



BAANKII HOJII GAMTAA OROMIYAA (W.A.)

የኮሮሚያ ኅብረት ሥራ ባንክ (አ.ማ.)

COOPERATIVE BANK OF OROMIA (S.C.)

2015/16 ANNUAL  
REPORT



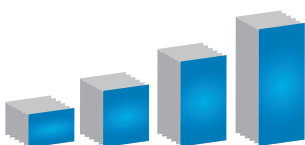
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Naqamte District Office (Under Construction)

# 2015/16 ANNUAL REPORT

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## Board Chairman's Statement



Dear esteemed shareholders, it gives me great pleasure to present the 2015/16 performance report of our bank.

Cooperative Bank of Oromia has made a progress in the aftermath of the challenges of 2014/15 and its implied effect on 2015/16. The year 2015/16 was thus the year where great challenges were posed to the bank from global and national socio-economic conditions as well as industry specific situations. The global and local market conditions, change in weather conditions (El Nino's effect), and governance related problems were some of the major challenges and limitations the bank experienced during the fiscal year.

Having given this brief remark, I try to highlight some of the major global and local environmental conditions within which the bank was operating.

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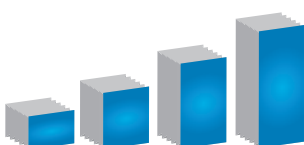
The global growth rate of 2015 and 2016 were projected to be 3.5% and 3.7% respectively. The achievement of 2015 being 3.0%. The revised global growth projection of 2016 however shows it to be 3.1%, (a downward revision of 0.6%). The forecast for 2017 is 3.4%, showing an increase of 0.3% from that of 2016. Correspondingly, Ethiopia's economy was projected to grow at an average rate of 11% between 2016 & 2025. The real GDP of the country was projected to grow 11.2% in 2016 from 10.2% in 2015.

During the reporting period, the economy of the country was performing within challenging natural and socioeconomic conditions of global and local nature. Slowdown of the global economy and declining world market price for agricultural and other export commodities affected the country's export trade as well as inflow of Foreign Direct Investment (FDI). Besides, though decline in the price of oil helped the country to save FCY, it had affected export trade of the country, particularly of the export destination countries for Ethiopia. Moreover, the adverse effects of unfavorable weather condition (El Nino's effect) had also significantly affected the productivity of agricultural sector and slowed down supply of agricultural commodities causing the prices of agricultural product to rise.

The year 2015/16 was thus the year of great challenges to the bank reflected in resource scarcity, particularly FCY generation and liquidity position of the bank. It was hence the year where its executive organs have drawn useful lessons that enabled the bank to identify its priority areas to ensure sustainability.

This is to pinpoint the scenario in which the bank had been operating from the point of view of economic and market conditions that served the bank as a spring board to devise its strategies to address major problems it had been facing. From the lessons drawn, the board of directors of the bank together with the executive management, identified major priority areas to focus at and relentlessly work on them in order to ensure sustained viability and success of the bank.

Various measures that were deemed important to properly address shareholders' value and keep the bank sustainably on track have been taken. In other words, in the effort to keep the bank deliver shareholders' value, the new Board of Directors and management have been committed themselves towards addressing felt gaps. That is identifying internal strengths and weaknesses to further strengthen strong sides and lessen or mitigate the weak sides as well as exploiting external opportunities by devising appropriate strategies, tactics and plans by tackling external challenges. Some of the measures taken to address the limitations and minimize challenges posed to the bank from its environment so as to keep on tapping available opportunities were:





- Revision and implementation of corporate governance framework of the bank which entailed revising and changing of organizational structure of the bank to:
  - Bring about effective implementation of strategies;
  - Ensure efficiency at all levels;
  - Strengthen internal control and risk management systems;
- Put in place appropriate policies, frameworks and check-and-balance systems that would help ensure effectiveness of the revised governance system;
- Undertaking strong board oversight to regularly check the system in place is functioning and irregularities discovered at different levels are being rectified.

By containing the effect of challenges and limitations mentioned above, and by adopting the measures taken, the bank was able to achieve considerable progress in the areas of deposit mobilization, customer base expansion and enhancing accessibility (branch expansion). Accordingly, total deposit, number of deposit accounts and number of branches of the bank were increased by birr 1.2 billion, 328,073 and 33, respectively in the fiscal year.

Moreover, to further strengthen the performance of the bank and enhance shareholders value, the board of directors of the bank has planned to work on key focus areas in 2016/17 fiscal year. These mainly include building the capacity of the bank in the area of human resource and technology. Apart from that, ensuring efficient and effective operation, enhancing customer base expansion, mobilization of resources and construction of offices are other focus areas of the bank during the upcoming fiscal year.

Finally, on behalf of the entire members of board of directors and myself, I would like to extend my thanks and appreciation to respected shareholders and customers of the bank who trusted and consistently stood with us. I would also like to sincerely acknowledge, the management team, the entire employees of the bank, National Bank of Ethiopia and other stakeholders for their contribution towards stability and improvement in the overall performance of the bank within such challenging local and global business environments.

Abera Hailu  
Chairperson, Board of Directors

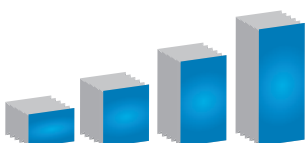
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## President's Statement



Cooperative Bank of Oromia was operating in challenging environments- global, national, industry wide and bank specific conditions in the year 2015/16. The adverse change in weather condition (El Nino's effect) and its impact on agricultural production and the accompanying decline in supply of export commodities, slowdown of world economy, fall in prices of oil and other commodities in the world market related issues had an implication on export trade and overall economic performance of the country. These natural and socio economic environmental situations that affected the performance of the economy of the country undoubtedly have adverse implication on the banking sectors in terms resource mobilization, particularly FCY earning and deposit mobilization. The implication of aforementioned external factors coupled with internal limitations had also affected the performance of our bank.

The year 2015/16 was thus marked as a turning point where the management drew important lessons from previous challenges and difficulties, identified key strategic focus areas and





designed appropriate strategies that enable to put the bank on a competitive track.

Among the measures taken by the management in an effort to address problems constraining smooth performance of the bank include implementation of organizational development, change management, attitudinal change and team building at all levels; resource mobilization to respond to liquidity and foreign currency requirement of the bank; customer base expansion, and service accessibility enhancement through the use of multiple channels.

The efforts exerted by the management and all employees come up with useful results as briefly stated below:

- Deposit of the bank increased by birr 1.2 billion and reached birr 8.5 billion at the end of June 2016;
- Customer base of the bank increased by 328,073 and reached 749,154 at the end of June 2016;
- The number of branches of the bank increased by 33 and reached 174 and 1,101 agents were recruited by the end of June 2016;
- The gross profit before provision and tax was birr 371.50 million while the profit before tax but after provision was birr 36.95 million

Moreover, the management of the bank is working with full determination and commitment to enhance competitiveness of the bank. To this effect, it has devised and put into action various strategies that enable the bank make optimum use of potential resources. Apart from the key strategic focus areas like human resource development and technology enhancement, the management of the bank has been working on resource mobilization, and customer base expansion, service excellence, image building, adoption of International Financial Reporting Standards (IFRS) and other areas of strategic importance.

Finally, on behalf of the management and myself, I would like to extend my deepest gratitude to honored shareholders, Board of Directors and customers of our bank for their commitment and valuable support in our endeavor to ensure sustained growth and viability of the bank. I am also very much pleased to express my appreciation and thanks to all employees of the bank for their committed and unreserved effort to enhance the overall performance of the bank within such challenging business environment. I would also like to thank National Bank of Ethiopia, and other stakeholders who have strongly been backing us in all our endeavors to ensure success of the bank.

Deribie Asfaw  
President



# 2015/16 ANNUAL REPORT

## Corporate Information

### VISION

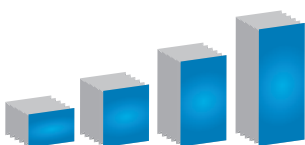
- To be competent, reputable and socially responsible Bank in Africa.

### MISSION

The mission of CBO is to provide efficient banking services with special emphasis to cooperatives and agro based businesses so as to maximize shareholders' value through use of modern banking technology, competent employees, and visionary leaders. We believe rooting our foundation in communities would bring our success.

### CORE VALUES

- Customer Focused
- Integrity
- Team Work
- Continuous Learning
- Communities
- Employees





## SOCIAL RESPONSIBILITY

Our bank has so far contributed resources on various areas as part of playing its social responsibility role. Some of them include:

- Played considerable role in the efforts made by Oromia Development Association (ODA) to open special boarding schools in order to insuring quality of education and produce competent and creative youths



ODA Boarding School

- Contributed to the wellbeing of malnourished children, lactating mothers and pregnant women, and victims of drought.
- Supported Ethiopian Red Cross Society in order to discharge humanitarian responsibilities.
- Supported transport sectors so as to aware the general public about the tragic traffic incident.

In fact we believe that investing in the wellbeing of the society is a part of our Corporate Social Responsibility.

# 2015/16 ANNUAL REPORT

## BOARD OF DIRECTORS



Obbo Abera Hailu,  
Chairperson,  
Board of Directors



Obbo Belachew Hurrissa,  
Deputy Chairperson,  
Board of Directors



Addee Adanech Abiebie,  
Director



Obbo Dagnachew Shiferaw,  
Director



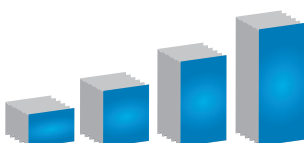
Obbo Dejene Hirpa,  
Director



Addee Meskerem Debebe,  
Director



Dr. Mulugeta Debebe,  
Director





Obbo Oumar Wabe,  
Director



Obbo Shumi Bulessa,  
Director



Obbo Teshome Negusie,  
Director



Obbo Tilahun Tadesse,  
Director



Obbo Teshome Argeta,  
Board Secretary

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## EXECUTIVE MANAGEMENT



Obbo Deribie Asfaw,  
President



Obbo Ahmed Hassen,  
VP Finance and Trade  
Services



Obbo Aman Semir,  
VP Information System



Obbo Desalegn Tadesse ,  
Senior Director, Operations  
Management



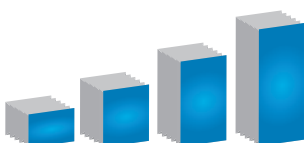
Obbo Tafesse Fana,  
Chief Officer Internal Audit



Obbo Gemmeda Miessa,  
Chief Officer Risk and  
Compliance



Obbo Liko Tolessa ,  
Director Strategy and Change  
Management





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Tajaajila Baankii  
**Dhala Irraa**  
**Bilisaa**



# 2015/16 ANNUAL REPORT

## CORPORATE PERFORMANCE REPORT

The performance report of the bank in the year 2015/16 has been presented both in financial and non-financial terms.

### 1. Financial Performance

The financial performance reports of the bank encompasses major activities such as financial resource mobilization and allocation that had been undertaken during the reporting period.

#### 1.1 Resources Mobilization

Financial resources mobilization undertaken during the year include deposit mobilization, foreign currency generation, and collection of loan and subscribed share capital.

##### 1.1.1 Deposit Mobilization

The total deposit of the bank increased by birr 1.2 billion from balance of June 2015 and stood at the position of birr 8.5 billion as at June 30, 2016.

