

INDEPENDENT LEGAL OPINION

FOR THE REGISTRATION OF EXISTING SHARES CURRENTLY HELD BY SHAREHOLDERS AND PUBLIC OFFERING OF NEW ORDINARY SHARES

ISSUER: BERHAN BANK SHARE COMPANY

Prepared in connection with the mandatory registration of existing outstanding shares with the Ethiopian Capital Market Authority (ECMA), pursuant to Proclamation No. 1248/2021 and the ECMA Public Offering and Trading of Securities Directive No. 1030/2024.

Prepared For	Berhan Bank S.C.
Prepared By	Tsegamlak Solomon and Associates Law Office
Submitted To	Ethiopian Capital Market Authority
Date of Issue	July 15, 2026



1. Introduction

This independent legal opinion has been prepared for the purposes of Article 8(1)(c)(xiii) and Article 44 of the Public Offering and Trading of Securities Directive No. 1030/2024 (the "Directive") in connection with the registration and offer of securities by Berhan Bank S.C. (the "Issuer", the "Bank") with the Ethiopian Capital Market Authority ("ECMA"). Our review has focused on the legal establishment of the Bank, its authorization to issue securities, the conformity of its capital with applicable laws, the licenses and consents required to conduct its business as described in the Prospectus dated July 6, 2026 (the "Prospectus"), the validity and ownership of major assets disclosed, and the material contracts and agreements entered into by the Bank.

In preparing this opinion, our review has been limited to the documents and information relevant to the matters required under Article 44 of the Directive. We have examined the Bank's incorporation documents, authorizations, licenses, consents, asset ownership records, litigation schedule, the Prospectus, and the material contracts entered into by the Bank, together with the professional-party agreements executed for the purpose of the registration and offer.

This opinion does not extend to matters outside the scope of Article 44 of the Directive. Accordingly, the scope of this opinion has been structured to align with the requirements of the Directive, while confirming, on the matters reviewed, that nothing has come to our attention that would render the registration or the offer contrary to applicable Ethiopian law. We confirm that we have given, and have not withdrawn, our consent to the use of this legal opinion in connection with the Bank's registration statement and Prospectus submitted to ECMA.

2. Executive Summary

Tsegamlak Solomon and Associates Law Office (the "Office", "We", "Us" or "Our"), being duly qualified legal practitioners registered in Ethiopia, have been engaged as Independent Legal Advisor to the Bank in connection with (i) the registration of the Bank's 6,328,419 existing issued ordinary shares currently held by shareholders, and (ii) the public offering of 3,447,494 new ordinary shares, comprising a Rights Issue to existing shareholders and an External Investor Offering, pursuant to the Capital Market Proclamation No. 1248/2021 (the "Proclamation") and the Directive.

The Bank is duly incorporated and authorized under applicable Ethiopian law to issue securities. Its capital structure has been reviewed and found to be in conformity with the relevant legal requirements, with all necessary corporate and regulatory authorizations duly obtained. The Bank holds the licenses and consents required to conduct its business as described in the Prospectus. Based on our review of the documents made available to us, nothing has come to our attention indicating that the Bank lacks valid evidence of ownership of the major assets listed in the Prospectus, or that the material contracts entered into by the Bank are not valid and binding or contain any term restricting the registration or the offer. The Offer Price, including the share premium, was determined by the Board of Directors, in the exercise of authority conferred by the shareholders, having



regard to the independent valuation described in Section 8.3 of the Prospectus; we express no opinion on the valuation itself.

Based on the documents reviewed and the scope mandated under Article 44 of the Directive, and subject to the assumptions and qualifications set out in Parts 8 and 9, this opinion confirms that the Bank has satisfied the legal requirements necessary for the registration of its existing issued ordinary shares and for the public offering of the new ordinary shares.

3. Scope of Review and Legal Basis

Our review and opinion are based on the laws of the Federal Democratic Republic of Ethiopia in force as of the date of this opinion, including but not limited to:

- (a) The Capital Market Proclamation No. 1248/2021;
- (b) The Public Offering and Trading of Securities Directive No. 1030/2024;
- (c) The Commercial Code of Ethiopia (Proclamation No. 1243/2021);
- (d) The National Bank of Ethiopia Establishment Proclamation No. 1359/2025;
- (e) The Banking Business Proclamation No. 1360/2025;
- (f) The Commercial Registration and Licensing Proclamation No. 980/2016;
- (g) Relevant National Bank of Ethiopia banking directives; and
- (h) Other applicable Ethiopian laws, regulations and directives relevant to the issuance and registration of securities.

