Use Asset	20 a	678,719	700,878
Total assets		43,121,669	39,655,610
LIABILITIES			
Deposit from customers	21	31,791,632	29,581,108
Deposit from financial institutions	22	2,124,111	1,910,087
Current tax liabilities	13c	30,035	58,777
Other liabilities	23	3,349,919	2,913,637
Employee benefit obligations	24	167,130	117,655
Deferred tax liabilities	13d	44,778	59,432
Total liabilities		37,507,605	34,640,697
EQUITY			
Share capital	25	3,391,294	3,282,041
Share premium	25	42,787	46,284
Retained earnings	27	223,398	(125,416)
Legal reserve	28a	1,584,866	1,447,016
Regulatory Risk Reserve	28b	402,896	384,592
Other Reserve	28c	(31,177)	(19,604)
Total equity		5,614,064	5,014,913
Total equity and liabilities		43,121,669	39,655,610

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 24, 2022 and were signed on their behalf by:




 Mr. Abdishu Hussien
 Chairman, Board of Directors






 Mr. Aklilu Wubet
 Chief Executive Officers

Wegagen Bank S.C

Financial Statement

For the Year Ended 30 June 2022

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 2020	2,891,562	38,487	518,003	1,415,335	244,098	85	5,107,570
Contributions to equity	334,959		(334,959)	-			-
Dividend declared	-	-	(183,044)	-			(183,044)
New shares issued	55,520	7,797	-				63,317
Fair value gain of Equity investments (net of tax)						1,635	1,635
Profit for the year			126,722				126,722
Remeasurement of Defined Benefit plans (net of tax)						(21,324)	(21,324)
Prior period tax adjustment			(78,963)				(78,963)
Directors' share of profit	-	-	(1,000)	-			(1,000)
Transfer to legal reserve	-	-	(31,681)	31,681			-
Transfer from Regulatory Risk Reserve	-	-	(140,494)		140,494		-
As at 30 June 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
Reversal of previous year directors' share of profit	-	-	1,000	-			1,000
Impairment on Loans			-				-
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)				(54,283)
Directors' share of profit	-	-	-	-			-
Transfer to legal reserve	-	-	(137,850)	137,850			-
Transfer to Regulatory Risk Reserve			(18,304)		18,304		-
As at 30 June 2022	3,391,294	42,787	223,398	1,584,866	402,897	(31,178)	5,614,064

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 24, 2022 and were signed on their behalf by:



 Mr. Abdishu Hussien
 Chairman, Board of Directors





 Mr. Aklilu Wubet
 Chief Executive Officers

Wegagen Bank S.C Financial Statement

For the Year Ended 30 June 2022

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 and the Licensing and Supervision of Banking Business Proclamation No. 84/1994. As at June 30, 2022, the paid up capital of the Bank reached Birr 3.39 billion contributed by 5,834 shareholders.

The Bank’s registered office is at Kirkos sub city, Wereda 7, in front of National Stadium, in Addis Ababa, Ethiopia. However, it operates in all the twelve regions and two city administrations of Ethiopia by opening 400 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 2022 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

Financial Statement

For the Year Ended 30 June 2022

Notes to the financial statement

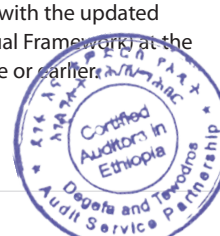
2.2.1 Going concern

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
IAS 1 — Presentation of Financial Statements	IAS 1 "Presentation of Financial Statements" sets out the overall requirements for financial statements, including how they should be structured, the minimum requirements for their content and overriding concepts such as going concern, the accrual basis of accounting and the current/non-current distinction. The standard requires a complete set of financial statements to comprise a statement of financial position, a statement of profit or loss and other comprehensive income, a statement of changes in equity and a statement of cash flows.	The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and are to be applied retrospectively. Earlier application is permitted.	The Bank has opted not to adopt early. No significant impact is expected.
Property, Plant and Equipment — Proceeds before Intended Use (Amendments to IAS 16)	The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss.	Annual reporting periods beginning on or after 1 January 2022	The Bank opted to apply the amendments when due.
IAS 37, Provision, contingent liabilities and contingent assets	IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" outlines the accounting for provisions (liabilities of uncertain timing or amount), together with contingent assets (possible assets) and contingent liabilities (possible obligations and present obligations that are not probable or not reliably measurable).	The amendments are effective for annual periods beginning on or after January 1, 2022. Early application is permitted.	The Bank opted to apply the amendments when due.
IFRS 3, Business combination	IFRS 3 "Business Combinations" outlines the accounting when an acquirer obtains control of a business (e.g. an acquisition or merger). Such business combinations are accounted for using the 'acquisition method', which generally requires assets acquired and liabilities assumed to be measured at their fair values at the acquisition date.	The amendments are effective for annual periods beginning on or after January 1, 2022. Early application is permitted if an entity also applies all other updated references (published together with the updated Conceptual Framework) at the same time or earlier.	The standard is not relevant for the Bank's reporting purpose as of now. The amendments shall be considered when the Bank gets involved in a transaction that involve business combination



Wegagen Bank S.C

Financial Statement

For the Year Ended 30 June 2022

Annual Improvements to IFRS Standards 2018–2020	IFRS 9 – The amendment clarifies which fees an entity includes when it applies the ‘10 per cent’ test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other’s behalf.	The improvements are effective for annual reporting periods beginning on or after 1 January 2022. Early application is permitted.	The bank shall apply the improvements when due. The improvements are not expected to have a significant impact on the bank’s financial statements.
	IFRS 16 – The amendment to Illustrative Example 13 accompanying IFRS 16 removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example.		
	IAS 41 – The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique.		
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	The standard is not relevant for the Bank’s reporting purpose.
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	The bank shall apply the amendment when due. The amendments are not expected to have an impact on the bank’s financial statements.
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 not 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

Financial Statement

For the Year Ended 30 June 2022

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.



Wegagen Bank S.C Financial Statement

For the Year Ended 30 June 2022

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

Financial Statement

For the Year Ended 30 June 2022

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.

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).



Wegagen Bank S.C

Financial Statement

For the Year Ended 30 June 2022

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
- 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.



Wegagen Bank S.C

Financial Statement

For the Year Ended 30 June 2022

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.

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:



Wegagen Bank S.C

Financial Statement

For the Year Ended 30 June 2022

- 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 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.



Wegagen Bank S.C

Financial Statement

For the Year Ended 30 June 2022

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.

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;



Wegagen Bank S.C

Financial Statement

For the Year Ended 30 June 2022

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.

Credit risk grades are a primary in put 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.



Wegagen Bank S.C

Financial Statement

For the Year Ended 30 June 2022

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.

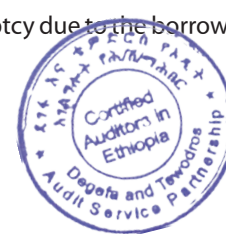
If there is evidence that there is no longer a significant increase in credit risk relative to initial recognition, then the loss allowance on an instrument returns to being measured as 12-month ECL. Some qualitative indicators such as delinquency or forbearance, may be indicative of an increased risk 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)

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.



Wegagen Bank S.C

Financial Statement

For the Year Ended 30 June 2022

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 counter parties. The LGD models consider the structure, collateral, seniority of the claim, counter party 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 counter party 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.



Wegagen Bank S.C

Financial Statement

For the Year Ended 30 June 2022

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.

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.



Wegagen Bank S.C

Financial Statement

For the Year Ended 30 June 2022

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.

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

Financial Statement

For the Year Ended 30 June 2022

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.

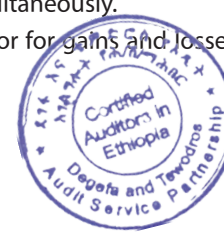
The Bank shall derecognise a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms shall be recognised at fair value. The difference between the carrying amount of the 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.

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.



Wegagen Bank S.C

Financial Statement

For the Year Ended 30 June 2022

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.

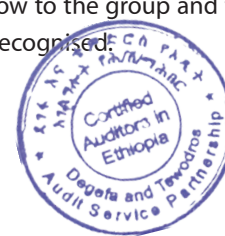
2.7 Cash and Cash Equivalents

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.



Wegagen Bank S.C

Financial Statement

For the Year Ended 30 June 2022

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.

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.



Wegagen Bank S.C

Financial Statement

For the Year Ended 30 June 2022

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.

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.



Wegagen Bank S.C

Financial Statement

For the Year Ended 30 June 2022

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.

(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.



Wegagen Bank S.C

Financial Statement

For the Year Ended 30 June 2022

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 two defined contribution plans;

- i) 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;
- ii) 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.



Wegagen Bank S.C

Financial Statement

For the Year Ended 30 June 2022

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 Profit or loss 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.

(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.



Wegagen Bank S.C

Financial Statement

For the Year Ended 30 June 2022

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:

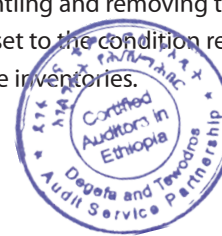
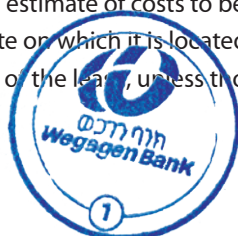
- _ an increase in non-current assets as obligations to make future payments under leases previously classified as an operating lease were recognized on the balance sheet, along with the corresponding asset: right-of-use asset.
- _ Expenditure on operation has decreased and finance cost have increased, 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.



Wegagen Bank S.C

Financial Statement

For the Year Ended 30 June 2022

- _ 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 or 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.



Wegagen Bank S.C

Financial Statement

For the Year Ended 30 June 2022

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.



Wegagen Bank S.C

Financial Statement

For the Year Ended 30 June 2022

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 loans and receivables

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.



Wegagen Bank S.C Financial Statement

For the Year Ended 30 June 2022

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.



Wegagen Bank S.C

Financial Statement

For the Year Ended 30 June 2022

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.

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.



Wegagen Bank S.C

Financial Statement

For the Year Ended 30 June 2022

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, 2022

Financial assets (Birr '000)				
Financial assets	Classification under IFRS 9	30-Jun-21	Increase/ decrease	30-Jun-22
		Original carrying amount		New carrying amount under IFRS 9
Cash and bank balances	Amortised cost	4,847,309	5,474,975	10,322,284
Loans and advances to customers (net)	Amortised cost	26,037,179	2,873,982	28,911,161
Equity Investments at FVOCI	FVOCI	77,962	32,247	110,210
Investment securities: Loans and receivables	Amortised cost	5,398,283	(5,125,929)	272,354
Other financial assets at amortised cost	Amortised cost	991,782	332,349	1,324,131
Total financial assets		37,352,516	3,587,624	40,940,139
Financial liabilities				
Deposits from customers	Amortised cost	29,581,108	2,210,525	31,791,632
Deposit from financial institutions	Amortised cost	1,910,087	214,023	2,124,111
Other financial liabilities	Amortised cost	2,130,862	1,219,056	3,349,919
Total financial liabilities		33,622,058	3,643,604	37,265,662

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.



