



Berhan Bank S.C.

BERHAN BANK SHARE COMPANY

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

Dated: September 28, 2026

IMPORTANT NOTICE

THIS DOCUMENT AND ANY ACCOMPANYING DOCUMENTS ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION

- a) This Prospectus is prepared in accordance with, and contains the information required by, the Public Offering and Trading of Securities Directive No. 1030/2024 issued by the Ethiopian Capital Market Authority, and relates to the registration of existing ordinary shares and the public offering of new ordinary shares of Berhan Bank S.C.
- b) The Prospectus has been approved and the Securities that it offers has been registered, by the Ethiopian Capital Market Authority.
- c) Please read the Prospectus in full and, where in doubt as to the action you should take consult an appropriate licensed independent securities advisor for guidance before investing in securities.
- d) The Issuer, Board of Directors of the Issuer, and the Chief Executive Officer and the Chief Financial Officer, accept full responsibility for the information contained in the Prospectus and, to the best of their knowledge and believe have taken all reasonable care to ensure that the information in the Prospectus is in accordance with facts and does not omit anything likely to affect the importance of such information or make the expression of such information or opinion misleading or untrue.
- e) Investing in this offer involves risks. Investors should refer to section nine, Risk Factors, which should be considered by prospective investors.

THE APPROVAL OF THE PROSPECTUS AND THE REGISTRATION OF THE SECURITIES SHOULD NOT BE CONSTRUED AS AN ENDORSEMENT BY THE ETHIOPIAN CAPITAL MARKET AUTHORITY OF THE ISSUER OR OF THE SECURITIES THAT ARE THE SUBJECT OF THIS PROSPECTUS. THE ETHIOPIAN CAPITAL MARKET AUTHORITY DOES NOT ASSUME RESPONSIBILITY FOR THE CORRECTNESS OF ANY STATEMENTS, OPINIONS, OR REPORTS INCLUDED HEREIN.

Key Particulars of the Registration and the Offer

The table below sets out the key particulars of the registration and the Offer for identification purposes only. It is not, and does not purport to be, a summary of this Prospectus or of the Offer. The summary of the Prospectus is set out in Section 1.5 and the complete terms of the Offer are set out in Section 8. Prospective investors should read this Prospectus in its entirety.

Item	Description
Issuer	Berhan Bank S.C.
NBE Registration Number	LBB/14/2009
Security Type	Ordinary Shares
Existing Shares Registered	6,328,419 Existing Ordinary Shares with par value of 1000
New Shares Offered amount payable in full application	3,671,581 New Ordinary Shares with offer price of 1,065
Offer Type	The 3,671,581 new share public offer comprising Rights Issue and External Investor Offering
Registration Type	Registration of 6,328,419 existing, fully paid Ordinary Shares and registration of 3,671,581 new Ordinary Shares being offered under this Prospectus.

Professional Parties Involved in the Prospectus

TRANSACTION ADVISOR 	Ethio Capital Solutions PLC Location: Kirkose sub-city, woreda 10, ORDA Tower at Lagahare, 10 th floor room number 1001 and 1002 Telephone: +251 911-64-45-02 (or +251 115-57-90-85) Email: info@ethiocapitalsolutions.com.et Website: https://ethiocapitalsolutions.com.et/
LEGAL ADVISOR 	Tsegamlak Solomon and Associates Location: Yeka Sub-City, Woreda 11, House No. 1751, Africa Avenue, Getu Commercial Center, 6th Floor, Addis Ababa, Ethiopia Email: tsolomon@tsegasolomon.com Telephone : +25984742793
External Auditor- 2023/24	Kokeb and Melkamu Audit LLP Location: Bole sub city, woreda 02, HN 5073/k.number 503-511, Tel. 011, 51, 61, 46, Addis Ababa, Ethiopia Contact: 0911516146 Email: kokmelk@gmail.com
External Auditor - 2024/25-2025/26	Kokeb and Melkamu Audit LLP Location: Bole sub city, woreda 02, HN 5073/k.number 503-511, Tel. 011, 51, 61, 46, Addis Ababa, Ethiopia Contact: 0911516146 Email: kokmelk@gmail.com

Abbreviations and Acronyms

Abbreviation / Acronym	Full Meaning
ALM	Asset Liability Management
AML	Anti-Money Laundering
ATM	Automated Teller Machine
Basel III	Basel III International Regulatory Framework for Banks
BoD	Board of Directors
CAGR	Compound Annual Growth Rate
CAR	Capital Adequacy Ratio
CEO	Chief Executive Officer
CPO	Cashier's Payment Order
CSD	Central Securities Depository
DBE	Development Bank of Ethiopia
DCF	Discounted Cash Flow
E.C.	Ethiopian Calendar
ECMA	Ethiopian Capital Market Authority
EGM	Extraordinary General Meeting
ESG	Environmental, Social and Governance
ESMS	Environmental and Social Management System
ESX	Ethiopian Securities Exchange
ETB	Ethiopian Birr
FCA	Foreign Currency Account
FY	Financial Year
GDP	Gross Domestic Product
H.No.	House Number
ID	Identification Document
IFRS	International Financial Reporting Standards
IT	Information Technology
KYC	Know Your Customer
LBB	Licensing Bureau of Banking
LDR	Loan-to-Deposit Ratio
LLP	Limited Liability Partnership
MOA	Memorandum of Association
NBE	National Bank of Ethiopia
NPL	Non-Performing Loan
OCI	Other Comprehensive Income
OMO	Open Market Operation
OTC	Over-the-Counter
P.O. Box	Post Office Box
PAT	Profit After Tax
PLC	Private Limited Company
PO	Payment Order
POS	Point of Sale

Abbreviation / Acronym	Full Meaning
PPE	Property, Plant, and Equipment
ROA	Return on Assets
ROE	Return on Equity
S.C.	Share Company
Sos	Strategic Objectives
SME	Small and Medium Enterprise
TIN	Taxpayer Identification Number
USD	United States Dollar
VAT	Value Added Tax

Definitions of Key Terms

Term	Full Meaning
Allotment Report	The report on the results of the Offer and the proposed allotments that the Bank submits to ECMA for approval before the Offer Shares are issued, as described in Section 8.2.5.
Anti-Money Laundering (AML)	Laws, regulations, and procedures designed to prevent money laundering, terrorist financing, and other financial crimes.
Bank or Issuer	Berhan Bank S.C., an Ethiopian share company incorporated under the laws of Ethiopia and the issuer of the Ordinary Shares described in this Prospectus.
Board or Board of Directors	The governing body of Berhan Bank collectively composed of elected Directors.
Capital Market Proclamation	The Capital Market Proclamation No. 1248/2021, being the Ethiopian capital market legislation governing the issuance, registration, offering, trading, and regulation of securities in Ethiopia.
Central Securities Depository (CSD)	The licensed entity responsible for maintaining electronic securities records, settlement, and custody services within the Ethiopian capital market.
Commercial Code	The Commercial Code of Ethiopia, Proclamation No. 1243/2021, as amended from time to time.
Corporate Banking	Banking services provided to large businesses, institutions, and corporate entities.
Demand Deposit	Deposits withdrawable on demand, including checking and current accounts.
Deposit Mobilization	The process of attracting deposits from customers to support the Bank's funding and lending activities.
Digital Banking	Banking services delivered through digital platforms and electronic channels.
Directors	Members of the Board of Directors of Berhan Bank
Ethiopian Capital Market Authority (ECMA)	The regulatory authority established under Ethiopian law to regulate and supervise the Ethiopian capital market.
Ethiopian Securities Exchange (ESX)	The securities exchange licensed to facilitate trading of securities in Ethiopia.
Excess Application	An application by an Existing Shareholder that has exercised its full Rights Entitlement for additional Offer Shares, satisfied only from the Excess Pool.
Excess Pool	The Offer Shares not taken up through the exercise of Rights, including those relating to lapsed Rights and fractional entitlements, available to satisfy Excess Applications.
Existing Shareholder	A shareholder recorded in the Bank's share register as at the Record Date.
Existing Shares	The 6,328,419 Ordinary Shares already issued and held by existing shareholders of Berhan Bank S.C. and proposed to be registered with ECMA under this Prospectus.
Expert	Any person or firm whose profession gives authority to a statement made by them and included in this Prospectus.
External Auditor	The independent audit firm responsible for auditing the financial statements of Berhan Bank
External Investor	An Ethiopian national, a foreign national of Ethiopian origin, or a legal entity incorporated in Ethiopia, that is not an Existing Shareholder and is eligible to apply for Offer Shares under the External Investor Offering.
External Investor Offering	The offering to External Investors of any Offer Shares not taken up by Existing Shareholders under the Rights Issue.
Fixed-Term Deposit	Deposits maintained for a specified maturity period and subject to agreed withdrawal conditions.
Internet Banking	Banking services accessed through internet-enabled platforms.

Term	Full Meaning
Know Your Customer (KYC)	Customer due diligence procedures required under applicable laws and regulations to verify customer identity and assess associated risks.
Liquidity Risk	The risk arising from the inability of a financial institution to meet its financial obligations as they fall due without incurring unacceptable losses.
Market Risk	The risk of financial loss resulting from fluctuations in market variables such as interest rates, exchange rates, and market prices.
Memorandum and Articles of Association (MOA)	The constitutional documents of Berhan Bank S.C. setting out its objectives, governance structure, shareholder rights, and operational framework.
Mobile Banking	Banking services delivered through mobile devices and telecommunications platforms.
National Bank of Ethiopia (NBE)	The central bank and banking sector regulator of Ethiopia.
Operational Risk	The risk of loss resulting from inadequate or failed internal processes, human error, system failures, or external events.
Ordinary Shares	The ordinary voting shares of Berhan Bank
Offer	The offer of 3,671,581 Offer Shares under this Prospectus, comprising the Rights Issue and the External Investor Offering.
Offer Closing Date	5:00 PM East Africa Time on January 26, 2027, being the close of the Offer Period, unless extended or amended subject to regulatory approval.
Offer Period	The period from 9:00 AM on October 29, 2026 to the Offer Closing Date, during which applications for Offer Shares may be submitted.
Offer Price	ETB 1,065 per Offer Share, comprising the par value of ETB 1,000 and a premium of ETB 65.
Offer Shares	The 3,671,581 new Ordinary Shares being offered pursuant to this Prospectus.
Pre-emptive Rights or Preferred Rights	Rights granted to existing shareholders to subscribe first to newly issued shares in proportion to their existing shareholding.
Project	The registration of existing issued shares and public offering of new Ordinary Shares of Berhan Bank S.C. with ECMA.
Prospectus	This legal disclosure document prepared in connection with the registration of existing issued shares and the public offering of new Ordinary Shares of Berhan Bank
Public Offer Directive	The Public Offering and Trading of Securities Directive No. 1030/2024 issued by ECMA governing public offers of securities in Ethiopia.
Record Date	October 10, 2026, the date as at which the Bank's share register determines the Existing Shareholders and their Rights Entitlements.
Registrar	The entity responsible for maintaining the register of shareholders and securities records.
Registration	The registration of existing issued shares of Berhan Bank S.C. with ECMA pursuant to applicable capital market laws and regulations.
Retail Banking	Banking services provided primarily to individual customers and small businesses.
Right(s)	The right attached to each Existing Share held at the Record Date to subscribe for Offer Shares under the Rights Issue.
Rights Entitlement	The number of Offer Shares an Existing Shareholder may subscribe for, being the number of Rights it holds multiplied by $3,671,581 \div 6,328,419$ (approximately 0.58), rounded down to the nearest whole share.
Rights Issue	The offering of Offer Shares to Existing Shareholders in proportion to their shareholdings as at the Record Date, including Excess Applications.
Savings Deposit	Interest-bearing customer deposit accounts primarily maintained for savings purposes.

Term	Full Meaning
Securities	The Existing Shares and Offer Shares collectively referred to in this Prospectus.
Shareholders	Holders of Ordinary Shares in Berhan Bank
Transaction Advisor	Ethio Capital Solutions PLC, the transaction advisor and independent valuer for the Offer.
Underwriting	An arrangement whereby securities are guaranteed to be subscribed by an underwriter subject to agreed terms and conditions.

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SECTION ONE

1 GENERAL INFORMATION

1.1 Corporate Directory

The Bank was licensed by the National Bank of Ethiopia on June 1, 2009, G.C in accordance with the Banking Business Proclamation No. 592/2008, authorizing it to undertake banking business in Ethiopia. Following the completion of the necessary regulatory and operational requirements, the Bank officially commenced operations on October 3, 2009 (G.C), with the opening of its first branch in Bole, Addis Ababa.

The registered office of the Bank is given below:

Table 1: General Information of Berhan Bank S.C.

Name	Berhan Bank S.C.
Corporate Registered Office	Bole sub-city, woreda 5, H.No. 2185, Dildiye, TK International Building, Addis Ababa, Ethiopia
Head Office Address	Bole Dildiye, TK International Building, China - Africa Square P.O. Box 387 - 1110 Addis Ababa, Ethiopia
Head Office Telephone Number	Call: +251 11 618 5722
E-mail Address	info@berhan.com
Website	http://www.berhanbanksc.com/

As of the prospectus date, the Bank maintains 375 branches located throughout the country in addition to eleven (11) District Offices supervising these branches. The phone numbers for the district offices and the branches are provided in Appendix 1.

The Company's registrar is the Ministry of Trade and Regional Integration (MoTRI), and their address is:

Ministry of Trade and Regional Integration (MOTRI)

Bole Sub City, Addis Ababa, Ethiopia

+251 1111 51536

<https://motri.gov.et>

1.2 Person Responsible for the Information Disclosed

The Bank, the Bank's Directors, the Chief Executive Officer, and the Chief Finance Officer (Collectively, the "Responsible Parties" and whose names appear below) accept full responsibility for the information contained in the Prospectus and, to the best of their knowledge and belief, have taken all reasonable care to ensure that the information in the Prospectus is in accordance with facts and does not omit anything likely to affect the importance of such information or make the expression of such information or opinion misleading or untrue. The Responsible parties can be reached at the Bank's registered address or corporate directory. The individual responsible persons do not have any material interest in the Offer or in the matters disclosed in this

Prospectus other than their interests as shareholders, directors, officers, or employees of the Issuer, as applicable.

Table 2: Person Responsible for the Information Disclosed

S.No	Full Name	Role
1	Ato Eligo Legesse	Board Chairperson
2	Ato Ermias Girma	Board Vice Chairperson
3	W/ro. Meron Gezahegn	Director
4	Ato Sibu Ayele	Director
5	Ato Jaleta Wordoffa	Director
6	Ato Binyam Bedewi	Director
7	Ato Lemma Degefa (PhD)	Director
8	W/ro Abaydar Kettema (PhD)	Director
9	W/ro Aynalem Abayneh (PhD)	Director
10	Ato Daniel Wondimu	Director
11	Ato Girma Mamo	Director
12	Ato Ermias Tefera	Chief Executive Officer
13	Ato Tesfaye Maru	Chief Finance Officer

Table 3: Material Interest of Person Responsible for the Information Disclosed

Name	Role	Shares Held	% of Issued Capital	Other Material Interests
Ato Eligo Legesse	Chairperson	343	0.01%	None beyond directorship and shareholding
Ato Ermias Girma Tekle	Vice Chairperson	200	0.00%	None beyond directorship and shareholding
W/ro. Meron Gezahegn	Director	1,152	0.02%	None beyond directorship and shareholding
Ato Sibu Ayele	Director	126 (representing Berhan Insurance S.C.)	0.00%	Deputy CEO of Berhan Insurance S.C., which holds 50,678 shares (0.80%) in the Bank
Ato Jaleta Wordoffa	Director	498	0.01%	None beyond directorship and shareholding
Ato Binyam Bedewi	Director	14,022	0.22%	CEO of Zablon Trading PLC, which holds 120,000 shares (1.90%) in the Bank largest individual shareholder entity
Ato Lemma Degefa (PhD)	Director	2,649	0.04%	None beyond directorship and shareholding
W/ro Abaydar Kettema (PhD)	Director	578	0.01%	None beyond directorship and shareholding
W/ro Aynalem Abayneh (PhD)	Director	1,227	0.02%	None beyond directorship and shareholding
Ato Daniel Wondimu	Director	128	0.00%	General Manager of Messidan International Trading PLC, which has an outstanding loan of ETB 6.12 million from the Bank
Ato Girma Mamo	Director	413	0.01%	None beyond directorship and shareholding

Name	Role	Shares Held	% of Issued Capital	Other Material Interests
Ato Ermias Tefera	CEO	None	N/A	Staff mortgage loan of ETB 2.80 million outstanding
Ato Tesfaye Maru	CFO	None	N/A	Staff mortgage loan of ETB 4.79 million outstanding

All shareholdings disclosed above represent direct and beneficial ownership held in the personal names of the respective Directors. Except as disclosed above, no Responsible Party holds any direct or indirect material interest in the Bank or the Offer beyond their role as Director, CEO, or CFO. All related-party transactions are disclosed in full in Section 6 of this Prospectus.

1.2.1 Transaction Advisor Responsibility Statement

Ethio Capital Solutions PLC, having its registered office in Addis Ababa, Ethiopia, and duly licensed as an Investment Advisor by the Ethiopian Capital Market Authority (ECMA) under License Number ECMA/CMSF/SIA/004/2017 in accordance with the Capital Market Service Providers Licensing and Supervision Directive No. 980/2024, accepts responsibility for the information contained in this Prospectus as specifically attributed to it.

Ethio Capital Solutions PLC has been formally contracted by Berhan Bank S.C. Share Company to act as its Transaction Adviser for the purpose of this Prospectus. In this capacity, Ethio Capital Solutions PLC has provided advisory services regarding the structuring of the transaction, the preparation of the offering documents, and the coordination of the due diligence process.

Ethio Capital Solutions PLC declare that to the best of Ethio Capital Solutions PLC's knowledge and belief, and having taken reasonable care to ensure that such is the case, the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the importance of such information or make the expression of such information or opinion misleading or untrue.

Ethio Capital Solutions PLC relied upon information provided by Berhan Bank S.C. and its various professional advisers, and has performed the necessary checks as required by the Capital Market Proclamation No. 1248/2021 and the Directives issued by ECMA.

The responsibility of Ethio Capital Solutions PLC is limited to the advisory services rendered and the disclosures expressly attributed to the Transaction Adviser. Ethio Capital Solutions PLC does not accept responsibility for the financial statements, technical reports, or legal opinions provided by other independent experts, nor for the commercial success of the investment. Ethio Capital Solutions PLC hereby consents to the inclusion of its name and references to its role as Transaction Adviser in this Prospectus in the form and context in which they appear.

The Transaction Advisor is responsible for the information it supplied in the prospectus and shall be liable to pay compensation for losses or damage suffered by persons relying on information it included in the prospectus that is inaccurate, misleading, or incomplete.

In accordance with Article 81(3) of the ECMA Public Offering and Trading Directive No. 1030/2024, the Transaction Advisor hereby confirms that it does not have any material interest, direct or indirect, in the Issuer or in the Offer beyond its respective role.

The principal professionals of Ethio Capital Solutions PLC involved in the preparation of this Prospectus and their relevant qualifications are in the enclosed documents.

Registered Office: Kirkos Sub-City, Woreda 10, ORDA Tower at Lagahare, 10th Floor, Room Nos. 1001 and 1002, Addis Ababa, Ethiopia. Telephone: +251 911 64 45 02 / +251 115 57 90 85. Email: info@ethiocapitalsolutions.com.et

1.2.2 Legal Advisor Responsibility Statement

Tsegamlak Solomon & Associates acted as independent legal advisor to Berhan Bank S.C. in relation to the registration of Securities described in the Prospectus. Legal Advisor accepts full responsibility for the information it has provided and has consented to its inclusion in this Prospectus and, to the best of its knowledge and belief, has taken all reasonable care to ensure that the information provided is in accordance with facts and does not omit anything likely to affect the importance of such information or make the expression of such information or opinion misleading or untrue. On July 15, 2026, the Legal Advisor issued a legal opinion and granted consent for the inclusion of its name and opinion within this Prospectus.

The Legal Advisor hereby consents to the inclusion of its name and the references to its legal opinions in this Prospectus in the form and context in which they appear. This consent is given specifically for the purposes of compliance with the Capital Market Proclamation No. 1248/2021 and the relevant Directives issued by the Ethiopian Capital Market Authority (ECMA).

This consent shall not be deemed an admission that the Legal Advisor is an “expert” for any part of the Prospectus other than the specific legal sections expressly attributed to it. The Legal Advisor accepts liability under Article 75 of the Capital Market Proclamation (Civil Liability for Prospectus) in relation to the legal opinions authored by it and included herein with its express authorization.

In accordance with Article 81(3) of the ECMA Public Offering and Trading Directive No. 1030/2024, the Legal Advisor hereby confirms that it does not have any material interest, direct or indirect, in the Issuer or in the Offer beyond its respective role. The relevant qualifications of the Legal Advisor are set out in the accompanying documents filed with this Prospectus.

Registered Office: Africa Avenue, Getu Commercial Center, 6th Floor, House No. 1751 Addis Ababa, Ethiopia. Email: tsolomon@tsegasolomon.com.