This opinion does not extend to any foreign laws or international regulatory frameworks.

4. Documents Reviewed

In the course of providing this opinion, we have reviewed the following documents:

- (a) The Issuer's Updated Certificate of Commercial Registration No. BL/AA/2/0002442/2005;
- (b) The Issuer's Revised Memorandum of Association;
- (c) The Issuer's Renewed Banking Business License No. LBB/14/2009;
- (d) The Issuer's tax certificates (Tax Clearance, VAT and TIN Certificates);
- (e) The Prospectus dated July 6, 2026 submitted to ECMA;
- (f) The Bank's material contracts set out in Table 60 (Section 2.14) of the Prospectus, including agreements with Malam Engineering PLC, Trans Business Machines, Neptune Financial Software Ltd, IE Network Solutions PLC, Orest Solutions PLC, Ethio Telecom, Nasew Trading PLC, AAG Africa Import & Export, MOENCO, IBM (equipment support) and Kacha Digital Financial Services;
- (g) The professional-party agreements, including the Transaction Advisor agreement with Ethio Capital Solutions PLC and the external audit engagement with Kokeb and Melkamu Audit LLP;



- (h) The Issuer's Extraordinary General Meeting ("EGM") resolution of 17 October 2024 relating to the capital of the Issuer and the Offer;
- (i) The schedule of the Bank's pending litigation (Section 7.3.12 and Table 117 of the Prospectus, and Appendix V);
- (j) The Transaction Advisor's independent valuation report supporting the Offer Price (as described in Section 8.3 of the Prospectus);
- (k) Evidence of ownership of material assets; and
- (l) Such other documents and information provided to us by the Bank that we deem necessary for the purposes of this opinion.

5. Background

The Bank is a financial institution duly registered in Ethiopia as a share company under Commercial Registration No. BL/AA/2/0002442/2005, with its registered head office at Addis Ababa, Bole Sub-City, Woreda 5, House No. 2185. The Bank is licensed by the National Bank of Ethiopia ("NBE") to undertake banking business throughout Ethiopia under License No. LBB/14/2009 and provides comprehensive commercial banking services.

As at the date of the Prospectus, the Bank's authorized share capital stands at ETB 10,000,000,000, and its subscribed and fully paid-up share capital stands at ETB 6,328,419,000, represented by 6,328,419 fully paid ordinary shares of ETB 1,000 par value each, held by 23,580 registered shareholders, none of whom holds more than 5% of the issued share capital.

The Bank has submitted the Prospectus to ECMA for (i) the registration of the 6,328,419 existing ordinary shares, and (ii) the public offering of 3,447,494 new ordinary shares at an offer price of ETB 1,065 per share (par value ETB 1,000 plus a premium of ETB 65, being 6.5% above par), with estimated aggregate gross proceeds of approximately ETB 3.67 billion. The Offer comprises a Rights Issue to existing shareholders on a pre-emptive, pro-rata basis and an External Investor Offering of any shares not taken up under the Rights Issue, as set out in Section 8 of the Prospectus. This offering is undertaken pursuant to the EGM resolution of 17 October 2024, which resolved to increase the Bank's authorized capital to ETB 10,000,000,000 as part of the Bank's capital-strengthening and growth objectives.

6. Legal Analysis

6.1 Establishment and Authorization

The Issuer was incorporated in 2009 as a share company under the laws of the Federal Democratic Republic of Ethiopia and continues to validly exist under Commercial Registration No. BL/AA/2/0002442/2005. The Bank holds Tax Identification Number (TIN) 0005293269 and is registered for VAT under Registration Number 3170450003, with current tax clearance issued by the Ministry of Revenues – Large Taxpayers Office. The Issuer's incorporation documents are consistent with the records maintained by the



Ministry of Trade and Regional Integration. Following incorporation, the Bank obtained its commercial banking license from the NBE authorizing it to conduct banking operations across Ethiopia (see Part 6.3). The Bank is accordingly duly established and authorized to issue the securities.

6.2 Capital Structure and Authorization of the Offer

The Bank's subscribed and paid-up capital currently stands at ETB 6,328,419,000, represented by 6,328,419 fully paid ordinary shares of ETB 1,000 par value each, being a single class of ordinary shares with uniform rights, duly issued in accordance with Ethiopian law.