Wegagen Bank S.C

Financial Statement

For the Year Ended 30 June 2022

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 the risk of financial loss to the Bank if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Bank's loans and advances to customers and other banks and investment securities and other financial assets. The Bank adopts a 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:

	30 June 2022 Birr'000	30 June 2021 Birr'000
Manufacturing	4,448,860	4,009,083
Domestic Trade and Services	5,995,374	5,406,287
Construction	4,603,894	3,921,198
Transport Service	1,256,572	1,109,082
Export	7,648,603	7,756,109
Import	4,775,830	3,542,099
Staff loans	1,192,479	1,185,967
IFB-Financing & Investments	351,445	361,866
	30,273,057	27,291,690





Wegagen Bank S.C

Financial Statement

For the Year Ended 30 June 2022

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 (2022) and available-for-sale debt assets (2022). 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.

Wegagen Bank S.c

Credit Quality Analysis for Loans and Advances

In Birr'000	2022			Total	2021 Total
	Stage 1	Stage 2	Stage 3		
Loans & advances to customers at amortised cost					
Stage 1 – Pass	26,482,135			26,482,135	22,986,006
Stage 2 – Special mention		541,207		541,207	1,698,845
Stage 3 - Non performing			3,249,716	3,249,716	2,954,396
Total gross exposure	26,482,135	541,207	3,249,716	30,273,057	27,639,247
Loss allowance	326,990	9,568	1,025,289	1,361,846	1,254,425
Net carrying amount	26,155,145	531,640	2,224,427	28,911,211	26,384,822

Wegagen Bank S.c

Credit Quality Analysis for Others Assets

In Birr'000	2022			
	Stage	Gross Exposure	Loss allowance	Net carrying amount
Cash and balances with banks	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



Wegagen Bank S.C

Financial Statement

For the Year Ended 30 June 2022

Wegagen Bank S.c

Credit Quality Analysis for others Assets

In Birr'000	2021			
	Stage	Gross Exposure	Loss allowance	Net carrying amount
Cash and bank balances	12 Month ECL	4,847,309	(71)	4,847,238
Investment securities (debt instruments)	12 Month ECL	5,288,962	(269)	5,288,693
Other receivables and financial assets	Lifetime ECL	1,487,175	(33,315)	1,453,860
Emergency staff loans	Lifetime ECL	284,103	(14)	284,089
Totals		11,907,549	(33,669)	11,873,879

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.



Wegagen Bank S.C

Financial Statement

For the Year Ended 30 June 2022

Collateral Held ('000)

Type of financial asset	30-Jun-22	30-Jun-21	Principal type of collateral held
Loans and Advances	44,336,405	43,424,575	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	Services imports, 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	Real GDP, LCU (2010 prices)	Real GDP, USD (2010 prices)	-	-
Cluster 4 Export, Import, Advance against import bills, International Trade	Goods imports, USD	Consumer price index inflation, 2010=100, eop	Real GDP, USD (2010 prices)	Current account balance, USD	Import cover months



Wegagen Bank S.C

Financial Statement

For the Year Ended 30 June 2022

The economic scenarios used as at 30 June 2022 included the following key indicators for Ethiopia for the years 2021 to 2023:

MACRO-ECONOMIC FACTOR	30-Jun-21	30-Jun-22	30-Jun-23
INFLATION: Consumer price index, 2010 =100 avg	447	585	335
REAL GDP: GDP per capita, USD	545	549	278
EXPORTS OF GOODS AND SERVICES, USD	7,062	7,949	4,312
EXPORTS OF GOODS AND SERVICES, ETBbn	278,927	382,338	223,026
REAL EFFECTIVE EXCHANGE RATE INDEX	60	27	10
IMPORTS OF GOODS AND SERVICES, USD	15,741	15,481	7,917
CONSUMER PRICE INDEX INFLATION,2010=100,eop	440	581	328
IMPORTS OF GOODS AND SERVICES, ETBBN	616,897	740,831	409,549
GOVERNMENT DOMESTIC DEBT, ETBBN	1,029,705	1,311,530	741,300
PRIVATE FINAL CONSUMPTION, USDBN	68,171	74,903	40,529
HOUSEHOLD SPENDING, ETBBN	3,112,045	4,197,597	2,446,608
GOODS EXPORTS, USD	3,626	4,022	2,023
GOODS IMPORTS, USD	13,056	14,996	7,821
SERVICES IMPORT,USD	5,530	5,858	3,032
REAL GDP,LCU (2010 prices)	913,754,000,000	944,211,000,000	484,272,500,000
REAL GDP,USD (2010 prices)	63,412,863,646	65,526,523,984	33,607,629,636
CONSUMER PRICE INDEX INFLATION,2010=100,eop	440	581	328
IMPORT COVER MONTHS	2	2	1
CURRENT ACCOUNT BALANCE,USD	(3,353.00)	(4,482.00)	(2,489.00)
TOTAL GOVERNMENT DEBT, USDbn	55,355	60,625	32,895

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	97%	3	0
Cluster 2	94%	3	3%
Cluster 3	91%	4.5	4.50%
Cluster 4	94%	3	2%

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.



Wegagen Bank S.C

Financial Statement

For the Year Ended 30 June 2022

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 2021 represent the allowance account for credit losses and reflect the measurement basis under IFRS 9.

Loans and advances to customers at amortised cost (on balance sheet exposures) In Birr'000	2022				2021
	Stage 1	Stage 2	Stage 3	Total	Total
Balance at 1 July	296,209	42,084	916,133	1,254,425	456,310
Transfer to 12 months ECL	233,976	(7,861)	(8,251)	217,864	0
Transfer to Lifetime ECL not credit impaired	(5,958)	2,204	(43)	(3,797)	-
Transfer to Lifetime ECL credit impaired	(549,072)	(32,485)	433,369	(148,188)	798,100
Net remeasurement of Loss allowance	(24,845)	68,911	474,470	518,536	
Net financial assets originated or purchased	76,902	1,362	10,413	88,677	97,036
Financial assets derecognised	(50,549)	(5,533)	(318,628)	(374,710)	
Balance at 30 June	326,990	9,568	1,025,339	1,361,896	1,254,510

Loan commitments and financial guarantee contracts (off balance sheet exposures) In Birr'000	2022				2021
	Stage 1	Stage 2	Stage 3	Total	Total
Balance at 1 July	99	-		99	8,694
Transfer to 12 months ECL				-	-
Transfer to Lifetime ECL not credit impaired	(87)			(87)	(8,574)
Transfer to Lifetime ECL credit impaired				-	-
Net remeasurement of Loss allowance				-	
Net financial assets originated or purchased				-	
Financial assets derecognised				-	
Balance at 30 June	12			12	99

Other financial assets In Birr'000	2022				
	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



Wegagen Bank S.C

Financial Statement

For the Year Ended 30 June 2022

Other financial assets	2021				
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	20	310	9	726	1,064
Net remeasurement of loss allowance	9	(41)	6	184,516	184,490
New financial assets originated or purchased				-	-
Balance as at 30 June	29	269	14	185,242	185,554

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.



Wegagen Bank S.C

Financial Statement

For the Year Ended 30 June 2022

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. 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



Wegagen Bank S.C

Financial Statement

For the Year Ended 30 June 2022

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, 2021 stood at 17.1%, 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 2022

	Below 1 year	1-3 years	Over 3 years
	Birr'000	Birr'000	Birr'000
ASSETS			
Cash and Bank Balances	10,322,284		
Debt Securities at Amortized Cost	-	260,428	11,926
Loans and advances	8,389,585.98	9,282,975	12,600,497
Other assets	1,324,131		
TOTAL	20,036,001	9,543,402	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)	9,539,202	12,612,423
Cumulative Mismatch	(12,920,861)	(3,381,659)	9,230,764

30 June 2021

	Below 1 year	1-3 years	Over 3 years
	Birr'000	Birr'000	Birr'000
ASSETS			
Cash and Bank Balances	4,847,309		
Debt Securities at Amortized Cost	2,873,408	2,456,417	68,459
Loans and advances	8,523,662	13,135,135	4,378,382
Other assets	26,413		
TOTAL	16,270,792	15,591,552	4,446,841
LIABILITIES			
Deposits	18,033,645	11,553,354	72,072
Other liabilities	2,130,862		
Income Tax payable	58,958		
TOTAL	20,223,465	11,553,354	72,072
Net Mismatch	(3,952,674)	4,038,198	4,374,769
Cumulative Mismatch	(3,952,674)	85,524	4,460,293



Wegagen Bank S.C

Financial Statement

For the Year Ended 30 June 2022

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) 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.



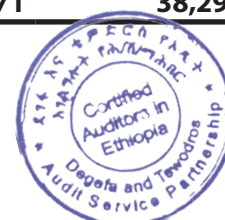
Wegagen Bank S.C

Financial Statement

For the Year Ended 30 June 2022

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

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 (net)	28,911,161		28,911,161
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	4,683,067	40,330,957
30 June 2021	Fixed Birr'000	Non-interest bearing Birr'000	Total Birr'000
Financial assets			
Cash and bank balances		4,847,309	4,847,309
Loans and advances to customers	26,037,179		26,037,179
Investment securities;		-	-
Equity Investments at FVOCI		77,962	77,962
Debt Securities at Amortized Cost	5,398,283		5,398,283
Other Financial Assets		26,413	26,413
Total	31,435,462	4,951,684	36,387,146
Financial liabilities			
Deposits from customers	29,581,108		29,581,108
Deposits from Financial Institutions	1,910,087		1,910,087
Guarantees issued		2,326,847	2,326,847
Letter of credit		1,345,362	1,345,362
Loan commitments	1,001,942		1,001,942
Other Financial liabilities		2,130,862	2,130,862
Total	32,493,138	5,803,071	38,296,209



Wegagen Bank S.C

Financial Statement

For the Year Ended 30 June 2022

(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

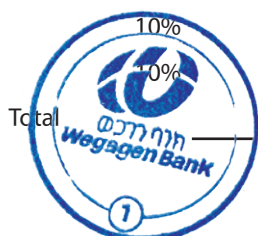
Cash and bank balances;	30 June 2022 Birr'000	30 June 2021 Birr'000
USD	806,846	1,236,809
GBP	1,423	8,929
Euro	21,446	119,362
Other currencies	26,122	77,336
	855,837	1,442,436

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 22	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%	80,684.61	(80,685)
GBP	10%	142	(142)
Euro	10%	2,145	(2,145)
Total		82,972	(82,972)

30 June 2021	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%	123,681	(123,681)
GBP	10%	893	(893)
Euro	10%	11,936	(11,936)
Total		136,510	(136,510)



Wegagen Bank S.C

Financial Statement

For the Year Ended 30 June 2022

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

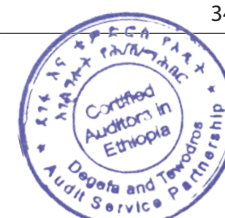
The Bank's objectives when managing capital are to comply with the capital requirements set by the National Bank of Ethiopia, safeguard its ability to continue as a going concern, and to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development 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, 2022, the ratio stood at 15% showing a marginal increase by 1% compared with same period last year. This arises because of an expansion of capital and a decrease in risk weighted assets during the fiscal year ended June 30, 2022.