1.2.3 External Auditors Responsibility Statement

Kokeb and Melkamu Audit LLP, acting as the Independent Auditor to Berhan Bank S.C., hereby declares that it accepts full responsibility for the financial information provided within the ‘Audited Financial Statements’ and the ‘Accountants’ Report’ included in this Prospectus. This responsibility statement relates to the audited financial statements of the Bank for the financial years ended 30 June 2023, 30 June 2024 and 30 June 2025, on which the External Auditor issued audit reports dated 16 October 2023, 19 September 2024 and 6 October 2025 respectively, and the interim financial statements for the six-month period ended 31 December 2025.

To the best of its knowledge and belief, the External Auditor has taken all reasonable care to ensure that the information provided is in accordance with facts and does not omit anything likely to affect the importance of such information or make the expression of such information or opinion misleading or untrue.

The External Auditor’s reports were prepared in accordance with the International Financial Reporting Standards (IFRS) and the International Standards on Auditing (ISA), as adopted by the Accounting and Auditing Board of Ethiopia (AABE). The External Auditor confirms that it is independent of the Issuer in accordance with the ethical requirements relevant to its audit of financial statements in Ethiopia.

The External Auditor has given and has not, before the publication of this Prospectus, withdrawn its written consent to the inclusion of its Audit Reports dated 16 October 2023, 19 September 2024 and 6 October 2025 and its review report dated 31 December 2025 on the interim financial statements, and the references to its name in the form and context in which they appear in this Prospectus.

This declaration of responsibility is limited to the financial information specifically stated to have been audited or reviewed by the External Auditor. The External Auditor does not accept responsibility for any other part of the Prospectus, commercial assessments, or legal summaries provided by other experts.

In accordance with Article 81(3) of the ECMA Public Offering and Trading Directive No. 1030/2024, the External Auditor hereby confirms that it does not have any material interest, direct or indirect, in the Issuer or in the Offer beyond its respective role. The relevant qualifications of the external auditor is in the accompanying documents.

Registered Office: Bole Sub-City, Woreda 02, HN 5073/K, Rooms 503-511, Addis Ababa, Ethiopia. Tel.: 011 51 61 46. Email: kokmelk@gmail.com license Renewal date: 25/6/2018 E.C license Expiry date : 30/5/2019 E.C

Table 4: summary of Registered offices of Professional Parties

Professional Party	Registered Office / Contact Details
Transaction Advisor	Ethio Capital Solutions PLC Location: Kirkos Sub-City, Woreda 10, ORDA Tower at Lagahare, 10th Floor, Room Nos. 1001 and 1002 Telephone: +251 911 64 45 02 / +251 115 57 90 85 Email: info@ethiocapitalsolutions.com.et Website: https://ethiocapitalsolutions.com.et/
External Auditors	Kokeb and Melkamu Audit LLP Location: Bole Sub-City, Woreda 02, HN 5073/k, Room No. 503-511, Addis Ababa, Ethiopia Tel.: 011 51 61 46 Contact: 0911516146 Email: kokmelk@gmail.com License Renewal date: 25/6/2018 E.C License Expiry date : 30/5/2019 E.C
Legal Advisors	Tsegamlak Solomon & Associates Africa Avenue, Getu Commercial Center, 6th Floor, Addis Ababa, Ethiopia Email: tsolomon@tsegasolomon.com

1.3 Third-Party Information

The information contained in this prospectus has been compiled from a variety of publicly available third-party sources to support the analysis of the Banking industry and the macroeconomic environment influencing it. The principal external references include publications issued by the National Bank of Ethiopia such as Financial Stability Reports and Quarterly Bulletins., macroeconomic data, including GDP growth and inflation, from the NBE Quarterly Bulletin (Vol. 40, No. 4, Fourth Quarter 2023/24) and IMF Country Report No. 25/188 (2025), Directives SBB/91/2024, Proclamation No. 592/2008, and SBB/89/2024, as well as additional data from credible local and international institutions. Additionally, publications of the International Monetary Fund (IMF), World Bank, and United Nations Development Programme (UNDP) are utilized. While the Bank believes these sources to be reliable, it has not independently verified the underlying data. Where third-party information has been included, the specific source has been duly identified.

In accordance with Article 82(1) of the ECMA Public Offering and Trading Directive No. 1030/2024, Berhan Bank confirms that: (i) where information in this Prospectus has been sourced from a third party, such information has been accurately reproduced and, to the best of the Issuer's knowledge and belief, no facts have been omitted which would render the reproduced information inaccurate or misleading; and (ii) the Issuer has identified the source of all third-party information included herein.

Citation of external sources: Certain data and statistics referenced throughout this Prospectus, including those presented under section 2.4 (Principal Markets and Competition), and their respective subsections, have been sourced from third-party publications. Each item of third-party data presented in those sections is footnoted at the point of use, identifying the publication, the issuing institution, the reporting period and the table, page or paragraph from which the figure is drawn. The following primary sources have been used:

- NBE Annual Report 2023/24, Table 1: Macroeconomic and Social Indicators, National Bank of Ethiopia, June 2025.
- NBE Banking Supervision Annual Report 2023/24 and Quarterly Economic Bulletin, National Bank of Ethiopia -- used for industry structure data, market share statistics, and banking sector aggregate figures presented in Section 2.4 (Principal Markets and Competition).
- IMF Country Report No. 26/20, Fourth Review under the Extended Credit Facility Arrangement Federal Democratic Republic of Ethiopia, International Monetary Fund, January 2026.
- NBE Monetary Policy Committee Meeting Statement, National Bank of Ethiopia, February 2026.
- Ethiopian Securities Exchange, Interbank Money Market Milestone Press Release, ESX, September 2025.
- World Bank, Global Financial Development Report and Digital Development Report 2024.
- GSMA Mobile Economy Africa Report 2025.

1.4 External Auditors

Berhan Bank S.C. has retained the same External Auditor for three consecutive fiscal periods. The same auditing firm has conducted all the Bank's external audits for Fiscal Year/2023, Fiscal Year/2024, Fiscal Year/2025 and Interim Financial report as of December 31,2025. The Bank complied with the Commercial Code of Ethiopia and the relevant directives issued by the NBE in the appointment of the following external auditors. They are selected through a competitive bidding process, conducted in accordance with its internal procurement policies and procedures, and is subsequently appointed by resolution of the shareholders at an Ordinary General Meeting. Each year, the NBE reviews and approves the appointment or reappointment of the external auditor.

Kokeb and Melkamu Audit LLP

Location: Bole sub city, woreda 02, House No. 5073/K, Rooms 503–511, Addis Ababa, Ethiopia

- Telephone: +251 11 516 1446 : +251 911 516 146
- Email: kokmelk@gmail.com
- Business License No. 14/706/938450/2006
- Renewal date: 25/6/2018 E.C
- Expiry date : 30/5/2019 E.C

1.5 Summary of the Prospectus

This summary is an introduction to the Prospectus and should be read together with, and in the context of, the other parts of this Prospectus. Any decision by an investor to invest in the Securities should be based on a careful consideration of the Prospectus as a whole, including the risk factors and financial information set out herein.

1.5.1 Key Information on the Issuer

Berhan Bank , established in 2009 under Article 304 of Ethiopia's Commercial Code, operates as a full-service commercial bank guided by the principles of integrity, innovation, and service excellence. The Bank was licensed by the National Bank of Ethiopia (NBE) with an authorized capital of ETB 300 million, subscribed

capital of ETB 137 million and initial paid-up capital of ETB 95 million.. The bank currently does not have a major shareholder that holds more than 5%.

At its establishment in June 2009, the Bank was founded by 6,636 founding shareholders. The capital structure has developed as follows since establishment:

Table 5: Capital Structure of the Bank

Particulars (ETB)	At Establishment (June 2009)	FY 2022/23	FY 2023/24	FY 2024/25	November 24, 2025
Authorized Capital	300,000,000	10,000,000,000	10,000,000,000	10,000,000,000	10,000,000,000
Subscribed Capital	137,000,000	3,350,433,000	3,447,898,000	4,286,885,000	6,328,419,000
Paid-up Capital	95,000,000	3,350,433,000	3,447,898,000	4,286,885,000	6,328,419,000
Number of Shares	95,000	3,350,433	3,447,898	4,286,885	6,328,419
Number of Shareholders	6,636 (founders)	16,781	16,902	20,752	23,580

As at November 24, 2025, Berhan Bank S.C.'s authorized share capital stood at ETB 10,000,000,000, with subscribed and fully paid-up share capital of ETB 6,328,419,000, comprising 6,328,419 Ordinary Shares at a par value of ETB 1,000 per share. As at the date of this Prospectus, the Bank has 23,580 registered shareholders. No single shareholder holds more than 5% of the Bank's issued share capital. Subscribed capital has equaled paid-up capital in each period presented from FY 2022/23 onwards, confirming that no partly-paid shares are outstanding as at the date of this Prospectus.

The registered office of Berhan Bank is located at Bole Sub-City, Woreda 5, House No. 2185, and Addis Ababa, Ethiopia. Berhan Bank offers a comprehensive range of financial services. The Bank primarily provides a diverse portfolio of financial products and services to wholesale, retail, and SME clients within the Ethiopian market. Berhan Bank S.C.'s core activities include the following:

- **Deposit Mobilization:** Offering a wide range of deposit products, including savings, current, and fixed accounts, designed to meet diverse customer needs;
- **Credit and Lending Services:** Providing tailored credit facilities to individuals, businesses, and SMEs across various sectors of the economy;
- **Trade Finance and International Banking:** Facilitating international trade through import and export financing, foreign exchange services, and correspondent banking relationships; and
- **Digital Banking:** Delivering convenient and secure financial services through digital channels, including mobile and internet banking, ATMs, and POS terminals.

By June 2025, Berhan Bank S.C. had grown its branch network to reach 375 branches, including a mix of city and outlying locations. The bank operates the Rubikon core banking system, which allows for flexible system integration, operational efficiency, and supports the launch of innovative financial products. The bank has 183 ATM machines, while the number of POS terminals expanded to 241 across branches and merchant sites, facilitating broader electronic payment support.

Financially, the Bank has exhibited continuous Growth over recent years. Total operating income increased significantly to ETB 7.94 billion in 2025 from ETB 4.51 billion in 2024 and ETB 3.45 billion in 2023, driven by Growth in both net interest income and non-interest income streams, particularly fees, commissions, and

other operating income. Profit before tax rose to ETB 2.52 billion in 2025, compared to ETB 1.51 billion in 2024 and ETB 605 million in 2023, while profit after tax reached ETB 2.10 billion in 2025, reflecting high earnings performance and improved operational efficiency. Total comprehensive income also grew to ETB 2.37 billion in 2025.

As of 30 June 2025, Berhan Bank S.C. reported total assets of ETB 58.96 billion, up from ETB 46.02 billion in 2024, primarily driven by Growth in loans and advances to customers, which reached ETB 34.53 billion, and increased holdings of financial assets. Customer deposits stood at ETB 44.45 billion, demonstrating a major funding base, while total liabilities amounted to ETB 50.42 billion. The Bank's total equity increased to ETB 8.54 billion in 2025 from ETB 6.21 billion in 2024, supported by retained earnings Growth and strengthened reserves, including legal and regulatory risk reserves.

In line with its Strategic Plan 2025/26–2027/28 FY, Berhan Bank S.C. will continue to focus on strengthening its capital base, enhancing risk management and governance structures, and investing in human capital development to support sustainable Growth.

1.5.2 Corporate Governance

Berhan Bank maintains a corporate governance framework that is aligned with the National Bank of Ethiopia (NBE) Corporate Governance Directive No. SBB/91/2024, the Banking Business Proclamation, the Commercial Code of Ethiopia, and the Basel Committee's Corporate Governance Principles for Banks. The governance framework is guided by the Bank's Corporate Governance Charter, which defines the roles, responsibilities, and accountability of the Board of Directors and Senior Management.

The Board of Directors consists of eleven members with professional experience in banking, finance, accounting, risk management, information technology, business administration, and leadership. The Board does not currently include independent directors; the independent director requirements of NBE Directive No. SBB/91/2024 will be applied at the next election of the Board of Directors. The Board is supported by executive management and operates through five specialized Board committees responsible for oversight of key operational and governance areas.

Table 6: Board and Committee Structure

Governance Body	Composition / Status	Key Responsibilities	Meeting Frequency
Board of Directors	11 members; independent directors to be appointed at the next Board election	Provides strategic oversight, approves policies, oversees management performance, risk governance, and regulatory compliance	Regular meetings conducted in accordance with Board Charter
Audit Committee	Board Committee	Oversees financial reporting, internal controls, internal and external audit functions, and follow-up of audit findings	Periodic
Risk Management and Compliance Committee	Board Committee	Oversees enterprise risk management framework, risk appetite, compliance controls, and regulatory compliance	Periodic
Credit Committee	Board Committee	Reviews credit policies, approves large exposures, and monitors portfolio quality and non-performing loans	Periodic
Nomination and Remuneration Committee	Board Committee	Oversees appointments, succession planning, performance evaluation, and remuneration policies	Periodic

Governance Body	Composition / Status	Key Responsibilities	Meeting Frequency
Building Project Committee	Board Committee	Oversees construction and infrastructure projects, including budget, timelines, and strategic alignment	Periodic

The Bank periodically reviews its governance policies and bylaws to ensure alignment with regulatory developments and operational requirements. Independent oversight over audit, risk management, and internal control functions is maintained through direct reporting lines to the relevant Board committees. The Bank also conducts periodic Board and committee self-assessments aimed at strengthening governance effectiveness and accountability.

1.5.3 Summary of Key Historical Financial Information

The financial information has been extracted below without material adjustments.

1.5.3.1 Summary of the Income Statement

Table 7: Summary of Profit or Loss and Other Comprehensive Income

Particulars	FY 2024/25	FY 2023/24	FY 2022/23
(ETB '000)			
Interest Income	6,058,457	5,112,154	4,391,533
Interest Expense	(2,107,561)	(1,796,517)	(1,603,668)
Net Interest Income	3,950,896	3,315,637	2,787,865
Net Fee and Commission Income	2,087,842	756,719	435,173
Other Operating Income	1,900,602	438,261	228,166
Total Operating Income	7,939,340	4,510,617	3,451,204
Net impairment (charge)/release on financial assets	7,235	66,916	(311,149)
Personnel Expenses	(2,400,663)	(2,076,281)	(1,616,270)
Other Operating Expenses	(2,582,113)	(592,576)	(547,315)
Depreciation & Amortization (including right-of-use assets)	(446,080)	(400,891)	(371,234)
Total Operating Expenses	(5,428,856)	(3,069,748)	(2,534,820)
Profit Before Tax	2,517,719	1,507,785	605,235
Tax Charge	(415,521)	(319,573)	(96,609)
Profit for the Year	2,102,198	1,188,212	508,626
Other Comprehensive Income	268,058	217,056	144,888
Total Comprehensive Income	2,370,256	1,405,268	653,514
Earnings Per Share (EPS)	549	350	156

Between 2023 and 2024, Berhan Bank S.C. recorded Growth across its income statement. Interest income increased from ETB 4.39 billion to ETB 5.11 billion, representing a Growth of approximately 16.4%, while interest expense rose by 12.0% to ETB 1.80 billion, resulting in a 18.9% increase in net interest income. Non-interest income showed an increase, with net fee and commission income increasing by 73.9% and other

operating income rising by 92.1%, driving total operating income up by 30.7% from ETB 3.45 billion to ETB 4.51 billion.

Operating expenses increased by 21.1% in 2024, mainly due to a 28.5% rise in personnel expenses. Despite this, profit before tax grew significantly by 149.1% to ETB 1.51 billion, while profit after tax increased by 133.7% to ETB 1.19 billion, reflecting steady operating leverage.

From 2024 to 2025, the Bank's performance accelerated further. Interest income grew by 18.5% to ETB 6.06 billion, while interest expense increased by 17.3%, leading to a 19.2% rise in net interest income. Net fee and commission income surged by 175.9%, and other operating income increased sharply by 333.6%, resulting in total operating income growing by 76.0% to ETB 7.94 billion.

Total operating expenses rose by 76.9%, largely driven by a significant increase in other operating expenses (335.7%) and continued Growth in personnel costs (15.9%). Despite the rise in costs, profit before tax increased by 67.0% from ETB 1.51 billion in 2024 to ETB 2.52 billion in 2025, while profit after tax grew by 76.9% to ETB 2.10 billion.

1.5.3.2 Summary of the Statement of Financial Position

Table 8: Summary statement of financial position

Particular	FY 2024/25	FY 2023/24	FY 2022/23
(ETB '000)			
Total Assets	58,958,859	46,021,506	45,045,221
Total Liabilities	50,418,739	39,808,311	40,015,777
<i>Share Capital</i>	4,286,885	3,447,898	3,350,433
<i>Reserves & Surplus</i>	4,253,235	2,765,297	1,679,011
Total Equity	8,540,120	6,213,195	5,029,444
Total Equity & Liabilities	58,958,859	46,021,506	45,045,221
Key Ratios	30-Jun-25	30-Jun-24	30-Jun-23
Capital Adequacy Ratio (CAR)	16%	17%	18%
Equity-to-Asset Ratio	14.49%	13.50%	11.16%

Between 2023 and 2024, Berhan Bank S.C.'s total assets grew marginally by 2.2% from ETB 45.05 billion to ETB 46.02 billion, indicating a relatively stable expansion phase. However, total liabilities slightly declined by 0.5%, reflecting improved balance sheet management. Total equity increased significantly by 23.5%, driven by Growth in retained earnings and reserves, strengthening the Bank's capital base.

From 2024 to 2025, the Bank experienced accelerated balance sheet expansion. Total assets increased by 28.1% to ETB 58.96 billion, largely driven by Growth in loans and advances and investment securities. Total liabilities rose by 26.7% to ETB 50.42 billion, primarily supported by increased customer deposits. Total equity grew by 37.5% to ETB 8.54 billion, reflecting incremental profitability and internal capital generation.

The Capital Adequacy Ratio (CAR) showed a slight decline from 18% in 2023 to 16% in 2025, though it remains well above the regulatory minimum, indicating adequate capital buffers. Meanwhile, the equity-to-

asset ratio improved consistently from 11.16% in 2023 to 14.49% in 2025, demonstrating strengthened capitalization and a higher proportion of equity financing the Bank's asset base.

1.5.3.3 Summary of the Statement of Change in Equity

Table 9: Summary of the Statement of Change in Equity

Particulars	FY 2024/25	FY 2023/24	FY 2022/23
(ETB '000)			
Share capital	4,286,885	3,447,898	3,350,433
Share premium	18,628	16,372	15,847
Retained earnings	1,045,835	681,088	196,394
Regulatory Risk Reserve	1,128,204	604,020	403,104
Other Reserve	382,940	310,080	206,983
Legal Reserve	1,677,627	1,153,737	856,684
Total	8,540,119	6,213,195	5,029,445

1.5.3.4 Summary of the Cash Flow Statement

Table 10: Summary Statement of Cash Flows

Particulars	FY 2024/25	FY 2023/24	FY 2022/23
(ETB '000)			
Net Cash flow from Operating Activities	5,760,276	2,081,462	1,561,288
Net Cash flow from Investing Activities	-3,356,593	-240,849	-1,425,203
Net Cash flow from Financing Activities	79,956	-733,359	453,226
Changes in Cash and Cash Equivalents	2,483,639	1,107,254	589,311
Cash and Cash Equivalent at the Beginning of the Year	4,840,068	3,732,813	3,143,500
Cash and Cash Equivalent at the end of the Year	7,323,707	4,840,067	3,732,811

Note: Differences of up to ETB 2 thousand between the closing balance of one year and the opening balance of the following year arise from rounding in the audited financial statements.

Between 2023 and 2024, net cash flows from operating activities increased by 33.3%, rising from ETB 1.56 billion to ETB 2.08 billion, reflecting improved core banking operations and cash generation capacity. Net cash used in investing activities declined significantly by 83.1%, indicating reduced investment outflows during the period. Financing activities shifted from an inflow of ETB 453.2 million in 2023 to an outflow of ETB 733.4 million in 2024, suggesting repayments or reduced external financing. Overall, the net increase in cash and cash equivalents rose by 87.9% to ETB 1.11 billion, while cash and cash equivalents at the end of the year increased by 29.7% to ETB 4.84 billion.

From 2024 to 2025, operating cash flows grew substantially by 176.7% to ETB 5.76 billion, demonstrating internal cash generation. Net cash outflows from investing activities increased sharply by over 1,293%, reflecting significant investments in assets and Growth initiatives. Financing activities turned positive in 2025, with a net inflow of ETB 80.0 million compared to an outflow in 2024, indicating improved financing conditions or capital inflows.

As a result, cash and cash equivalents increased by 51.3% from ETB 4.84 billion in 2024 to ETB 7.32 billion in 2025.

1.5.3.5 Summary of Interim Financial Highlights

The interim unaudited financial performance of Berhan Bank for the six-month period ended 31 December 2025 reflects continued growth in operating income, profitability, customer deposits, and asset expansion. The Bank recorded improved earnings supported by Growth in lending activities, expansion of fee-based income, and increased customer transaction volumes. The Bank also continued strengthening its balance sheet through growth in customer deposits, loans and advances, and shareholders' equity, while maintaining positive operating cash flows and ongoing investment in technology infrastructure and digital banking capabilities.