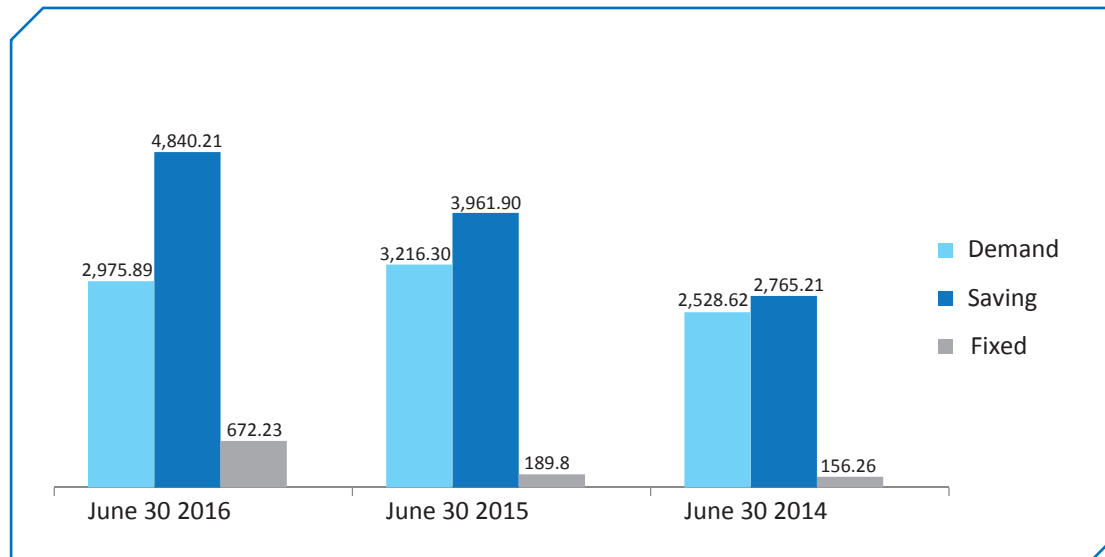
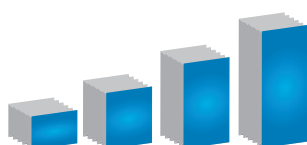


Figure 1: Three Years Deposit By Type





### 1.1.2 Foreign Currency Mobilization

The bank generated total foreign currency amounting to USD 257.58 million from various sources like export, remittance, and cash purchase.



Export Financing - Coffee



Export Financing - Cattle





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Fast and Reliable International  
Money Transfer Services



### 1.1.3. Loan Collection

Birr 3 billion has been collected from loans and advances given to different sectors like Domestic Trade and Service, Foreign Trade, Building and Construction, Agriculture, Manufacturing Production and others during the fiscal year.

### 1.1.4. Collection of subscribed share capital

During the reporting period, a total of birr 45.88million was collected from share subscribers making the total paid-up capital of the bank to be birr 910.73 million as at June 30, 2016.



Maqi Farm

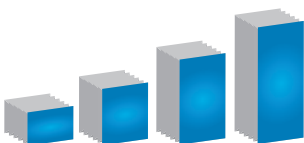
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Bacho Waliso Union PP Bags Factory



Selam Water /Shashamene/





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COOPERATIVE BANK OF OROMIA (S. C.)



YOUTH  
Savings Account



SINQE  
Women Savings Account



GAMME  
Junior Account

CBO cordially invites you  
to use our brand new products  
with attractive features!

# 2015/16 ANNUAL REPORT

## 1.2 Resource Allocation

### 1.2.1. Loans and Advances

From the resource allocation point of view the bank disbursed a total loan of birr 2.17 billion during the year as domestic trade and services, foreign trade, building and construction, agricultural term-loan, manufacturing production and others. Accordingly, the total outstanding loans and advances of the bank reached birr 6.17 billion at the end of June 2016.

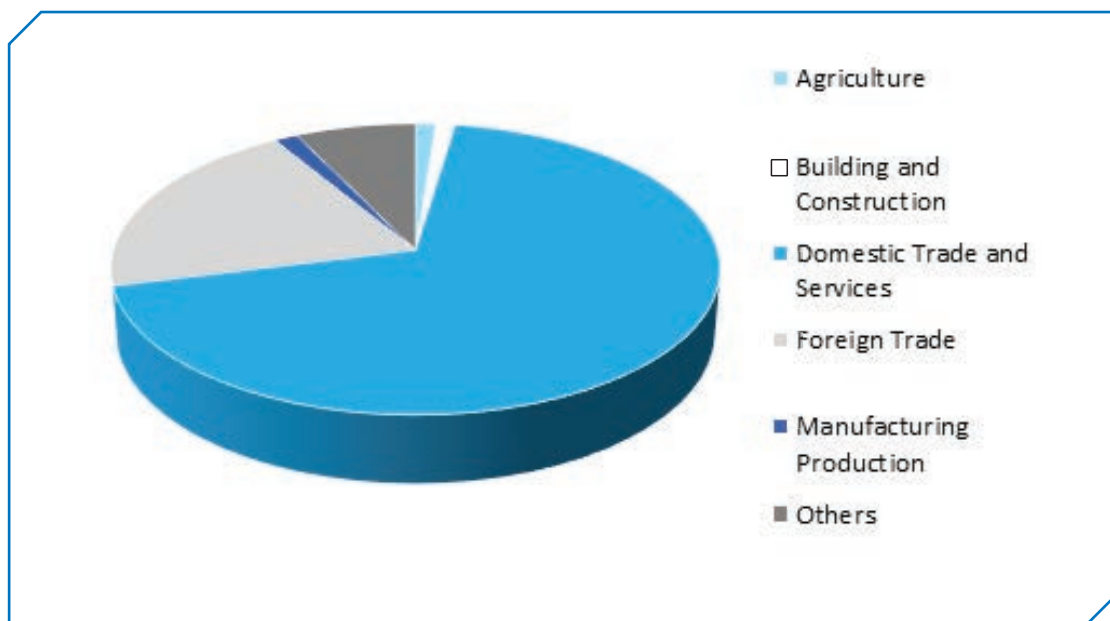


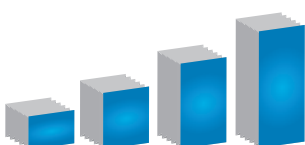
Figure 2: Loan and Advance Portfolio

### 1.2.2 FCY allocation

The bank allocated 187.36 million USD to various customers in the forms of letter of credit, cash against documents, telegraphic transfer and others

### 1.3 Income and Expenses

In the FY 2015/16, Cooperative Bank of Oromia generated a total income of birr 1.1 billion while its total expense stood at birr 706.8 million. The resulting gross profit before provision and tax was birr 371.50 million. The profit before tax but after provision was thus birr 36.95 million.



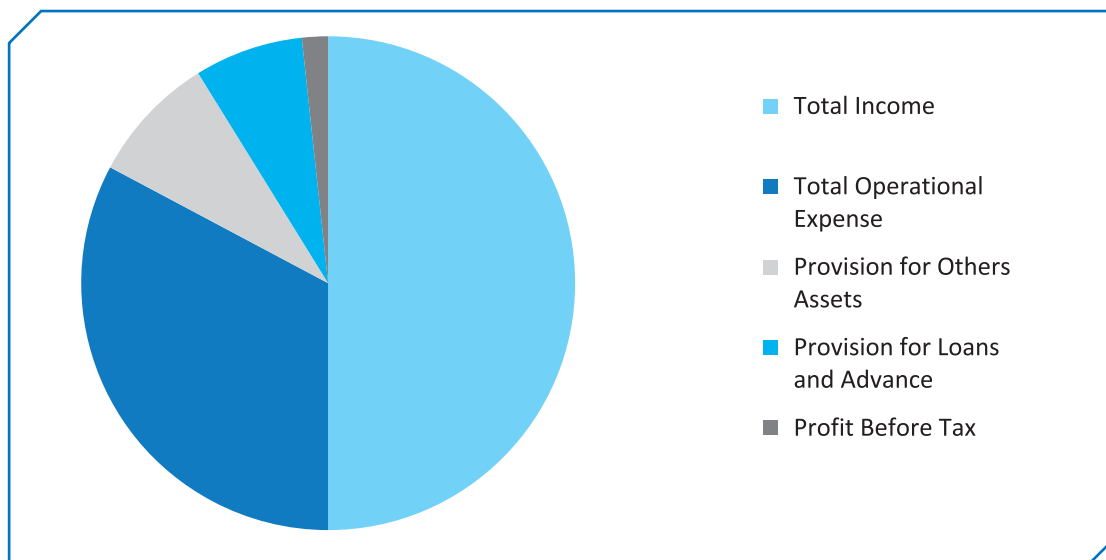


Figure 3: Income expense summary

## 2. Non-financial Performance

### 2.1 Human Resources

Total staff strength of the bank reached 2,286 by the end of June 2016. Various capacity building trainings were given to the staff of the bank working at different levels during the year. Accordingly, 2,439 employees of the bank were given training in different areas of technical skill, leadership, internal control and compliance and core values at a total cost of birr 6.2 million during this fiscal year.

### 2.2 Technology

The Board of Directors and management have given due emphasis to Information Technology that improve productivity and enhance customer service of the bank.

Among others, the areas so far the bank has made investments to resize the bank's IT Infrastructure, build disaster recovery site, acquire storages, and installed cooling systems at the Bank's data center. The bank has also made move to introduce card and agents banking services that give the bank alternative service channels.

It has now become mandatory to transform the bank to digital channels.

The bank is now committed to improving its Information Technology services and Systems in any way possible as it has now a days become to transform to digital channels to provide a more tailored and personalized services to its esteemed customers.

# 2015/16 ANNUAL REPORT

## 2.3 Accessibility

The bank has been striving to enhance its accessibility to customers through multiple channels. In line with this, the newly opened 33 branches and 7 sub-branches during the year made the total number of branches and sub branches to reach 174 and 12 respectively by the end of June 2016. Moreover, 1,101 agents were recruited and 10,606 ATM cards were distributed to enhance access to the bank's services.

## 2.4 Deposit Accounts

The total number of deposit accounts of the bank reached 749,154 at the end of June 2016, as compared with previous year position it increased by 328,073.