	30 June 2022 Birr'000	30 June 2021 Birr'000
Capital		
Share capital	3,391,294	3,282,041
Share premium	42,787	46,284
Retained earnings	223,398	(125,270)
Legal reserve	1,584,866	1,447,064
Regulatory Risk Reserve	402,896	384,593
Total regulatory capital	5,018,947	4,775,389
Total risk weighted assets	33,168,058	34,687,130
Capital Adequacy Ratio (CAR)	15%	14%
Minimum Capital Adequacy ratio	8%	8%



Wegagen Bank S.C

Financial Statement

For the Year Ended 30 June 2022

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 date 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.

4.8.2 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.



Wegagen Bank S.C

Financial Statement

For the Year Ended 30 June 2022

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 Financial 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 Financial 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
30 June 2021						
Financial assets						
Cash and Bank Balances	4,847,309	4,847,309	4,847,309			4,847,309
Loans and advances to customers	26,037,179	26,037,179			26,037,179	26,037,179
Investment securities;						
- Loans and receivables	5,398,283	5,398,283			5,398,283	5,398,283
- Available for Sale securities	50,768	77,962			77,962	77,962
Other Assets	480,356	480,356			480,356	480,356
Total	36,813,895	36,841,089	4,847,309	-	31,993,780	36,841,089
Financial liabilities						
Deposits from customers	29,581,108	29,581,108			29,581,108	29,581,108
Deposit from financial institutions	1,910,087	1,910,087			1,910,087	1,910,087
Other liabilities	2,130,862	2,130,862			2,130,862	2,130,862
Total	33,622,058	33,622,058	-	-	33,622,058	33,622,058

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.





Wegagen Bank S.C Financial Statement

For the Year Ended 30 June 2022

	30 June 2022 Birr'000	30 June 2021 Birr'000
5 Interest income		
Treasury Bill	220,379	36,051
Loans and advances to customers	3,707,257	3,621,216
Investment securities	123,227	268,648
Interest Income on Corrospendent Bank Accounts	1,624	2,149
	4,052,487	3,928,065
	30 June 2022 Birr'000	30 June 2021 Birr'000
6 Interest expense		
Saving deposits	1,127,589	1,067,489
Fixed time deposits	516,154	356,775
Current deposits	6,075	5,971
Short term borrowing	128,409	13,385
Leases	28,072	22,442
	1,806,299	1,466,062
	30 June 2022 Birr'000	30 June 2021 Birr'000
7 Net fees and commission income		
Commission and fees on L/C	790,127	900,426
Commission on Gurantees	35,317	89,244
Agent Banking Fee	9,305	11,633
ATM Transaction Fees-Foreign	997	1,236
ATM Transaction Fees-Local	1,919	2,176
Commission on CPO issued	758	1,029
Credit Information Charge	3,935	4,203
Service Charge-Local	9,675	-
SWIFT charges	11,082	5,999
Commission Sundries	13,855	20,879
Commission & Charges from IFB	20,399	16,337
Commission and Fees on Fund transfers	31	394
	897,399	1,053,555



Wegagen Bank S.C

Financial Statement

For the Year Ended 30 June 2022

	30 June 2022 Birr'000	30 June 2021 Birr'000
8 Other operating income		
Rental income	13,386	7,645
Estimation fees	839	768
Cash Surplus	33	92
Rebates	848	1,599
Fee on Bounced Checks	42	66
Dividend income	6,056	4,234
Gain on Disposal of Old Assets	3,023	991
Card purchase & replacement income	1,721	2,929
Sundries-Local	14,670	7,607
	40,619	25,931
	30 June 2022 Birr'000	30 June 2021 Birr'000
9 Loan impairment charge		
Loans and Advances - charge for the year (note 15b)	107,386	789,497
Loans and Advances - reversal of provision (note 15b)		-
	107,386	789,497
	30 June 2022 Birr'000	30 June 2021 Birr'000
10 Impairment losses on other assets		
Other assets - charge for the year (note 17a)	-	90,589
Other assets - reversal of impairment losses (note 17a)	(113,667)	(41)
	(113,667)	90,548
	30 June 2022 Birr'000	30 June 2021 Birr'000
11 Salaries and benefits		
Employee salaries	898,690	878,027
Outsourced employee salaries	148,169	89,924
Pension costs	79,372	100,577
Short-term employee benefits	444,728	416,580
Severance pay- Defined benefit plan	28,562	16,683
	1,599,521	1,501,791





Wegagen Bank S.C

Financial Statement

For the Year Ended 30 June 2022

	30 June 2022 Birr'000	30 June 2021 Birr'000
12 Other operating expenses		
Advertisement & Publicity	54,258	45,361
Agent Banking	1,518	8,671
Bank Charges	6,222	6,729
Broad Band Expense	9,383	6,402
Card payment Charges	47,779	30,805
Consultant Fee	60	1,350
Communication expenses	5,159	14,059
Consumables	10,858	16,209
Donations	8,304	17,190
Ethswitch Charges	4,187	4,736
Stamp Duty Expense	457	781
Entertainment	2,081	2,883
Event organization expense	2,993	772
Insurance	9,578	11,759
IT support charges	33,124	24,503
Legal and professional fees	10,286	39
License Fee and Taxes	2,392	3,790
Loss on Disposal of fixed assets	3,653	659
Maintenance	27,447	21,306
Membership Fee	563	282
Money transfer charges	7,797	12,824
Penalty Expense	393	2,903
Perdiem and Travel	7,225	8,268
Petrol and Oil	12,021	10,380
Printing and stationary	9,773	10,549
Rental expenses	2,188	4,495
Subscription & Publication	537	546
Sundries	8,666	6,271
Uniform	10,803	9,408
Utilities	6,746	5,971
Loss on foreign exchange Dealing	279,734	269,078
Wages for non-permanent employees.	1,709	1,937
	587,897	560,913



Wegagen Bank S.C

Financial Statement

For the Year Ended 30 June 2022

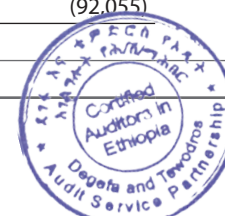
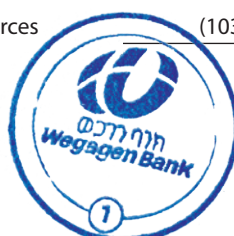
	30 June 2022 Birr'000	30 June 2021 Birr'000
13 Company income and deferred tax		
13.a Current income tax		
Company income tax	30,575	60,790
Deferred income tax/(credit) to profit or loss	(9,694)	5,606
Total charge to profit or loss	20,881	66,396
Tax (credit) on other comprehensive income	(4,960)	(8,437)
Total tax in statement of comprehensive income	15,921	57,958

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 2022 Birr'000	30 June 2021 Birr'000	
Profit before tax	572,280	193,118	
Tax calculated at statutory tax rate of 30 %	171,684	57,935	
Add: Entertainment	624	865	
Donation	216	16	
Penalty	118	871	
Provision for Legal cases	2,968	0	
Employee Severance benefits expensed	8,573	5,005	
Loss on disposal of fixed assets	1,096	198	
Provision for loans and other assets	(1,903)	264,014	
Depreciation for accounting purpose	47,114	44,641	
Depreciation and int. expense IFRS 16	81,498	76,722	
Amortization for accounting purpose	8,077	6,504	
Loss on FCY revaluation	28,292	54,658	
Life Insurance	4,672	4,810	
Staff Loan Fair valuation expense	15,496	4,555	
Accrue leave Expense	12,028	18,618.82	
	208,868	481,477	
Less:			
Depreciation for tax purpose	(59,246)	(59,334)	
Amortization for tax purpose	(7,615)	(7,285)	
Rent expense	(93,390)	(75,490)	
Employee severance paid in cash	(3,603)	(1,205)	
Provision for loans and other assets	(78,405)	(241,984)	
Accrued leave paid in cash to resigned staffs	(2,307)	-	
Interest income from correspondent bank accounts taxed at 5%	(513)	-	
Dividend income taxed at source	(1,817)	(1,270)	
Interest income exempt/taxed at Sources	(103,082)	(92,055)	

(349,977)	(478,623)
30,575	60,790



Wegagen Bank S.C

Financial Statement

For the Year Ended 30 June 2022

	30 June 2022 Birr'000	30 June 2021 Birr'000
13.c Current income tax liability		
Balance at the beginning of the year	58,777	220,572
Charge for the year:		
Income tax expense	30,575	60,790
Payment during the year	(58,777)	(220,572)
Withholding tax	(540)	(138)
Prior period tax adjustment	-	(1,875)
Balance at the end of the year	30,035	58,777

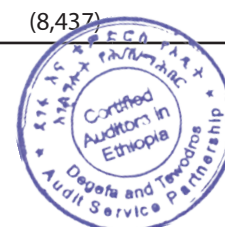
The income tax payable during the period are current in nature.