Table 11: Summary of Interim Financial Highlights (December 2025)

Key Financial Indicator	FY 2024/25	FY 2023/24	Growth (%)
Total Assets (ETB Billion)	71.34	58.96	21.00%
Loans and Advances (ETB Billion)	44.10	34.53	27.73%
Customer Deposits (ETB Billion)	53.46	44.45	20.25%
Total Equity (ETB Billion)	11.21	8.54	31.25%
Total Operating Income (ETB Billion)	9.46	3.88	143.75%
Profit Before Tax (ETB Billion)	2.11	1.42	49.07%
Profit After Tax (ETB Billion)	1.69	1.13	49.07%
Earnings Per Share (ETB)	339.11	232.86	45.63%
Net Operating Cash Flow (ETB Billion)	7.45	4.65	60.00%

1.5.4 Information about the Registration and Offer of Securities

1.5.4.1 About the Rights Offer

Berhan Bank S.C. is offering 3,671,581 new Ordinary Shares at ETB 1,065 each to raise about ETB 3.91 billion, first to existing shareholders by rights and then to external investors. The offer runs from 29 October 2026 to 26 January 2027, is not underwritten, and proceeds only if at least 50% is subscribed.

1.5.4.2 Key offer terms

The offer lifts the Bank's share count from 6,328,419 to 10,000,000 (paid-up capital ETB 10 billion at par) if fully subscribed. All shares are of one class; the Bank has no preference shares, convertibles or warrants.

Term	Detail
Security	Ordinary Shares of Berhan Bank S.C., single class
Offer shares	3,671,581 new shares
Offer price	ETB 1,065 per share (par ETB 1,000 + premium ETB 65, i.e. 6.5% above par)
Existing shares	6,328,419, held by 23,580 registered shareholders
Shares after offer (full subscription)	10,000,000
Rights Offer ratio	0.58 new share per existing share (1 new share per 1.72 share held), rounded down
Record Date	10 October 2026

Term	Detail
Gross proceeds (full subscription)	ETB 3,910,233,765
Estimated offer expenses	ETB 25,730,243 (0.66% of gross)
Net proceeds	ETB 3,884,503,522
Minimum subscription	1,835,790 shares = ETB 1,955,116,350 (50%); below this the offer does not proceed
Underwriting	None
Minimum application	1 share
Maximum holding	5% of post-offer paid-up capital without prior NBE approval (500,000 shares if fully subscribed)
Registration	Existing and new shares to be registered with the Ethiopian Capital Market Authority (ECMA); registering existing shares raises no money

1.5.4.3 Offer timetable

The offer is open for about three months; new shares reach brokerage accounts around 22 February 2027. All dates are expected dates keyed to ECMA's approval of the prospectus and of the Allotment Report, and may move; times are East Africa Time.

Event	Expected date
ECMA approval of the prospectus	30 September 2026
Publication of the prospectus	5 October 2026
Record Date (determines rights entitlement)	10 October 2026
Offer Period opens	29 October 2026, 9:00 AM
Offer Period closes (Offer Closing Date)	26 January 2027, 5:00 PM
Allotment and verification completed	28 January 2027
Board approval of the allotment; submission of the Allotment Report to ECMA	5 February 2027
ECMA approval of the Allotment Report	On or about 10 February 2027
Legal issuance of the new shares	10 February 2027
Shares credited to brokerage accounts	22 February 2027
Notification of allotment results; refunds of unallotted or scaled-back money	12 – 20 February 2027 (with notification of allotment results), without interest, net of bank charges

Rights not exercised or transferred by 5:00 PM on 26 January 2027 lapse without compensation. Applications received outside the Offer Period are rejected.

1.5.4.4 Allotment policy

Shares are allotted strictly in the order below, only after the Offer Period closes and subject to ECMA approval. External investors receive shares only if existing shareholders leave some untaken.

1. **Exercised rights: allotted in full first.** Every existing shareholder who validly exercises rights offer and pays in full receives the shares applied for, up to its Rights Entitlement.
2. **Excess Applications: existing shareholders only.** All shares not taken up under rights (including lapsed rights and fractional remainders) form the Excess Pool. Only shareholders who exercised their full entitlement may apply for excess shares.
 - o If excess demand is within the pool, every applicant gets its full request.
 - o If excess demand exceeds the pool, the pool is shared in proportion to each applicant's shareholding at the Record Date, capped at the amount applied for.
3. **External investors: pro rata.** Shares still remaining after Excess Applications have been met in full go to external investors who have submitted valid applications, in proportion to the number of Offer Shares each has applied for.
4. **Ownership cap and KYC/AML apply to every tier.** An allotment that would take an investor above the NBE ownership cap (5% of post-offer paid-up capital) is scaled back; the excess money is refunded without interest, less bank charges. Shares released by a scale-back are re-allotted in the same order of priority.
5. **Renounced, transferred or lapsed rights.** A shareholder receives nothing for rights it transfers, renounces or lets lapse. Transferred rights are exercisable by the transferee; lapsed rights fall into the Excess Pool.
6. **Residual shares are cancelled.** Any shares left after external-investor allotment are cancelled, not held back or placed later.

If existing shareholders take up the whole offer, no shares are allotted to external investors.

1.5.4.5 Who can participate and how to apply

All applications go through a licensed broker/dealer or investment bank, with full payment into the Bank's offer escrow account; applications made directly to the Bank are refused. Escrow account details will be published in the Offer Opening Notice.

Investor	Eligibility	What they can apply for
Existing Shareholder	On the share register at the Record Date (10 Oct 2026)	Up to its Rights Entitlement; plus Excess Applications if it takes its full entitlement
External Investor	Ethiopian nationals, foreign nationals of Ethiopian origin, and legal entities incorporated in Ethiopia	Any number of shares up to the 5% cap; allotment not guaranteed

Minimum KYC to open a brokerage account

- Resident Ethiopian: FAYDA ID and TIN.
- Non-resident Ethiopian: FAYDA ID or Ethiopian passport, and TIN.
- Foreign national of Ethiopian origin: FAYDA ID, TIN and Yellow Card.
- Companies and institutions: certificate of incorporation, memorandum of association, company TIN certificate, directors' IDs, TINs and photographs, authorised signatories and specimen signatures, board resolution to open the account, power of attorney where applicable, and company seal.

All applicants also pass AML/CFT due diligence under Proclamation No. 780/2013.

Application steps

1. Open an active brokerage account with a licensed broker/dealer or investment bank.
2. Existing shareholders confirm their Rights Entitlement with their broker (based on shares held at the Record Date).

3. Complete the Subscription Form, stating rights exercised and any excess shares (or, for external investors, shares applied for).
4. Pay in full: shares × ETB 1,065, plus broker commission, through the broker to the escrow account; attach the deposit confirmation.
5. Submit the form and payment confirmation to the broker before 5:00 PM on 26 January 2027.
6. Await allotment results (12 – 20 February 2027); unallotted money is refunded through the broker to the paying account.

1.5.4.6 Pricing

The ETB 1,065 offer price is a 30% discount to an independently estimated fair value of ETB 1,522 per share, set by Board Resolution No. 010/2026 to encourage existing shareholders to take up their rights.

1.5.4.7 Reasons for the offer, use of proceeds and expenses

The raise is strategic rather than a response to a shortfall: paid-up capital of ETB 6.33 billion (at 24 November 2025) already exceeds the NBE minimum of ETB 5 billion. The Board says the capital will:

- keep the Capital Adequacy Ratio above the NBE minimum of 11% and the Bank's internal target of 13%, despite planned 28% asset growth;
- fund expansion to 386 branches (from more than 375) and digital investment, including the Rubikon CBS-24 core-banking upgrade and a digital lending platform;
- position the Bank for a strategic foreign bank partner, now permitted up to 40% ownership under Banking Business Proclamation No. 1360/2025;
- prepare for a possible rise in the NBE minimum capital to ETB 15–20 billion, which the Bank's own scenario planning anticipates.

The Board states that net proceeds are sufficient for these aims provided the 50% minimum subscription is reached.

1.5.4.8 Shareholder rights, tax, and transferability

New shares rank equally with existing shares in every respect from issue.

- **Rights per share:** a proportional share of annual net profits and of winding-up proceeds; votes in proportion to capital held; pre-emptive rights on future capital increases; free transfer subject to law and NBE prudential rules.
- **Tax:** dividends are subject to withholding tax on the gross amount (Art. 57, Income Tax Proclamation No. 979/2016 as amended by No. 1395/2025); share disposals may attract capital gains tax (Art. 59); the Bank may be taxed on undistributed profits (Art. 64). Dividend withholding tax is currently levied at 15% of the gross dividend; independent tax advice is recommended.
- **Transferability:** shares are freely transferable, subject only to law, regulation and the NBE 5% ownership limit.
- **Records:** the Company Secretary, Ms. Achamyesh Alemayehu, keeps the share register at the head office; the Central Securities Depository (CSD) of the Ethiopian Securities Exchange will also hold electronic records.
- **Takeover bids:** none made for or by the Bank in FY2023–FY2025 or the current year to date.

1.5.5 Summary of Key Risks

Investment in the Ordinary Shares of Berhan Bank S.C. involves significant risks and uncertainties that could materially and adversely affect the Bank's business operations, financial condition, liquidity position, profitability, capital adequacy, and future growth prospects. Prospective investors should carefully review the detailed risk disclosures contained under Section 9 (Risk Factors) of this Prospectus before making any investment decision.

The following summary presents the 18 principal risk factors applicable to the Bank and the Offer. Each risk is presented in the same structure as Section 9: a description of the nature and drivers of the risk, followed by its potential impact. The risks summarized below are not exhaustive and should be read together with the full risk disclosures in Section 9 of this Prospectus.

1.5.5.1 Company-Specific Risks

A. Concentration Risk

Description: The Bank is materially exposed to concentration risk arising from significant geographic, sectoral, depositor, and branch network concentration. As at March 2026, approximately 67.3% of total deposits and more than 70–79% of total outstanding loans were concentrated in Addis Ababa. Approximately 41% of the loan portfolio was concentrated in trade financing, 29% in retail lending, and 20% in corporate lending, collectively representing over 85% of total loan exposure. Additionally, 153 of 375 branches (over 40%) were located in Addis Ababa. On the liability side, deposits are dominated by private sector and cooperative customers (over 70–88% of total deposits).

Impact: Such concentration exposes the Bank to heightened vulnerability from localized economic disruptions, sector-specific downturns, competitive pressure within core markets, and liquidity volatility from concentrated depositor groups. Adverse developments affecting urban trade and retail activities may disproportionately increase non-performing loans, reduce earnings capacity, weaken liquidity, and negatively affect the Bank's capital position and financial stability.

B. Liquidity Risk

Description: Liquidity risk is closely linked to the Bank's concentrated funding structure and limited diversification of deposit sources and investment outlets. The dominance of demand and savings deposits, combined with high concentration in private sector and urban-based customers, creates a structurally sensitive liquidity profile. A significant portion of deposits is short-term and potentially volatile, increasing sensitivity to sudden withdrawals or shifts in depositor behavior.

Impact: In the event of significant deposit withdrawals, market-wide liquidity tightening, or shifts in customer investment preferences, the Bank may experience liquidity stress requiring asset liquidation at discounted values or reliance on expensive emergency funding. Such circumstances may adversely affect profitability, liquidity ratios, operational continuity, and compliance with NBE prudential liquidity requirements.

C. Strategy Execution Risk

Description: Strategy execution risk arises from the Bank's limited clarity and structure in defining and targeting its core customer segments, particularly on the lending side. The Bank operates a broadly diversified loan portfolio without clearly segmented products or well-defined sector-specific target markets, making it difficult to identify which customer groups, sectors, or value chains drive risk-adjusted performance. The Bank's strategic plan sets ambitious targets across deposits, loans, income, capital, and digital metrics for FY2026/27.

Impact: Weak strategic execution may result in inefficient resource allocation, reduced competitiveness, suboptimal risk-adjusted returns, slower market penetration, and an inability to achieve planned growth objectives. Inadequate use of market analytics, limited performance monitoring systems, and operational coordination challenges may further constrain effective implementation of strategic initiatives, potentially adversely affecting the Bank's financial performance and shareholder returns.

D. Capital Adequacy Risk

Description: Capital adequacy risk refers to the possibility that the Bank may not maintain sufficient capital buffers to absorb losses arising from its growing and increasingly concentrated asset base. As the Bank

continues to expand its loan portfolio, from ETB 28.9 billion in FY2023 to over ETB 45.6 billion by March 2026, while maintaining significant exposure to trade, construction, and retail sectors, risk-weighted assets are growing at a pace that may place increasing pressure on regulatory capital buffers, particularly under the Risk-Based Capital Adequacy Directive (SBB/95/2025).

Impact: In adverse stress scenarios involving elevated credit losses, deterioration in asset quality, or accelerated loan growth without proportional capital accumulation, the Bank may require additional capital injections under unfavorable market conditions. Failure to maintain minimum capital adequacy thresholds may result in regulatory restrictions, limitations on dividend distributions, supervisory intervention, or constraints on future business expansion.

E. Credit Risk

Description: Credit risk represents one of the Bank's most material financial risks. The gross loan portfolio increased from ETB 28.89 billion in FY2023 to ETB 35.97 billion in FY2025 and ETB 49.16 billion as at March 2026. Non-performing loans (NPLs) increased from ETB 1.80 billion in FY2023 to ETB 2.29 billion in FY2025 and ETB 2.75 billion as at March 2026, reflecting an NPL ratio of approximately 4.78%–5.59% across reporting periods. The Bank's credit exposure is highly concentrated in trade, retail, and corporate sectors, which collectively account for over 85% of total lending and represent the largest contributors to NPL formation.

Impact: Macroeconomic challenges including inflation, foreign exchange shortages, supply chain disruptions, and weakening borrower repayment capacity may further deteriorate asset quality. A sustained increase in credit defaults may materially reduce profitability, increase impairment provisioning requirements, weaken capital adequacy ratios, and adversely affect liquidity and investor confidence.

1.5.5.2 Offer-Related Risks

A. Under-Subscription Risk

Description: The Offer targets a total capital raise of approximately ETB 3.91 billion (3,671,581 new Ordinary Shares at ETB 1,065 per share), with a minimum subscription threshold of 50% (ETB 1.96 billion, representing 1,835,790 shares) required for the Offer to proceed. The Offer is not underwritten. No underwriting arrangement has been entered into, and there is no guarantee that the minimum subscription threshold will be achieved.

Impact: Weak market sentiment, inflationary pressure, constrained investor liquidity, limited capital market participation, valuation concerns, or inadequate investor awareness may reduce subscription levels below the minimum threshold. Failure to achieve the required subscription threshold will result in cancellation of the Offer and refund of all application monies in full without interest, thereby delaying or preventing the Bank's capital strengthening objectives, liquidity enhancement plans, and strategic growth initiatives.

B. Share Price and Offer Price Mismatch Risk

Description: There is a risk that the Offer Price of ETB 1,065 per Ordinary Share (representing a premium of ETB 65, or 6.5%, above par value) may materially differ from the future market valuation of the Bank's shares once secondary market trading on the OTC market commences. The Ethiopian capital market remains at an early stage of development with limited historical trading benchmarks and market pricing references for banking sector securities.

Impact: Changes in investor sentiment, inflation, interest rates, foreign exchange conditions, banking sector performance, and market liquidity conditions may create divergence between the Offer Price and the subsequent secondary market price. Such divergence may result in investor dissatisfaction, reduced secondary market liquidity, price volatility, reputational concerns for the Bank, and potentially weaker future fundraising capability if shareholders perceive the Offer Price as having been set above market-clearing levels.

C. Dilution Risk

Description: Existing shareholders who do not fully exercise their rights during the Offer Period will experience dilution in their proportional ownership, voting rights, dividend entitlement, and governance influence within the Bank. The Offer structure permits both Rights Issue participation by Existing Shareholders and participation by External Investors in any unsubscribed shares. A shareholder who fails to exercise their Rights in full will see their proportional shareholding reduced upon issuance of the new Ordinary Shares.

Impact: Shareholders with insufficient liquidity or those who are unaware of or unable to participate in the Rights Issue may experience reduced proportional control over the Bank's strategic and governance decisions, reduced dividend entitlement per existing share, and a dilution of their relative share in the Bank's net assets. The extent of dilution depends on the proportion of Rights exercised across the Existing Shareholder base.

D. Regulatory Approval and Compliance Risk

Description: The successful completion of the Offer is contingent upon obtaining all necessary regulatory approvals, registrations, disclosures, and compliance clearances from ECMA, the National Bank of Ethiopia, and other relevant authorities. The current Offer represents Berhan Bank's 7th ECMA submission, reflecting a history of regulatory review cycles. Any delay, modification requirement, or non-compliance issue identified during the regulatory review process may affect the Offer timetable and capital-raising timeline.

Impact: Regulatory delays, evolving disclosure requirements, procedural uncertainties, governance deficiencies, or non-compliance issues identified by ECMA or NBE may delay or prevent the execution of the Offer. Failure to comply with applicable regulations may expose the Bank to penalties, reputational damage, increased compliance costs, suspension or cancellation of the Offer process, or other supervisory actions that adversely affect the Bank's capital position and strategic plans.

E. Regulatory, Supervisory and Enforcement Action Risk

The Bank is subject to concurrent supervision by ECMA, with power to impose penalties and require remedial action. Specific exposures include the uncertain regulatory treatment of certain historical share issuances effected before the current securities registration regime took effect (Section 7.10), which may result in ECMA requiring regularisation, imposing administrative measures, or delaying approval of the Offer. Adverse regulatory action could result in penalties, increased compliance costs and reputational damage.

1.5.5.3 Industry -Specific Risks

A. Competition Risk

Description: Competition risk arises from the increasingly aggressive and rapidly evolving Ethiopian banking industry, where both established and newly incorporated banks are competing for deposits, loans, foreign currency generation, digital banking customers, and branch expansion. As a small-bank category participant with an estimated 2.5–3% deposit market share, the Bank competes against significantly larger institutions with stronger capital bases, broader branch networks, and greater foreign currency generation capacity. The enactment of the Banking Business Proclamation No. 1360/2025 now permits foreign banks to enter the market, introducing additional competitive pressure.

Impact: Intensified competition from established domestic banks, newly established banks, microfinance-converted banks, digital-only financial service providers (such as Telebirr), and prospective foreign bank entrants may increase funding costs, compress lending margins, weaken customer retention, reduce foreign currency generation capacity, and adversely affect the Bank's profitability, market positioning, and long-term competitive viability.

B. Foreign Exchange Risk

Description: Foreign exchange risk arises from fluctuations in foreign currency availability, exchange rate volatility, and mismatches between foreign currency inflows and obligations. As at March 2026, the Bank

generated approximately USD 281 million in foreign currency, representing approximately 3.8% of total industry foreign currency generation. The Bank's FX income of ETB 1.71 billion in FY2025 was significantly influenced by the July 2024 exchange rate liberalization, which produced a one-time revaluation gain that may not recur in future periods at the same magnitude.

Impact: Persistent foreign currency shortages, exchange rate depreciation, import-related economic dependence, and volatility in the ETB/USD rate may adversely affect borrower repayment capacity on foreign currency-denominated obligations, trade finance operations, foreign currency liquidity, customer satisfaction, and the Bank's reported profitability. FX income, which represented approximately 25.2% of total operating income in FY2025, may moderate significantly in subsequent periods as the one-time revaluation gains are not repeated.

1.5.5.4 Macroeconomic Risks

A. Inflation Risk

Description: Inflation risk refers to the adverse impact of persistent inflationary pressures on the Bank's financial performance, operational costs, customer affordability, and overall economic environment. Ethiopia's average inflation was 26.6% in FY2023/24 and is estimated at 16.6% in FY2024/25, with projected moderation to 12.0% in FY2025/26 and 9.2% in FY2026/27. The Bank's significant exposure to trade, manufacturing, construction, and consumer-related lending increases vulnerability to inflation-related borrower stress.

Impact: Persistent inflation may weaken borrower repayment capacity, reduce customer purchasing power, increase operating expenses, compress real deposit returns, and increase credit default risk. Sustained inflationary pressure may materially deteriorate asset quality, increase impairment losses, weaken profitability, increase the cost of deposit mobilization, and negatively affect the Bank's overall financial performance and capital adequacy.

B. Regulatory and Policy Change Risk

Description: Regulatory and policy change risk arises from the evolving legal, supervisory, and monetary policy environment governing the Ethiopian banking sector. The sector is undergoing substantial reform: capital market development, monetary policy modernization, Basel III implementation through the Risk-Based Capital Directive (SBB/95/2025), Recovery Planning Directive (SBB/93/2025), and financial sector liberalization under the Banking Business Proclamation No. 1360/2025. The NBE has progressively revised the credit growth ceiling from 14% to 18% to 24% in the review period, and further changes may affect the Bank's lending capacity. The Bank's loan growth in FY2025/26 exceeded the 24% limit, which the NBE removed with effect from July 2026 (see Section 2.5.21).

Impact: Changes in reserve requirements, capital adequacy directives, liquidity regulations, foreign exchange policies, treasury investment obligations, loan growth restrictions, and prudential supervision frameworks may materially affect the Bank's operations, profitability, lending flexibility, and growth strategy. Failure to comply with evolving regulatory requirements may expose the Bank to supervisory intervention, penalties, reputational damage, increased compliance costs, and operational constraints including potential restrictions on dividends or business activities.