The Bank's capital has developed progressively since establishment, as set out in Table 5 (Section 1.8.1) of the Prospectus: from ETB 95,000,000 paid-up at establishment (2009), to ETB 3,350,433,000 (June 2023), ETB 3,447,898,000 (June 2024), ETB 4,286,885,000 (June 2025) and ETB 6,328,419,000 (as at November 24, 2025). In each period presented, subscribed capital has equalled paid-up capital, confirming that no partly-paid shares are outstanding. Consequently, the prohibition under Article 446 of the Commercial Code against the issuance of new shares before previously subscribed capital is fully paid does not apply to this issuance, as no unpaid capital remains outstanding.

On 17 October 2024, the EGM resolved to increase the Bank's authorized capital to ETB 10,000,000,000 and to authorize the registration of the existing shares and the offer of new shares. Following registration of the offer, the aggregate par value of the existing and new shares (ETB 6,328,419,000 plus ETB 3,447,494,000 = ETB 9,775,913,000) remains within the authorized capital ceiling of ETB 10,000,000,000.

Offer Price and Premium. The Offer Price of ETB 1,065 per share comprises the par value of ETB 1,000 and a premium of ETB 65 (6.5% above par). The issuance of shares at a premium is permitted under the Commercial Code, and the premium was duly authorized by the shareholders and determined by the Board of Directors in the exercise of that authority, having regard to the independent valuation described in Section 8.3 of the Prospectus. Our opinion is limited to the legal permissibility of charging a premium and to its due authorization; we express no opinion on the valuation of the shares or the adequacy or fairness of the Offer Price, those being matters for the Transaction Advisor. This opinion does not prejudice ECMA's authority to require further clarification or supporting documentation in respect of the premium or other terms of the offer.

The Bank has obtained a No-Objection Letter from the NBE for the offer and registration of the shares. Subject to the continuing validity of the NBE no-objection and ECMA registration approval, the Bank has obtained the principal corporate and regulatory authorizations for the proposed registration and offer.

6.3 Registration of Existing Shares and Structure of the Offer

The transaction comprises two legally distinct matters, which we have considered separately:



- (a) Registration of existing shares. The registration of the 6,328,419 existing issued shares is governed by Article 29 of the Directive, under which securities currently held by shareholders are required to be registered with ECMA. Consistent with Article 29(3), the registration of the existing shares is limited to previously issued shares; the new shares are offered and registered under the offer provisions and not as part of the existing-share registration record. We have reviewed the Prospectus on the basis that the registration statement properly delineates these two matters.
- (b) Public offering of new shares. The Rights Issue component is an offer by way of a preferred (pre-emptive) right of subscription. In accordance with Article 448(1)–(2) of the Commercial Code and the applicable provisions of the Directive, existing shareholders have a preferred right, in proportion to their holdings as at the Record Date (June 20, 2026), to subscribe for the new shares, and may fully exercise, partially exercise, renounce or transfer, or allow their rights to lapse. Shares not taken up under the Rights Issue may be allocated to existing shareholders applying for excess shares and thereafter to eligible External Investors, with any remaining unsubscribed shares cancelled, as resolved by the General Meeting and disclosed in Section 8.1.5 of the Prospectus.

We have noted the requirements of the Directive applicable to a preferred right of subscription, in particular that the right to exercise the preferred right shall not commence until after ECMA approval of the registration statement (Article 9(4)), and that the notice of subscription shall state both the procedure for exercising the rights and the procedure for their disposal, assignment or trading (Article 11). The Prospectus provides for exercise, renunciation and transfer of the preferred rights consistent with these requirements. We confirm that the offer is not underwritten, no underwriting arrangement having been entered into.

6.4 Licenses and Consents

The Bank holds its commercial banking license under License No. LBB/14/2009, originally issued under the framework of Proclamation No. 592/2008 (now replaced by the Banking Business Proclamation No. 1360/2025), authorizing it to engage in full commercial banking activities as described in the Prospectus. The license has been duly renewed for the current financial year. The Bank is in good standing with the NBE and the Ministry of Trade and Regional Integration, with no known pending administrative, licensing or regulatory action affecting its registration or operational status. In addition, the Bank's digital financial services have been undertaken under NBE-approved arrangements. Accordingly, on the basis of the documents reviewed, the Bank holds all material licenses and consents required to perform its business as described in the Prospectus, and all such licenses and consents have been duly obtained and are, so far as we are aware, valid and subsisting.

6.5 Ownership of Major Assets

The Bank's material assets disclosed in the Prospectus have been reviewed on the basis of the title documents, purchase contracts, asset-recovery documents and other



supporting records made available to us. We have not carried out independent title investigations or searches at the relevant registries. Based on our review of those documents, and subject to that limitation, the documents evidencing ownership appear valid on their face, and we have not identified from them encumbrances or third-party claims that could materially affect the Bank's business, except as disclosed in the Prospectus or reflected in the records provided to us.