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 2021 Birr'000	Credit/ (charge) to		30 June 2022 Birr'000
		P/L	OCI	
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

Deferred income tax assets/(liabilities):	At 1 July 2020 Birr'000	Credit/ (charge) to		30 June 2021 Birr'000
		P/L	equity	
Property, plant and equipment	77,164	9,406		86,570
Post employment benefit obligation	(22,358)	(3,800)	(9,138)	(35,296)
Equity Investments	7,458		701	8,159
Total deferred tax assets/ (liabilities)	62,264	5,606	(8,437)	59,433



Wegagen Bank S.C

Financial Statement

For the Year Ended 30 June 2022

	30 June 2022 Birr'000	30 June 2021 Birr'000
14 Cash and bank balances		
Cash in hand	844,509	1,023,549
Deposit with local commercial banks	499,102.3	617,251.0
Deposit with foreign banks	798,996.6	1,426,393
Deposit with National Bank of Ethiopia	4,180,966	1,780,145
Treasury Bills	3,998,730	-
Impairment Allowance for cash	(21)	(29)
	10,322,284	4,847,309

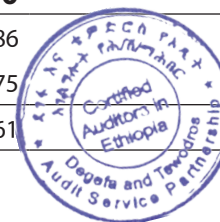
Maturity analysis

	30 June 2022 Birr'000	30 June 2021 Birr'000
Current	7,961,512	3,268,033
Non-Current	2,360,772	1,579,276
	10,322,284	4,847,309

	30 June 2022 Birr'000	30 June 2021 Birr'000
15 Loans and advances to customers		
15a. Loans and advances to customers		
Manufacturing	4,448,860	4,009,083
Domestic Trade and Services	5,995,374	5,406,287
Construction	4,603,894	3,921,198
Transport Service	1,256,572	1,109,082
Export	7,648,603	7,756,109
Import	4,775,830	3,542,099
Staff loans	1,192,479	1,185,967
IFB-Financing & Investments	351,445	361,866
Gross amount	30,273,057	27,291,690
Less: Impairment allowance (note 15b)	(1,361,896)	(1,254,510)
	28,911,161	26,037,179

Maturity analysis

	30 June 2022 Birr'000	30 June 2021 Birr'000
Current	8,389,586	8,523,662
Non-Current	20,521,575	17,513,517
	28,911,161	26,037,179



Wegagen Bank S.C

Financial Statement

For the Year Ended 30 June 2022

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:

Allowance for loan impairment	As at 1 July 2021 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	852,147		(650,337)	201,810
Import	51,813		120,711	172,525
Manufacturing	44,599		343,739	388,338
Staff loans	3,755		(586)	3,170
Transport Service	24,278		6,214	30,493
Guarantee	65		(52)	12
Letter of Credit	21		17	38
	1,254,510	-	107,386	1,361,896

Allowance for loan impairment	As at 1 July 2020 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 2021 Birr'000
Construction	234,397			(45,652)	188,745
Domestic Trade and Services	81,687			7,398	89,085
Export	75,116			758,539	833,655
Import	24,981			26,833	51,814
Manufacturing	19,972			24,627	44,599
Staff loans	3,417			338	3,755
Transport Service	25,443			(1,165)	24,278
FB-Financing & Investments				18,578	18,578
	465,013		-	789,496	1,254,509



Wegagen Bank S.C

Financial Statement

For the Year Ended 30 June 2022

	30 June 2022 Cost Birr'000	Fair value Adjustment	30 June 2022 Birr'000	30 June 2021 Birr'000
16 Investment Securities				
16a Equity Investment securities at FVOCI				
Ethio switch	14,482	46,366	60,848	42,921
Africa Insurance S.C	15,798	3,493	19,291	16,019
Addis Ababa Exhibition & Con. Center	15,000	(859)	14,141	6,454
Ethiopian Reinsurance S.C	13,772	2,158	15,930	12,569
			-	-
	59,052	51,158	110,210	77,962

All the above equity investments are made in unquoted companies whose fair value is determined on net asset basis.

	30 June 2022 Birr'000	30 June 2021 Birr'000
Investment in Debt Securities		
16b Ethiopian Government Securities	272,570	5,398,552
Impairment Allowance for Debt Securities	(216)	(269)
Balance	272,354	5,398,283
Maturity analysis		
Current	-	5,125,982
Non-Current	272,570	272,570
	272,570	5,398,552





Wegagen Bank S.C Financial Statement

For the Year Ended 30 June 2022

	30 June 2022 Birr'000	30 June 2021 Birr'000
Other assets		
17 Financial assets		
Staff receivables	1,436	2,231
Receivable from money transfer agents	2,189	9,332
Receivable from VISA	3,337	11,433
Receivable from Master Card	30	1,704
Eth-switch Receivable	17,797	2,898
Other receivables	764,253	637,999
Gross amount	789,041	665,598
Less: Impairment allowance (note 17a)	(71,575)	(185,242)
	717,466	480,356
Non-financial assets		
Prepayments	16,586	11,476
Prepaid expenses on staff loans	332,084	305,306
Inventory	62,293	52,976
Repossessed properties	154,536	114,281
Cash Shortage	41,166	27,387
	606,664	511,426
Gross amount	1,324,131	991,782
Maturity analysis		
	30 June 2022 Birr'000	30 June 2021 Birr'000
Current	1,169,595	877,501
Non-Current	154,536	114,281
	1,324,131	991,782



Wegagen Bank S.C

Financial Statement

For the Year Ended 30 June 2022

Impairment allowance on other assets

17a A reconciliation of the allowance for impairment losses for other assets is as follows:

	30 June 2022 Birr'000	30 June 2021 Birr'000
Balance at the beginning of the year	185,242	94,662
Written off during the year	0	(9)
(Reversal)/charge for the year	(113,667)	90,589
Balance at the end of the year	<u>71,575</u>	<u>185,242</u>

Inventory

17b A breakdown of the items included within inventory is as follows:

	30 June 2022 Birr'000	30 June 2021 Birr'000
Stationery	17,222	10,746
Office supplies	25,170	25,418
Visa cards	6,040	1,088
Other stock	13,700	15,563
Memorial Coins	<u>161</u>	<u>161</u>
	<u>62,293</u>	<u>52,976</u>



Wegagen Bank S.C Financial Statement

For the Year Ended 30 June 2022

	30 June 2022 Birr'000	30 June 2021 Birr'000
Investment property*		
18 Cost:		
At the beginning of the year	943	943
Acquisitions	-	-
At the end of the year	943	943
Accumulated depreciation:		
At the beginning of the year	348	330
Charge for the year	18	18
At the end of the year	366	348
Net book value		
As at 30 June	577	595

*Transfers from PPE relates to buildings used for rentals.

18a Amounts recognised in profit or loss for investment properties	30 June 2022 Birr'000	30 June 2021 Birr'000
Rental income	13,386	7,645

18b 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.



Wegagen Bank S.C

Financial Statement

For the Year Ended 30 June 2022

The fair value of the Bank's Investment property as at 30 June 2022 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 2022, and 30 June 2021 are as follows:

	Carrying amount Birr'000	Level 1 Birr'000	Level 2 Birr'000	Level 3 Birr'000
30 June 2022				
Investment properties	577			7,601
30 June 2021				
Investment properties	595			3,742





Wegagen Bank S.C Financial Statement

For the Year Ended 30 June 2022

	Purchased software Birr'000	Software under development Birr'000	Total Birr'000
19 Intangible Assets			
Cost:			
As at 1 July 2020	119,009	-	119,009
Acquisitions	6,982		6,982
Derecognition	-		-
Adjustments/Transfers to intangible assets	-		-
As at 30 June 2021	125,991	-	125,991
As at 1 July 2021	125,991	-	125,991
Acquisitions	25,288		25,288
Derecognition	-		-
Adjustments/Transfers to intangible assets	-		-
As at 30 June 2022	151,279	-	151,279
Accumulated amortisation			
As at 1 July 2020	44,127	-	44,127
Derecognition	-		-
Amortisation	21,680		21,680
As at 30 June 2021	65,808	-	65,808
As at 1 July 2021	65,808	-	65,808
Amortisation	26,925		26,925
As at 30 June 2022	92,732	-	92,732
Net book value			
As at 30 June 2021	60,183	-	60,183
As at 30 June 2022	58,546	-	58,546



Wegagen Bank S.C

Financial Statement

For the Year Ended 30 June 2022

	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 2020	425,690	841,403	256,178	243,478	412,514	-	2,179,263
Additions	14,204	-	5,697	15,526	7,606	9,981	53,014
Disposals	(731.05)	-	-	(238)	(556.43)	-	(1,525)
Reclassification	(6,613.83)	-	-	938.49	5,675.34	-	(0)
As at 30 June 2021	432,549	841,403	261,875	259,705	425,239	9,981	2,230,752
As at 1 July 2021	432,549	841,403	261,875	259,705	425,239	9,981	2,230,751
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
Accumulated depreciation							
As at 1 July 2020	150,072	40,524	126,241	67,312	157,734	-	541,883
Charge for the year	41,238	16,018	20,120	22,113	49,350	-	148,839
Disposals	(665)	-	-	(221)	(527)	-	(1,413)
As at 30 June 2021	190,646	56,542	146,361	89,204	206,557	-	689,309
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
Net book value							
As at 30 June 2021	241,903	784,861	115,513	170,501	218,682	9,981	1,541,438
As at 30 June 2022	214,366	768,874	96,702	150,962	202,802	9,981	1,443,687



Wegagen Bank S.C Financial Statement

For the Year Ended 30 June 2022

20 a Right of Use Asset and lease liability

	30-Jun-22 Birr'000	30-Jun-21 Birr'000
Right of Use Asset		
Office buildings	678,719	700,878
Lease liability		
Current	91,228	42,829
Non current	<u>125,267</u>	<u>135,626</u>
Total Lease liability	216,495	178,456
Depreciaton of ROU	243,587	233,298

	30 June 2022 Birr'000	30 June 2021 Birr'000
21 Deposits from customers		
Demand deposits	9,391,427	7,943,559
Saving deposits	19,960,151	18,632,054
Fixed term deposits	<u>2,440,054</u>	<u>3,005,494</u>
	31,791,632	29,581,108
Maturity analysis		
Current	28,645,854	17,283,594
Non-Current	<u>3,145,778</u>	<u>12,297,514</u>
	31,791,632	29,581,108



Wegagen Bank S.C

Financial Statement

For the Year Ended 30 June 2022

	30 June 2022 Birr'000	30 June 2021 Birr'000
22 Deposit from financial institutions		
Saving Deposit	826,048	616,124
Demand Deposit	105,006	133,927
Fixed Term deposit	<u>1,193,057</u>	<u>1,160,036</u>
Total	<u>2,124,111</u>	<u>1,910,087</u>
Maturity analysis		
Current	931,054	750,051
Non-Current	1,193,057	1,160,036
	<u>2,124,111</u>	<u>1,910,087</u>
23 Other liabilities		
Financial liabilities		
Blocked Account	10,157	12,576
Cash payment order payable	222,070	130,193
Customer deposits for letter of credit	880,076	678,804
Deferred revenue	54,526	39,328
Deposit for Guarantees Issued	6,733	10,696
Directors fee payable	-	-
Dividend payable	30,232	51,050
Exchange payable to NBE	40,178	38,821
Nostro Account	1,078,114	1,094,367
Old draft payable	41,546	41,560
Payable to Ethio switch	16,052	8,876
Prepaid card control account	1,518	2,538
Telegraphic transfer payable	12,035	14,629
Borrowing	-	7,425
	<u>2,393,236</u>	<u>2,130,862</u>