1.5.5.5 Operational Risks

A. Information Technology and Cybersecurity Risk

Description: The Bank is increasingly dependent on digital banking systems, electronic payment platforms, mobile banking infrastructure, and interconnected financial technologies, thereby increasing exposure to cybersecurity and operational technology risks. The Bank is undertaking a major CBS upgrade (Rubikon CBS-24, cost USD 516,697) and new cybersecurity infrastructure deployments (SIEM, PAM, EDR — cumulative investment exceeding USD 500,000). System transitions during implementation increase operational

vulnerability. As at March 2026, the Bank had 1,546,988 mobile banking subscribers and processed ETB 164.6 billion in mobile banking transactions, representing a large attack surface.

Impact: Cyberattacks, ransomware incidents, system failures, digital fraud, telecommunications interruptions, power outages, or weaknesses in technology infrastructure may result in financial losses, customer data breaches, operational disruptions, reputational damage, and regulatory sanctions. As digital banking adoption continues to expand, cybersecurity threats are expected to become increasingly sophisticated and the financial impact of any successful attack could be material relative to the Bank's earnings base.

B. Human Resource and Talent Risk

Description: The Bank's operations and long-term strategic objectives depend significantly on its ability to attract, develop, and retain qualified professionals across banking operations, digital banking, treasury, compliance, risk management, and information technology functions. The Bank's total workforce declined from 6,004 permanent employees in FY2023/24 to 5,624 as at June 2026, reflecting the branch rationalization program. The entry of foreign banks under Proclamation No. 1360/2025 is expected to intensify competition for qualified personnel in specialized roles.

Impact: Failure to retain experienced personnel or to address skills gaps may adversely affect operational efficiency, strategic execution, service quality, risk management capability, and institutional continuity. The concentration of key FX income generation in a limited number of relationship managers, and CBS system management in a specialized IT team, creates specific key-person concentration risks that could materially affect the Bank's operations if not adequately mitigated through succession planning and capacity development.

1.5.5.6 Environmental, Social, and Governance (ESG) Risks

The Bank is exposed to Environmental, Social, and Governance ("ESG") risks through its financing activities, operational practices, governance structures, and stakeholder relationships. The Bank does not currently maintain a fully integrated ESG assessment framework or a formal Board-approved ESG policy. As at March 2026, the Bank's aggregate lending exposure to sectors with elevated ESG risk profiles (construction and real estate ETB 10.00B, domestic trade ETB 9.18B, manufacturing ETB 7.03B, transport ETB 1.07B) totalled ETB 27.28 billion, representing 55.5% of the gross loan portfolio.

A. Environmental Risk

Description: Environmental risk refers to the possibility that the Bank's lending activities, operational practices, or financed projects contribute to, or are adversely affected by, environmental degradation, climate change, regulatory non-compliance, or sustainability-related disruptions. The Bank's specific environmental risk is concentrated in its construction and real estate exposure (ETB 10.00 billion, 20.36% of gross loans, growing 44.98% YoY to March 2026) and manufacturing exposure (ETB 7.03 billion, 14.30%, growing 61.51% YoY). The Bank does not currently conduct formal environmental due diligence as part of its credit assessment process for these sectors.

Impact: Failure to incorporate environmental considerations into lending decisions may increase credit risk exposure through borrower regulatory non-compliance, project stoppages, or environmental liability events that impair borrowers' repayment capacity and reduce the realizable value of associated collateral. Agricultural borrowers (ETB 165.70 million, 0.34% of gross loans) are directly exposed to rainfall variability, drought, and flooding — all of which are projected to increase in frequency under climate change scenarios for the Horn of Africa, potentially causing widespread borrower default with limited collateral recovery.

B. Social Risk

Description: Social risk refers to the possibility of financial loss, reputational harm, or operational disruption arising from labour practices, human rights concerns, community impacts, digital exclusion, and customer

protection issues. The Bank's lending to sectors with elevated occupational safety and community-impact profiles (construction, manufacturing, transport) exposes it to potential social risks through financed activities. As a provider of banking services to over 2.9 million customer accounts, the Bank also carries reputational and regulatory risk in relation to financial consumer protection standards.

Impact: Failure to adequately manage social risks embedded in financed activities may expose the Bank to reputational damage, loss of customer trust, regulatory sanctions under financial consumer protection frameworks (FCP/01/2020), increased operational and compliance costs, and reduced access to funding or investor support from ESG-conscious institutional investors as the Ethiopian capital market matures and ESG disclosure requirements develop.

C. Governance Risk

Description: Governance risk refers to the possibility of financial loss, regulatory sanctions, operational inefficiencies, or reputational damage arising from weaknesses in the Bank's governance structure, internal control systems, decision-making processes, ethical standards, and oversight mechanisms. The Bank has strengthened its governance framework in line with NBE Directive SBB/91/2024, including the establishment of specialized Board committees; the independent director requirements of the Directive will be applied at the next election of the Board of Directors. The Bank does not yet have a dedicated ESG committee or a formally approved ESG policy.

Impact: Governance weaknesses, including gaps in Board oversight, inadequate internal controls, related-party transaction management lapses, or ethical failures by Directors or senior management, may lead to regulatory sanctions, reputational harm, increased compliance costs, loss of NBE confidence, or supervisory intervention including management removal, dividend restrictions, or operational limitations. The absence of formal ESG governance structures also creates growing disclosure risk as ECMA's reporting requirements continue to evolve.

The risk factors summarized above are described in full detail in Section 9 (Risk Factors) of this Prospectus, presented in the same categorical structure as this summary. Investors are strongly encouraged to read Section 9 in its entirety before making any investment decision. The order of presentation of risk factors does not imply any ranking of their likelihood or magnitude. All 18 risk factors above should be considered material.

SECTION TWO

2 INFORMATION ON THE ISSUER AND ITS BUSINESS

2.1 Information on Berhan Bank S.C. and the Business

2.1.1 Name and Domicile of the Issuer

The legal and commercial name of the Issuer is Berhan Bank S.C. Share Company "Berhan Bank S.C.", the "Bank", or the issuer. The Bank is incorporated and domiciled in the Federal Democratic Republic of Ethiopia and operates in accordance with applicable laws and regulations, including the Banking Business Proclamation and directives issued by the National Bank of Ethiopia.

The Bank is registered in accordance with Article 304 of the Commercial Code of Ethiopia under Registration Number BL/AA/2/0002442/2005.

The registered address of the Bank is:

Berhan Bank Head Office

Bole Sub city, woreda 5, H.No 2185, Dildiy, TK International Building, China-Africa Square, P.O. Box 387-1110

Addis Ababa, Ethiopia

Tel: +251 11 618 5722

Email: info@berhan.com

Website: <http://www.berhanbanksc.com/>

2.1.2 Major District Offices

Berhan Bank S.C. has established a broad national presence, operating 375 branches across the country. Its branch network is managed through 11 districts, which support effective coordination, regional oversight, and operational efficiency. This extensive branch and district structure enables the Bank to serve a diverse customer base across multiple geographic areas. The list of Berhan Bank S.C.'s districts is presented in the table below.

Table 12: Representative Contacts

No.	District Name	Region	City	Sub-City	Contact
1	Central Ethiopia	Hossana	Hossana	Lich Amba	+251990074874
2	Central Hawassa District	Sidama	Hawassa	Menharia	046-2-218585
3	East Addis Ababa District	Addis Ababa	Addis Ababa	Bole	0116-354011 / 0116-354795
4	East Oromia District	Oromia	Adama	Gada	022-1112239
5	North Addis Ababa District	Addis Ababa	Addis Ababa	Kirkos	0115-578745
6	North District (Amhara and Tigray)	Addis Ababa	Addis Ababa	Kirkos	116592979 / 0994009743
7	Hawassa District	Sidama	Hawassa	Menharia	046-2-217045
8	South Addis District	Addis Ababa	Addis Ababa	Lideta	0115-574726
9	West Addis District	Addis Ababa	Addis Ababa	Lideta	0112301109
10	West District	Addis Ababa	Addis Ababa	Kirkos	0115-261691

No.	District Name	Region	City	Sub-City	Contact
11	Wolaita District	South Ethiopia	Sodo	Mehal	046-180-2728

2.1.3 History and Development of the Issuer

At its establishment in June 2009, the Bank was founded by 6,636 founding shareholders with an authorized capital of ETB 300 million, subscribed capital of ETB 137 million, and paid-up capital of ETB 95 million. The capital structure has developed as follows:

Table 13: Capital Structure of the Bank

Particulars (ETB)	At Establishment (June 2009)	FY 2022/23	FY 2023/24	FY 2024/25	Nov 24, 2025
Authorized Capital	300,000,000	10,000,000,000	10,000,000,000	10,000,000,000	10,000,000,000
Subscribed Capital	137,000,000	3,350,433,000	3,447,898,000	4,286,885,000	6,328,419,000
Paid-up Capital	95,000,000	3,350,433,000	3,447,898,000	4,286,885,000	6,328,419,000
Number of Shares	95,000	3,350,433	3,447,898	4,286,885	6,328,419
Number of Shareholders	6,636 (founders)	16,781	16,902	20,752	23,580

Since its establishment, Berhan Bank S.C. has pursued a phased institutional development strategy focused on banking expansion, technology modernization, operational resilience, and digital transformation. The Bank has progressively expanded its service delivery capabilities through investments in core banking infrastructure, cybersecurity, digital banking platforms, and strategic financial technology integrations.

Key milestones in the historical development of the Bank are summarized below:

- **June 01, 2009** – Banking business license obtained from National Bank of Ethiopia authorizing the Bank to undertake commercial banking operations.
- **October 03, 2009** – Commencement of banking operations through the opening of the Bank's first branch in Bole, Addis Ababa.
- **2010/11** – Participation in the establishment of Berhan Insurance S.C., expanding the Bank's strategic presence within the financial services sector.
- **2013/14** – Introduction of Berhan Card services through integration with Premium Switch Solution (PSS), marking the Bank's entry into card banking and electronic payment services.
- **2017/18** – Establishment of a modern data center aimed at enhancing operational continuity, digital service delivery capacity, data management, and information technology infrastructure resilience.
- **2023/24** – Initiation of major digital transformation and cybersecurity enhancement programs, including:
 - Institutionalization of recurring vulnerability assessments and penetration testing exercises;
 - Deployment of Cisco Identity Services Engine (ISE) to strengthen network access control;
 - Introduction of an Open API platform and middleware layer to facilitate secure third-party integrations and digital ecosystem expansion;

- Upgrade of corporate email infrastructure and Active Directory systems;
- Deployment of redundant high-availability storage systems to improve operational continuity and data resilience.
- **2024/25** – Implementation of extensive technology modernization initiatives, including:
 - Major upgrade of the Bank's Core Banking System involving a multi-version migration aimed at enhancing operational capability, scalability, and integration capacity;
 - Adoption of Agile software development methodology for internal technology projects and digital product development;
 - Deployment of enterprise systems including Human Resource Management System (HRMS), Training Management System, Shareholders Management System, and Fixed Asset Management System;
 - Launch of enterprise-wide cybersecurity awareness programs and specialized security operations training initiatives;
 - Deployment of next-generation network security infrastructure and commencement of advanced threat monitoring capabilities;
 - Implementation of Privileged Access Management (PAM) systems to strengthen access governance and cybersecurity controls;
 - Establishment of strategic fintech integrations including MPESA, fuel payment systems, microfinance integrations, and digital lending platforms.
- **2024/25 – 2025/26** – Expansion of infrastructure resilience and governance capabilities through:
 - Migration of the primary data center to a professional colocation environment;
 - Development of a dedicated Disaster Recovery (DR) site with improved Recovery Point Objective (RPO) and Recovery Time Objective (RTO) capabilities;
 - Replacement and modernization of core network and security infrastructure;
 - Deployment of enterprise-grade Security Information and Event Management (SIEM) and Endpoint Detection and Response (EDR) systems;
 - Formalization of Information Technology Governance and IT Service Management (ITSM) frameworks to strengthen operational governance, service delivery, and regulatory compliance.

Over the years, the Bank has expanded its branch network, customer base, and digital banking infrastructure while continuing to invest in technology modernization, cybersecurity capability, operational resilience, and financial service diversification. These developments have contributed to the Bank's operational capacity and supported its participation within Ethiopia's evolving banking and financial services industry.

2.1.4 Recent Events Materially Relevant to the Issuer's Solvency

Between 30 June 2025, being the date of the most recent audited financial statements of the Bank, and the date of this Prospectus, the following events occurred which are materially relevant to an evaluation of the Bank's solvency. Each is identified and assessed below.

- Increase in paid-up capital. The Bank's paid-up capital increased from ETB 4.29 billion at 30 June 2025 to ETB 6.33 billion at 24 November 2025, an increase of ETB 2.04 billion or 47.6%, through additional share subscriptions. The effect on solvency is positive: the increase raises the Bank's capital base and its

headroom above the minimum capital adequacy ratio prescribed by the National Bank of Ethiopia. See Section 2.1.3 and Section 5.

- Changes in the prudential framework. The Banking Business Proclamation No. 1360/2025 and the Risk-Based Capital Adequacy Requirements Directive No. SBB/95/2025 came into force during the period. The Bank has assessed its position under the revised capital framework and remains compliant. See Section 2.5.

Save as set out above, no event has occurred since 30 June 2025 that is materially relevant to an evaluation of the Bank's solvency, and none of the events described above has had, or is expected to have, a materially adverse effect on the Bank's solvency.

2.1.5 Organizational Chart

Berhan Bank S.C. operates as an independent share company that is fully governed by its own corporate governance organs, ensuring autonomy and transparency in its operations. The Bank is distinctly not part of any larger corporate group, holding company, or conglomerate, which allows it to maintain full control over its strategic and operational decisions. The governance framework comprises three core bodies:

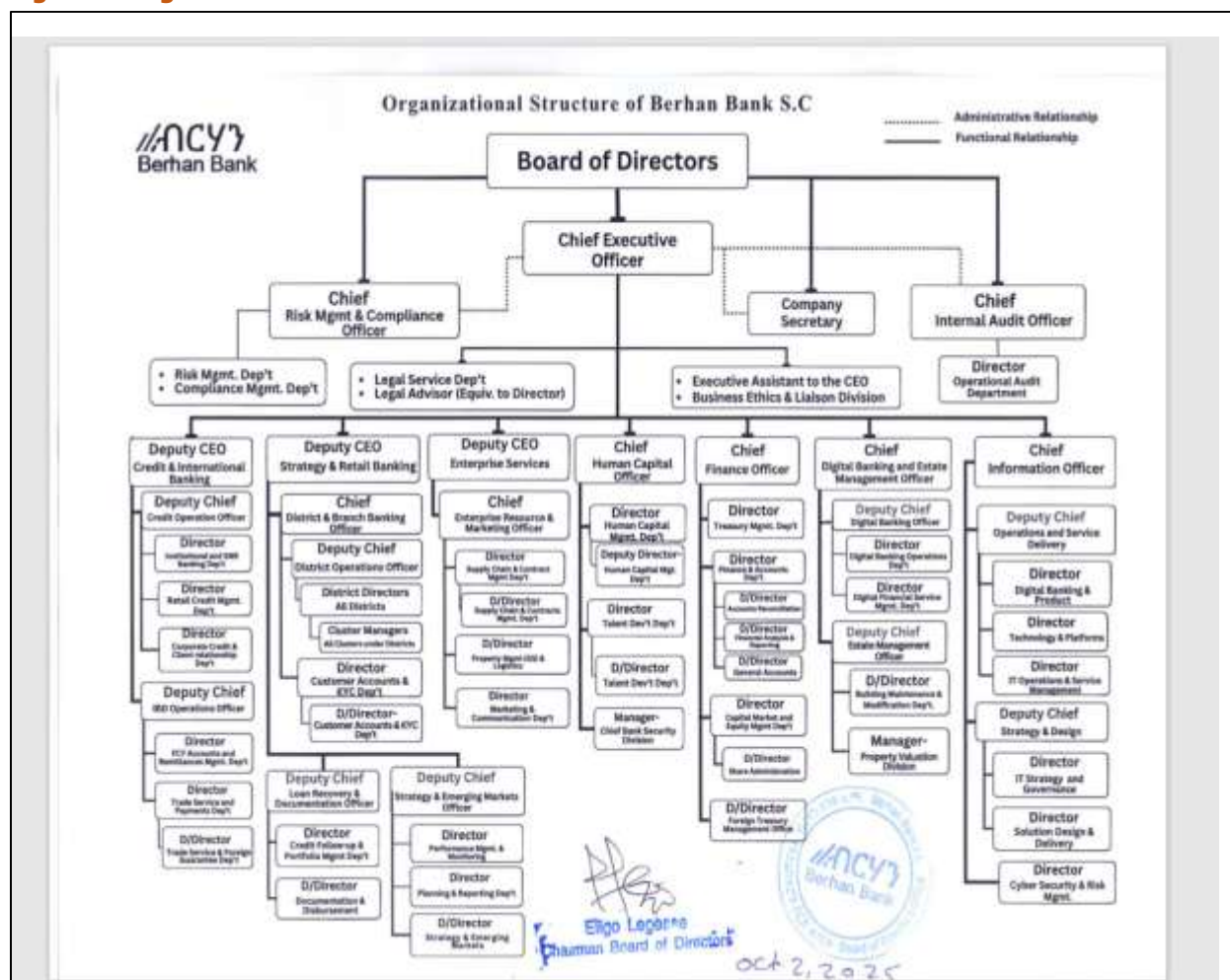
- The General Assembly
- The Board of Directors
- The Executive Management Team

Each of these operates independently. Berhan Bank S.C. is subject to mandatory reporting requirements to the NBE, its regulatory authority. The Bank regularly submits financial statements, compliance reports, and governance disclosures as required by the NBE to ensure regulatory compliance and oversight.

The Bank's Board of Directors holds the ultimate authority over governance, risk management, and compliance, supported by specialized committees such as the Risk Management and Compliance Committee. This committee is responsible for overseeing the Bank's risk appetite, monitoring exposures, ensuring adherence to regulatory requirements, and maintaining alignment with national banking directives from the National Bank of Ethiopia.

The Executive Management team manages day-to-day operations while ensuring compliance with governance policies set by the Board. The Company Secretary main tasks is; coordinating meetings, maintaining records, and ensuring transparency in communication between corporate organs.

Figure 1: Organizational Chart



2.1.6 Group Structure and Subsidiaries

Berhan Bank S.C. is a standalone banking entity and does not have any subsidiaries, joint ventures, or associate companies as at the date of this Prospectus. The Bank conducts all of its operations directly and does not exercise control over, or hold a majority interest in, any other entity. Accordingly, no consolidated financial statements are required.

2.2 Business Overview

2.2.1 Overview of the Business

Berhan Bank S.C. is a licensed commercial bank operating in Ethiopia under the regulatory oversight of the National Bank of Ethiopia. The Bank provides a comprehensive range of financial services, including deposit mobilization, credit provision, trade finance, international banking services, and digital financial solutions. Its operations are structured to serve retail customers, SMEs, corporate clients, and institutional clients through an integrated banking model combining physical and digital channels.

The Bank functions as a financial intermediary by mobilizing funds from surplus units of the economy through various deposit products and channeling them into productive sectors through loans and advances. In addition, it generates income from fee-based services, foreign exchange operations, and transaction-based digital services. This structure allows the Bank to support economic activity while maintaining a sustainable revenue base.

Over time, the Bank has strengthened its operational capacity through expansion of its branch network, enhancement of its digital infrastructure, and diversification of its product portfolio. These developments have enabled it to improve customer reach, increase transaction efficiency, and strengthen its competitive position within the Ethiopian banking sector.

2.2.1.1 Deposit Mobilization Structure

Deposits constitute the primary source of funding for Berhan Bank S.C.'s operations and form the basis for its lending, liquidity management, and investment activities. The Bank mobilizes deposits through a range of products, including savings deposits, demand deposits, and fixed-term deposits, designed to address the financial and liquidity requirements of individual customers, businesses, institutions, and other customer segments.

The mobilized deposits support the Bank's financial intermediation function by providing funding for credit expansion, operational liquidity, and investment in earning assets. The Bank's deposit structure also contributes to funding diversification and supports balance sheet stability.

As of March 2026, the Bank's total deposits reached ETB 59.35 billion. Savings deposits accounted for the largest share of the deposit portfolio at 56.74%, followed by demand deposits at 34.24% and time deposits at 9.02%.

The relatively high share of savings deposits reflects the Bank's broad retail customer base and continued mobilization of stable customer deposits. Demand deposits continue to provide transactional liquidity support from business and institutional customers, while time deposits contribute to funding diversification and liquidity planning.

The composition of the deposit portfolio indicates a balanced funding structure across major deposit categories and supports the Bank's capacity to sustain lending operations, manage liquidity requirements, and support ongoing business activities.

Table 14: Deposit Distribution by structure (As at 31 March 2026)

Deposit Type	Amount	Share (%)
(ETB '000)		
Savings Deposit	33,677,908	56.74%
Demand Deposit	20,321,686	34.24%
Time Deposit	5,351,951	9.02%
Total	59,351,545	100.00%

2.2.1.2 Geographic Deposit Distribution

The Bank's deposit base is geographically diversified across multiple regions of Ethiopia, reflecting its branch expansion strategy, customer acquisition efforts, and market penetration across urban and emerging markets. Regional deposit mobilization supports the Bank's liquidity position and provides a stable funding base for lending, investment, and other banking operations.