6.6 Material Contracts

In connection with the registration and offer, the Bank has executed the professional-party agreements required for the transaction, including its engagement of Ethio Capital Solutions PLC as Transaction Advisor, the engagement of our Office as Independent Legal Advisor, and the external audit engagement with Kokeb and Melkamu Audit LLP. Based on the documents reviewed, nothing has come to our attention indicating that these agreements are not valid and binding, or that any term of them prevents or restricts the registration of the securities with ECMA or the offer. No underwriting arrangement has been entered into.

We have further reviewed the Bank's operational material contracts disclosed in Table 60 (Section 2.14) of the Prospectus, including the agreements with Malam Engineering PLC, Trans Business Machines, Neptune Financial Software Ltd, IE Network Solutions PLC, Orest Solutions PLC, Ethio Telecom, Nasew Trading PLC, AAG Africa Import & Export, MOENCO, IBM and Kacha Digital Financial Services. Based on the executed contracts made available to us, nothing has come to our attention indicating that these agreements are not valid and binding, that they conflict with the Bank's Memorandum of Association or applicable Ethiopian law, or that any term of them prevents or restricts the registration of the securities or the offer. We note the Bank's confirmation that no material contract was entered into with a related party or interested person during the period under review, other than as disclosed in the Prospectus.

6.7 Other Material Items and Litigation

Tax compliance: The Bank maintains proper tax compliance, holding a valid VAT registration and TIN and having obtained annual clearance certificates from the Ministry of Revenues.

Minimum capital: The Bank's subscribed and paid-up capital exceeds the minimum threshold mandated by the NBE, which requires private banks to achieve ETB 5 billion by June 30, 2026.

Litigation: Based on the litigation schedule disclosed in Section 7.3.12 and Table 117 of the Prospectus (and Appendix V), the Bank is involved in a number of litigation matters, with a total exposure of approximately ETB 334.87 million (as at July 1, 2025), of which claims instituted against the Bank amount to approximately ETB 148.57 million. The material litigation reviewed by us is disclosed in the Prospectus, and such proceedings arise in the ordinary course of the Bank's business. We express no opinion on the merits or the likely outcome of any such proceedings. This statement is based on the litigation



schedule and the information provided to us by the Bank. The following table details the active, pending, or threatened legal proceedings deemed material to the Issuer.

Name of Plaintiff	Name of Defendant	Nature of the case	Outstanding Amount (ETB)	Status of the Case
Aprirose Trading PLC	Berhan Bank S.C.	Letter of Credit	151,018,692.00	Pending.
At Plastic and Plastic Manufacturing PLC	Berhan Bank S.C.	Mortgage Cancellation	80,000,000.00	Pending.
Mesebo Cement Factory	Berhan Bank S.C.	Guarantee Claim	55,000,000.00	The case has been decided against the Issuer.
Elias Beshae (34 persons)	Merical Yega Real Estate and Berhan Bank S.C.	Unlawful Withdrawal	11,030,000.00	Pending.
Zewdinesh Abebe (100)	Berhan Bank S.C. , Mirakle Real Estate	Unlawful Withdrawal	15,093,457.00	Pending.
Debretabor University	Amedmicheal Temesegen, Berhan Bank S.C.	Guarantee Claim	13,741,846.70	Pending.

7. Independent Opinion

Based on our review and subject to the assumptions and qualifications set out in Parts 8 and 9, we are of the opinion that:

- 7.1. The Bank is duly incorporated as a share company under the laws of the Federal Democratic Republic of Ethiopia and holds a valid, duly updated commercial registration;
- 7.2. The Bank possesses all valid and renewed banking business licenses, approvals and consents required to carry on its business as described in the Prospectus, and has no known pending administrative, licensing or regulatory action affecting its registration or operational status;