Wegagen Bank S.C

Financial Statement

For the Year Ended 30 June 2022

Non-financial liabilities

Provision for court cases	10,914	1,020
Pension Contribution Pay	23,464	19,574
Stamp duty payable	2,254	1,204
Interest Tax Payable	7,863	5,360
Interest Tax Payable from correspondent bank	-	214
Withholding tax payable	1,656	761
Employee income Tax Payable	46,065	40,314
VAT payable	803	364
Cost Sharing Payable	487	517
Technical Service Payable	123	596
Accrued leave pay	88,103	130,626
Sundry payables	558,453	403,770
Lease Liability	216,495	178,456
	956,683	782,775

Gross amount

3,349,919

2,913,637

Maturity analysis

	30 June 2022 Birr'000	30 June 2021 Birr'000
Current	3,224,652	2,778,011
Non-Current	125,267	135,626
	3,349,919	2,913,637

**30 June 2022
Birr'000**

**30 June 2021
Birr'000**

24 Employee benefit obligations

24a Defined benefits liabilities:

-Severance benefits	167,130	117,655
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Liability in the statement of financial position

	167,130	117,655
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Income statement charge included in personnel expenses:

**30 June 2022
Birr'000**

**30 June 2021
Birr'000**

- Severance pay	28,562	16,683
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Total defined benefit expenses

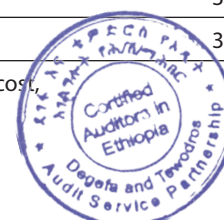
	28,562	16,683
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Remeasurements for:

- Severance pay	40,497	30,461
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	40,497	30,461
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The income statement charge included within personnel expenses includes current service cost, interest cost, past service costs on the defined benefit schemes



Wegagen Bank S.C

Financial Statement

For the Year Ended 30 June 2022

24b Severance pay

The Bank operates an unfunded severance pay plan for its managerial 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 2022 Birr'000	30 June 2021 Birr'000
A Liability recognized in the statement of financial position	167,130	117,655
B Amount recognized in profit or loss statement	30 June 2022 Birr'000	30 June 2021 Birr'000
Current and past service cost	10,560	7,664
Interest cost	18,002	11,744
	28,562	19,408
C Amount recognized in other comprehensive income:	30 June 2022 Birr'000	30 June 2021 Birr'000
Remeasurement losses arising from experience	(56,037)	(33,333)
Remeasurement losses arising from changes in the financial assumptions	15,540	2,872
Tax Credit/Charge	12,149	9,138
	(28,348)	(21,323)

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

	30 June 2022 Birr'000	30 June 2021 Birr'000
At the beginning of the year	117,655	74,527
Current and past service cost	10,573	7,664
Interest cost	18,002	11,744
Re-measurement (gains)/ losses	40,497	30,461
Benefits paid	(19,597)	(6,741)
At the end of the year	167,130	117,655



Wegagen Bank S.C Financial Statement

For the Year Ended 30 June 2022

The significant actuarial assumptions were as follows:

i) Financial Assumption Long term Average

	30 June 2022 Birr'000	30 June 2021 Birr'000
Discount Rate (p.a)	24.30%	11.75%
Long term salary increase (p.a)	19.30%	12.00%
Average Rate of Inflation (p.a)	17.30%	10.00%

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 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%



Wegagen Bank S.C

Financial Statement

For the Year Ended 30 June 2022

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 2022 Defined Benefit Obligation and the assets are reflected below:

	Base DBO Birr'000	Current service cost one year impact Birr'000
Discount rate + 1%	167,130	156,144
Discount rate - 1%	167,130	179,000
Salary Increase +1%	167,130	179,411
Salary Increase +1%	167,130	155,609

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.

	30 June 2022 Birr'000	30 June 2021 Birr'000
25 Share capital		
Authorized:		
Ordinary shares of Birr 1000 each	6,000,000	6,000,000
Issued and fully paid:		
Ordinary shares of Birr 1000 each	3,391,294	3,282,041
Share premium	42,787	46,284
	3,434,081	3,328,325





Wegagen Bank S.C

Financial Statement

For the Year Ended 30 June 2022

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 2022 Birr'000	30 June 2021 Birr'000
Profit attributable to shareholders	551,399	126,722
Weighted average number of ordinary shares in issue	3,323,084	3,050,150
Basic earnings per share (%age)	<u>16.6%</u>	<u>4.2%</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 2022 Birr'000	30 June 2021 Birr'000
27 Retained earnings		
At the beginning of the year	(125,416)	518,004
Dividend Paid/Capitalized	-	(518,004)
Impairment for loans	-	-
Impairment for other assets	-	-
Adjustment of Defined Benefit obligation	-	-
Profit/(Loss)for the year	551,399	126,722
Transfer to Legal Reserve	(137,850)	(31,681)
Transfer to Regulatory Reserve	(18,304)	(140,494)
Directors' share of profit	-	(1,000)
Prior period additional tax charge	(47,431)	(78,963)
Prior year directors' share of profit reversed	1,000	-
Re-measurement loss on defined benefit plans (net of tax)	-	-
At the end of the year	<u>223,399</u>	<u>(125,416)</u>



Wegagen Bank S.C

Financial Statement

For the Year Ended 30 June 2022

	30 June 2022 Birr'000	30 June 2021 Birr'000
28 Reserve		
28a Legal Reserve		
At the beginning of the year	1,447,015	1,415,334
Transfer from profit or loss	<u>137,850</u>	<u>31,681</u>
At the end of the year	<u>1,584,865</u>	<u>1,447,015</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.

28b 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 2022 Birr'000	30 June 2021 Birr'000
Opening Balance	384,592	244,098
Add: Additional provision per NBE	24,405	128,222
Interest income on Non Performing Loans(NPL)	-	171,050
Less: Income Tax (30%) and legal reserve		
: Tax on interest from Non-performing loans	-	(51,315)
: Transfer to legal reserve from interest income on NPL	-	(29,934)
: Transfer to Legal reserve from additional provision	(6,101)	(32,056)
: Transfer to Retained Earnings prior year adjustment		(45,473)
	<u>402,896</u>	<u>384,592</u>





Wegagen Bank S.C

Financial Statement

For the Year Ended 30 June 2022

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

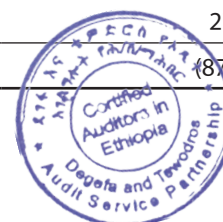
28c Other Reserve

	30 June 2022 Birr'000	30 June 2021 Birr'000
Opening Balance	(19,604)	84
Reclassification of defined Benefit plan	-	-
Fair Value gain of Equity Instruments	16,774	1,635
Remeasurement loss on defined benefit plans (net of tax)	(28,348)	(21,323)
	(31,177)	(19,604)

	30 June 2022 Birr'000	30 June 2021 Birr'000
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29 Cash generated from operating activities

Profit before tax	572,280	193,118
Adjustments for non-cash items:		
Depreciation of property, plant and equipment	157,027	148,839
Depreciation of investment property	18	18
Amortisation of intangible assets	26,925	21,680
Amortization of right of use assets	243,587	233,298
Intangible asset adjustment	-	-
(Gain)/Loss on disposal of property, plant and equipment	629	(332)
Impairment on loans and receivables	(6,342)	880,086
Employee benefit obligations	8,978	12,667
Dividend income	(6,056)	(4,234)
Decrease in provision for cash and cash equivalents	-	-
Changes in working capital:		
-Decrease/ (Increase) in loans and advances	(2,981,368)	(3,577,548)
-Decrease/ (Increase) in other assets	(218,682)	(457,025)
-Increase/ (Decrease) in deposits from customers	2,210,525	321,062
-Increase/ (Decrease) in deposits from financial institutions	214,023	1,076,057
-Increase/ (Decrease) in other liabilities	446,064	276,211
	667,607	(876,102)



Wegagen Bank S.C

Financial Statement

For the Year Ended 30 June 2022

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 2022 Birr'000	30 June 2021 Birr'000
30.a	Transactions with related parties		
	Loans and advances	916,840	1,056,829
	Deposit balances	764,823	1,004,563
		<u>1,681,663</u>	<u>2,061,392</u>

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 2022.

	30 June 2022 Birr'000	30 June 2021 Birr'000
Salaries and other employee benefits	14,561	9,544
	<u>14,561</u>	<u>9,544</u>

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 2022 Number	30 June 2021 Number
Total staff	<u>4,788</u>	<u>4,937</u>



Wegagen Bank S.C Financial Statement

For the Year Ended 30 June 2022

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 2022 is Br. 145.87 million (30 June 2021: Birr 136.1 million). The Bank has made assessment of these legal cases, and held Br. 10.91 million provision (Br. 1.02 million as at June 30,2021). 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.

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

	30 June 2022 Birr'000	30 June 2021 Birr'000
Guarantees issued	743,683	2,326,847
Letter of credit	1,546,147	1,345,362
	2,289,830	3,672,209

32.c Commitments

Loan commitments	30 June 2022 Birr'000	30 June 2021 Birr'000
Unutilized overdraft and other facilities	1,732,147	1,001,942
	1,732,147	1,001,942

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 2022 and on the profit for the year ended on that date, which have not been adequately provided for or disclosed.



Wegagen Bank S.C

Financial Statement

For the Year Ended 30 June 2022

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.

Segment information

IFRS 8 requires operating segments to be identified on the basis 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, microfinance 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 a single external customer or counterparty amounted to 10% or more of the Bank's total revenue in 2021 or 2022.