As at 31 March 2026, total deposits amounted to ETB 59.35 billion, with Addis Ababa accounting for the largest share of deposits, followed by Oromia, Central Ethiopia, South Ethiopia, and Amhara regions. The concentration of deposits in Addis Ababa reflects the Bank's established presence within the country's principal commercial and business center, where higher levels of economic activity, corporate banking relationships, and transaction volumes contribute to deposit growth.

At the same time, the Bank has continued expanding its deposit mobilization activities across regional markets through branch expansion, customer outreach, and financial service accessibility initiatives. Deposits mobilized outside Addis Ababa collectively accounted for approximately 29.61% of total deposits as at 31 March 2026,

demonstrating the Bank's operational presence across multiple regional markets and supporting diversification of its funding base.

The regional distribution of deposits also assists the Bank in managing liquidity across different operating locations while supporting balanced business expansion and customer relationship development nationwide

Table 15: Deposit Distribution by Region (As at 31 March 2026)

Region	Deposit	Share (%)
(ETB '000)		
Addis Ababa	41,777,703	70.39%
Oromia	5,620,279	9.47%
Central Ethiopia	2,569,436	4.33%
South Ethiopia	2,530,333	4.26%
Amhara	2,033,860	3.43%
Others	4,819,934	8.12%
Total	59,351,545	100.00%

2.2.1.3 Branch-Level Deposit Mobilization Structure

The Bank's deposit mobilization is primarily driven through its extensive branch network, which serves as the core operational infrastructure for customer on boarding, deposit accumulation, and the bank's branch network continues to play an important role in deposit mobilization and customer relationship development across its operating markets. The performance of the leading deposit mobilizing branches reflects the Bank's business presence in key commercial, trade, and high-transaction locations within Addis Ababa and surrounding economic centers.

As at 31 March 2026, the top ten deposit mobilizing branches collectively contributed a high portion of the Bank's total deposit base. Bole Branch accounted for the highest individual share of deposits, reflecting its location within one of the country's principal business and commercial districts. Other branches, including Bole Medhanialalem, Airport, Wolo Sefer, and Megenagna branches, also maintained notable contributions to the Bank's funding base due to active customer activity, commercial transactions, and retail banking operations within their respective catchment areas.

The distribution of deposits across multiple high-performing branches supports the Bank's liquidity management framework and demonstrates the contribution of branch-level operations to overall funding mobilization. The branch network also supports customer accessibility, transactional banking services, and expansion of retail and corporate banking relationships.

Table 16: Top Ten Deposit Mobilizing Branches (As at 31 March 2026)

S.No	Branch Name	Amount	Share of Total Deposit
(ETB '000)			
1	Bole Branch	6,523,049	10.99%
2	Bole Medhanialalem Branch	1,993,381	3.36%
3	Airport Branch	998,832	1.68%
4	Wolosefer Branch	975,742	1.64%
5	Megenagna Branch	915,406	1.54%

S.No	Branch Name	Amount	Share of Total Deposit
6	Enderassie Branch	819,276	1.38%
7	Hayahulet Mazoria Branch	736,420	1.24%
8	Teklehaimanot Branch	603,041	1.02%
9	Atlas Branch	596,800	1.01%
10	Legehar Branch	589,681	0.99%
	Total (Top 10 Branches)	14,751,628	24.85%

2.2.1.4 Deposit Mobilization Structure and Product Contribution

The Bank mobilizes deposits through a diversified range of deposit products designed to address the banking, savings, and transactional requirements of retail customers, businesses, institutions, and other customer categories. The deposit product portfolio supports the Bank's funding stability, liquidity management, and customer relationship development across different market segments.

As at 31 March 2026, the Bank's deposit base was primarily composed of Personal Saving Accounts and Checking Accounts, which together represented a substantial portion of total deposits. Personal Saving Accounts contributed ETB 17.98 billion, reflecting the Bank's retail customer base and ongoing deposit mobilization activities among individual customers. Checking Accounts accounted for ETB 14.59 billion, supporting transactional banking activities for individuals, businesses, and institutions.

The Bank also maintained deposits under Fixed Term Deposits, Premium Savings Accounts, Business and Corporate Accounts, and other specialized account categories. Fixed Term Deposits contributed ETB 5.35 billion, supporting relatively stable funding sources aligned with liquidity management objectives. Premium Savings Accounts and Business & Corporate Accounts further contributed to diversification of the deposit structure by serving customers with varying savings preferences and operational banking requirements.

Other Specialized Accounts represented ETB 12.31 billion of total deposits and include product categories tailored to specific customer needs, institutional relationships, and targeted banking services. The overall deposit product distribution demonstrates the Bank's multi-product funding structure and supports diversification of funding sources across retail, corporate, and specialized banking segments.

Table 17: Deposit Products Distribution (As at 31 March 2026)

Deposit Product	Amount
(ETB '000)	
Personal Saving Account	17,982,395
Checking Accounts	14,590,991
Premium Savings Account	5,727,399
Fixed Term Deposit	5,351,951
Other Specialized Accounts	12,307,405
Business & Corporate Accounts	3,391,404

Deposit Product	Amount
Total Deposits	<u>59,351,545</u>

2.2.1.5 Branch Network

The Bank operates a nationwide branch network that serves as the primary channel for customer acquisition, deposit mobilization, and loan origination. Branches play a central role in extending financial services to both urban and rural populations and remain a critical component of the Bank's distribution strategy.

The expansion of the branch network has enabled the Bank to deepen its market penetration and strengthen customer relationships. Branches serve as multi-service centers where customers access deposits, credit facilities, trade finance services, and advisory support, thereby enhancing cross-selling opportunities and revenue generation.

The current branch network reflects a strategic balance between urban concentration and regional expansion. While Addis Ababa hosts the largest share of branches, regional branches are expanding to support financial inclusion and capture emerging economic activities in growth corridors.

Table 18: Branch Distribution

Region	Branches
Addis Ababa	153
Oromia	86
Amhara	40
Central Ethiopia	33
South Ethiopia	18
Tigray	11
Sidama	14
Others	20
Total	375

2.2.1.6 Loan Portfolio

The Bank's loan portfolio is distributed across multiple economic sectors, reflecting its lending activities in trade, retail, corporate, SME, domestic service, and agriculture financing. The sectoral composition of the loan portfolio demonstrates the Bank's participation in financing commercial activities, business operations, working capital requirements, and income-generating sectors within the Ethiopian economy.

As at 31 March 2026, the Bank's gross outstanding loan portfolio amounted to ETB 49.16 billion. Trade financing constituted the largest sector exposure, accounting for ETB 20.76 billion or 42.23% of the total portfolio. The concentration in the trade sector reflects the Bank's financing activities in import-export businesses, wholesale and retail commerce, and working capital financing for commercial enterprises.

Retail lending represented ETB 14.17 billion or 28.83% of the total portfolio, indicating the Bank's participation in financing individuals, salaried customers, consumer-related activities, and other retail banking segments. Corporate lending accounted for ETB 9.33 billion or 18.97% of the portfolio and includes financing provided to medium and large business entities operating across different sectors of the economy.

The Bank also extended financing to Small and Medium Enterprises ("SMEs"), domestic service activities, and agricultural businesses. SME financing amounted to ETB 2.72 billion, while domestic service and agriculture sectors accounted for ETB 2.02 billion and ETB 165.70 million, respectively. These segments contribute to the diversification of the loan portfolio and support broader participation across different economic activities.

The sectoral distribution of the loan portfolio forms part of the Bank's credit intermediation activities and supports income generation through interest and related financing activities. The composition of the portfolio also reflects the Bank's operational focus areas, customer demand patterns, and prevailing economic activities within its operating markets.

Table 19: Loan Portfolio by Segment (As of March 2026)

Segment	Outstanding	Share (%)
(ETB Million)		
Trade	20,760.72	42.23%
Retail	14,171.03	28.83%
Corporate	9,325.26	18.97%
SME	2,718.18	5.53%
Domestic Service	2,018.86	4.11%
Agriculture	165.70	0.34%
Total	49,159.76	100%

2.2.1.7 Loan Geographic Distribution

The Bank's loan portfolio is geographically distributed across multiple regions of Ethiopia in line with its branch network, customer relationships, and business operations. Regional loan distribution reflects the Bank's participation in financing commercial activities, retail lending, corporate business operations, and other economic sectors across its operating markets.

As at 31 March 2026, the Bank's gross outstanding loan portfolio amounted to ETB 49.16 billion. Addis Ababa accounted for the largest share of the portfolio with outstanding loans of ETB 39.67 billion, representing 80.69% of the total loan portfolio. The concentration of lending activities within Addis Ababa reflects the city's position as the country's principal commercial, financial, and business center, where higher levels of economic activity and business transactions support increased demand for banking and credit facilities.

Oromia represented the second-largest regional exposure with ETB 3.41 billion or 6.93% of the total portfolio, followed by Amhara with ETB 1.95 billion or 3.96%. Central Ethiopia, South Ethiopia, and other regional categories collectively accounted for the remaining portion of the portfolio. The regional loan distribution reflects the Bank's financing activities across different geographic markets and economic sectors.

The distribution of loans across regions supports the Bank's credit intermediation role and provides exposure to multiple customer categories and business activities. The regional portfolio composition also reflects prevailing economic activity levels, customer demand patterns, and the Bank's operational footprint across Ethiopia.

Table 20: Loan Distribution by Region (As of March 2026)

Region	Outstanding	Share (%)
(ETB Million)		
Addis Ababa	39,665.73	80.69%
Oromia	3,407.22	6.93%
Amhara	1,948.38	3.96%
Central Ethiopia	816.51	1.66%
South Ethiopia	507.07	1.03%

Region	Outstanding	Share (%)
Others	2,814.84	5.73%
Total	49,159.76	100%

2.2.1.8 Top Borrower Exposure

The Bank's lending activities include financing extended to corporate entities, commercial businesses, and individual borrowers operating across multiple sectors of the economy. The top ten borrowers represent a portion of the Bank's total loan portfolio and consist of customers engaged in manufacturing, construction, pharmaceuticals, trade, financial services, and other commercial activities.

As at 31 March 2026, the aggregate outstanding balance of the top ten borrowers amounted to ETB 9.74 billion. The majority of the exposures were classified as "Pass" in accordance with the applicable loan classification standards and prudential requirements of the National Bank of Ethiopia ("NBE"). The classification status reflects the Bank's ongoing credit monitoring and loan portfolio management processes.

Borrower 4, with an outstanding balance of ETB 1,042.54 million classified as "Loss", represents approximately 37.9% of the Bank's total non-performing loans of ETB 2,750.17 million as at 31 March 2026. The exposure has been fully (100%) provisioned in accordance with the requirements of NBE Directive No. SBB/90/2024 on Asset Classification and Provisioning. The Bank has confirmed that the exposure has not resulted in any regulatory measure and has no further impact on the Bank's profitability, capital adequacy or solvency.

The Bank continues to undertake credit assessment, collateral evaluation, loan monitoring, and recovery procedures in accordance with its internal credit policies and applicable regulatory requirements. The composition of the top borrower exposures reflects the Bank's participation in financing large commercial activities and business operations across different sectors of the economy.

Table 21: Top Ten Borrowers (As of March 2026)

Borrowers	Outstanding	Loan Status
(ETB Million)		
Borrower 1	1,697.29	Pass
Borrower 2	1,293.48	Pass
Borrower 3	1,125.74	Pass
Borrower 4	1,042.54	Loss
Borrower 5	872.03	Pass
Borrower 6	824.66	Pass
Borrower 7	747.40	Pass
Borrower 8	743.76	Pass
Borrower 9	740.89	Pass
Borrower 10	653.16	Pass
Total	9,740.94	

2.2.1.9 Trade Finance and Correspondent Banking

The Bank maintains correspondent banking relationships with international financial institutions across Europe, Africa, Asia, and the Middle East. These relationships enable the Bank to facilitate cross-border transactions, foreign exchange settlements, and international trade financing activities.

These partnerships are essential for supporting import and export transactions, particularly in major currencies such as USD, EUR, GBP, and CNY. They also enhance the Bank's ability to serve corporate clients engaged in international trade and investment activities.

The correspondent-banking network strengthens the Bank's integration into the global financial system and enhances its capacity to support Ethiopia's external trade flows.

2.2.1.10 Digital Banking Channels

The Bank provides digital banking services through multiple electronic delivery channels designed to facilitate customer access, payment services, account management, and transaction processing. The Bank's digital banking infrastructure includes mobile banking, internet banking, automated teller machines ("ATMs"), point-of-sale ("POS") terminals, debit cards, and prepaid card services.

The expansion of digital banking channels forms part of the Bank's operational framework for improving customer accessibility, enhancing transaction convenience, and supporting electronic banking services across its branch network and customer base. The Bank's digital platforms support retail banking activities, account inquiries, fund transfers, payment services, cash withdrawals, merchant payments, and other electronic financial services.

As at March 2026, 1,546,988 mobile banking subscribers, 617,319 debit card subscribers, 10,863 internet banking subscribers and 1,796 prepaid card subscribers, reflecting customer utilization of electronic banking services. The Bank also maintained internet banking and prepaid card services for customers requiring additional digital banking solutions.

The Bank's digital infrastructure included 174 ATMs and 21 POS terminals as at March 2026. The number of POS terminals declined due to a strategic rationalization of the POS network aimed at improving operational effectiveness and utilization.

During the reporting period, the Bank processed transaction volumes across its digital banking channels. Mobile banking transactions accounted for the largest transaction volume, followed by ATM transactions, internet banking transactions, and POS transactions. The transaction activity reflects customer utilization of the Bank's electronic banking services and digital transaction platforms.

2.2.1.11 Digital Banking Channels (March 2026)

Table 22: Customer Access

Indicator	Number
Debit card subscribers	617,319
Prepaid Card Subscribers	1,796
Mobile Banking Subscribers	1,546,988
Internet Banking Subscribers	10,863

Subscribers: refers to registered customers

Table 23: Infrastructure

Indicator	Number
ATMs	174
POS Terminals	21

Table 24: Transaction Volumes

Indicator	Value
(ETB)	
Mobile banking transactions	164,642,249,727.56
Internet banking transactions	419,212,276.02
ATM transactions	21,029,601,466.59
POS transactions	253,440,963.6

2.2.2 Business Strategy and Objectives

2.2.2.1 Corporate Strategy Overview

Berhan Bank S.C. is implementing its fourth strategic plan covering the period 2025/26–2027/28, designed in response to evolving market dynamics, including macroeconomic pressures, financial sector liberalization, rapid digital transformation, and shifting customer expectations.

The Bank's strategy is anchored on strengthening its competitive position through customer-centric innovation, operational efficiency, and sustainable growth, while maintaining financial resilience in a changing regulatory and competitive landscape.

Its Vision, Mission, and Core Values guide the Bank's strategic direction:

- Vision: To be the Preferred Bank in Customer Experience and Integrity.
- Mission: To provide superior banking services that exceed customers' expectations and maximize shareholders' value through state-of-the-art banking technology and high-caliber staff.

2.2.2.2 Strategic Pillars

The Bank's strategy is structured around eight strategic pillars. Each pillar includes defined objectives, measurable performance indicators to enable monitoring, and execution.

Pillar 1: Digital Transformation and Innovation

Strategic Focus:

Enhance digital capabilities to improve service delivery, operational efficiency, and customer experience.

Key Objectives:

- Increase digital transaction share to above 70%
- Expand mobile banking adoption to over 50% of customer base
- Reduce reliance on third-party technology providers

Performance Measures:

- Share of transactions conducted through digital channels
- Number and growth rate of active digital users
- System uptime and transaction processing efficiency
- Reduction in manual processes and turnaround times

Pillar 2: Customer-Centric Service Excellence

Strategic Focus:

Strengthen customer relationships through improved service quality and tailored financial solutions.

Key Objectives:

- Improve customer satisfaction and retention
- Expand outreach to underserved and niche segments
- Enhance responsiveness to customer needs

Performance Measures:

- Customer satisfaction and service quality indicators
- Complaint resolution turnaround time
- Customer retention and acquisition rates
- Growth in targeted customer segments

Pillar 3: Market Expansion and Resource Mobilization

Strategic Focus:

Grow deposits and foreign currency inflows through geographic expansion and targeted market penetration.

Key Objectives:

- Achieve sustained growth in deposits and FX mobilization
- Expand presence in high-potential economic corridors
- Strengthen diaspora and corporate banking segments

Performance Measures:

- Growth in total deposits and foreign currency inflows
- Market share in key segments
- Number of new branches and alternative service channels
- Volume of remittance and trade finance transactions

Pillar 4: Financial Performance and Capital Efficiency

Strategic Focus:

Enhance profitability, optimize capital utilization, and maintain financial sustainability.

Key Objectives:

- Improve return on equity and asset utilization
- Diversify income streams
- Strengthen capital base in line with regulatory requirements

Performance Measures:

- Return on equity (ROE) and return on assets (ROA)
- Cost-to-income ratio
- Share of non-interest income
- Capital adequacy and growth in paid-up capital

Pillar 5: Operational Excellence and Cost Optimization

Strategic Focus:

Improve efficiency through process optimization and cost management.

Key Objectives:

- Reduce operational costs relative to income
- Enhance productivity across business units

- Streamline branch and operational structures

Performance Measures:

- Cost-to-income ratio trends
- Operational efficiency indicators (processing time, automation levels)
- Productivity per employee
- Cost savings from optimization initiatives

Pillar 6: Human Capital Development and Culture Transformation

Strategic Focus:

Build a skilled, performance-driven workforce aligned with strategic priorities.

Key Objectives:

- Strengthen staff capabilities in digital and analytical areas
- Improve employee retention and engagement
- Align performance management with strategic outcomes

Performance Measures:

- Staff turnover rates
- Training and certification levels
- Employee productivity indicators
- Performance evaluation outcomes

Pillar 7: Capital Market Participation and Strategic Partnerships

Strategic Focus:

Leverage emerging capital market opportunities and attract strategic investment.

Key Objectives:

- Strengthen capital base through equity and market instruments
- Develop investment banking and advisory capabilities
- Establish strategic partnerships, including foreign participation

Performance Measures:

- Capital raised through market-based instruments
- Revenue from capital market-related services
- Number of strategic partnerships and transactions executed
- Progress toward regulatory compliance and market participation

Pillar 8: Governance, Risk, and Compliance Excellence

Strategic Focus:

Maintain strong governance, risk management, and regulatory compliance frameworks.

Key Objectives:

- Ensure full compliance with regulatory requirements
- Strengthen enterprise risk management systems
- Enhance operational resilience and business continuity

Performance Measures:

- Compliance and audit outcomes
- Risk exposure and mitigation indicators
- Incident response and recovery timelines
- Effectiveness of internal control systems

2.2.2.3 Strategic Objectives

The Bank's strategy is structured around eight Strategic Objectives (SOs) for the planning period, each with defined KPIs directly linked to financial performance, risk management, and capital adequacy:

- SO 1 Digital Transformation and Service Innovation: Deploy advanced technology infrastructure, expand digital product offerings, and deliver an omni-channel customer experience. Target: digital

transactions $\geq 60\%$ of total; active mobile subscribers reach 1.82 million; digital account openings $\geq 40\%$ of new accounts; mobile banking downtime $<0.5\%$ /month.

- SO 2 Capital Market and Foreign Bank Equity Participation: Participate in the OTC securities market; complete ECMA registration; execute Rights Issue/public share offer targeting paid-up capital of ETB 10.0 billion (+58%) by Q2 FY2026/27; develop investment banking capabilities. Target ROE post-listing: $\geq 50\%$.
- SO 3 Enhance Resource Mobilization and Market Positioning: Grow total deposits to ETB 72.8 billion (+29.3% YoY). Deposit mix targets: savings $\geq 63\%$ (ETB 46.3B), demand $\geq 27\%$ (ETB 20.3B), fixed $<9\%$ (ETB 6.3B). FCY mobilization: USD 450.1 million (+10.1%). Industry deposit market share: $\geq 3.1\%$.
- SO 4 Sustain Strong and Profitable Financial Growth: Total income ETB 15.0 billion (+23.2%); NIM $\geq 7.5\%$; ROE $\geq 50\%$; ROA $\geq 4\%$; Cost-to-Income Ratio 61.8%; Net Profit Before Tax ETB 5.74 billion (+21.9%); NPL ratio $<5\%$; CAR $\geq$ NBE minimum + 2 percentage points.
- SO 5 Deliver Exceptional and Inclusive Customer Service: Deepen customer acquisition across retail, MSME, diaspora, and institutional segments.
- SO 6 Strengthen Governance, Risk Management, and Compliance: Maintain zero major regulatory sanctions;
- SO 7 Improve Operational Efficiency and Resource Optimization: Cost-to-Income Ratio improvement YoY; branch network expanded to 386;
- SO 8 Build and Retain a High-Performing Workforce: Total training budget ETB 100M+; 4,274 staff participants across 14 program categories; 100 staff on international banking exposure (ETB 47.2M); staff strength stable at approximately 5,694.

2.2.2.4 Initiatives

Initiative 1: Capital Market Listing and Rights Issue

The Bank is registering its shares with ECMA and targeting a Rights Issue to increase paid-up capital from ETB 6.33 billion (as at November 2025) to ETB 10.0 billion by Q2 FY2026/27. This represents the single most material driver of the ROE target of $\geq 50\%$, as the expanded equity base will support loan portfolio growth substantially above the level achievable under the pre-listing capital structure. The transaction is being managed by Ethio Capital Solutions PLC as Transaction Advisor (Contract 16 in Section 2.10). Estimated cost of the transaction: ETB 10.75 million (advisor fee) plus ECMA and ESX fees.