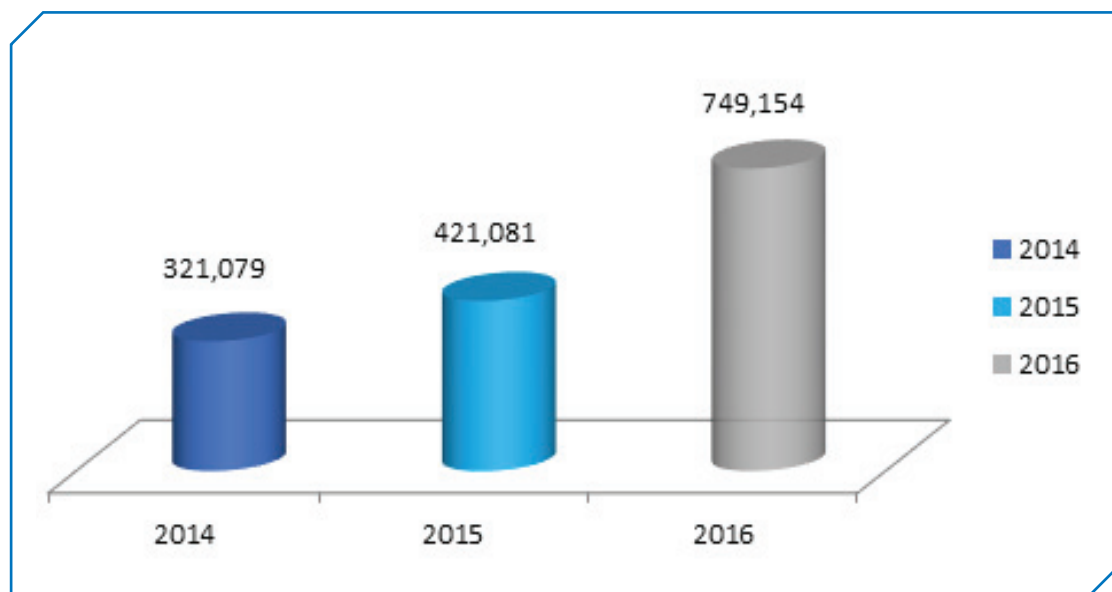
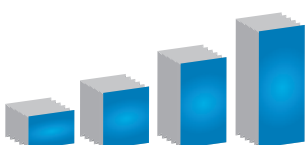


Figure 4: Number of Deposit Accounts





# E-Banking Services



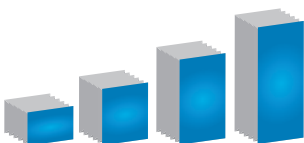
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**24/7  
ATM**



# 2015/16 ANNUAL REPORT

## AUDITORS' REPORT





**TAY**

**TAY**

**INDEPENDENT AUDITORS' REPORT  
TO THE SHAREHOLDERS**

**OF**

**COOPERATIVE BANK OF OROMIA S.CO**

**AS AT AND FOR THE YEAR ENDED 30 JUNE 2016**

**TAY & Co.**

**Chartered Certified Accountants & Authorized Auditors**

**Addis Ababa, Ethiopia**

Tel. 251-11-442-1336 Fax 251-11-442-1338 E-mail: [tayco@ethionet.et](mailto:tayco@ethionet.et)

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**TAY & Co.**

*Chartered Certified Accountants & Authorized Auditors*  
ተ.አ.ዋ.ይ. እና ከባንያው የተመሰከረላቸው የሂሳብ አዋቂዎች እና የተፈቀደላቸው አዲተሮች

## **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF COOPERATIVE BANK OF OROMIA SHARE COMPANY (S.Co.)**

### **Report on the financial Statements**

We have audited the accompanying financial statements of Cooperative Bank of Oromia S.Co., which comprise the balance sheet as at 30 June 2016, and the related income statement, cash flow statement and statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Generally Accepted Accounting Principles, 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.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessment, the auditors considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Basis for Qualified Opinion**

Head office and Branches account balances should have been fully reconciled to bring the balance to nil. However, the net balance as at the yearend shows a debit balance of Birr 78,252,921.40 which is reported under other assets.

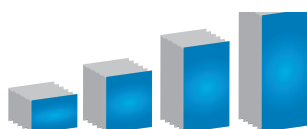
### **Qualified Opinion**

In our opinion, except for the possible effect of the matter described in the Basis of Qualified Opinion paragraph, the financial statements give a true and fair view of the financial position of Cooperative Bank of Oromia S.Co as at 30 June 2016 and of its financial performance and its cash flows for the year then ended in accordance with Generally Accepted Accounting Principles.

We have no comments to make on the report of the Board of Directors of the Bank in so far as it relates to these financial statements and pursuant to Article 375 of the Commercial Code of Ethiopia 1960 recommend approval of these financial statements.

Ethio-China Friendship Street, Wengelawit Tadesse Building 1<sup>st</sup> Floor

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Fax (011) 442 1338 - e-mail: tayco@ethionet.et - www.tayauditing.com - P.O. Box 1335 - Addis Ababa, Ethiopia





**Emphasis of Matters Paragraph**

Without qualifying our opinion in this respect, we draw attention to provision of suspense account of Birr 316,232,815 stated under note number 5 of the financial statements, which includes an alleged embezzlement at Dire Dawa branch involving non-sufficient fund cheques and fraudulent loans which were recognized as export settlement in the prior years with yearend outstanding balance of Birr 263,034,649.40.

  
TAY & Co.  
Chartered Certified Accountants and  
Authorized Auditors



Addis Ababa  
September 20, 2016

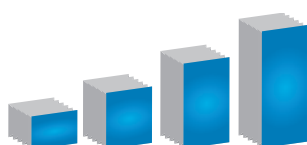
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**Cooperative Bank of Oromia S.C.**  
**Consolidated Balance Sheet**  
**As At 30 June 2016**

	Notes	Birr	2015
<b>Assets</b>			
Cash and Bank Deposits	3	2,133,870,835	2,322,975,836
Fixed Time Deposit	4	55,995,551	113,962,446
Other Assets	5	518,817,422	667,732,596
Loans and advances(net)	2(d)6	5,851,657,783	6,566,040,876
Investment in NBE bills and Bonds	7.2	1,775,521,720	1,505,183,292
Government Saving Bond		5,150,000	5,000,000
Property,Plant and Equipment	2(c),10	246,739,301	196,529,560
Acquired Properties	9	30,284,170	31,072,110
Leasehold land	11	549,310	557,725
Deferred Tax Assets	2(e)29	3,012,763	831,593
Deferred Charges (net)	8	13,568,253	-
Investments in Shares	7.1	52,181,000	52,181,000
		<b>10,687,348,107</b>	<b>11,462,067,034</b>
<b>Liabilities</b>			
Customer Deposits	12	8,488,327,234	7,368,004,706
Margin Held On Letter Of Credit		455,213,840	299,443,083
Other Liabilities	13	522,860,498	2,214,612,367
Profit Tax Payable	27	-	169,096,158
<b>Total Liabilities</b>		<b>9,466,401,572</b>	<b>10,051,156,315</b>
<b>Capital</b>			
Paid up capital	14	910,731,547	864,848,200
Donated capital	15	3,931,539	3,931,539
Share premium		8,672,001	8,672,001
Legal reserve	16	269,094,409	259,315,226
Retained Earnings		28,517,039	274,143,754
<b>Total Capital</b>		<b>1,220,946,535</b>	<b>1,410,910,720</b>
<b>Total Liabilities and Capital</b>		<b>10,687,348,107</b>	<b>11,462,067,034</b>

**Abera Hailu**  
**Chairman of the Board of Director**

**Deribe Asfaw**  
**President**





**Cooperative Bank of Oromia S.C.  
Consolidated Income Statement  
For the Year Ended 30 June 2016**

<b>Income</b>	<b>Notes</b>	<b>Birr</b>	<b>2015</b>
Interest	17	823,669,491	701,729,147
Commission Income	18	70,416,269	116,553,387
Service Charges	19	111,421,462	266,859,690
Gain (Loss) on Foreign Currency	21	59,406,365	139,514,664
Other Income	20	13,430,350	17,925,782
		<b>1,078,343,937</b>	<b>1,242,582,670</b>
<b>Expenses</b>			
General Expenses	23	283,994,189	217,502,043
Interest Expenses	24	228,893,485	137,493,919
Salaries & Benefits	25	189,276,040	161,614,747
Provision for Loans & Advances	2(d)	153,370,000	103,930,000
Provision for Other Assets		181,193,372	124,496,287
Audit Fee		201,829	100,000
Loss On Foreign Currency and Other Charges	22	4,470,016	16,457,933
Total Expenses		<b>1,041,398,931</b>	<b>761,594,929</b>
<b>Profit before Tax</b>		<b>36,945,006</b>	<b>480,987,742</b>
Provision for Profit Tax	27	(9,446)	(169,111,995)
Deferred Tax Assets/Liabilities	29	2,181,170	562,362
<b>Profit after Tax</b>		<b>39,116,730</b>	<b>312,438,109</b>
Transfer to Legal Reserve	16	(9,779,183)	(78,109,527)
<b>Net Profit after Tax &amp; Legal Reserve</b>		<b>29,337,548</b>	<b>234,328,581</b>
Board of directors remuneration	26	(550,000)	(550,000)
		<b>28,787,548</b>	<b>233,778,581</b>
<b>Earning per Share of Birr 100</b>	30	4.4	41.7

**Abera Hailu**  
Chairman of the Board of Director




**Deribe Asfaw**  
President




# 2015/16 ANNUAL REPORT

**Cooperative Bank of Oromia S.C.**  
**Consolidated Cash Flow Statement**  
**For the Year Ended 30 June 2016**

	Birr	2015
<b>Cash Flow From Operating Activities</b>		
Net Profit for the year	36,945,006	480,987,742
Adjustment for:		
Depreciation and Amortization	51,390,752	38,156,718
Provision for Doubtful Loans & Advances	153,370,000	103,930,000
Other Provision	181,193,372	124,496,287
Paid up capital adjustment expenses	(450,000)	-
Dividend income	-	(3,022,412)
Fixed assets and adjustment	3,565,282	(37,404)
Effect of exchange rate fluctuation and Forex dealing	(53,977,449)	(121,634,392)
<b>Cash Flow From Operation before Changes in Working Capital</b>	<b>372,036,964</b>	<b>622,876,539</b>
Decrease (Increase) in Loans & Advances excluding provision	561,013,092	(3,025,855,250)
Decrease (Increase) in Other Assets	(32,278,198)	31,375,970
Decrease (Increase) in Acquired Properties	787,941	(11,308,255)
Increase (Decrease) in Deposits	1,120,322,528	1,917,907,438
Increase (Decrease) in Margin Held Account	155,770,757	(50,910,361)
Increase (Decrease) in Other Liabilities	(1,860,144,275)	1,887,121,169
<b>Cash Flow From Operation before Changes in Working Capital</b>	<b>317,508,808</b>	<b>1,371,207,250</b>
Profit tax Paid	(169,096,158)	(132,053,770)
Withholding Tax Paid	(9,446)	(15,837)
<b>Net Cash Inflow from Operating Activities</b>	<b>148,403,204</b>	<b>1,239,137,643</b>
<b>Cash Flow From Investing Activities</b>		
Dividend income	-	3,022,412.00
Purchase of Fixed Assets	(104,188,197)	(103,295,829)
Investment in deferred charges	(14,537,414)	-
Investment in Government saving bond	(150,000)	(5,000,000)
Fixed time deposit with Other Bank	57,966,895	(23,962,446)
Investment in NBE Bills	(270,338,428)	(665,280,000)
Investment in other companies shares	-	(8,790,000)
Cash out flow from investing activities	<b>(331,247,144)</b>	<b>(803,305,863)</b>
<b>Net Cash Outflow from Investing Activities</b>		
<b>Cash Flow From Financing Activities</b>		
Dividend paid in cash	(59,688,509)	(22,726,868)
Directors share on profit paid	(550,000)	(550,000)
Share capital collected net dividend capital	-	31,356,906
Share premium Collected	-	16,397
<b>Cash Flow from Financing Activities</b>	<b>(60,238,509)</b>	<b>8,096,435</b>
Effect of exchange rate fluctuation & FOREX dealing	53,977,449	121,634,392
<b>Changes in Cash and Cash Equivalents</b>	<b>(189,105,000)</b>	<b>565,562,607</b>
<b>Cash and Cash Equivalent at the Beginning of the Year</b>	<b>2,322,975,836</b>	<b>1,757,413,229</b>
<b>Cash Balance at end of the year</b>	<b>2,133,870,835</b>	<b>2,322,975,836</b>