Wegagen Bank S.C Financial Statement

For the Year Ended 30 June 2022

30-June - 22

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	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	893,914	3,486	897,399
Other operating income	40,167	451	40,619
Loan impairment charge/reversal	9,999	(3,657)	6,342
Net operating income	3,172,730	17,818	3,190,548
Amortization 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

Financial Statement

For the Year Ended 30 June 2022

30-June - 22

34, b Statement of Financial Position

	Conventional Banking Birr '000	Interest Free Banking Birr '000	The bank Birr '000
Assets			
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	3,553,707	2,212	3,555,919
Total liabilities	35,892,937	1,614,668	37,507,605
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	41,497,080	1,624,589	43,121,669





Wegagen Bank S.C

Financial Statement

For the Year Ended 30 June 2022

30-Jun-21

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	3,911,541	-	3,911,541
Income from Interest free financing and investment products	-	16,523	16,523
Interest expense	(1,462,069)		(1,462,069)
Distribution to depositors- Interest Free Banking Products		(3,993)	(3,993)
Net interest income and income from Interest Free Banking products net of distribution to depositors	2,449,472	12,530	2,462,003
Fee and commission income	1,044,246	9,310	1,053,555
Other operating income	25,931	-	25,931
Loan impairment charge/reversal	(869,476)	(10,569)	(880,045)
Net operating income	2,650,173	11,271	2,661,443
Amortization of intangible assets	(21,680)	-	(21,680)
Depreciation of property and equipment	(148,550)	(253)	(148,803)
Personal and Other operating expenses	(2,287,148)	(10,694)	(2,297,842)
Segment Profit before tax	192,794	323	193,118
Income tax expense	(66,396)	-	(66,396)
Segment profit after tax	126,399	323	126,722



Wegagen Bank S.C

Financial Statement

For the Year Ended 30 June 2022

30-June - 22

34, d Statement of Financial Position

	Conventional Banking Birr '000	Interest Free Banking Birr '000	The bank Birr '000
Assets			
Cash and bank balances	3,648,479	1,198,830	4,847,309
Loans and advances to customers	25,696,514		25,696,514
IFB financings	-	340,665	340,665
Investment securities	5,423,921	-	5,423,921
IFB receivables	-	52,324	52,324
IFB inventory	-	-	-
Other assets	991,782	-	991,782
Fixed assets	2,299,909	3,185	2,303,094
Total assets	38,060,606	1,595,004	39,655,610
LIABILITIES			
Deposit from customers	29,955,004	-	29,955,004
IFB deposits	-	1,536,192	1,536,192
Current tax liabilities	58,777		58,777
Unearned IFB profits		52,324	52,324
Other liabilities	3,037,224	1,176	3,038,400
Total liabilities	33,051,004	1,589,692	34,640,696
EQUITY			
Share capital	3,282,041		3,282,041
Share premium	46,284		46,284
Retained earnings and reserves	1,681,277	5,312	1,686,589
Total equity	5,009,602	5,312	5,014,914
Total equity and liabilities	38,060,606	1,595,004	39,655,610



Wegagen Bank S.C Financial Statement

For the Year Ended 30 June 2022

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: the 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, 2022. 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 IFB 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 are in compliance with 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, 2022.

With regards,



Ibrahim Dawd,
IFB Consultant/Sharia Advisor/





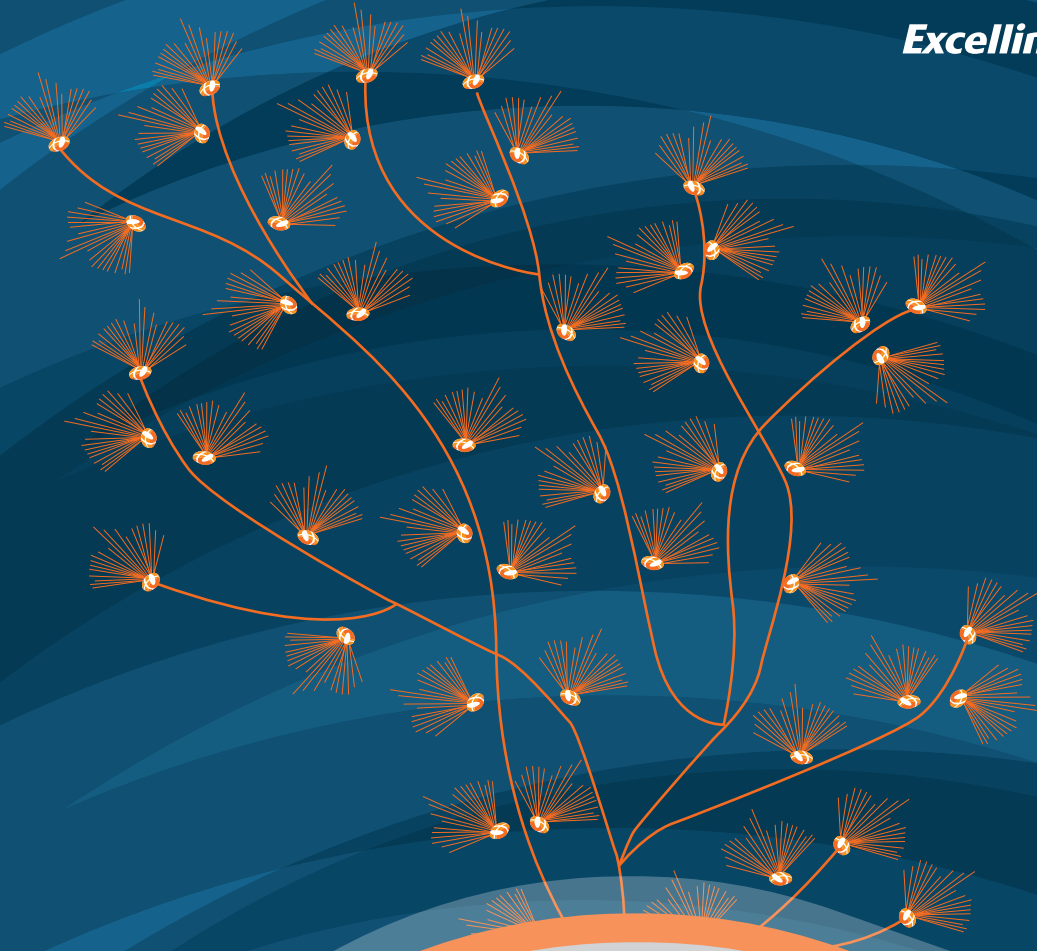
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Nigat SAVING

ንጋት የሴቶች የቁጠባ ሂሳብ



የበልፅግና ስጋር
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 4455/58
1	Addisu Gebeya	አዲሱ ገበያ	011 126 4402/12
2	Arada	አራዳ	011 111 1074/75
3	Arat Kilo	አራት ኪሎ	011 170 4453/52
4	Balderas	ባልደራስ	011 667 4757
5	Bambis	ባምቢስ	011 557 6343/58
6	Cathedral	ካቴድራል	011 156 0002
7	CMC Michael	ሲ.ኤም.ሲ. ሚካኤል	011 667 5913
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 2016/17
11	Jan Meda	ጃን ሜዳ	011 126 1400/01
12	Kazanchis	ካዛንቺስ	011 554 5670/71
13	Kebena	ቀበና	011 126 1094/96
14	Kechene	ቀጨኔ	011 126 3139 011 126 3588
15	Kidist Mariam	ቅድስት ማርያም	011 157 0033/35
16	Kotebe	ኮተቤ	011 666 3730 011 661 4493
17	Lamberet	ላምበረት	011 667 6289
18	Lamberet Menaheria	ላምበረት መናኸሪያ	011 666 0853/1947
19	Megenagna	መገናኛ	011 667 4019/12
20	Mesfine Harar Avenue	መስፍነ ሀረር ጎዳና	011 171 2033/32
21	Nigist Zewditu Street	ንግስት ዘውዲቱ መንገድ	011 557 8071
22	Piassa	ፒያሳ	011 126 6894
23	Salite Mihret	ሰዓሊተ ምህረት	011 667 6386/87
24	Sebara Babur	ሰባራ ባቡር	011 157 0329
25	Shola	ሾላ	011 659 1822
26	Sululta	ሱሉልታ	011 161 7501/7492
27	Wesen	ወሰን	011 667 8951/46
28	Wuhalimat	ውኃልማት	011 663 1518/17
29	Yeka Abado	የካ አባዶ	011 893 1029/2408



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 0055/37
33	Africa Avenue	አፍሪካ አሼኑ	011 662 4772/69
34	Adey Ababa Stadium	አደይ አበባ ስታድዮም	011 635 6496 011 635 6035
35	Atlas	አትላስ	011 639 2083/91
36	Ayat Addebabay	አያት አደባባይ	011 639 0044/28
37	Ayat Noah	አያት ኖህ	011 672 4649 011 672 4569
38	Ayat Gebeya	አያት ገበያ	011 639 0410/11
39	Ayat-Tafo	አያት ጣፎ	011 639 0610 011 639 1950
40	Al-Nejashi	አልነጃሽ	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 5670/72
44	Bole Bulbula	ቦሌ ቡልቡላ	011 470 0869/95
45	Bole Medhanialem	ቦሌ መድኃኒአለም	011 661 6135/36
46	Bole Michael	ቦሌ ሚካኤል	011 639 2033/06
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 አሼኑ	011 667 3376 011 667 3448
51	CMC	ሲ ኤም ሲ	011 647 9047/44
52	Enewari	እነዋሪ	011 688 0518/10

53	Debre Birhan	ደብረ ብርሃን	011 637 5420/21
54	Atse-Zera Yaekob	አቴ ዘርዓ ያቆብ	011 681 1872/03
55	Gerji	ገርጂ	011 629 8141/14
56	Gerji Mebrat Hayil	ገርጂ መብራት ጃይል	011 667 6405 011 667 6372
57	Gerji Sunshine	ገርጂ ሰንሻይን	011 629 0265 011 629 0016
58	Gerji Unity	ገርጂ ዩኒቲ	011 639 5053/52
59	Gollagul	ጎላጉል	011 690 6008 011 690 6222
60	Gurd Shola	ጉርድ ሾላ	011 645 9752/53
61	Haya Arat	ሃያ አራት	011 618 0677/70
62	Hayahulet	ሃያ ሁለት	011 667 2428/14
63	Imperial	ኢምፔሪያል	011 668 6222/23
64	Jackros	ጃክሮስ	011 667 1419/20
65	Loke	ሎቄ	011 668 0720 011 668 0046
66	Legetafo	ለገጣፎ	011 668 2777/79
67	Mehal Adama	መሀል አዳማ	022 111 2280/84
68	Meri Loke	መሪ ሎቄ	011 668 2946 011 668 3982
69	Mickey Leland Street	ሚኪ ሊላንድ መንገድ	011 635 4021/61
70	Moenco	ሞኔንኮ	011 668 6145 011 668 7118
71	Shalla Menafesha	ሻላ መናፈሻ	011 618 9303 011 618 2094
72	Summit Yetebaberut	ሰሚት የተባበሩት	011 639 1549/68
73	Summit 72	ሰሚት ሰባ ሁለት	011 639 1987/89
74	Summit	ሰሚት	011 667 9001/22
75	Yerer Ber	የረር ቦር	011 667 5863/73



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 1177/81
77	Abdi Nono	አብዲ ኖኖ	011 260 1278 011 260 1347
78	Abinet	አብነት	011 278 0544/80
79	Africa Union	አፍሪካ ዩኒየን	011 554 7061/63
80	Alem Bank	አለም ባንክ	011 369 4708/56
81	Alemgena	አለም ገና	011 367 9965 011 367 9281
82	Amana	አማና	011 231 6181/82
83	Atena Tera	አጠና ተራ	011 273 9521/23
84	Autobis Tera	አውቶቢስ ተራ	011 273 5510 011 273 4844
85	Ayer Tena	አየር ጤና	011 369 3400 /50
86	Berberere Tera	በርበሬ ተራ	011 273 3950
87	Bisrate Gebriel	ብስራተ ገብርኤል	011 369 1794/65
88	Dubai Tera	ዱባይ ተራ	011 273 4889/90
89	Ehil Berenda	ኢህል በረንዳ	011 273 4981 011 273 5318
90	Furi	ፋሪ	011 367 9207
91	Gambia Street	ጋምቢያ መንገድ	011 531 9082/83
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 2972/73
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	ልኪንዳ	011 273 9296 011 273 9610