Initiative 2: Deposit Mobilization Growth

Total deposits are targeted to reach ETB 72.8 billion by FY2026/27 (+63.8% from ETB 44.45 billion in FY2024/25), implying a two-year compound growth rate of approximately 27.8% per annum. The key execution levers are:

- Branch network expansion from 375 branches (June 2025) to 386 branches by end of FY2026/27, targeting underserved commercial corridors in Oromia, Amhara, and Central Ethiopia;
- Digital acquisition: targeting 1.82 million active mobile banking subscribers, which at current average balances per digital customer would contribute approximately ETB 6–8 billion in incremental deposit balances;
- FCY mobilization: targeting USD 450.1 million in foreign currency deposits and remittance inflows (+10.1% p.a.), leveraging the Bank's correspondent banking network of 15 international institutions and growing diaspora engagement;
- Deposit mix target: savings $\geq 63\%$ (ETB 46.3 billion), demand $\geq 27\%$ (ETB 20.3 billion), fixed $<9\%$ (ETB 6.3 billion) reflecting deliberate strategy to maintain a low-cost funding base and avoid excessive reliance on higher-rate time deposits.

Initiative 3: Digital Transformation

The Bank is investing in digital infrastructure to shift $\geq 70\%$ of total transactions to digital channels by FY2026/27. Core investments include: completion of the Rubikon CBS-24 upgrade (USD 516,697, Contract 5 in Section 2.10); deployment of a Micro Digital Lending Platform in partnership with Kacha FinTech (revenue-sharing, Contract 14); SIEM and cybersecurity infrastructure (USD 278,166, Contract 4); and Load Balancer/Web Application infrastructure (ETB 90.9 million, Contract 1). Total committed technology capital expenditure across active contracts exceeds ETB 230 million equivalent, funded from retained earnings and deposit growth. Digital transaction growth directly supports the fee and commission income target of ETB 15.0 billion in total income, as digital channels generate higher transaction volumes at lower marginal cost.

Initiative 4: Profitability and Cost Efficiency

The cost-to-income target of 61.8% (from 68.32% in FY2024/25) requires that income growth outpaces expense growth by approximately 6.5 percentage points. This will be driven by: (a) revenue scaling from deposit and loan growth without proportional cost increase; (b) operating leverage from digital channels, which reduce marginal transaction costs; (c) branch optimization, which reduces per-branch cost through the consolidation program already completed in FY2024/25 (18 branches rationalized); and (d) stabilization of outsourced and contract staff costs, which grew from ETB 5.8 million in FY2022/23 to ETB 72.9 million in FY2025/26 and are now expected to plateau.

Initiative 5: Human Capital

Staff strength is projected to stabilize at approximately 5,694 employees by FY2026/27, reflecting a deliberate shift from headcount-driven expansion to productivity-driven growth. The FY2026/27 strategic plan allocates a total training budget of ETB 100 million, covering 4,274 staff participants across 14 program categories, including 100 staff on international banking exposure programs (ETB 47.2 million). This investment is intended to address the talent retention risk identified in Section 9.5.2 (Human Resource and Talent Risk – foreign bank competition for specialized staff) particularly in digital banking, treasury, and risk management functions.

The principal risks to achieving these targets include: NBE regulatory changes affecting lending limits or capital requirements; adverse macroeconomic conditions including exchange rate movements; competitive pressures from new bank entrants and digital financial service providers; and regional disruptions affecting branch operations. A detailed discussion of these and other risks is provided in Section 9 (Risk Factors) of this Prospectus.

2.2.2.5 Three-Year Financial Targets

The following table presents Berhan Bank S.C.'s key financial targets for the strategic plan period, sourced from the Board-approved Strategic Plan FY 2026/27:

Table 25: Financial Target

Financial Indicator	FY2024/25 (Audited Actual)	FY2026/27 (Target)
Total Deposits (ETB Billion)	44.45	72.8 +63.8% over FY2024/25
Total Assets (ETB Billion)	58.96	102.75 +74.3% over FY2024/25
Gross Loans (ETB Billion)	35.97	net growth 14.8%
Total Income (ETB Billion)	7.94	(+88.9% over FY2024/25)
Net Interest Income (ETB Billion)	3.95	+76.5% over FY2024/25
Net Profit Before Tax (ETB Billion)	2.52	(+127.8% over FY2024/25)

Financial Indicator	FY2024/25 (Audited Actual)	FY2026/27 (Target)
Paid-up Capital (ETB Billion)	4.29	(+133.1% over FY2024/25; Rights Issue target)
Total Capital (ETB Billion)	8.54	(+138.5% over FY2024/25; 19.8% of projected total assets)
NIM	9.16%	≥7.5%
ROE	-	≥50%
ROA	3.55%	≥4%
Cost-to-Income Ratio	68.32%	61.8%
NPL Ratio	4.78%	<5%, declining
CAR	16%	≥NBE minimum +2pp
FCY Mobilisation (USD Million)	-	450.1 (+10.1%)
Active Mobile Banking Subscribers	-	1.82 million

I. Basis of Projections

The three-year financial targets presented above are based on the following key assumptions: (a) GDP growth of approximately 7-8% per annum in line with the IMF/World Bank Ethiopia growth projections; (b) maintenance of the Bank CAR above the NBE minimum of 11%; (c) continued deposit mobilization through branch expansion and digital channel investment; (d) lending growth consistent with the NBE credit cap framework and the Bank risk appetite; and (e) stable ETB/USD exchange rate trajectory aligned with NBE monetary policy.

The principal risks to achieving these targets include: NBE regulatory changes affecting lending limits or capital requirements; adverse macroeconomic conditions including exchange rate movements; competitive pressures from new bank entrants and digital financial service providers; and regional disruptions affecting branch operations. Refer to Section 9 (Risk Factors) for a detailed discussion of these and other risks. Future Prospects and Challenges

2.2.2.6 Future Prospects

A. Financial Sector Liberalization and Strategic Positioning

Financial sector liberalization refers to the gradual opening of a country's banking industry to increased competition, private capital participation, and foreign financial institutions. It typically aims to improve efficiency, deepen financial intermediation, and strengthen the overall stability of the financial system by introducing international practices and capital inflows.

For Berhan Bank S.C., this transition creates a structural opportunity to access strategic investors, strengthen its capital base, and improve institutional capacity through partnerships with foreign financial institutions. It also enables the Bank to evolve toward more sophisticated banking services such as investment banking, trade finance structuring, and advanced risk management frameworks, which are essential under a more competitive market environment.

Empirical evidence from emerging economies indicates that financial liberalization improves banking sector efficiency and capital availability when supported by strong regulation and institutional frameworks. Studies by the World Bank and IMF show that countries opening their banking sectors experience improved credit allocation and increased foreign investment inflows over time, particularly when domestic banks actively engage in partnerships and capital market integration (World Bank, Global Financial Development Report; IMF Financial Sector Liberalization Studies, 2023).

B. Impact of Foreign Bank Participation on Berhan Bank S.C.

Following the enactment of Banking Business Proclamation No. 1360/2025, which permits foreign banks to establish subsidiaries, open branches, or acquire up to 40% of a domestic bank, the Bank assesses the following specific impacts:

- **Competitive pressure:** As a small-bank-segment participant with an estimated 2.5–3% deposit market share, Berhan Bank S.C. faces the highest vulnerability to margin compression when well-capitalized foreign entrants enter the same retail and MSME segments. This reinforces the strategic deposit mobilization growth and the FCY diversification initiative
- **Talent retention risk:** Foreign banks are expected to offer premium compensation packages, creating recruitment competition particularly for Berhan Bank S.C.'s digital banking, treasury, credit, and risk management staff. This directly motivates international exposure programs and compensation of the bank's restructuring.
- **Strategic opportunity:** The 40% acquisition threshold opens a direct pathway for Berhan Bank S.C. to attract a strategic foreign banking partner as an anchor investor in the current External Investor Offering.
- **Trade finance and FX competition:** Foreign banks with established global trade networks will increase competition in letters of credit, guarantees, and FX generation areas where Berhan Bank S.C. currently generates 3.8% of industry FX.

C. Expansion of Digital Financial Services and Technological Adoption

Digital financial services refer to the use of technology-based platforms such as mobile banking, internet banking, and digital payment systems to deliver financial products and services. This transformation is driven by increased mobile penetration, improved connectivity, and changing customer behavior toward faster and more convenient financial interactions.

This shift enables a transition from branch-dependent banking toward a more scalable, cost-efficient, and data-driven operating model. It supports the Bank's ability to expand outreach to underserved segments, reduce operational costs, and enhance customer experience through real-time service delivery, digital lending, and automated financial processes.

According to the World Bank Digital Economy Reports and GSMA Mobile Economy Africa studies, countries with high mobile penetration experience accelerated adoption of digital financial services, improved financial inclusion, and increased transaction efficiency. In Ethiopia, the rapid expansion of mobile money platforms demonstrates a clear structural shift toward digital financial ecosystems (World Bank, Digital Development Report 2024; GSMA Africa Mobile Economy Report 2025).

D. Capital Market Development and Revenue Diversification

Capital market development refers to the establishment of organized platforms where financial instruments such as equities and bonds are issued and traded, enabling long-term capital formation and investment diversification. It plays a critical role in complementing traditional banking systems by providing alternative funding sources.

For the Bank, the emergence of capital markets creates new business opportunities beyond conventional lending. It enables the Bank to diversify income through advisory services, underwriting, brokerage, and investment banking activities, while also providing access to equity-based capital raising to strengthen its balance sheet and support expansion.

International financial development studies indicate that well-functioning capital markets improve financial system depth, enhance liquidity, and support economic growth. Evidence from IMF and World Bank research shows that banks operating in economies with active capital markets benefit from diversified revenue streams

and improved funding resilience (IMF Capital Market Development Paper 2022; World Bank Financial Sector Deepening Studies).

E. Financial Inclusion and Untapped Market Potential

Financial inclusion refers to the accessibility and usage of formal financial services by individuals and businesses, particularly those in underserved or informal sectors. In many developing economies, a significant portion of the population remains outside the formal financial system, limiting savings mobilization and credit expansion.

This presents a structural opportunity to expand its customer base through agent banking, mobile platforms, and tailored financial products targeting rural households, SMEs, and informal sector participants. This supports long-term deposit growth and strengthens the Bank's retail banking franchise.

According to the World Bank Global Findex Database (2021), nearly half of adults in low-income economies remain unbanked, while increasing mobile adoption has been identified as a key driver of financial inclusion. Ethiopia reflects similar patterns, with significant untapped demand for accessible financial services (World Bank Global Findex 2021; IMF Financial Inclusion and Growth Studies 2022).

F. Growth in Remittance and Foreign Currency Inflows

Remittances refer to cross-border transfers of income by diaspora populations to their home countries, often serving as a major source of foreign exchange in developing economies. These inflows contribute to household income, liquidity in the banking system, and overall macroeconomic stability.

An increasing diaspora engagement provides an opportunity to strengthen foreign currency mobilization, expand fee-based income, and develop specialized financial products such as diaspora savings, investment accounts, and digital remittance platforms. This directly supports the Bank's foreign exchange and resource mobilization strategy.

World Bank migration and remittance reports consistently highlight that remittance flows to developing countries exceed hundreds of billions of USD annually, with Ethiopia among the top recipients in Sub-Saharan Africa. These inflows have shown resilience even during global economic downturns, making them a stable source of foreign currency (World Bank Migration and Development Brief 2024).

2.2.2.7 Future Challenges

A. Macroeconomic Volatility and Financial Stability Risks

Macroeconomic volatility refers to persistent fluctuations in key economic indicators such as inflation, exchange rates, and external balances. In developing economies, these fluctuations often create uncertainty in financial planning and affect the stability of banking operations.

For Berhan Bank S.C., such volatility directly affects deposit growth, credit performance, and foreign currency availability. High inflation reduces real returns on savings, while exchange rate instability increases credit risk for foreign currency-exposed borrowers. These factors collectively affect profitability and asset quality.

IMF country reports and National Bank of Ethiopia publications consistently highlight inflationary pressure and foreign exchange shortages as key structural challenges in Ethiopia's economy. Similar conditions in other emerging markets have been associated with increased non-performing loans and reduced banking sector profitability (IMF Article IV Reports; NBE Annual Reports 2024).

B. Capital Constraints and Strategic Execution Pressure

Capital constraints refer to limitations in a bank's ability to raise sufficient financial resources to support expansion, investment, and regulatory compliance requirements. These constraints often become more pronounced when regulatory capital requirements increase.

Capital limitations may restrict loan portfolio expansion, delay digital transformation investments, and constrain branch network growth. This directly affects the execution of its multi-year strategic plan, particularly under conditions of rising regulatory capital thresholds and investment requirements.

Basel Committee on Banking Supervision frameworks emphasize that adequate capital levels are essential for banking sector stability and growth. Studies from the World Bank confirm that undercapitalized banks face reduced lending capacity and slower expansion in emerging markets (Basel III Framework; World Bank Banking Regulation Studies).

C. Digital Transformation and Implementation Risks

Digital transformation risk refers to the possibility of delays, inefficiencies, or failures in implementing technology-driven banking systems. These risks arise from system integration complexity, infrastructure limitations, and user adoption barriers.

For Berhan Bank S.C., such risks may slow down the transition to digital banking channels, affect operational efficiency gains, and increase dependency on external technology providers. This may also affect customer experience if system reliability or accessibility is not adequately maintained.

McKinsey Global Banking reports indicate that a significant proportion of digital transformation initiatives in banking face delays or cost overruns due to integration challenges and organizational readiness gaps. In emerging markets, infrastructure constraints further amplify these risks (McKinsey Digital Banking Transformation Report 2023).

D. Intensifying Competition and Market Pressure

Competition in banking refers to the increasing presence of domestic banks, foreign entrants, and non-bank financial institutions offering similar or substitute financial services. This leads to pressure on pricing, margins, and customer retention.

Intensifying competition may reduce interest margins, increase customer acquisition costs, and create talent retention challenges, particularly in digital and specialized banking functions. It also requires continuous innovation to maintain market share.

IMF financial sector studies show that increased competition improves efficiency but often reduces profitability in the short term, particularly in liberalizing economies. The rise of fintech and mobile money in Africa has also significantly disrupted traditional banking models (IMF Financial Sector Competition Studies 2023; GSMA Mobile Money Report 2024).

2.2.3 Important Developments and Milestones of the Issuer

In addition to its historical milestones, Berhan Bank S.C. has undertaken several key business developments that have reshaped its operating model and service delivery structure. These developments primarily focus on digitalization, service accessibility, and operational modernization.

The Bank has progressively expanded its digital and alternative banking channels, including automated teller machines, interactive service platforms, and remote banking services. This transformation reflects a broader shift in customer behavior toward self-service and digital banking, which has influenced the Bank's investment priorities in infrastructure and technology.

Furthermore, the Bank has introduced innovative service delivery models aimed at improving efficiency and reducing dependency on traditional branch-based operations. These include self-service banking technologies, enhanced payment systems integration, and digitized customer onboarding processes. Collectively, these initiatives have improved transaction efficiency, reduced operational bottlenecks, and enhanced customer convenience across multiple service channels.

These developments indicate a structural transformation in the Bank's business model, shifting from conventional banking operations toward a hybrid model combining physical presence with digital service capabilities.

Berhan Bank was established in 2009 and has since developed into one of Ethiopia's growing private commercial banks through steady expansion of its operational footprint, technological capabilities, and service offerings. Since inception, the Bank has pursued a strategy of gradual scale-up supported by digital adoption, branch network expansion, and institutional strengthening. These developments reflect the Bank's transition from a newly established financial institution into a mid-tier commercial bank with increasing systemic relevance in the Ethiopian banking sector.

Over time, the Bank has achieved several operational and strategic milestones that shaped its current business structure. These include early adoption of core banking systems, integration with national payment infrastructure, and expansion of branch networks across major urban and regional centers, and introduction of diversified banking products and services. The Bank has also strengthened its technological infrastructure through investments in data centers and digital banking platforms, which have improved operational efficiency and service delivery capacity.

A summary of selected key milestones is presented below:

Table 26: Summary of Key Milestones

Year	Key Milestone
2009	Incorporation of Berhan Bank and commencement of banking operations through the opening of its inaugural branch in Addis Ababa.
2010/11	Participation in the establishment of Berhan Insurance S.C., supporting the Bank's strategic expansion within the financial services sector.
2010/11	Integration with the national payment ecosystem and commencement of modern electronic banking service delivery infrastructure.
2013/14	Introduction of card banking services through integration with Premium Switch Solution (PSS) and expansion of electronic payment service capabilities.
2013/14	Expansion of international remittance and electronic payment partnerships aimed at enhancing customer transaction accessibility and service diversification.
2014/15	Implementation of a medium-term strategic growth framework focused on branch expansion, customer acquisition, and operational scale-up across multiple regions of Ethiopia.
2017/18	Establishment of a modern enterprise data center to strengthen operational resilience, information security management, business continuity capability, and digital banking operations.
2019/20	Institutional rebranding and modernization of the Bank's corporate identity framework aimed at improving market positioning and customer engagement.
2023/24	Launch of major cybersecurity, infrastructure modernization, and Open API integration initiatives, including vulnerability management programs, middleware deployment, network access control systems, and infrastructure redundancy enhancements.
2024/25	Completion of a major Core Banking System upgrade involving multi-version migration and modernization of core operational architecture to support scalability, digital integration, treasury operations, and enhanced banking functionalities.
2024/25	Deployment of enterprise systems including Human Resource Management System (HRMS), Shareholders Management System, Training Management System, and Fixed Asset Management System to improve operational efficiency and institutional governance.
2024/25	Expansion of strategic fintech and digital platform integrations including mobile payment systems, digital lending integrations, and third-party financial service connectivity.
2024/25 2025/26	Strengthening of enterprise cybersecurity and operational resilience through implementation of SIEM, Endpoint Detection and Response (EDR), Privileged Access

Year	Key Milestone
	Management (PAM), Disaster Recovery (DR) infrastructure, and IT Governance and IT Service Management (ITSM) frameworks.
2025/26	Continued expansion of branch network, digital banking channels, and technology-enabled service delivery platforms supporting customer accessibility and operational scalability.

These milestones demonstrate a progressive evolution of the Bank from a branch-centric institution toward a technology-enabled financial services provider with expanding national presence

2.3 Operations and Principal Activities

2.3.1 Overview of Operations and Principal Activities

The Bank operates as a full-service commercial bank in Ethiopia, providing a broad range of financial products and services to individuals, private sector entities, public institutions, cooperatives, and other financial service users.

Its principal activities include deposit mobilization, lending, trade finance services, and digital banking services. These activities are delivered through a nationwide branch network and supported by digital banking platforms, enabling broad financial inclusion and accessibility across urban and rural areas.

The Bank's operations are structured to support economic activities across key sectors including trade and services, manufacturing, construction, agriculture, transport, and consumer finance.

The Bank continuously expands its service outreach through both physical and digital channels to enhance efficiency, customer experience, and financial intermediation capacity.

2.3.2 Loan Products

The Bank provides financing support to its customers through a broad and flexible range of lending facilities that are not strictly segmented into rigid product categories. Instead, the loan portfolio is structured in a unified manner, commonly referred to as loan products, which serve both individual and institutional clients across different economic sectors.

These loan products are designed to address working capital needs, investment financing, trade-related requirements, and personal consumption purposes. The Bank's lending approach is largely demand-driven, meaning that financing is extended based on customer requirements, creditworthiness, and approved limits rather than highly fragmented product classifications.

As at 30 June 2025, the Bank's total outstanding loan portfolio stood at approximately ETB 35.97 billion, increasing from ETB 30.82 billion in 2024 and ETB 28.89 billion in 2023, reflecting steady portfolio expansion over the review period.

Table 27: Loan Portfolio

Year	Total Loan Portfolio
(ETB Million)	
2023	28,888.06
2024	30,815.27
2025	35,973.97
March 2026	49,159.76

The Bank's lending operations are implemented through a unified "loan" framework, which includes multiple financing uses such as business financing, trade support, personal lending, and sector-specific credit facilities. While internally managed based on purpose and risk profile, these facilities are not always presented under separate formal product labels.

2.3.2.1 Loan Portfolio by Economic Sector

The Bank's lending operations are structured to support a broad range of economic activities across the Ethiopian economy through the provision of credit facilities to businesses, institutions, commercial operators, and individual customers. The loan portfolio is diversified across several economic sectors, including construction and real estate, domestic trade and services, manufacturing, export, import, transport and communication, and agriculture. Through these financing activities, the Bank participates in supporting working capital requirements, business expansion, trade finance activities, operational financing, investment activities, and other productive economic sectors.

The Bank's gross loan portfolio demonstrated consistent growth during the periods under review. Total outstanding loans increased from ETB 28.89 billion in 2023 to ETB 30.82 billion in 2024, representing annual growth of 6.67%, and further increased to ETB 35.97 billion in 2025, representing annual growth of 16.74%. As at March 2026, the gross loan portfolio reached ETB 49.16 billion compared to ETB 34.67 billion in March 2025, reflecting year-on-year growth of 41.78%.