  
**Abera Hailu**  
 Chairman of the Board of Director

  
**Deribe Asfaw**  
 President





**Cooperative Bank of Oromia S.C.**  
**Statement of Changes in Equity**  
**For the Year ended 30 June 2016**

Currency: Ethiopian Birr

	Share Capital	Share Premium	Donated Capital	Legal Reserve	Retained Earnings	Total Capital
Balance at 1 July 2014	632,138,300	8,655,604	3,931,539	181,205,698	264,445,033	1,090,376,174
Dividend Capitalized	201,352,994	-	-	-	(201,352,994)	-
Dividend in Cash	-	-	-	-	(22,726,868)	(22,726,868)
Share premium Collected	-	16,397	-	-	-	16,397
Collection from subscribed shares	31,356,906	-	-	-	-	31,356,906
Profit for the Year	-	-	-	-	312,438,110	312,438,110
Directors' Share on profit	-	-	-	-	(550,000)	(550,000)
Transfer to Legal Reserve	-	-	-	78,109,528	(78,109,528)	-
<b>Balance at 30 June 2015</b>	<b>864,848,200</b>	<b>8,672,001</b>	<b>3,931,539</b>	<b>259,315,226</b>	<b>274,143,754</b>	<b>1,410,910,720</b>
Balance at 1 July 2015	864,848,200	8,672,001	3,931,539	259,315,226	274,143,754	1,410,910,720
Dividend Capitalized	45,883,347	-	-	-	(45,883,347)	-
Dividend in Cash	-	-	-	-	(228,080,915)	(228,080,915)
Prior period adjustment	-	-	-	-	(450,000)	(450,000)
Profit for the Year	-	-	-	-	39,116,730	39,116,730
Directors' Share on profit	-	-	-	-	(550,000)	(550,000)
Transfer to Legal Reserve	-	-	-	9,779,183	(9,779,183)	-
<b>Balance at 30 June 2016</b>	<b>910,731,547</b>	<b>8,672,001</b>	<b>3,931,539</b>	<b>269,094,409</b>	<b>28,517,039</b>	<b>1,220,946,535</b>

*Handwritten signature of Abera Hailu*

**Abera Hailu**

**Chairman of the Board of Director**

*Handwritten signature of Deribe Asfaw*

**Deribe Asfaw**

**President**









**Cooperative Bank of Oromia S.C.**  
**Notes to the accounts**  
**As At 30 June 2016**

<b>5 Other Assets</b>	<b>Birr</b>	<b>2015</b>
Prepayments	174,011,692	199,937,163
Supplies Stock Account	20,883,100	16,095,877
Uncleared Effect - Foreign	182,479,256	448,753,810
Uncleared Effect - Local	87,438,506	80,004,897
Accrued Interest Receivables On NBE Bills	25,543,839	20,345,605
Accrued Receivables - Government Bond	303,279	186,485
Accrued Receivables - Other Domestic Banks	5,436,645	3,142,352
Accounts Receivable - Local	1,471,671	3,479,722
Staff Debtor	277,733	2,369
Miscellaneous-Local	36,129,912	6,034,933
Miscellaneous-Foreign	7,256	-
Fixed Assets in Store	11,702,094	10,395,680
Branch under Openings	13,171,266	14,393,146
Money Transfer Agents (MONTRAG)	10,086,238	-
ATM Settlement	3,071,181	-
Withholding Tax Receivables	1,921	-
Export Settlement Account	263,034,649	-
	<b>835,050,237</b>	<b>802,772,039</b>
Less : Provision of Suspense Accounts	<b>(316,232,815)</b>	<b>(135,039,443)</b>
	<b>518,817,422</b>	<b>667,732,596</b>

Provision for suspense accounts of Birr 316,232,815 includes provision held for an alleged embezzlement at Dire Dawa branch involving non-sufficient fund cheques and fraudulent loans which were recognized as export settlement in the prior years with yearend outstanding balance of Birr 263,034,649.40

<b>6 Loans and Advances</b>	<b>Birr</b>	<b>2015</b>
Agricultural Production Term Loan and Overdraft	75,419,548	106,748,383
Manufacturing Production Term Loan	88,912,262	83,641,045
Domestic Trade and Service Term Loan	3,387,960,408	4,094,903,762
Domestic Trade and Service Overdraft	857,198,012	1,148,320,093
Export Term Loans	398,520,054	262,529,636
Export Overdraft	132,912,921	153,682,180
Merchandise	182,467,411	193,872,235
Import Term Loan and Overdraft	21,271,611	20,255,907
Advance Against Export Bills	667,205,612	348,650,098
Advance Against Import Bills	29,969,743	108,565,558
Building and Construction	70,978,052	61,739,178
Personal Loans	264,502,149	155,422,799
	<b>6,177,317,783</b>	<b>6,738,330,875</b>
Less: Provision for Bad Loans & Advances	<b>(325,660,000)</b>	<b>(172,290,000)</b>
	<b>5,851,657,783</b>	<b>6,566,040,876</b>



# 2015/16 ANNUAL REPORT

## Cooperative Bank of Oromia S.C.

### Notes to the accounts

As At 30 June 2016

#### 7 Investments

##### 7.1 Investments in Shares

	Birr	2015
Oromia Insurance Company S.C	11,261,000	11,261,000
Gutu Oromia Business S.C	3,500,000	3,500,000
Orologo Prefabricated PLC	15,000,000	15,000,000
Ethio Switich S.C	11,370,000	11,370,000
Elemtu Integreted Milk Industry S.C	5,000,000	5,000,000
Premiere Swich Solution (PSS)	4,800,000	4,800,000
Bomoj Meat Processing and Export S.C	1,250,000	1,250,000
	<b>52,181,000</b>	<b>52,181,000</b>

##### 7.2 Investment in NBE Bills

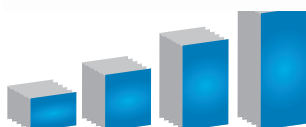
In accordance with NBE directive no MFA/NBE BILLS/001/2011 , the Bank has purchased NBE Bills to the equivalent of 27% of total loan disbursed during the year. The Bills are interest bearing at 3% with maturity period of five years.

#### 8 Deferred Charges

	Balance as at 30/06/2015 Birr	Additions Birr	Balance as at 30/06/2016 Birr
<b>Cost</b>			
Establishment Cost	851,058	-	851,058
Software New-OMNI	-	14,537,414	14,537,414
	<b>851,058</b>	<b>14,537,414</b>	<b>15,388,472</b>
<b>Amortization</b>			
Establishment Cost	851,058	-	851,058
Software New-OMNI	-	969,161	969,161
	<b>851,058</b>	<b>969,161</b>	<b>1,820,219</b>
<b>Net Book Value</b>	<b>-</b>		<b>13,568,253</b>

#### 9 Acquired Properties by Branches

Sheger Branch	4,312,229	4,312,229
Finfine Branch	7,817,857	7,317,857
Shashemene Branch	3,698,570	3,698,570
Sebeta Ayo	2,800,000	-
Bule Hora Branch	-	1,323,227
Ambo Branch	162,293	157,693
Torban Obbo Branch	15,920,307	18,689,621
	<b>34,711,256</b>	<b>35,499,197</b>
Less : Provision	<b>(4,427,087)</b>	<b>(4,427,087)</b>
	<b>30,284,170</b>	<b>31,072,110</b>





Cooperative Bank of Oromia S.C.  
Notes to the accounts  
As At 30 June 2016

10 Property, Plant & Equipments

Cost	Balance at 30 June 2015	Additions	Transfer	Adjustment	Balance 30 June 2016
Computers & Data storage equipment	66,420,988	21,493,117	(204,615)	-	87,709,489
Office furniture & fittings	58,444,139	19,743,240	(384,392)	-	77,802,986
Office & other equipments	55,102,511	16,412,453	(736,301)	-	70,778,663
Motor Vehicles	67,343,241	11,572,568	(2,244,775)	-	76,671,034
Premises	16,149,725	-	-	-	16,149,725
Construction in progress	55,499,966	34,966,820	-	-	90,466,785
	<b>318,960,569</b>	<b>104,188,197</b>	<b>(3,570,084)</b>	-	<b>419,578,683</b>
<b>Depreciation</b>					
Computers & Data storage equipment	39,590,945	16,230,583	-	(900)	55,820,628
Office furniture & fittings	26,927,582	11,537,286	-	-	38,464,869
Office & other equipments	21,214,765	11,028,499	-	(2,856)	32,240,408
Motor Vehicles	33,411,482	10,809,320	-	-	44,220,802
Premises	1,286,236	807,486	-	(1,046)	2,092,676
	<b>122,431,009</b>	<b>50,413,175</b>	-	<b>(4,802)</b>	<b>172,839,382</b>
<b>Net Book Value</b>	<b>196,529,560</b>				<b>246,739,301</b>

11 Leasehold Land

The leasehold land represents lease cost of:

	Birr	2015
900 m2 of land located in Jima town for 40 years lease period	144,110	144,110
1500 m2 of land located in Woliso town for 25 years lease period	10,800	10,800
536 m2 of land located in Addis Ababa city on 99 years lease period	433,624	433,624
	588,534	588,534
Accumulated Amortization	30,809	22,394
Less- Current year Amortization	8,415	8,415
	39,224	30,809
<b>Book Value</b>	<b>549,310</b>	<b>557,725</b>

12 Deposits

Balance as at 30 June 2016

	Demand	Saving	Time Deposit	E-float	Wadia Saving Deposit	Wadia Demand Deposit	Total	2015
Cooperative and Associations	505,264,443	473,087,326	48,800,000	-	50	347	1,027,152,166	835,635,026
Domestic Banks	60,836,172	-	35,000,000	-	-	-	95,836,172	72,230,537
Non Bank Financial Institutions	62,672,858	225,127,694	187,686,176	-	-	-	475,486,728	314,253,423
Private Sectors	1,765,153,895	3,390,708,248	400,741,885	6,075,093	74,507,242	-	5,643,183,438	5,019,342,825
Public Enterprise	560,348,203	51,940,403	-	-	-	-	612,698,742	560,576,165
Non-interest Bearing	-	546,562,946	-	-	-	-	546,562,946	379,843,302
Local	904,472	-	-	-	-	-	904,472	2,635,181
Foreign	8,515,211	-	-	-	-	-	8,515,211	2,128,152
	-	77,973,408	-	-	-	-	77,973,408	181,360,095
	-	-	-	-	-	-	200	-
	-	-	-	-	-	-	13,750	-
	2,963,895,254	4,765,400,025	672,228,061	6,075,093	74,507,242	5,915,540	8,488,327,234	7,368,004,706
	3,216,185,130	3,961,901,673	189,802,433	115,470	-	-	7,368,004,706	-







**Cooperative Bank of Oromia S.C.**  
**Notes to the accounts**  
**As At 30 June 2016**

**16 Legal Reserve**

In accordance with the Articles of Association of the bank and Proclamation No 592/2008 article 19 of the Licensing and Supervision of Banking, 25% of profit after tax is transferred to legal reserve until the balance reaches 100% of the paid-up capital.