101	Mekanisa	መካኒሳ	011 369 8225/32
102	Mekanisa Abo	መካኒሳ አቦ	011 369 9963 011 369 8781
103	Mekanisa Michael	መካኒሳ ሚካኤል	011 369 8447/49
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 5668/67
107	Mesalemia	መሳለሚያ	011 276 8611 011 275 8151/50
108	Meskel	መስቀል	011 551 6652/27
109	Mexico	ሜክሲኮ አደባባይ	011 557 5577/78
110	Military Tera	ሚሊተሪ ተራ	011 213 4605/08
111	Sefere Selam	ሰፈረ ሰላም	011 273 5089 011 273 5925
112	Pan African	ፓን አፍሪካን	011 369 1828 09 11 35 0819
113	Sengatera	ሰንጋተራ	011 557 6952/55
114	Shema Tera	ሸማ ተራ	011 273 3473/2997
115	Shera Tera	ሸራ ተራ	011 273 5562/5401
116	Sidamo Tera	ሲዳሞ ተራ	011 273 3079/55
117	Sost Kutir Mazoriya	ሶስት ቁጥር ማዞሪያ	011 369 2129/27
118	Stadium	ስታዲየም	011 558 0105/06
119	Tabot Maderiya	ታቦት ማደሪያ	011 369 7242/7629
120	Tekle Haymanot	ተክለሃይማኖት	011 156 3812/13
121	Tulu Bolo	ቱሉ ቦሎ	011 342 0064/57
122	Welete	ወለቴ	011 380 3174
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 8764/62



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 6847/40
128	Arerti	አረርቲ	022 223 0541/43
129	Beklobet	በቅሎ ቤት	011 466 3580/81
130	Bishoftu	ቢሾፍቱ	011 437 1062/25
131	Bulgaria Matoria	ቡልጋሪያ ማዘሪያ	011 470 1345/1205
132	Bole	ቦሌ	011 552 3524 011 553 6666
133	Bole Mega	ቦሌ ሜጋ	011 558 2517/54
134	Crown	ክራውን	011 854 7122 011 462 6018
135	Dukem	ዱከም	011 432 0945/0753
136	Gara Oda	ጋራ ኦዳ	011 471 1550/0974
137	German Adebabay	ጀርመን አደባባይ	011 369 8928/9938
138	Goffa	ጎፋ	011 465 5816/17
139	Goffa Camp	ጎፋ ካምፕ	011 467 2505 011 416 5166
140	Goffa Mebrat Hail	ጎፋ መብራት ኃይል	011 467 3753 011 466 1545
141	Hana Mariam	ሀና ማርያም	011 471 1254/1854
142	Jati	ጃቲ	011 471 6844/46
143	Kaliti Masetegna	ቃሊቲ ማሰልጠኛ	011 439 1109/0668
144	Kaliti	ቃሊቲ	011 439 4285/86
145	Kera	ቄራ	011 385 2076/66
146	Kilinto	ቂሊንቦ	011 451 2279/2198
147	Kirkos	ቂርቆስ	011 470 3896/3906
148	Lafto	ላፍቶ	011 471 0028/29
149	Lebu	ለቡ	011 471 2756/71
150	Lebu Ertu	ለቡ ኤርቱ	011 471 3963/64
151	Meskel Flower	መስቀል ፍላወር	011 416 4753/8005
152	Modjo	ሞጆ	022 236 0300/03
153	Nefas Silk	ንፋስ ስልክ	011 470 7612/15

154	Flamingo	ፍላሚንጎ	011 558 0663
155	Olympia	ኦሎምፒያ	011 557 5099/5916
156	Saris Adey Abeba	ሳሪስ አደይ አበባ	011 470 8410/8254
157	Saris Addisu Sefer	ሳሪስ አዲሱ ሰፈር	011 470 7694/7718
158	Saris 58	ሳሪስ 58	011 471 1851/1454
159	Saris Total	ሳሪስ ቶታል	011 470 9163/8587
160	Sebeta	ሰበታ	011 338 0359/66
161	Torban Gerba	ቶርባን ገርባ	011 430 0820/1115
162	Tulu Dimtu	ቱሉ ዲምቱ	011 471 5772/5497
163	Tulu Dimtu Condominium	ቱሉ ዲምቱ ኮንዶሚኒየም	011 888 6831/33
164	Worku Sefer	ወርቁ ሰፈር	011 471 7693/92
165	WelloSefer	ወሎ ሰፈር	011 466 8006/93
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 1110/61
168	Ataye	አጣዬ	033 661 0775
169	Bahir Dar	ባህርዳር	058 220 2038/4490
170	Bati	ባቲ	033 553 1576/77
171	Buanbua wuha	ቧንቧ ውሃ	033 311 6317/5519
172	Bure	ቡሬ	058 774 1194/1050
173	Debre Markos	ደብረ ማርቆስ	058 178 2524/2257
174	Debre Tabor	ደብረ ታቦር	058 141 3452/5465
175	Dessie	ደሴ	033 111 3788/89 033 111 6944
176	Fasiledes	ፋሲለደስ	058 126 0022/23
177	Finote Selam	ፍኖተ ሰላም	058 775 0476/0340
178	Gendawuha	ገንዳ ውሃ	058 331 0010/31
179	Ghion	ግዮን	058 320 7724/8720

180	Gish Abay	ግሽ አባይ	058 320 8869/5536
181	Gondar	ጎንደር	058 111 4816 058 111 1620
182	Injibara	እንጂባራ	058 227 1575 058 227 1682
183	kobo	ቆቦ	033 334 1290/97
184	Kombolcha	ኮምቦልቻ	033 551 0753/54 033 551 1800
185	Maraki	ማራኪ	058 211 3639
186	Merawi	መርአዊ	058 330 0972
187	Metema Yohannes Sub Branch	መተማ ዮሐንስ ንዑስ ቅርንጫፍ	058 555 5551 058 555 7760
188	Motta	ሞጣ	058 661 1807/1293
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 2018/02
193	Weldiya	ወልዲያ	033 540 0791/89

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 0404/06
196	Arbaminch	አርባ ምንጭ	046 881 5093/76
197	Asella	አሰላ	022 331 8292/94
198	Atote-Hawassa	አቶቴ ሐዋሳ	046 212 5017/15
199	Bale Robe	ባሌ ሮቤ	022 244 2959 022 244 1986
200	Batu	ባቱ	046 141 8156/5362
201	Bonosha	ቦኖሻ	046 453 0371/0256
202	Bule Hora	ቡሌ ሆራ	046 443 1105/06

203	Butajira	ቡታጅራ	046 145 0060/61
204	Damboya	ዳምቦያ	046 245 0276/33
205	Dilla	ዲላ	046 331 1105/0120
206	Doyogena	ዶዮገና	046 224 0404/05
207	Durame	ዱራሜ	046 554 1449/46
208	Fonko	ፎንቆ	046 263 0307/08
209	Hadero	ሀደሮ	046 432 0617
210	Halaba Kulito	ሀላባ ቁሊቶ	046 556 1818/1316
211	Hawassa	ሐዋሳ	046 220 2629/4172
212	Hawassa Arab sefer	ሐዋሳ አረብ ሰፈር	046 212 4361/02
213	Hawassa Monopol	ሃዋሳ ሞኖፖል	046 212 8081/7833
214	Hawassa Tabor	ታቦር	046 212 3991/92
215	Homecho	ሆሜቾ	046 251 0285/0397
216	Hosaena	ሆሳኔና	046 555 4216/09
217	Hosaena Gombora	ሆሳኔና ጎምቦራ	046 178 0533/34
218	Hulbareg	ሁልባረግ	046 269 0295/0499
219	Jajura	ጃጃራ	046 265 0308/0015
220	Jinka	ጂንካ	046 775 2294/2112
221	Konso Karat	ኮንሶ ካራት	046 773 0579 046 896 4232
222	Meki	መቂ	022 118 1200/27
223	Moyale Sub Branch	ሞያሌ ንዑስ ቅርንጫፍ	046 444 1603/1750
224	Mudula	ሙዱላ	046 235 0626/0523
225	Negele	ነጌሌ	046 445 2320/7473
226	Negele Arsi	ነጌሌ አርሲ	046 116 2815/16
227	Shakiso	ሻኪሶ	046 334 1851/50
228	Shashemene	ሻሸመኔ	046 110 3468/66
229	Shashemene Arada	ሻሸመኔ አራዳ	046 211 0621/4546
230	Shashemene Oda	ሻሸመኔ ኦዳ	046 211 1536/0984
231	Shinshicho	ሽንሽቾ	046 339 0893/0923
232	Wolayita Sodo	ወላይታ ሶዶ	046 551 4592/93
233	Yirgachefe	ዶርጋጨፌ	046 332 0410/0161
234	Yirgalem	ዶርጋለም	046 225 2421/58

Diredawa District Office Branches			
S.N	Branches	ቅርንጫፎች	Telephone
	ድሬዳዋ ዲስትሪክት ጽ/ቤት Diredawa District Office		025 111 0827 025 111 0442
235	Al-Baraka	አል በረካ	025 278 3562/4299
236	Awash 7 Kilo	አዋሽ 7 ኪሎ	022 224 1571/1484
237	Aweday	አወዳይ	025 662 0280/98 025 662 0167
238	Babile	ባቢሌ	025 665 0592/94
239	Chiro	ጭሮ	025 659 0685/0455
240	Degahbur	ደጋህቡር	025 771 0702/0596
241	Dire Dawa	ድሬዳዋ	025 112 4669 025 111 1101
242	Gode	ጎዴ	025 776 1541/2163
243	Hafet-Issa	ሃፈት ኢሳ	025 112 4674/99
244	Harar	ሐረር	025 666 3623/4622
245	Harar Arategna	ሐረር አራተኛ	025 466 9894/2289
246	Havana	ሃቫና	025 278 8669 025 278 6326
247	Jigjiga	ጅግጅጋ	025 775 7628/2057
248	Kebre-Daher	ቀብራ- ደሀር	025 774 1453 025 774 1231
249	Kebri-Beyah	ቀብራ-ቢያህ	025 669 0477/0356
250	Kezira	ክዚራ	025 111 0285 025 113 0372/71
251	Logia	ሎጊያ	033 550 0499/0503
252	Sabian	ሳቢያን	025 411 1984/6448
253	Seid-Square	ሰይድ አደባባይ	025 278 0949/2914
254	Semera	ሰመራ	033 366 0100/02
255	Togo-Wajaale Sub Branch	ተጎ-ዋጃሌ ንዑስ ቅርንጫፍ	025 882 0033/32