The growth in the loan portfolio reflects increased financing activities across multiple sectors of the economy, expansion in customer lending relationships, and increased utilization of credit facilities by business and commercial customers. The portfolio composition indicates the Bank's participation in sectors associated with trade, infrastructure development, manufacturing activities, domestic commerce, import-export activities, and service-related businesses.

Construction and Real Estate remained one of the largest components of the portfolio throughout the reporting periods. Outstanding exposure to the sector increased from ETB 5.84 billion in 2023 to ETB 7.10 billion in 2025, and further increased to ETB 10.00 billion as at March 2026. The sector accounted for a significant share of the Bank's lending activities due to continued financing demand associated with commercial buildings, real estate development, infrastructure-related activities, and construction projects.

Domestic Trade and Services also represented a substantial portion of the portfolio. Although the sector recorded moderate fluctuations during the reporting periods, outstanding exposure increased from ETB 6.84 billion in March 2025 to ETB 9.18 billion in March 2026. Financing within this category includes support provided to wholesalers, retailers, distributors, service providers, and other commercial operators engaged in domestic economic activities.

The Manufacturing sector demonstrated notable expansion during the review period. Outstanding manufacturing-related loans increased from ETB 3.44 billion in 2023 to ETB 4.96 billion in 2025, and further increased to ETB 7.03 billion as at March 2026. The increase reflects financing activities extended to industrial operators, production businesses, processing companies, and manufacturing enterprises operating within different segments of the economy.

Export and Import financing activities also recorded growth during the reporting periods, reflecting the Bank's participation in trade finance and international commerce-related activities. Export financing increased from ETB 2.34 billion in 2023 to ETB 3.95 billion in 2025, before increasing further to ETB 7.50 billion as at March 2026. Import financing similarly increased from ETB 2.98 billion in 2023 to ETB 5.98 billion as at March 2026. These facilities support businesses engaged in international trade, foreign commerce, importation of goods, and export-oriented activities.

Transport and Communication financing recorded one of the highest year-on-year growth rates during the interim period, increasing from ETB 462.14 million in March 2025 to ETB 1.07 billion in March 2026. The increase reflects financing demand associated with logistics, transportation services, communication-related activities, and operational expansion within the sector.

Agriculture financing represented a relatively smaller portion of the portfolio compared to other sectors. Outstanding agricultural loans amounted to ETB 165.70 million as at March 2026. The sector remains part of

the Bank's overall sectoral financing activities and includes lending to agricultural production and related business activities.

The sectoral composition of the loan portfolio reflects the Bank's role as a financial intermediary supporting multiple areas of economic activity. The distribution of credit exposure across various sectors contributes to the Bank's interest income generation, customer relationship development, and business operations. The portfolio composition also reflects prevailing economic conditions, customer demand for financing, business activity levels, and lending opportunities within the Bank's operating markets.

Table 28: Loan Portfolio by Economic Sector

Sector	FY 2022/23	FY 2023/24	Growth (%)	FY 2024/25	Growth (%)	Mar-25	Mar-26	Growth (%)
(ETB Million)								
Agriculture	102.13	152.53	49.35	130.13	-14.69	190.16	165.70	-12.86
Construction & Real Estate	5,836.21	6,060.53	3.84	7,095.05	17.07	6,899.70	10,003.07	44.98
Transport & Communication	426.76	457.44	7.19	458.26	0.18	462.14	1,065.83	130.63
Domestic Trade & Services	8,285.60	7,126.10	-13.99	7,159.34	0.47	6,835.88	9,179.94	34.29
Manufacturing	3,435.17	3,708.95	7.97	4,964.29	33.85	4,352.30	7,029.34	61.51
Export	2,340.56	2,543.95	8.69	3,949.40	55.24	3,789.07	7,498.68	97.90
Import	2,983.82	3,285.48	10.11	4,505.29	37.13	4,563.14	5,981.80	31.09
Other sectors (balance to total)	5,477.81	7,480.29	36.56	7,712.21	3.10	7,580.94	8,235.40	8.63
Total	28,888.06	30,815.27	6.67	35,973.97	16.74	34,673.33	49,159.76	41.78

2.3.2.2 Non-Performing Loan (NPL) Portfolio by Economic Sector

The Bank's non-performing loan (NPL) portfolio is distributed across key economic sectors, reflecting credit risk exposures arising from lending activities in agriculture, construction and real estate, trade and services, manufacturing, import, and export-related financing. The classification of NPLs is undertaken in accordance with applicable prudential regulations and internal credit risk management policies, and reflects loans that have experienced repayment challenges due to borrower-specific and sectoral conditions.

The total NPL portfolio increased from ETB 1.80 billion in 2023 to ETB 1.99 billion in 2024, and further to ETB 2.29 billion in 2025. As at March 2026, total NPLs increased to ETB 2.75 billion compared to ETB 2.18 billion in March 2025, representing a growth rate of 26.18%. The movement in NPLs reflects evolving credit conditions across different sectors of the economy and the impact of macroeconomic and operational factors on borrower repayment capacity.

Trade and Services, Construction and Real Estate, and Export-related financing represent the largest contributors to the NPL portfolio. Construction and Real Estate NPLs increased from ETB 944.29 million in March 2025 to ETB 1.07 billion in March 2026, reflecting continued exposure to project-related repayment delays and cash flow constraints within the sector. Trade and Services NPLs also increased to ETB 942.40 million during the same period, indicating repayment pressures among commercial and service-based borrowers.

Export-related NPLs increased to ETB 326.71 million in March 2026, reflecting challenges faced by export-oriented borrowers, including foreign currency constraints and market-related disruptions. Manufacturing and Import-related NPLs also increased during the period, reaching ETB 96.74 million and ETB 75.40 million,

respectively, reflecting sector-specific repayment challenges linked to input costs and external market conditions.

Agriculture-related NPLs remained relatively low in absolute terms, declining to ETB 8.62 million as at March 2026. However, fluctuations in this sector should be interpreted in the context of its relatively small share of the total loan portfolio.

Overall, the sectoral distribution of NPLs reflects the Bank's exposure to economic sectors that are sensitive to macroeconomic conditions, foreign exchange availability, inflationary pressures, and operational constraints affecting borrower performance.

Table 29: Non-Performing Loan (NPL) Portfolio by Economic Sector (ETB Million)

Particulars	(ETB Million)		Growth (%)	(ETB Million)	Growth (%)	(ETB Million)		Growth (%)
	FY 2022/23	FY 2023/24				March 2025	March 2026	
Sector			-	FY 2024/25				-
Agriculture	6.97	8.12	16.50	11.86	46.06	60.69	8.62	-85.80
Construction & Real Estate	1,223.01	909.65	-25.62	979.56	7.69	944.29	1,066.11	12.90
Trade & Services	365.11	676.16	85.20	830.05	22.76	789.61	942.40	19.35
Manufacturing	27.30	70.79	159.30	42.94	-39.34	43.26	96.74	123.64
Import	29.51	58.01	96.58	35.27	-39.20	21.61	75.40	249.00
Export	93.83	105.08	11.99	204.20	94.33	132.23	326.71	147.07
Other sectors (balance to total)	55.98	171.09	205.63	188.37	10.10	187.82	234.19	24.69
Total	1,801.71	1,998.90	10.95	2,292.25	14.67	2,179.51	2,750.17	26.18

2.3.2.3 Loan Portfolio Distribution by Region

The Bank's loan portfolio is geographically distributed across different regions of Ethiopia in line with its branch network expansion, customer base development, and credit deployment strategy. The regional distribution of loans reflects the Bank's participation in financing economic activities across urban centers, regional towns, and other operational areas, supporting both commercial and retail lending activities.

The gross loan portfolio increased from ETB 28.89 billion in 2023 to ETB 30.82 billion in 2024, and further increased to ETB 35.97 billion in 2025, representing sustained portfolio expansion over the reporting periods. As at March 2026, total outstanding loans reached ETB 49.16 billion, compared to ETB 34.67 billion in March 2025, reflecting a year-on-year growth rate of 41.78%.

Addis Ababa continues to represent the largest share of the Bank's loan portfolio, reflecting its position as the country's main commercial and financial hub. Outstanding loans in Addis Ababa increased from ETB 26.51 billion in March 2025 to ETB 39.67 billion in March 2026, representing a growth rate of 49.61%. This concentration reflects demand for credit facilities from corporate clients, trade-related businesses, service providers, and other commercial activities located in the capital.

Oromia region recorded an increase in outstanding loans from ETB 2.90 billion in March 2025 to ETB 3.41 billion in March 2026, representing a growth rate of 17.68%. Similarly, the Amhara region increased from ETB 1.48 billion to ETB 1.95 billion over the same period, reflecting continued lending activities in regional markets.

Other regions collectively contribute to the diversification of the Bank's loan portfolio, reflecting ongoing expansion of branch operations and credit access across different geographic areas. Although Addis Ababa

remains the dominant lending market, the Bank continues to extend credit facilities across multiple regions in support of broader economic participation and customer reach.

The regional composition of the loan portfolio reflects prevailing economic activity levels, customer demand patterns, and the Bank's operational footprint across Ethiopia. It also demonstrates the Bank's role in channeling financial resources to both central and regional economic activities.

Table 30: Loan Portfolio Distribution by Region – Outstanding Loans

Particulars	ETB Million)		Growth (%)	(ETB Million)	Growth (%)	(ETB Million)		Growth (%)
Region	2023	2024		2025		March 2025	March 2026	-
Addis Ababa	19,988.81	22,163.26	10.88%	28,080.55	26.70%	26,513.62	39,665.73	49.61%
Oromia	3,072.62	3,090.80	0.59%	2,746.15	-11.15%	2,895.31	3,407.22	17.68%
Amhara	1,692.50	1,582.12	-6.52%	1,475.06	-6.77%	1,479.18	1,948.38	31.72%
Others	4,134.13	3,979.09	-3.75%	3,672.21	-7.71%	3,785.22	4,138.43	9.33%
Total	28,888.06	30,815.27	6.67%	35,973.97	16.74%	34,673.33	49,159.76	41.78%

2.3.2.4 Non-Performing Loan (NPL) Distribution by Region

The Bank's non-performing loan (NPL) portfolio is distributed across regional markets in line with its lending footprint, branch network coverage, and customer exposure profile. The regional composition of NPLs reflects credit performance dynamics across different geographic areas, influenced by economic activity levels, borrower concentration, and sectoral exposure patterns.

As at March 2026, total non-performing loans amounted to ETB 2.75 billion, compared to ETB 2.18 billion in March 2025, representing a growth rate of 26.18%. The increase in NPLs is primarily associated with portfolio expansion, concentration in key economic zones, and sector-specific credit performance developments.

Addis Ababa accounted for the largest share of NPLs, with outstanding non-performing loans of ETB 2.12 billion as at March 2026. The region's dominance in the NPL portfolio reflects its share of the Bank's overall lending exposure, as a large proportion of the loan portfolio is concentrated within the capital city's commercial, retail, and corporate lending segments. Despite this concentration, NPL growth trends also reflect broader credit performance pressures within urban lending activities.

Oromia and Amhara regions also contributed to the Bank's NPL portfolio, with outstanding balances of ETB 198.22 million and ETB 126.56 million, respectively, as at March 2026. Both regions recorded moderate increases in NPL levels compared to the previous period, reflecting normal credit cycle movements, sectoral exposure patterns, and borrower repayment conditions within regional markets.

The regional distribution of NPLs remains closely aligned with the Bank's overall loan distribution, particularly the concentration of lending activities in Addis Ababa. The Bank continues to monitor credit performance across all regions through its credit risk management framework, early warning systems, and loan monitoring processes.

Table 31: Non-Performing Loan (NPL) Distribution by Region

Particulars	(ETB Million)		Growth %	(ETB Million)	Growth %	ETB Million)		Growth (%)
Region	2023	2024	-	2025	-	March 2025	March 2026	
Addis Ababa	1,685.60	1,527.47	-9.38	1,670.32	9.35	1,603.86	2,123.15	32.38

Particulars	(ETB Million)		Growth %	(ETB Million)	Growth %	ETB Million)		Growth (%)
Oromia	28.62	137.59	380.75	159.30	15.78	179.96	198.22	10.15
Amhara	11.32	104.38	822.26	179.32	71.80	98.82	126.56	28.07
Others	76.17	229.49	201.29	283.31	23.45	296.87	302.24	1.81
Total	1,801.71	1,998.93	10.95	2,292.25	14.67	2,179.51	2,750.17	26.18

2.3.2.5 Loan Portfolio by Customer Category

The Bank's lending portfolio is structured across key customer categories, namely corporate clients, small and medium enterprises (SMEs), retail customers, and agricultural borrowers. This segmentation reflects the Bank's approach to serving diverse customer needs across different levels of business scale, income profiles, and economic activities. The portfolio composition supports the Bank's intermediation role by channelling financial resources to productive sectors of the economy while maintaining relationships with a broad customer base.

Over the period under review, the Bank's total loan portfolio demonstrated consistent expansion across most customer segments. Total lending increased from ETB 28.89 billion in 2023 to ETB 30.82 billion in 2024, and further to ETB 35.97 billion in 2025, reflecting sustained credit growth over the three-year review period.

Corporate lending represents one of the largest components of the portfolio and recorded sustained growth over the review period. Outstanding corporate loans increased **from ETB 8.57 billion in 2023 to ETB 15.53 billion in 2025, and to ETB 23.06 billion as at March 2026**, reflecting increased financing of medium and large-scale business enterprises engaged in trade, manufacturing, construction, and other commercial activities.

Retail lending also constitutes a high share of the Bank's portfolio, reflecting active engagement with individual customers and household-level financing needs. Retail loans increased from ETB 9.18 billion in 2023 to ETB 11.09 billion in 2025. This segment includes consumer lending, salary-based financing, and other personal credit facilities.

The SME portfolio reflects financing extended to small and medium-sized enterprises operating across various sectors of the economy. **SME lending declined by 13.1% in FY2024 and by a further 3.7% in FY2025 (to ETB 9.23 billion) before rising to ETB 11.76 billion as at March 2026, supporting** entrepreneurial activity, business expansion, and employment-generating enterprises.

Agricultural lending remains a smaller portion of the overall portfolio. The segment experienced fluctuations over the review period, reflecting its sensitivity to seasonal and structural factors within the agricultural sector.

Overall, the customer category distribution demonstrates a balanced lending approach across corporate, retail, and SME segments, with corporate and retail portfolios forming the core of the Bank's credit exposure. The portfolio structure supports income generation, customer diversification, and alignment with prevailing market demand across different borrower categories.

Table 32: Loan Portfolio by Customer Category – Outstanding and Growth

Customer Category	FY 2023	FY 2024	Growth %	FY 2025	Growth %	Mar-25	Mar-26	Growth %
Corporate	8,569.8	10,691.3	+24.7%	15,525.4	+45.22%	14,142.8	23,064.9	+63.09%
SME	11,039.1	9,589.1	-13.13%	9,233.1	-3.71%	9,278.7	11,758.1	+26.72%
Retail	9,177.1	10,382.3	+13.13%	11,085.4	+6.77%	11,061.7	14,171.0	+28.11%
Agriculture	102.1	152.5	+49.35%	130.1	-14.69%	190.2	165.7	-12.86%

Customer Category	FY 2023	FY 2024	Growth %	FY 2025	Growth %	Mar-25	Mar-26	Growth %
Total Gross Loans	28,888.1	30,815.3	+6.67%	35,974.0	+16.74%	34,673.3	49,159.8	+41.78%

Note: Table 19 presents the loan portfolio by business segment and this table by customer category. The Trade, Corporate, SME and Domestic Service segments in Table 19 (ETB 34,823.02 million in aggregate as at March 2026) correspond to the Corporate and SME categories in this table (ETB 34,823.0 million); the Retail (ETB 14,171.0 million) and Agriculture (ETB 165.7 million) figures are identical in both tables.

2.3.2.6 Non-Performing Loans (NPLs) by Customer Category

The Bank's non-performing loan ("NPL") portfolio is distributed across corporate, SME, and retail customer segments, reflecting the credit risk characteristics of different borrower categories within the Bank's lending operations. The classification of NPLs is conducted in accordance with applicable prudential requirements and internal credit risk management policies, with continuous monitoring and recovery actions undertaken across all segments.

As at March 2026, total NPLs amounted to ETB 2.75 billion, compared to ETB 1.80 billion in 2023, ETB 1.999 billion in 2024, and ETB 2.29 billion in 2025. The overall increase in NPLs reflects portfolio expansion alongside evolving repayment performance across customer segments, particularly within retail and SME lending portfolios.

Corporate NPLs remained relatively stable over the period under review, recording a marginal increase from ETB 758.12 million in 2025 to ETB 790.25 million in March 2026, representing a growth rate of 2.79%. This indicates a broadly stable risk profile within the corporate segment, supported by ongoing credit monitoring and structured lending arrangements.

SME-related NPLs increased from ETB 156.07 million in March 2025 to ETB 194.24 million in March 2026, representing a growth rate of 24.46%. The increase reflects the inherent vulnerability of SME borrowers to liquidity constraints, market fluctuations, and operational pressures.

Retail NPLs recorded a more pronounced increase from ETB 423.17 million in March 2025 to ETB 638.91 million in March 2026, representing a growth rate of 50.98%. The increase in retail NPLs reflects the sensitivity of individual borrowers to macroeconomic conditions, income volatility, and cost-of-living pressures.

Overall, the NPL portfolio remains diversified across customer categories, with retail lending representing the most dynamic component in terms of recent growth in non-performing exposures. The Bank continues to apply credit risk management measures, including loan monitoring, restructuring, and recovery strategies, to manage asset quality across all segments.

Table 33: Non-Performing Loans (NPLs) by Customer Category

	(ETB Million)		Growth %	(ETB Million)	Growth %	(ETB Million)		Growth (%)
Category	2023	2024	-	2025	-	Mar-25	Mar-26	-
Corporate	896.90	760.95	-15.16%	758.12	-0.37	768.80	790.25	2.79
SME	135.77	166.10	22.34	177.63	6.94	156.07	194.24	24.46
Retail	387.30	326.33	-15.74%	447.20	37.0	423.17	638.91	50.98
Other (balance to total)	381.74	745.55	95.30	909.30	21.96	831.47	1,126.77	35.52

	(ETB Million)		Growth %	(ETB Million)	Growth %	(ETB Million)		Growth (%)
Total	1,801.71	1,998.93	10.95	2,292.25	14.68	2,179.51	2,750.17	26.18

2.3.3 Deposit Products and Portfolio Composition

Deposits constitute the primary funding base of the Bank and represent the core source of resources for lending, investment, and liquidity management activities. The Bank maintains a diversified deposit portfolio composed of demand deposits, savings deposits, and time deposits, which collectively support operational stability and asset growth.

As at 31 March 2026, total deposits amounted to ETB 59.35 billion, compared to ETB 33.78 billion in 2023 and ETB 44.45 billion in 2025, reflecting sustained expansion over the period. The deposit structure shows a continued shift toward transactional deposits, supported by growth in customer accounts and payment-related services.

Savings deposits represent the largest component of the deposit base, standing at ETB 33.68 billion (56.74% of total deposits) as at 31 March 2026, compared with ETB 21.77 billion in 2023. While showing fluctuations across the reporting period, this segment remains the Bank's key source of retail-based funding and supports liquidity stability.

Demand deposits stood at ETB 20.32 billion (34.24%) as at 31 March 2026, increasing from ETB 8.95 billion in 2023, indicating active transactional banking activity and effective mobilization of low-cost funding.

Time deposits reached ETB 5.35 billion (9.02%), increasing steadily from ETB 3.06 billion in 2023, contributing to medium-term funding stability and improved asset-liability matching.

Overall, the Bank's deposit base reflects sustained growth and structural diversification, with a reliance on demand and savings deposits complemented by a growing time deposit base.

Table 34: Deposit Structure by Product Type

Deposit Type	FY 2022/23	FY 2023/24	FY 2024/25	Mar-25	Mar-26	2024/23	2025/24	Mar-26 / Mar-25
(ETB'000)								
Demand Deposits	8,949,876	12,078,453	13,248,870	11,470,503	20,321,686	34.96%	9.69%	77.16%
Savings Deposits	21,770,027	20,979,921	27,399,146	25,257,083	33,677,908	-3.63%	30.60%	33.34%
Time Deposits	3,062,391	3,793,819	3,806,003	3,881,499	5,351,951	23.88%	0.32%	37.88%
Total Deposits	33,782,294	36,852,193	44,454,019	40,609,085	59,351,545	9.09%	20.63%	46.15%

Deposit Base by Customer Category

The Bank's deposit base expanded from ETB 33.78 billion in 2023 to ETB 44.45 billion in 2025, reflecting continued growth in funding mobilization across its customer base. Total deposits increased by 9.09% in 2024 and accelerated to 20.63% in 2025, largely driven by strong growth in deposits from the private sector and cooperative segment.

Private Sector & Cooperatives remained the Bank's largest source of funding throughout the period, increasing from ETB 21.67 billion in 2023 to ETB 37.09 billion in 2025. The segment recorded year-on-year growth of 29.85% in 2024 and 31.82% in 2025, underscoring sustained deposit mobilization from businesses, SMEs,

and cooperative institutions. Its continued expansion reinforced its position as the primary driver of the Bank's deposit growth.