- 7.3. The Bank's capital structure and amount as stated in the Prospectus (subscribed and fully paid-up capital of ETB 6,328,419,000) are in conformity with applicable laws, consist of a single class of ordinary shares with uniform rights, have been validly issued and fully paid, and the increase of authorized capital and the offer have been duly authorized by the EGM;
- 7.4. The charging of the premium of ETB 65 per share is legally permissible under the Commercial Code and the Offer Price of ETB 1,065 per share has been duly authorized; we express no opinion on the valuation of the shares or the adequacy of the Offer Price;
- 7.5. The registration of the existing ordinary shares and the offer of the new ordinary shares are consistent with the applicable provisions of the Capital Market Proclamation and the Directive relating to the matters addressed in this opinion, the existing shares being registered under Article 29 and the new shares offered by way of a preferred right of subscription and an External Investor Offering for shares not taken up;
- 7.6. The Bank possesses all necessary authorizations, approvals and no-objection from the NBE to proceed with the proposed registration and offering;
- 7.7. Based on the documents evidencing ownership made available to us, the Bank appears to hold valid title to, or lawful entitlement over, its material assets;
- 7.8. Based on the documents reviewed, nothing has come to our attention indicating that the material contracts entered into by the Bank, including the professional-party agreements relating to the registration and offer, are not valid and binding or that they restrict the registration or the offer; and
- 7.9. The Bank's shares are transferable in accordance with the Commercial Code, the Bank's constitutional documents, applicable banking laws and directives, and any ownership thresholds, approval requirements or restrictions imposed by the NBE, ECMA or other competent authorities.

Accordingly, and subject to the assumptions and qualifications set out in Parts 8 and 9, and limited to the matters addressed under Article 44 of the Directive, we are of the opinion that the registration of the existing ordinary shares and the public offering of the new ordinary shares comply, in all material respects, with the applicable provisions of Ethiopian law relating to those matters.

8. Assumptions

In giving this opinion, we have assumed, without independent verification:

- (a) The authenticity and completeness of all documents submitted to us, that all documents submitted as originals are authentic, and that all copies conform to their originals;
- (b) The genuineness of all signatures, seals and stamps on the documents reviewed;



- (c) That all factual representations and information provided to us by the Bank and its officers are true, accurate and complete, and that no material fact has been withheld from us;
- (d) That all resolutions, authorizations, licenses, consents, no-objections and approvals referred to in this opinion were duly passed or granted, remain in full force and effect, and have not been amended, revoked or superseded;
- (e) That there are no arrangements, documents or facts, other than those disclosed to us, that would affect the conclusions expressed in this opinion; and
- (f) That the Prospectus and registration statement submitted to ECMA are, and will at the relevant times remain, in the form reviewed by us.

9. Qualifications and Limitations

This opinion is subject to the following qualifications and limitations:

- (a) It is based solely on Ethiopian law as in force on the date hereof, and we express no opinion on the laws of any other jurisdiction;
- (b) We express no opinion on the commercial merits of the offer, or on the fairness, adequacy or accuracy of the Offer Price or the valuation of the shares;
- (c) We express no opinion on the financial statements or on any financial, accounting, actuarial, numerical, statistical or tax matter, or on any forecast or projection contained in the Prospectus;
- (d) We express no opinion on matters of fact, which are the subject of the representations and documents provided to us and the assumptions set out in Part 8;
- (e) We express no opinion on whether ECMA, the NBE or any other authority will grant, maintain or refuse any approval, registration or no-objection, all such decisions being within the discretion of the relevant authority;
- (f) Our confirmations as to asset ownership and litigation are given by reference to the documents and schedules made available to us and are subject to the disclosures in the Prospectus;
- (g) The commencement of the exercise of the preferred rights, and the release of subscription monies, remain subject to ECMA approval of the registration statement and to the Bank maintaining an escrow arrangement for subscription monies in accordance with Article 8(1)(c)(xvii) of the Directive; we recommend that evidence of such escrow arrangement be included in the registration statement; and
- (h) This opinion is provided solely for submission to ECMA in connection with the registration of Berhan Bank S.C.'s 6,328,419 existing ordinary shares and the offer of 3,447,494 new ordinary shares, and may not be relied upon for any other purpose without our prior written consent.



10. External Legal Expert Details and Responsibility Statement

Tsegamlak Solomon and Associates Law Office is the external legal expert and independent legal opinion provider for purposes of the Bank's registration statement and Prospectus. The Office is a law office licensed and registered in Ethiopia, with office address at:

Address	Africa Avenue, Getu Commercial Center, 6th Floor, Addis Ababa, Ethiopia
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Responsible Professional	Tsegamlak Solomon, Principal Attorney
Professional License No.	5727/16

Responsibility Statement: To the best of our knowledge, having taken reasonable care to ensure that such is the case, the information contained in this legal opinion for which we are responsible is true, accurate and not misleading in any material respect, and no material fact has been omitted that would make the statements herein misleading, subject to the scope, assumptions, qualifications and limitations stated in this opinion.

Tsegamlak Solomon and Associates Law Office
Tsegamlak Solomon

Date: July 15, 2026

License No. የ.ጥ.ፈ.ቁ 5727/16

Signature: _____