Jimma District Office Branches			
S.N	Branches	ቅርንጫፎች	Telephone
	ጅማ ዲስትሪክት Jimma District	ጽ/ቤት Office	047 111 6168 047 111 6305
256	Abobo	አበቦ	047 559 0423
257	Agaro	አጋሮ	047 221 1031/51
258	Ameya	አመያ	047 227 0424/3498
259	Assosa	አሶሳ	057 775 1362
260	Awetu	አዌቱ	047 211 6739
261	Bedele	በደሌ	047 445 1809/10
262	Bonga	ቦንጋ	047 331 1971/33
263	Dimma	ዲማ	09 93 84 95 16 09 25 34 24 75
264	Gambella	ጋምቤላ	047 551 1767/1944
265	Gambella New Land	ጋምቤላ ኒውላንድ	047 151 3233
266	Itang	ኢታንግ	047 465 0404
267	Jimma Abajifar	ጅማ አባጅፋር	047 111 6393 047 112 3616
268	Jimma Gibe	ጅማ ጊቤ	047 211 1003/2838
269	Jimma Jiren	ጅማ ጅሬን	047 211 3184
270	Jimma Bore	ጅማ ቦሬ	047 211 3180
271	Lare	ላሬ	047 553 0023
272	Maji	ማጂ	047 811 1258
273	Menit Shasha	መኤኒት ሻሻ	047 452 7576
274	Meti	ሜጢ	047 339 0627/28
275	Metu	ሙቱ	047 141 1050
276	Mizan Aman	ሚዛን አማን	047 135 0066/98
277	Nekemte	ነቀምት	057 661 3068/81/85
278	Omo	ኦሞ	09 10 23 04 20
279	Openo	ኦፔኖ	047 151 0038/39
280	Pinyudo	ፒንዩዶ	047 465 0404
281	Sheko	ሻኮ	047 778 0526
282	Shey Bench	ሻይ ቤንች	047 777 0508/0725
283	Tello	ጠሎ	047 077 1033/19/83
284	Tepi	ቴፒ	047 556 2620/21



285	Terpham	ተርፋም	047 851 9369
286	Wacha	ዋቻ	047 338 0455/56
287	Welkite	ወልቂጤ	011 365 8180/16/18
Mekelle District Office Branches			
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	መቀሌ ዲስትሪክት Mekelle District	ጽ/ቤት Office	034 241 5185/86
288	Abala (Afar)	አብዓላ (አፋር)	034 665 0495/91
289	Abyi Addi	ዓብይ ዓዲ	034 446 0503 034 446 0313
290	Addi Hawusi	አዲ ሃውሲ	034 440 8439/31
291	Adi Shumdhun	አዲ ሹምድሁን	034 241 0017/44
292	Adi Gudem	አዲ ጉድም	034 437 0665
293	Adi Ha	ዓዲሐ	034 241 5575/8477
294	Adigrat	አዲግራት	034 445 2866/2790
295	Adigrat Menaheria	አዲግራት መናኸሪያ	0918 81 26 80
296	Adishu	ዓዲሹ	034 241 5185/86
297	Agulae	አጉላዕ	034 314 0486/8221
298	Alamata	አላማጣ	034 774 0772/0264
299	Ambasera	አምባሴራ	0917 331 937
300	Arid	አሪድ	0914 215 467
301	Atsbi	አፅቤ	034 340 0322/27
302	Ayder (Mekele)	አይደር (መቀሌ)	034 240 8582
303	Castle (Mekelle)	ካስትል (መቀሌ)	034 440 2689/79
304	Chercher (Raya)	ጨርጨር (ራያ)	034 317 0338
305	Daero	ዳዕሮ	034 241 3466
306	Edaga Arbi	እዳጋ አርቢ	034 346 0360/44
307	Edaga Hamus	እዳጋ ሐሙስ	034 773 0546/0185
308	Edaga Kedam	እዳጋ ቀዳም	0914 17 91 70
309	Edaga Mekelle	እዳጋ መቀሌ	034 441 3666/22
310	Enda Tirota	እንዳ ጥሮታ	0945 05 81 72
311	Enkodo Mekelle	እንኮዶ መቀሌ	034 241 5415/26
312	Fatsi	ፋቲ	034 241 5185/86
313	Freweyni	ፍረወይኒ	034 447 0645/35

314	Gidimti	ግድምቲ	034 241 9839 034 241 6946
315	Guya	ጉያ	0914 47 35 93
316	Hadnet	አድነት	034 241 5414/23
317	Haik Mesahal	ሃይቅ መስሐል	0968 88 93 21
318	Hawelti	ሀውልቲ	034 441 9674 034 441 9433
319	Hawzen	አውዜን	034 667 0206 034 667 8604
320	Hawzen Adebabay	አውዜን አደባባይ	034 241 5185
321	Illala	ኪላላ	034 440 6954/56
322	Kelamino	ቃላሚኖ	09 14 15 49 49
323	Kelkel Debri	ቀልቀል ደብሪ	034 241 2564/79
324	Kilte Awlaelo	ክልተ አውላሎ	034 443 1217/44
325	korem	ኮረም	09 14 16 70 85
326	Kukufto	ኩኩፍቶ	09 04 04 93 27/30
327	Lachi	ላጪ	034 241 4895 034 241 3268
328	Lachi Meneharia	ላጪ መነኸሪያ	09 14 74 89 20
329	Maichew	ማይጨው	034 777 0563/49
330	Mayliham	ማይሊሐም	034 240 3490 034 240 3256
331	Megab	መጋብ	034 241 5185/86
332	Mehoni	መኸኒ	034 664 0258/62
333	Mekelle	መቀሌ	034 440 8933/34
334	Meles Zenawi	መለስ ዜናዊ	034 241 5185
335	Messebo	መሰቦ	034 241 5185/86
336	Meyda Agame (Adigrat)	መይዳ ዓጋመ (ዓዲግራት)	034 445 1785/94
337	Miwtsae Werki	ምውዳዕ ወርቂ	034 245 2413/0697
338	Momona	ሞሞና	034 240 4874
339	Nebelet	ነበለት	034 328 0240/85
340	Quiha	ኩሃ	034 240 2590/2054
341	Ras Alula Abanega	ራስ አሉላ አባነጋ	034 446 1777/1337
342	Raya Timuga	ራያ ጥሙጋ	034 316 0280/18
343	Romanat	ሮማናት	034 440 6608/10

344	Samre	ሳምረ	034 241 5185/86
345	Sebeya	ሰበያ	0914 09 65 59
346	Welwalo	ወልዋሎ	0930 00 18 73
347	Wukro	ውቅሮ	034 443 0373/0683
348	Yechila	የጭላ	034 422 0372
349	Zala Ambesa	ዛላ አምበሳ	034 779 0647

Shire District Office Branches

S.N	Branches	ቅርንጫፎች	Telephone
	ሽረ ዲስትሪክት Shire District Office	ጽ/ቤት	034 244 3685 034 244 4248
350	Adi Abun	አዲ- አቡን	034 271 0001/02
351	Adi Awala	ዓዲ አውዓላ	034 241 5185/86
352	Adi Daero	አዲ ዳዕሮ	034 432 0539/41
353	Adi Goshu	አዲ ጎሹ	09 14 11 45 87
354	Adi Hageray	አዲ ሃገራይ	034 324 0707/0372
355	Adi Mahleka	ዓዲ ማህለካ	034 244 3685/4248
356	Adi Nebried	ዓዲ ነብሪዲድ	034 325 0005/06
357	Adi Remets	ዓዲ ረመፅ	034 244 3681/85
358	Adwa	አደዋ	034 771 4046/43
359	Ahsea	አሕሰአ	09 66 85 38 24
360	Axum	አክሱም	034 775 3631/95
361	Axum University Sub Branch	አክሱም ዩኒቨርሲቲ ንዑስ ቅርንጫፍ	034 775 3631
362	Baeker	ባዕከር	034 244 3681/85
363	Bizet	ብዘት	034 312 0424/0501
364	Chila	ጭላ	034 559 4308
365	Dansha	ዳንሻ	034 436 0451/0118
366	Dibdibo	ድብድቦ	034 556 0415/0358
367	Edaga Axum	እዳጋ አክሱም	034 275 6108
368	Edaga Enticho	እዳጋ እንጥጮ	034 244 3685/4248
369	Edaga Hibret	እዳጋ ሀብረት	034 244 3681/85
370	Edaga Shire	እዳጋ ሽረ	034 244 6107/4587
371	Endabaguna	እንዳባጉና	034 661 0473/86
372	Endasellasia	እንዳስላሴ	034 444 4117/31
373	Enticho	እንጥጮ	034 449 0602/0803

374	Feres May	ፈረስ ማይ	034 310 0174/62
375	Gerhu Sirnay	ገርሁ ስርናይ	034 438 0408/0353
376	Hitsats	ህፃፅ	034 140 8520
377	Humera	ሁመራ	034 448 0005/07
378	Kaleb	ካሌብ	034 275 0081/82
379	Korarit	ቆራሪት	034 844 0772/81
380	Mahbere Dego	ማህበረ ዴጎ	034 329 0122/23
381	May kinetal	ማይ ቅነጣል	0930 49 38 64
382	May Tsebri	ማይ ፀብሪ	034 662 0368/70
383	Maygaba	ማይገባ	0972 16 17 00
384	Mayhanse	ማይሀንስ	034 244 3681/85
385	Maykadra	ማይካድራ	034 332 0055 034 332 0122
386	Midre Genet	ምድረ ገነት	0914 18 63 44
387	Midre-Hayelom	ምድረ ሓየሎም	0914 21 08 10
388	Nigiste Saba	ንግስተ-ሳባ	034 275 0061/74
389	Rama	ራማ	034 555 0585
390	Remhay	ረምሃይ	034 275 0066/77
391	Sehul Shire	ስሁል ሸሪ	0913 80 22 30
392	Selekleka	ሰለክለካ	034 776 0495/97
393	Semema	ሰመማ	034 445 5576/80
394	Setit Humera	ሰቲት ሁመራ	0914 44 75 72
395	Sheraro	ሸራሮ	034 550 0025/0104
396	Shire	ሸሪ	034 444 2165/2424
397	Soloda	ሶሎዳ	034 271 0001/20
398	Tahtay Adiyabo	ታህታይ አዲያቦ	0914 17 47 17
399	Tekeze	ተክዜ	0921 99 12 12
400	Wukro Maray	ወቅሮ ማራይ	034 668 0208/0575

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