**17 Interest Income**

Interest Earned On Loans and Advances  
 Interest Earned On Surplus Fund

	<b>Birr</b>	<b>2015</b>
Interest Earned On Loans and Advances	763,802,965	658,185,876
Interest Earned On Surplus Fund	59,866,526	43,543,270
	<b>823,669,491</b>	<b>701,729,147</b>

**18 Commission Income**

Commission on Foreign Transactions  
 Commission on Letter of Guarantee  
 Commission-Local  
 CPOs and cheque paid  
 Demand drafts(MTs,TTs & DD-Local)

	<b>Birr</b>	<b>2015</b>
Commission on Foreign Transactions	39,963,943	79,845,466
Commission on Letter of Guarantee	13,197,767	12,564,412
Commission-Local	7,727,636	13,269,540
CPOs and cheque paid	711,362	449,082
Demand drafts(MTs,TTs & DD-Local)	8,815,561	10,424,886
	<b>70,416,269</b>	<b>116,553,387</b>

**19 Service Charges**

Service Charges - Local  
 Service Charges - Foreign

	<b>Birr</b>	<b>2015</b>
Service Charges - Local	1,363,267	6,216,739
Service Charges - Foreign	110,058,195	260,642,951
	<b>111,421,462</b>	<b>266,859,690</b>



# 2015/16 ANNUAL REPORT

**Cooperative Bank of Oromia S.C.**  
**Notes to the accounts**  
**As At 30 June 2016**

**20 Other Income**

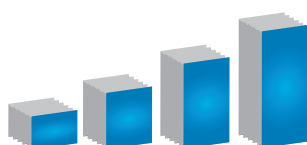
	<b>Birr</b>	<b>2015</b>
Office Rent	905,230	752,862
Commitment Charge	294	-
Gain on disposal of Old assets	68,414	130,523
Estimation and inspection fee	270,612	936,777
Cash Surplus	395,757	293,753
Telephone, Postages and Money Bags	2,803,050	4,066,781
Dividend Income	-	3,022,412
Sundries	8,471,542	8,105,420
Othe Income - Miscellaneous	515,451	617,255
	<b>13,430,350</b>	<b>17,925,782</b>

**21 Gain On Foreign Currency and Other Charges**

	<b>Birr</b>	<b>2015</b>
Gain On Foreign Currency Transactions	58,447,464	138,092,325
Correspondent Charges	1,760	341,368
Swift Charges	957,140	1,080,971
	<b>59,406,365</b>	<b>139,514,664</b>

**22 Loss On Foreign Currency and Other Charges**

	<b>Birr</b>	<b>2015</b>
Loss on Forein exchanges dealings	2,543,039	7,948,830
Loss on forein exchanges rate fluctuation	1,926,976	8,509,103
	<b>4,470,016</b>	<b>16,457,933</b>





**Cooperative Bank of Oromia S.C.**  
**Notes to the accounts**  
**As At 30 June 2016**

<b>23 General Expenses</b>	<b>Birr</b>	<b>2015</b>
Advertisement and publicity	5,105,444	6,103,106
Bank charges	1,195,294	1,534,197
Cheque books	311,116	383,809
NBE issue account and Correspondant account	1,275,809	4,089,063
Cleaning supplies	373,824	236,423
Depreciation expenses	50,413,175	38,063,197
Amortization of deferred charges	969,161	85,106
Amortization of leasehold land	8,415	8,415
Donation	63,695	2,244,793
Entertainment	2,272,060	595,563
Electronic data processing	8,143,296	1,304,219
Penalty	1,501,638	10,120
Inauguration	89,513	63,984
Insurance expense	8,350,532	6,225,913
Land and Building tax	7,511	10,232
Legal	64,042	218,581
Municipal License fees and Sanitation fee	3,268,162	112,092
Membership fees	407,964	834,020
Miscellaneous	1,577,410	1,632,450
Money bags	1,024	2,429
Motor vehicle inspection	89,377	129,863
Fuel and Lubricants	4,027,931	3,783,410
Office rent	72,098,785	52,583,835
Parking	23,200	16,372
Perdiem and accommodation	4,526,047	5,859,409
Fuel and Representation Allowance	10,094,506	8,681,247
Postage	176,738	218,741
Repair and maintenance	8,250,214	6,601,346
Revenue stamp	9,364	7,517
Stationary and printing	16,506,224	16,110,463
Subscription	39,418	135,210
Sundries	10,045,218	8,790,970
Telephone, swift and internet	12,082,416	12,990,528
Transport of Currency	2,730,601	2,178,717
Transportation	23,491,033	15,557,953
Wages	32,842,393	18,727,667
Water and electricity	1,561,641	1,371,083
	<b>283,994,189</b>	<b>217,502,043</b>





# 2015/16 ANNUAL REPORT

## Cooperative Bank of Oromia S.C.

### Notes to the accounts

#### As At 30 June 2016

#### 24 Interest Expenses

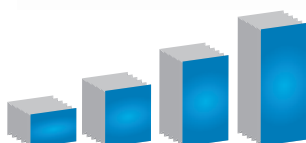
	Birr	2015
Interest on Saving Deposits	160,604,656	125,001,153
Interest on Fixed Time Deposits	46,552,122	12,492,766
Interest on Borrowing from NBE	21,736,707	-
	<b>228,893,485</b>	<b>137,493,919</b>

#### 25 Salaries and Benefits

	Birr	2015
Accrued Leave Pay	4,532,279	4,527,456
Acting Allowance	418,838	9,329
Bonus	1,604,014	15,904,249
Cash Indemnity Allowance	5,861,013	4,474,218
Clerical Staffs Salaries	130,598,141	100,601,212
Disturbance Allowance	331,150	169,500
Hardship Allowance/Living Allowance	2,819,576	2,073,266
Housing Allowance	1,587,262	1,324,092
Medical	2,669,439	1,921,495
Non Clerical Staffs Salaries	13,511,063	11,630,241
Overtime Payments	2,226,028	1,948,950
Provident Fund Contribution	7,024,586	6,491,609
Pension expenses	8,762,477	5,789,099
Marriage and Maternity Staff Benefits	135,000	92,674
Staff Insurance	1,988,335	1,259,334
Training and Education	4,452,669	2,307,313
Uniforms	750,871	1,083,809
Drivers Allowance	3,300	6,900
	<b>189,276,040</b>	<b>161,614,747</b>

#### 26 Directors Allowance

Directors allowances represent monthly allowance of Birr 2,000 per month and annual compensation of Birr 50,000 per each member of board of directors of the bank. The amount paid is within the limit set in accordance with NBE directive SBB 49/2011.





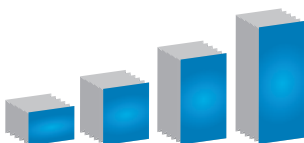
**Cooperative Bank of Oromia S.C.**  
**Notes to the accounts**  
**As At 30 June 2016**

	<b>Birr</b>	<b>2015</b>
<b>27 Provision for Taxation</b>		
Profit before tax	36,945,006	480,987,742
<b>Add:</b>		
<b>Disallowed Expenditures(Expenditures deducted but should not have been deducted)</b>		
Depreciation and amortization for accounting Purpose	51,382,336	38,063,197
Entertainment	2,272,060	595,563
Penalty	1,501,638	10,120
Donations	63,695	2,244,793
Provision for debtors other than loans	-	124,496,287
	<b>55,219,729</b>	<b>165,409,960</b>
<b>Chargeable Income(Income not included but would have been included)</b>	Nil	Nil
<b>Deduct:</b>		
<b>Allowable Expenditures(Expenditures not deducted but would have been deducted)</b>		
Depreciation and amortization for Tax purpose	44,111,769	36,188,656
<b>Exempt Incomes and Incomes taxed at source:</b>		
Dividend Income	-	3,022,412
Interest From Deposits at Local banks	9,123,206	9,021,928
Interest From Deposits at Foreign Banks	188,925	-
Interest Income On NBE bills and Bonds	50,554,395	34,458,055
	<b>103,978,295</b>	<b>82,691,051</b>
<b>Taxable Profit</b>	<b>(11,813,559)</b>	<b>563,706,651</b>
<b>Provision for Taxation@30%</b>	-	169,111,995
<b>Add: 5% On deposit at Foreign banks</b>	<b>9,446</b>	-
	<b>9,446</b>	<b>169,111,995</b>
<b>Less: Withholding Tax Paid</b>	<b>(9,446)</b>	<b>(15,837)</b>
<b>Net Current Year Profit Tax Payable</b>	<b>-</b>	<b>169,096,158</b>



# 2015/16 ANNUAL REPORT

Cooperative Bank of Oromia S.C.  
Notes to the accounts  
As At 30 June 2016



## 28 Depreciation and Amortization for Tax Purpose

Depreciation and Amortization Base B/F  
Fixed Assets Transferred to Expenses at their book Value  
Current Year Additions  
Depreciation Base at end of the Year  
Depreciation @5%,25%, 20% and 10%  
Depreciation Base Carried Forward

	Building	Computer & Accessories	Other Business Assets	Intangible assets	Depreciation Total
	15,566,586	29,694,407	101,307,065	-	146,568,058
	-	(204,615)	(3,365,468)	-	(3,570,084)
	-	21,493,117	47,728,261	14,537,414	83,758,791
	15,566,586	50,982,908	145,669,858	14,537,414	226,756,766
	(778,329)	(12,745,727)	(29,133,972)	(1,453,741)	(44,111,769)
	15,566,586	50,982,908	145,669,858	14,537,414	226,756,766

## 29 Deferred Tax Asset/Liability

Depreciation and amortization Computed for Reporting Purpose  
Depreciation and amortization Computed for Tax Purpose  
Temporary difference  
Differed Tax asset@30%  
Balance brought forward  
Balance carried forward

Birr	2015
51,382,336	38,063,197
(44,111,769)	(36,188,656)
7,270,566	1,874,541
2,181,170	562,362
831,593	269,231
<b>3,012,763</b>	<b>831,593</b>





**Cooperative Bank of Oromia S.C.**  
**Notes to the accounts**  
**As At 30 June 2016**

**30 Earning per share**

Earning per share for the year is calculated on the basis of the average number of shares outstanding during the year. Average number of shares is computed on simple average basis.

**31** Certain comparative figures were reclassified where necessary to facilitate comparison.

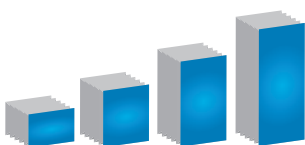
**32 Commitments and Contingent Liabilities**

	<b>Birr</b>	<b>2015</b>
Guarantees Issued	345,957,817	146,510,142
Commitments on Letter of Credit net of Margin Paid	506,356,715	215,285,000
Loan Approved but not disbursed	150,784,436	46,230,000
Unutilized overdraft and other facility	15,000,000	134,570,000
	<b>1,018,098,968</b>	<b>542,595,142</b>



# 2015/16 ANNUAL REPORT

## Conventional Banking Financial Statements





**Cooperative Bank of Oromia S.C.**  
**Balance Sheet -Conventional Banking**  
**As At 30 June 2016**

	<u>Notes</u>	<u>Birr</u>	<u>2015</u>
<b>Assets</b>			
Cash and Bank Deposits	1	2,060,464,935	2,322,975,836
Fixed Time Deposit	2	55,995,551	113,962,446
Other Assets	3	511,123,928	667,732,596
Loans and advances(net)	4	5,851,657,783	6,566,040,876
Investment in NBE bills and Bonds	5.2	1,775,521,720	1,505,183,292
Government Saving Bond		5,150,000	5,000,000
Property,Plant and Equipment	8	246,739,301	196,529,560
Acquired Properties	7	30,284,170	31,072,110
Leasehold land	9	549,310	557,725
Deferred Tax Assets	27	3,012,763	831,593
Deferred Charges(net)	6	13,568,253	-
Investments in Shares	5.1	52,181,000	52,181,000
		<b><u>10,606,248,714</u></b>	<b><u>11,462,067,035</u></b>
<b>Liabilities</b>			
Customer Deposits	10	8,407,598,433	7,368,004,706
Margin Held On Letter Of Credit		455,213,840	299,443,083
Other Liabilities	11	522,489,595	2,214,612,367
Profit Tax Payable	25	-	169,096,158
<b>Total Liabilities</b>		<b><u>9,385,301,868</u></b>	<b><u>10,051,156,315</u></b>
<b>Capital</b>			
Paid up capital	12	910,731,547	864,848,200
Donated capital	13	3,931,539	3,931,539
Share premium		8,672,001	8,672,001
Legal reserve	14	269,094,486	259,315,226
Retained Earnings		28,517,273	274,143,754
<b>Total Capital</b>		<b><u>1,220,946,846</u></b>	<b><u>1,410,910,720</u></b>
<b>Total Liabilities and Capital</b>		<b><u>10,606,248,714</u></b>	<b><u>11,462,067,035</u></b>

  
**Abera Hailu**

**Chairman of the Board of Director**



  
**Deribe Asfaw**

**President**



# 2015/16 ANNUAL REPORT


**Cooperative Bank of Oromia S.C.**  
**Income Statement-Conventional Banking**  
**For the Year Ended 30 June 2016**

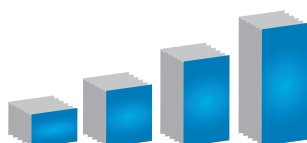
<b>Income</b>	<b>Notes</b>	<b>Birr</b>	<b>2015</b>
Interest	15	823,669,491	701,729,147
Commission Income	16	70,416,079	116,553,387
Service Charges	17	111,421,462	266,859,690
Gain (Loss) on Foreign Currency	19	59,406,365	139,514,664
Other Income	18	13,430,252	17,925,782
		<b>1,078,343,649</b>	<b>1,242,582,670</b>
<b>Expenses</b>			
General Expenses	21	283,993,590	217,502,043
Interest Expenses	22	228,893,485	137,493,919
Salaries & Benefits	23	189,276,040	161,614,747
Provision for Loans & Advances		153,370,000	103,930,000
Provision for Other Assets		181,193,372	124,496,287
Audit Fee		201,829	100,000
Loss On Foreign Currency and Other Charge	20	4,470,016	16,457,933
Total Expenses		<b>1,041,398,332</b>	<b>761,594,929</b>
<b>Profit before Tax</b>		<b>36,945,317</b>	<b>480,987,742</b>
Provision for Profit Tax	25	(9,446)	(169,111,995)
Deferred Tax Assets/Liabilities	27	2,181,170	562,362
<b>Profit after Tax</b>		<b>39,117,041</b>	<b>312,438,109</b>
Transfer to Legal Reserve		(9,779,260)	(78,109,527)
<b>Net Profit after Tax &amp; Legal Reserve</b>		<b>29,337,781</b>	<b>234,328,582</b>
Accumulated profit brought forward		274,143,753	264,445,033
Dividend declared and Paid		(273,964,262)	(224,079,862)
Prior period adjustment		(450,000)	-
Board of directors remuneration	24	(550,000)	(550,000)
		<b>(820,509)</b>	<b>39,815,171</b>
		<b>28,517,271</b>	<b>274,143,753</b>
<b>Earning per Share of Birr 100</b>	28	4	42

  
**Abera Hailu**

**Chairman of the Board of Director**



  
**Deribe Asfaw**  
**President**



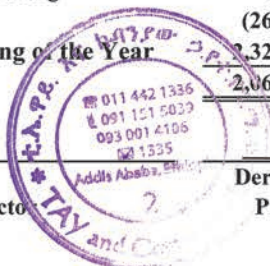


**Cooperative Bank of Oromia S.C.**  
**Cash Flow Statement-Conventional Banking**  
**For the Year Ended 30 June 2016**

	<u>Birr</u>	<u>2015</u>
<b>Cash Flow From Operating Activities</b>		
Net Profit for the year	36,945,317	480,987,742
Adjustment for:		
Depreciation and Amortization	51,390,751	38,156,718
Provision for Doubtful Loans & Advances	153,370,000	103,930,000
Provision for Other Assets	181,193,372	124,496,287
Prior period adjustment	(450,000)	-
Dividend income	-	(3,022,412)
Fixed assets and adjustment	3,565,282	(37,404)
Effect of exchange rate fluctuation and Forex dealing	(62,917,480)	(121,634,392)
<b>Cash Flow From Operation before Changes in Working Capital</b>	<b>363,097,242</b>	<b>622,876,539</b>
Decrease (Increase) in Loans & Advances excluding provision	561,013,092	(3,025,855,250)
Decrease (Increase) in Other Assets	(24,584,704)	31,375,970
Decrease (Increase) in Acquired Properties	787,941	(11,308,255)
Increase (Decrease) in Deposits	1,039,593,727	1,917,907,438
Increase (Decrease) in Margin Held Account	155,770,757	(50,910,361)
Increase (Decrease) in Other Liabilities	(1,860,515,179)	1,887,121,169
<b>Cash Flow From Operation before Changes in Working Capital</b>	<b>235,162,876</b>	<b>1,371,207,250</b>
Profit tax Paid	(169,096,158)	(132,053,770)
Withholding Tax Paid	(9,446)	(15,837)
<b>Net Cash Inflow from Operating Activities</b>	<b>66,057,272</b>	<b>1,239,137,643</b>
<b>Cash Flow From Investing Activities</b>		
Dividend income	-	3,022,412.00
Purchase of Fixed Assets	(104,188,197)	(103,295,829)
Investment in deferred charges	(14,537,414)	-
Investment in Government saving bond	(150,000)	(5,000,000)
Fixed time deposit with Other Bank	57,966,895	(23,962,446)
Investment in NBE Bills	(270,338,428)	(665,280,000)
Investment in other companies shares	-	(8,790,000)
cash out flow from investing activities	<b>(331,247,144)</b>	<b>(803,305,863)</b>
<b>Net Cash Outflow from Investing Activities</b>		
<b>Cash Flow From Financing Activities</b>		
Dividend paid in cash	59,688,509	(22,726,868)
Directors share on profit paid	(550,000)	(550,000)
Share capital collected net dividend capitalized	-	31,356,906
Share premium Collected	-	16,397
<b>Cash Flow from Financing Activities</b>	<b>(60,238,509)</b>	<b>8,096,435</b>
Effect of exchange rate fluctuation & FOREX dealing	62,917,480	121,634,392
<b>Changes in Cash and Cash Equivalents</b>	<b>(262,510,901)</b>	<b>565,562,607</b>
<b>Cash and Cash Equivalent at the Beginning of the Year</b>	<b>2,322,975,836</b>	<b>1,757,413,229</b>
<b>Cash Balance at end of the year</b>	<b>2,060,464,935</b>	<b>2,322,975,836</b>

Abera Hailu  
Chairman of the Board of Directors

Deribe Asfaw  
President





# 2015/16 ANNUAL REPORT

**Cooperative Bank of Oromia S.C.  
Statement of Changes in Equity - Conventional Banking  
For the Year ended 30 June 2016**

Currency: Ethiopian Birr

	Share Capital	Share Premium	Share Capital	Donated Capital	Legal Reserve	Retained Earnings	Total Capital
Balance at 1 July 2014	632,138,300	8,655,604	3,931,539	-	181,205,698	264,445,033	1,090,376,174
Dividend Capitalized	201,352,994	-	-	-	-	(201,352,994)	-
Dividend in Cash	-	-	-	-	-	(22,726,868)	(22,726,868)
Share premium Collected	-	16,397	-	-	-	-	16,397
Collection from subscribed shares	31,356,906	-	-	-	-	-	31,356,906
Profit for the Year	-	-	-	-	-	312,438,110	312,438,110
Directors' Share on profit	-	-	-	-	-	(550,000)	(550,000)
Transfer to Legal Reserve	-	-	-	-	78,109,528	(78,109,528)	-
<b>Balance at 30 June 2015</b>	<b>864,848,200</b>	<b>8,672,001</b>	<b>3,931,539</b>	<b>-</b>	<b>259,315,226</b>	<b>274,143,754</b>	<b>1,410,910,720</b>
Balance at 1 July 2015	864,848,200	8,672,001	3,931,539	-	259,315,226	274,143,754	1,410,910,720
Dividend Capitalized	45,883,347	-	-	-	-	(45,883,347)	-
Dividend in Cash	-	-	-	-	-	(228,080,915)	(228,080,915)
Prior period adjustment	-	-	-	-	-	(450,000)	(450,000)
Profit for the Year	-	-	-	-	-	39,117,041	39,117,041
Directors' Share on profit	-	-	-	-	-	(550,000)	(550,000)
Transfer to Legal Reserve	-	-	-	-	9,779,260	(9,779,260)	-
<b>Balance at 30 June 2016</b>	<b>910,731,547</b>	<b>8,672,001</b>	<b>3,931,539</b>	<b>-</b>	<b>269,094,486</b>	<b>28,517,273</b>	<b>1,220,946,846</b>

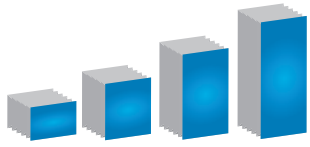
*Abera Hailu*

**Chairman of the Board of Director**



*Deribe Asfaw*

**President**





# 2015/16 ANNUAL REPORT

**Cooperative Bank of Oromia S.C.**  
**Notes to the accounts-Conventional Banking**  
**As At 30 June 2016**

**5 Investments**

**5.1 Investments in Shares**

	Birr	2015
Oromia Insurance Company S.C	11,261,000	11,261,000
Gutu Oromia Business S.C	3,500,000	3,500,000
Orologo Prefabricated PLC	15,000,000	15,000,000
Ethio Switich S.C	11,370,000	11,370,000
Elemtu Integretd Milk Industry S.C	5,000,000	5,000,000
Premiere Swich Solution (PSS)	4,800,000	4,800,000
Bomjoj Meat Processing and Export S.C	1,250,000	1,250,000
	<b>52,181,000</b>	<b>52,181,000</b>

**5.2 Investment in NBE Bills**

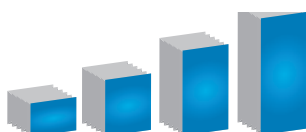
In accordance with NBE directive no MFA/NBE BILLS/001/2011 , the Bank has purchased NBE Bills to the equivalent of 27% of total loan disbursed during the year. The Bills are interest bearing at 3% with maturity period of five years.

**6 Deferred Charges**

	Balance as at 30/06/2015 Birr	Additions Birr	Balance as at 30/06/2016 Birr
<b>COST</b>			
Establishment Cost	851,058	-	851,058
Software New-OMNI	-	14,537,414	14,537,414
	<b>851,058</b>	<b>14,537,414</b>	<b>15,388,472</b>
<b>AMORTIZATION</b>			
Establishment Cost	851,058	-	851,058
Software New-OMNI	-	969,161	969,161
	<b>851,058</b>	<b>969,161</b>	<b>1,820,219</b>
<b>Net Book Value</b>	<b>-</b>		<b>13,568,253</b>

**7 Acquired Properties by Branches**

Sheger Branch	4,312,229	4,312,229
Finfine Branch	7,817,857	7,317,857
Shashemene Branch	3,698,570	3,698,570
Sebeta Ayo	2,800,000	-
Bule Hora Branch	-	1,323,227
Ambo Branch	162,293	157,693
Torban Obbo Branch	15,920,307	18,689,621
	<b>34,711,256</b>	<b>35,499,197</b>
Less : Provision	<b>(4,427,086)</b>	<b>(4,427,087)</b>
	<b>30,284,170</b>	<b>31,072,110</b>





Cooperative Bank of Oromia S.C.  
Notes to the accounts-Conventional Banking  
As At 30 June 2016

8 Property, Plant & Equipments

Cost	Balance at 30 June 2015		Additions	Transfer	Adjustment	Balance 30 June 2016	
	2015	2016				2016	2016
Computers & Data storage equipment	66,420,988	21,493,117	(204,615)	-	-	87,709,489	
Office furniture & fittings	58,444,139	19,743,240	(384,392)	-	-	77,802,986	
Office & other equipments	55,102,511	16,412,453	(736,301)	-	-	70,778,663	
Motor Vehicles	67,343,241	11,572,568	(2,244,775)	-	-	76,671,034	
Premises	16,149,725	-	-	-	-	16,149,725	
Construction in progress	55,499,966	34,966,820	-	-	-	90,466,785	
	<b>318,960,569</b>	<b>104,188,197</b>	<b>(3,570,084)</b>	-	-	<b>419,578,683</b>	
<b>Depreciation</b>							
Computers & Data storage equipment	39,590,945	16,230,583	-	-	(900)	55,820,628	
Office furniture & fittings	26,927,582	11,537,286	-	-	-	38,464,869	
Office & other equipments	21,214,765	11,028,499	-	-	(2,856)	32,240,408	
Motor Vehicles	33,411,482	10,809,320	-	-	-	44,220,802	
Premises	1,286,236	807,486	-	-	(1,046)	2,092,676	
	<b>122,431,009</b>	<b>50,413,175</b>	-	-	<b>(4,802)</b>	<b>172,839,382</b>	
<b>Net Book Value</b>	<b>196,529,560</b>					<b>246,739,301</b>	

9 Leasehold Land

The leasehold land represents lease cost of:

	2015	
	Birr	Birr
900 m <sup>2</sup> of land located in Jima town for 40 years lease period	144,110	144,110
1500 m <sup>2</sup> of land located in Woliso town for 25 years lease period	10,800	10,800
536 m <sup>2</sup> of land located in Addis Ababa city on 99 years lease period	433,624	433,624
	588,534	588,534
Accumulated Amortization	30,809	22,394
Less- Current year Amortization	8,415	8,415
	39,224	30,809
<b>Book Value</b>	<b>549,310</b>	<b>557,725</b>

10 Deposits

	Balance as at 30 June 2016			2015		
	Demand	Saving	Time Deposit	E-float	Total	Total
Cooperative and Associations	505,264,443	473,087,326	48,800,000	-	1,027,151,769	835,635,026
Domestic Banks	60,836,172	-	35,000,000	-	95,836,172	72,230,537
Non Bank Financial Institutions	62,672,858	225,127,694	187,686,176	-	475,486,728	314,253,423
Private Sectors	1,765,153,895	3,390,708,248	400,741,885	6,075,093	5,562,679,121	5,019,342,825
Enterprise	560,548,203	51,940,403	-	-	612,488,606	560,376,165
Bearing	904,472	546,562,946	-	-	546,562,946	379,843,302
Local	8,515,211	-	-	-	904,472	2,635,181
Foreign	-	-	-	-	-	2,128,152
	77,973,408	-	-	-	77,973,408	181,360,095
	<b>2,963,895,254</b>	<b>4,765,400,025</b>	<b>672,228,061</b>	<b>6,075,093</b>	<b>8,407,598,433</b>	<b>7,368,004,706</b>
	<b>3,216,185,130</b>	<b>3,961,901,673</b>	<b>189,802,433</b>	<b>115,470</b>	<b>7,368,004,706</b>	



# 2015/16 ANNUAL REPORT

**Cooperative Bank of Oromia S.C.**  
**Notes to the accounts-Conventional Banking**  
**As At 30 June 2016**

## 11 Other Liabilities

	Birr	2015
TT's and MT's Payable Local	142,818	378,476
TT's Retransferred	749,843	1,062,694
CPO & Certified Cheques issued	122,393,826	149,328,938
Income Tax Payable	1,322,016	973,275
VAT Payable	866,207	10,448
Withholding Tax Payable	145,361	692,875
Pension Payable	474,234	313,934
Stamp duty Charges	152,476	547,234
Tax Payable On Interest	1,326,228	1,325,128
Accrued Interest On Fixed Time Deposit	27,773,965	5,892,838
Dividend Payable	168,825,489	433,083
Dividend tax payable	1,886,726	529
Audit fee Payable	131,500	100,000
Board of directors remuneration payable	550,000	-
TT Cover Received Before Tested Message	680	500
Accrued Leave payable	17,031,211	13,236,712
Severance pay	71,386	71,386
Account Payable Miscellaneous	22,946,684	27,774,863
IBC,TT and L/C payable to correspondent bank	-	1,936,217,923
Exchange Payable to NBE	27,241,135	14,631,178
Account for bonus Payable	1,793	18,000,000
Account for general assembly	1,463	1,000,000
Money Transfer Agents (MONTRAG)	58,695,372	17,907,803
Deposit Guarantee Issued	2,197,259	269,993
Land Leased Held Obligations	121,565	121,565
Retentions	2,777,199	1,213,847
Over the Counter Cash Payment (OTCP)	44,158,494	10,470,131
Blocked Amount/Accounts	5,573,239	6,072,177
Court Cases	550,168	546,034
Purchase advance to suppliers	4,493,443	2,967,599
Cost Sharing	104,834	32,375
Adjustment and Refund	93,144	60,635
Other banks special clearances	(10,317)	2,200,000
ATS payable(CK clearance and settlement)	934,264	758,193
Shares Sold	1,525	-
Branch ODBP	2,991,970	-
ATM Settlement Payable	165,165	-
AP Long Outstanding Items	5,607,231	-
	<b>522,489,595</b>	<b>2,214,612,367</b>

## 12 Paid up Share Capital

The authorized share capital of the bank is Birr 3 Billion comprising 30,000,000 ordinary shares at par value of Birr 100 each. Total subscribed shares at the balance sheet date is Birr 1,000,000,000 out of which Birr 910,731,547 is fully paid.

## 13 Donated Capital

Donated capital is donation received from the Regional Government of Oromia without Imposed restriction on utilization.





**Cooperative Bank of Oromia S.C.**  
**Notes to the accounts-Conventional Banking**  
**As At 30 June 2016**

**14 Legal Reserve**

In accordance with the Articles of Association of the bank and Proclamation No 592/2008 article 19 of the Licensing and Supervision of Banking, 25% of profit after tax is transferred to legal reserve until the balance reaches 100% of the paid-up capital.

**15 Interest Income**

	<b>Birr</b>	<b>2015</b>
Interest Earned On Loans and Advances	763,802,965	658,185,876
Interest Earned On Surplus Fund	59,866,526	43,543,270
	<b>823,669,491</b>	<b>701,729,147</b>

**16 Commission Income**

	<b>Birr</b>	<b>2015</b>
Commission on Foreign Transactions	39,963,943	79,845,466
Commission on Letter of Guarantee	13,197,767	12,564,412
Commission-Local	7,727,446	13,269,540
CPOs and cheque paid	711,362	449,082
Demand drafts(MTs, TTs & DD-Local)	8,815,561	10,424,886
	<b>70,416,079</b>	<b>116,553,387</b>

**17 Service Charges**

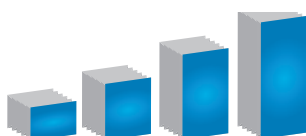
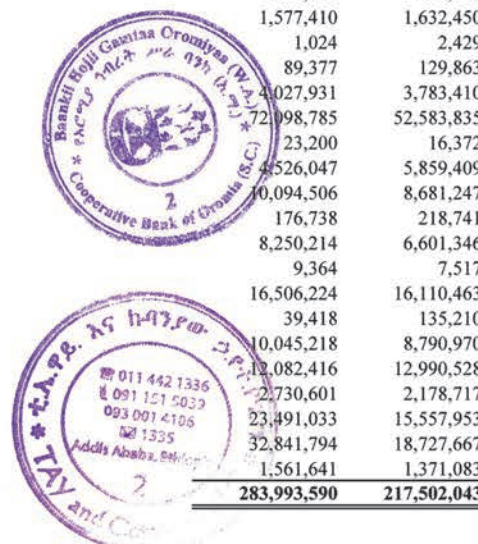
	<b>Birr</b>	<b>2015</b>
Service Charges - Local	1,363,267	6,216,739
Service Charges - Foreign	110,058,195	260,642,951
	<b>111,421,462</b>	<b>266,859,690</b>



# 2015/16 ANNUAL REPORT

**Cooperative Bank of Oromia S.C.**  
**Notes to the accounts-Conventional Banking**  
**As At 30 June 2016**

	Birr	2015
<b>18 Other Income</b>		
Office Rent	905,230	752,862
Commitment Charge	294	-
Gain on disposal of Old assets	68,414	130,523
Etimation and inspection fee	270,612	936,777
Cash Surplus	395,757	293,753
Telephone, Postages and Money Bags	2,803,050	4,066,781
Dividend Income	-	3,022,412
Sundries	8,471,542	8,105,420
Othe Income - Miscellaneous	515,353	617,255
	<b>13,430,252</b>	<b>17,925,782</b>
<b>19 Gain On Foreign Currency and Other Charges</b>		
Gain On Foreign Currency Transactions	58,447,464	138,092,325
Correspondent Charges	1,760	341,368
Swift Charges	957,140	1,080,971
	<b>59,406,365</b>	<b>139,514,664</b>
<b>20 Loss On Foreign Currency and Other Charges</b>		
Loss on Forein exchanges dealings	2,543,039	7,948,830
Loss on foreign exchanges rate fluctuation	1,926,976	8,509,103
	<b>4,470,016</b>	<b>16,457,933</b>
<b>21 General Expenses</b>		
Advertisement and publicity	5,105,444	6,103,106
Bank charges	1,195,294	1,534,197
Cheque books	311,116	383,809
NBE issue account and Correspondant account	1,275,809	4,089,063
Cleaning supplies	373,824	236,423
Depreciation expenses	50,413,175	38,063,197
Amortization of deferred charges	969,161	85,106
Amortization of leasehold land	8,415	8,415
Donation	63,695	2,244,793
Entertainment	2,272,060	595,563
Electronic data processing	8,143,296	1,304,219
Penalty	1,501,638	10,120
Inauguration	89,513	63,984
Insurance expense	8,350,532	6,225,913
Land and Building tax	7,511	10,232
Legal	64,042	218,581
Municipal License fees and Sanitation fee	3,268,162	112,092
Membership fees	407,964	834,020
Miscellaneous	1,577,410	1,632,450
Money bags	1,024	2,429
Motor vehicle inspection	89,377	129,863
Fuel and Lubricants	4,027,931	3,783,410
Office rent	72,098,785	52,583,835
Parking	23,200	16,372
Perdiem and accommodation	4,526,047	5,859,409
Fuel and Representation Allowance	10,094,506	8,681,247
Postage	176,738	218,741
Repair and maintenance	8,250,214	6,601,346
Revenue stamp	9,364	7,517
Stationary and printing	16,506,224	16,110,463
Subscription	39,418	135,210
Sundries	10,045,218	8,790,970
Telephone, swift and internet	12,082,416	12,990,528
Transport of Currency	2,730,601	2,178,717
Transportation	23,491,033	15,557,953
Wages	32,841,794	18,727,667
Water and electricity	1,561,641	1,371,083
	<b>283,993,590</b>	<b>217,502,043</b>





**Cooperative Bank of Oromia S.C.**  
**Notes to the accounts-Conventional Banking**  
**As At 30 June 2016**

	Birr	2015
<b>22 Interest Expenses</b>		
Interest on Saving Deposits	182,341,363	125,001,153
Interest on Fixed Time Deposits	46,552,122	12,492,766
	<b>228,893,485</b>	<b>137,493,919</b>

	Birr	2015
<b>23 Salaries and Benefits</b>		
Accrued Leave Pay	4,532,279	4,527,456
Acting Allowance	418,838	9,329
Bonus	1,604,014	15,904,249
Cash Indemnity Allowance	5,861,013	4,474,218
Clerical Staffs Salaries	130,598,141	100,601,212
Disturbance Allowance	331,150	169,500
Hardship Allowance/Living Allowance	2,819,576	2,073,266
Housing Allowance	1,587,262	1,324,092
Medical	2,669,439	1,921,495
Non Clerical Staffs Salaries	13,511,063	11,630,241
Overtime Payments	2,226,028	1,948,950
Provident Fund Contribution	7,024,586	6,491,609
Pension expenses	8,762,477	5,789,099
Marriage and Maternity Staff Benefits	135,000	92,674
Staff Insurance	1,988,335	1,259,334
Training and Education	4,452,669	2,307,313
Uniforms	750,871	1,083,809
Drivers Allowance	3,300	6,900
	<b>189,276,040</b>	<b>161,614,747</b>

**24 Directors Allowance**

Directors allowances represent monthly allowance of Birr 2,000 per month and annual compensation of Birr 50,000 per each member of board of directors of the bank. The amount paid is within the limit set in accordance with NBE directive SBB 49/2011.

**25 Provision for Taxation**

	Birr	2015
Profit before tax	36,945,317	480,987,742
<b>Add:</b>		
<b>Disallowed Expenditures(Expenditures deducted but should not have been deducted)</b>		
Depreciation and amortization for accounting Purpose	51,382,336	38,063,197
Entertainment	2,272,060	595,563
Penalty	1,501,638	10,120
Donations	63,695	2,244,793
Provision for debtors other than loans	-	124,496,287
	<b>55,219,729</b>	<b>165,409,960</b>

**Chargeable Income(Income not included but would have been included)**

Nil Nil

**Deduct:**

**Allowable Expenditures(Expenditures not deducted would have been deducted)**

Depreciation and amortization for Tax purpose	769	36,188,656
<b>Exempt Incomes and Incomes taxed at source:</b>		
Dividend Income	-	3,022,412
Interest From Deposits at Local banks	123,206	9,021,928
Interest From Deposits at Foreign Banks	188,925	-
Interest Income On NBE bills and Bonds	50,554,395	34,458,055

**Taxable Profit**

Provision for Taxation@30%	(1,813,248)	563,706,651
<b>Add: 5% On deposit at Foreign banks</b>		
	9,446	-
	9,446	169,111,995
<b>Less: Withholding Tax Paid</b>	(9,446)	(15,837)
<b>Net Current Year Profit Tax Payable</b>	-	<b>169,096,158</b>





# 2015/16 ANNUAL REPORT

**Cooperative Bank of Oromia S.C.**  
**Notes to the accounts-Conventional Banking**  
**As At 30 June 2016**

**26 Depreciation and Amortization for Tax Purpose**

Depreciation and Amortization Base B/F  
 Fixed Assets Transferred to Expenses at their book Value  
 Current Year Additions  
 Depreciation Base at end of the Year  
 Depreciation @5%,25%, 20% and 10%  
 Depreciation Base Carried Forward

	Building	Computer & Accessories	Other Business Assets	Intangible assets	Depreciation Total
	15,566,586	29,694,407	101,307,065	-	146,568,058
	-	(204,615)	(3,365,468)	-	(3,570,084)
	-	21,493,117	47,728,261	14,537,414	83,758,791
	15,566,586	50,982,908	145,669,858	14,537,414	226,756,766
	<b>(778,329)</b>	<b>(12,745,727)</b>	<b>(29,133,972)</b>	<b>(1,453,741)</b>	<b>(44,111,769)</b>
	15,566,586	50,982,908	145,669,858	14,537,414	226,756,766

**Total Depreciation and Amortization for tax purpose**

**27 Deferred Tax Asset/Liability**

Depreciation and amortization Computed for Reporting Purpose  
 Depreciation and amortization Computed for Tax Purpose  
 Temporary difference  
 Differed Tax asset@30%  
 Balance brought forward  
 Balance carried forward

	Birr	2015
	51,382,336	38,063,197
	(44,111,769)	(36,188,656)
	7,270,566	1,874,541
	2,181,170	562,362
	831,593	269,231
	<b>3,012,763</b>	<b>831,593</b>

**28 Earning per Share**

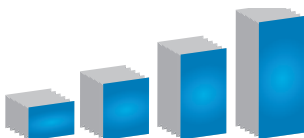
Earning per share for the year is computed by dividing the net profit after tax but before legal reserves by the average number of shares outstanding during the year. Average number of shares is computed on simple average basis.

**29 Certain comparative figures were reclassified where necessary to facilitate comparison.**

**30 Commitments and Contingent Liabilities**

Guarantees Issued  
 Commitments on Letter of Credit net of Margin Paid  
 Loan Approved but not Disbursed  
 A overdraft and other facility

	Birr	2015
	345,957,817	146,510,142
	506,356,715	215,285,000
	165,784,436	46,230,000
	-	134,570,000
	<b>1,018,098,968</b>	<b>542,595,142</b>





## **Interest Free Banking Financial Statements**

# 2015/16 ANNUAL REPORT

**Cooperative Bank of Oromia S.C.  
Balance Sheet- Interest Free Banking  
As At 30 June 2015**

	<u>Notes</u>	<u>Birr</u>
<b>Assets</b>		
Cash on Hand		73,405,900
Other Assets	1	7,693,494
Correspondent Account With Conventional banking		311
<b>Total Assets</b>		<b><u>81,099,704</u></b>
 <b>Liabilities</b>		
Customer Deposits	2	80,728,801
Other Liabilities	3	370,903
<b>Total Liabilities</b>		<b><u>81,099,704</u></b>



**Abera Hailu**  
Chairman of the Board of Director



**Deribe Asfaw**  
President





**Cooperative Bank of Oromia S.C.**  
**Income Statement- Interest Free Banking**  
**For the Year Ended 30 June 2016**

<b>Income</b>	<u>Notes</u>	<u>Birr</u>
Commission income	4	190
Other income		98
		<b>288</b>
<b>Expenses</b>		
General and administrative Expenses		599
Total Expenses		<b>599</b>
<b>Profit before Tax</b>		<b>(311)</b>
Provision for Profit Tax		-
<b>Profit after Tax</b>		<b>(311)</b>
<b>Transfer to Head Office Account</b>		<b>311</b>
<b>Net Profit After Tax</b>		<b>-</b>

\_\_\_\_\_  
**Abera Hailu**  
**Chairman of the Board of Director**


\_\_\_\_\_  
**Deribe Asfaw**  
**President**



# 2015/16 ANNUAL REPORT

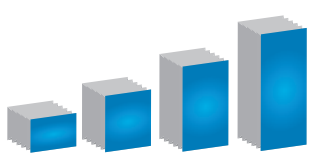
**Cooperative Bank of Oromia S.C.  
Cash Flow Statement- Interest Free Banking  
For the Year Ended 30 June 2016**

	<u>Birr</u>
<b>Cash Flow From Operating Activities</b>	
Net Profit for the year	(311)
Less: Transfer From Profit Account to head office account	(311)
<b>Cash Flow From Operation before Changes in Working Capital</b>	-
Decrease (Increase) in Other Assets	(7,693,494)
Decrease (Increase) in current account with conventional banking	(311)
Decrease(Increase) in Deposits	80,728,801
Increase (Decrease) in Other Liabilities	370,903
<b>Cash Flow From Operation before Changes in Working Capital</b>	<u>73,405,900</u>
Profit tax Paid	-
<b>Net Cash Inflow from Operating Activities</b>	<u>73,405,900</u>
<b>Changes in Cash and Cash Equivalents</b>	<u>73,405,900</u>
<b>Cash and Cash Equivalent at the Beginning of the Year</b>	-
<b>Cash Balance at end of the year</b>	<u><u>73,405,900</u></u>

  
Abera Hailu  
Chairman of the Board of Director



  
Deribe Asfaw  
President





**Cooperative Bank Oromia S.C**  
**Notes to the accounts - Interest Free Banking**  
**For the Year Ended 30 June 2016**

**1 Other Assets**

	<u>Birr</u>
Supplies stock	3,000
Uncleared effect-local	7,690,494
	<u>7,693,494</u>

**2 Demand Deposits**

	<u>Wadia Saving Deposit</u>	<u>Wadia Demand Deposit</u>	<u>Total</u>
Cooperative and Associations	50	347	397
Private Sectors	74,720,742	5,783,576	80,504,318
Public Enterprise	78,519	131,617	210,136
Wadia Staff	200	-	200
Hajji and Umrah	13,750	-	13,750
	<u>74,813,261</u>	<u>5,915,540</u>	<u>80,728,801</u>

**3 Other liability**

	<u>Birr</u>
TT's and MT's, DDs, CPO, Blocking- Local	370,253.37
Account Payable Miscellaneous	650
	<u>370,903</u>

**4 Commission Income**

	<u>Birr</u>
Commission-Local	190
Othe Income - Miscellaneous	98
	<u>288</u>



# Agent Banking Services



 helloCash

Deposit  
Withdrawal  
Payment  
Transfer