Public Enterprise deposits increased from ETB 5.75 billion in 2023 to ETB 6.21 billion in 2024, representing growth of 8.02%. However, deposits declined to ETB 5.07 billion in 2025, a decrease of 18.29%, indicating a reduction in funding from government-related enterprises during the latest reporting period.

Regional Government deposits continued to grow from a relatively small base, rising from ETB 12 million in 2023 to ETB 25 million in 2025. The segment recorded a strong 83.33% increase in 2024, followed by a further 13.64% increase in 2025, reflecting gradual expansion in the Bank's relationships with regional public institutions.

Bank deposits remained relatively stable over the period, moving from ETB 1.15 billion in 2023 to ETB 1.15 billion in 2025. Deposits declined slightly by 3.06% in 2024 before recovering by 3.24% in 2025, consistent with normal interbank liquidity management rather than structural changes in funding.

The Others category declined significantly throughout the reporting period, falling from ETB 5.21 billion in 2023 to ETB 1.12 billion in 2025. The category decreased by 73.67% in 2024 and a further 18.60% in 2025, suggesting a reduction or reclassification of balances previously reported under this category.

Overall, the Bank's funding profile became increasingly concentrated in the Private Sector & Cooperatives segment, which accounted for the majority of deposit growth over the period. While this concentration supported overall deposit expansion, continued diversification across institutional and public-sector funding sources may further strengthen funding stability over the medium term.

Table 35: Deposit Portfolio by Customer Category

Customer Category	FY 2022/23	FY 2023/24	FY 2024/25	% Change 2024/23	% Change 2025/24
(ETB Million)					
Private Sector & Cooperatives	21,670	28,139	37,093	29.85%	31.82%
Public Enterprises	5,749	6,210	5,074	8.02%	-18.29%
Regional Governments	12	22	25	83.33%	13.64%
Banks	1,145	1,110	1,146	-3.06%	3.24%
Others	5,206	1,371	1,116	-73.67%	-18.60%
Total Deposits	33,782	36,852	44,454	9.09%	20.63%

Table 36: Deposit Products and Interest Rates

Deposit Product	Description	Minimum Opening Balance	Interest Rate (as at date of Prospectus)	Special Terms
Personal Saving Account	savings account for individual customers	ETB 50 while the minimum balance for interest accrual is Birr 101 (One hundred one birr).	e.g. 7%	Withdrawable on demand; monthly interest credited
Checking Account (Demand Deposit)	Transactional current account for individuals and businesses	ETB 500	0% (non-interest bearing for standard demand deposits)	Unlimited withdrawals; cheque facility available

Deposit Product	Description	Minimum Opening Balance	Interest Rate (as at date of Prospectus)	Special Terms
Premium Savings Account	Higher-tier retail savings product for premium customers		The Bank shall offer premium interest-bearing savings accounts and shall set various threshold deposit balances to determine the level of interest rate to be applied.	interest shall be always calculated based on the minimum monthly balance of the account;
Fixed Term Deposit	Fixed maturity deposit with contracted interest rate	ETB 10,000	Negotiable	Fixed term; early withdrawal subject to penalty; interest paid at maturity
Women Account (Hewan)	Savings account designed for female customers with tailored features	ETB 500	As per NBE's directive	Intended for women
NOIB Account	Non-Operating Interest Bearing account	ETB 50	Non-Operating Interest Bearing account	Non-interest bearing

The Bank's deposit structure demonstrates a diversified product mix, reflecting a broad-based retail and corporate funding strategy supported by targeted savings mobilization and specialized deposit products. As at 31 March 2026, total deposits amounted to ETB 59.35 billion (ETB 59,351,545 thousand), indicating a solid funding base underpinning the Bank's lending and investment operations.

Personal Saving Accounts represent the largest component of the deposit portfolio, amounting to ETB 17.98 billion. This segment constitutes the core retail-funding base of the Bank and reflects sustained accumulation of household savings. The dominance of this category highlights the Bank's reliance on stable, low-cost retail deposits, which support liquidity stability and predictable funding behavior.

Checking Accounts follow closely, with balances of ETB 14.59 billion, indicating a sound transactional banking activity across both individual and business customers. This segment plays a key role in supporting payment services, cash management, and operational banking needs, while also contributing to low-cost funding resources.

Premium Savings Accounts account for ETB 5.73 billion, reflecting the Bank's ability to attract higher-value retail customers through differentiated deposit products. The growth of this segment indicates increasing customer segmentation and enhanced product structuring within the retail deposit portfolio.

Fixed Term Deposits amount to ETB 5.35 billion, contributing to medium-term funding stability. This category plays an important role in asset-liability management by providing predictable maturity-based funding, thereby supporting structured lending and investment planning.

Business and Corporate Accounts, totaling ETB 3.39 billion, reflect moderate but stable engagement with enterprise and institutional clients. This segment provides strategic linkage between deposit mobilization and credit extension to business customers, supporting integrated banking relationships.

Other Specialized Accounts, amounting to ETB 12.31 billion, represent a growing portion of the deposit base. This category includes targeted products designed for specific customer groups and financial inclusion initiatives. The relatively large share indicates successful product innovation and expansion into niche market segments.

Overall, the deposit structure reflects a balanced funding profile dominated by retail-driven savings and transactional accounts, complemented by growing contributions from term deposits and specialized products.

While the current structure supports liquidity and operational flexibility, continued expansion of time deposits and corporate funding sources would further enhance funding stability and reduce sensitivity to short-term deposit fluctuations.

Table 37: Deposit Product Distribution (March 2026 Detailed Composition)

Deposit Product	Amount
(ETB '000)	
Personal Saving Account	17,982,395
Checking Accounts	14,590,991
Fixed Term Deposit	5,351,951
Premium Savings Account	5,727,399
Business & Corporate Accounts	3,391,404
Other Specialized Accounts	12,307,405
Total Deposits	59,351,545

The Bank's deposit mobilization profile demonstrates a geographically diversified funding base, with operations concentrated primarily in Addis Ababa while maintaining deposit presence across multiple regional markets. As at 31 March 2026, total deposits amounted to approximately ETB 59.35 billion.

Addis Ababa represents the largest source of deposits, contributing ETB 41.78 billion, equivalent to 70.39% of total deposits. The concentration of deposits within the capital city reflects the Bank's urban focused market presence, higher economic activity, concentration of corporate and commercial customers, and broader access to transactional banking services. The dominance of Addis Ababa is consistent with the structure of Ethiopia's financial system, where significant commercial, trade, and institutional activities are concentrated within the capital.

Oromia constitutes the second largest regional contributor, accounting for ETB 5.62 billion or 9.47% of total deposits. The region's contribution reflects the Bank's operational footprint within one of the country's largest economic and population centers, supported by agricultural trade, cooperative activities, and expanding retail banking relationships.

Central Ethiopia and South Ethiopia contributed ETB 2.57 billion (4.33%) and ETB 2.53 billion (4.26%), respectively. These regions demonstrate moderate but growing participation within the Bank's deposit base and indicate ongoing geographic expansion of banking operations beyond the primary urban market.

Amhara region accounted for ETB 2.03 billion, representing 3.43% of total deposits. Although relatively smaller in share, the region remains an important component of the Bank's regional banking operations and customer diversification strategy.

The "Others" category, totaling ETB 4.82 billion or 8.12% of total deposits, reflects contributions from additional regional states and branch locations not separately categorized within the table. This indicates a broader nationwide operational presence and contributes to regional diversification of the funding base.

Overall, the regional distribution of deposits reflects a funding structure that remains primarily urban-centered, particularly within Addis Ababa, while also demonstrating progressive expansion across regional markets. Although the concentration in Addis Ababa supports scale efficiencies and access to large-value deposits, continued regional diversification may enhance funding resilience, broaden customer outreach, and reduce concentration exposure over the medium to long term.

Table 38: Geographic Distribution of Deposits (March 2026)

Region	Deposit	Share (%)
(ETB '000)		
Addis Ababa	41,777,703	70.39%
Oromia	5,620,279	9.47%
Central Ethiopia	2,569,436	4.33%
South Ethiopia	2,530,333	4.26%
Amhara	2,033,860	3.43%
Others	4,819,934	8.12%
Total	59,351,545	100.00%

2.3.4 Correspondent Banking Relationships

The Bank maintains an extensive network of correspondent banking relationships to support its international trade finance operations, foreign exchange transactions, cross-border payments, and liquidity management. These relationships are critical enablers of the Bank's global connectivity and facilitate settlement of international trade transactions across major currencies including USD, EUR, GBP, JPY, and CNY.

The correspondent-banking network is geographically diversified, covering Europe, the Middle East, Africa, and Asia, thereby enhancing the Bank's ability to support clients engaged in import-export activities and international remittances. The relationships also provide access to global financial markets for placement of funds and execution of trade-related transactions.

A. Nature and Strategic Significance

Correspondent banks primarily support the following functions:

- Trade finance services (Letters of Credit, guarantees, documentary collections)
- Foreign exchange trading and liquidity management
- Cross-border payment and settlement services
- Foreign currency placements and treasury operations

The Bank's reliance on correspondent banking relationships is generally moderate to high for key counterparties, particularly those providing USD and EUR clearing services, which are essential for trade finance execution and international settlement flows.

- Long-standing relationships (since 2011–2018) with major international banks such as Commerzbank and Ecobank France indicate stable access to global clearing systems.
- Strategic partnerships in Djibouti and Kenya play a critical role in regional trade facilitation within East Africa and the Horn of Africa trade corridor.
- Emerging relationships with institutions in China and Turkey reflect diversification of trade corridors and growing engagement with Asia-linked trade flows.
- Afreximbank serves as a key development-oriented correspondent institution supporting trade finance expansion and liquidity support across Africa.

B. Dependence Structure

The Bank's dependence on correspondent banks is highest for USD and EUR clearing services, reflecting the dominance of these currencies in international trade transactions. Moderate dependence exists for GBP and emerging currencies, while relationships with regional banks are primarily transactional and corridor-specific.

Table 39: Correspondent Banking Relationships (as at February 11, 2026)

No.	Correspondent Bank	Country	Currency Coverage	Nature of Services	Dependence Level	Business Scope
1	Commerzbank AG	Germany	USD, EUR, JPY	Trade finance; FX trading; placement	High	Global
2	Ecobank / EBI SA	France	USD, EUR, GBP	Clearing; trade finance; FX	High	Global
3	Bank of Beirut UK	UK	USD, EUR, GBP	Clearing; trade finance; FX	Moderate	UK only
4	CAC International Bank	Djibouti	USD	Clearing; trade finance	High	Djibouti
5	Crown Agents Bank	UK	USD, EUR	FX trading; placement	Moderate	UK only
6	Exim Bank Djibouti	Djibouti	USD	Clearing; trade finance	High	Djibouti
7	Oddo BHF Bank	Germany	EUR	Clearing; FX; trade finance	Low	Global
8	Equity Bank	Kenya	USD	Clearing; trade finance	Low	Kenya
9	Ecobank Kenya	Kenya	USD	Clearing; trade finance	Moderate	Kenya
10	Aktif Bank	Turkey	USD, EUR	Clearing; trade finance	Moderate	Global
11	KCB Bank	Kenya	USD	Clearing; trade finance	Moderate	Kenya
12	East Africa Bank	Djibouti	USD	Clearing; trade finance	Moderate	Djibouti
13	Zhejiang Chouzhou Bank	China	USD, EUR, CNY	Clearing; FX; trade finance	Moderate	Global
14	Afreximbank	Egypt	USD	Trade finance; placement	High	Global / Africa
15	IIB Bank Djibouti	Djibouti	USD	Clearing; trade finance	Moderate	Djibouti

2.3.5 Digital Banking Services

The Bank's digital banking services constitute a key component of its overall service delivery and transformation agenda. These services are designed to enhance customer convenience, improve operational efficiency, expand financial inclusion, and support the Bank's transition toward a more technology-driven banking model.

Digital banking services are integrated into the Bank's core banking system and are delivered through multiple channels, including mobile banking, internet banking, agent banking, card-based services, and interoperable payment platforms. These channels collectively support both retail and corporate customers in performing a wide range of financial transactions without requiring physical branch visits.

Key Digital Banking Channels and Services

The Bank provides the following principal digital banking services:

- **Mobile Banking Services:** Enables customers to perform transactions such as fund transfers, balance inquiries, utility payments, airtime purchases, and other basic banking services through mobile applications and USSD platforms.

- **Internet Banking:** Provides secure online access for customers, particularly corporate clients, to manage accounts, initiate transfers, and access banking services remotely.
- **Card Banking Services:** Supports ATM withdrawals, POS transactions, and e-commerce payments through debit and prepaid card products.

2.3.6 Physical Network and Accessibility

The Bank's physical distribution network remains a fundamental pillar of its service delivery model, complementing its expanding digital banking ecosystem. The branch network plays a critical role in deposit mobilization, credit delivery, customer acquisition, and overall financial inclusion, particularly in regions with limited digital infrastructure.

As at the reporting period, the Bank operates 375 branches distributed across all regional states and city administrations of the country. The network is heavily concentrated in major urban and economically active regions, particularly Addis Ababa and Oromia, while emerging regions continue to have relatively limited coverage.

Table 40: Branch Network Distribution by Region

Region	Number of Branches
Addis Ababa	153
Oromia	86
Amhara	40
Central Ethiopia	33
South Ethiopia	18
Sidama	14
Tigray	11
South West Ethiopia	6
Dire Dawa	3
Harar	3
Gambella	3
Afar	2
Somali	2
Benishangul	1
Total	375

The branch distribution reflects concentration in urban and economically active corridors:

- Addis Ababa (153 branches) accounts for the largest share of the network, reflecting its role as the financial and commercial hub of the country.
- Oromia (86 branches) represents the second-largest concentration, driven by its large population size and broad economic base.
- Amhara (40 branches) and Central Ethiopia (33 branches) also represent significant coverage areas, supporting both agricultural and urban economic activities.
- Emerging and low-density regions such as Benishangul, Afar, Somali, Gambella, and Harar have comparatively limited branch presence, indicating lower population density and lower banking penetration levels.

2.3.7 Major Interruptions Experienced by Berhan Bank S.C.

Over the past twelve months, the Bank navigated three principal disruptions that collectively weighed on financial performance. First, the National Bank of Ethiopia's 24% annual growth cap on outstanding credit constrained material loan-book expansion and compressed net-interest income. Second, a deliberate branch-network rationalisation saw eighteen under-performing outlets consolidated while eleven new branches were added, reducing the total network from 383 to 375 branches between 30 June 2024 and 30 June 2025; affected customers were migrated to nearby branches, temporarily interrupting transaction flows and deposit mobilisation. Third, intermittent civil unrest across the Oromia and Amhara regions necessitated temporary branch closures and restricted cash-in-transit operations, resulting in revenue loss and elevated security expenditure. Taken together, these headwinds reflect both the evolving macroregulatory environment and the broader operating conditions within which the Bank continues to execute its strategic objectives.

2.3.8 Key Operational Dependencies of Berhan Bank S.C.

Berhan Bank S.C.'s capacity to serve customers and scale its franchise depends on five strategic, third-party relationships:

2.3.8.1 Network Infrastructure

High-availability connectivity between branches, data centres and digital channels is delivered through Ethio telecom and Safaricom fibre and mobile back-haul; any prolonged outage would immediately constrain real-time transaction processing.

2.3.8.2 Core Banking Platform

The bank's operating model is underpinned by Rubikon CBS (supplied by Neptune software's), currently running version V24. This real-time engine supports account management, payments, regulatory reporting and API gateways that feed mobile and internet banking. Continuous vendor support and timely patch cycles are therefore essential for stability, regulatory compliance and product innovation.

2.3.8.3 Fuel Aggregator System

The bank's fleet-card and fuel-payment ecosystem is hosted on a national aggregator platform operated in partnership with the Ministry of Transport and Logistics; uninterrupted access is critical for transaction volume and fee income.

2.3.8.4 SWIFT Messaging

Membership in the Society for Worldwide Interbank Financial Telecommunication (SWIFT) is the bank's sole conduit for authenticated, encrypted cross-border payment instructions, trade confirmations and regulatory messages. Reliance on SWIFT's network and standards means that message-format changes, sanctions-list updates or service disruptions materially affect international settlements and correspondent-bank relationships.

2.3.8.5 Global Correspondent Bank Network

Berhan Bank S.C. maintains correspondent banking relationships with reputable international financial institutions to facilitate cross-border payments, trade finance, FX trading/ FX Money Market, short-term and long-term placement/Investment and international fund transfers with the approval of National Bank of Ethiopia. These relationships are essential to the Bank's foreign currency operations, enabling it to process international transactions efficiently, support import and export activities, and provide reliable foreign exchange and remittance services to its customers.

The Bank is significantly dependent on its correspondent banking relationships, particularly for transactions denominated in major currencies such as USD and EUR. These relationships are critical to the Bank's ability to execute international payments, settle foreign currency transactions, and support its customers' cross-

border financial needs. Accordingly, the Bank's operational effectiveness in foreign currency activities is materially influenced by the continuity and stability of its correspondent banking arrangements.

2.3.8.6 Key Personnel

The Bank's core banking system (CBS) and IT operations depend on a small, specialised IT team, and more than 62% of the Bank's organic foreign-currency (FCY) generation is concentrated in a limited number of FX treasury relationship managers. The unplanned departure of members of either group could disrupt system operations, delay the CBS upgrade or reduce FX income. The Bank manages this dependency through succession planning and capacity development.

2.3.8.7 Royalties and Similar Payments

In accordance with Article 87(6) of the Public Offering Directive, the Bank discloses the following regarding royalties and items of a similar nature:

Core Banking System: The Bank pays an annual software support and maintenance fee to Neptune Financial Software Ltd (supplier of the Rubikon CBS platform) in accordance with the Comprehensive Support and Maintenance Service Level Agreement (Contract 6 in Section 2.10, value USD 119,978 over a 2-year agreement commencing 15 September 2025). This fee constitutes a recurring technology licensing and support obligation of a nature similar to a royalty.

Other technology licensing fees: The Bank pays annual fees for domain hosting, SSL certificates, and Microsoft support (Contract 20, ETB 3,220,000 for 2 years), Cisco infrastructure support SLA (Contract 21, USD 191,435 over 3 years), and Active Directory and Exchange support (Contract 22, ETB 2,070,000 for 2 years). These represent recurring technology licensing obligations.

Other than the above, the Bank confirms that no royalties, licence fees, or items of a similar nature are payable by the Bank or any subsidiary in connection with patents, trade marks, intellectual property licences, or franchise arrangements. The Bank does not own any material patents or hold any franchises.

2.3.9 Products and Services Under Development

As at the date of this Prospectus, Berhan Bank S.C. does not have any significant new product or service in a formal development or launch pipeline that would require specific disclosure under Article 87(3) and (4) of the Directive. The Bank continuously evaluates new product opportunities as part of its digital banking and service innovation strategy; however, no specific product or service has reached a stage of development where a launch timeline, capital investment commitment, or formal strategic objective has been formally approved by the Board. Any future new product or service of materiality will be disclosed in accordance with applicable requirements.

2.4 Principal Markets and Competition

Berhan Bank S.C. operates within Ethiopia's rapidly transforming and increasingly competitive financial system supervised by the National Bank of Ethiopia (National Bank of Ethiopia). The sector is undergoing structural reforms driven by new legislation, market liberalization, and the emergence of capital markets, which are reshaping competitive dynamics across banking, microfinance, insurance, and digital finance.

2.4.1 Industry Structure and Market Landscape

As of 2025, the Ethiopian banking industry consists of 31 licensed commercial banks, including two state-owned banks the Commercial Bank of Ethiopia and the Development Bank of Ethiopia and 29 private commercial banks. The sector has expanded rapidly over the past decade, supported by branch expansion, rising financial inclusion, and digital transformation.

The financial system as a whole remains bank-dominated, but is evolving due to the introduction of capital markets and non-bank financial players. Total financial sector assets are dominated by commercial banks, while microfinance institutions and capital goods finance companies represent relatively small but fast-growing segments. The insurance sector, though expanding, remains shallow with low penetration (around 0.3 percent of GDP), indicating significant growth potential but limited systemic weight.

A major structural milestone is the establishment of the Ethiopian Securities Exchange (ESX) Ethiopian Securities Exchange, alongside the Interbank Money Market (IMM). These developments are transforming liquidity management, improving price discovery, and creating new capital-raising channels. The IMM alone has already facilitated trillions of birr in transactions, improving short-term funding efficiency and strengthening monetary policy transmission.

Additionally, the regulatory framework has been significantly strengthened through Banking Business Proclamation No. 1360/2025, which introduces:

- A formal bank resolution framework for distressed institutions
- Crisis management tools (administration, liquidation, mergers and acquisitions)
- Opening of the banking sector to foreign investment
- Stronger supervisory and governance standards

These reforms are expected to intensify competition further while improving financial stability.

2.4.2 Competitive Dynamics in Banking

Competition in the banking sector is high and multi-dimensional, concentrated in:

- Deposit mobilization
- Lending and credit allocation
- Foreign exchange access
- Digital financial services

Deposit competition remains particularly aggressive, with banks offering attractive interest rates and expanding branch and agent networks. Industry deposit growth averages 20–30 percent annually, driven by both traditional banking and digital channels. Large private banks now hold deposits exceeding ETB 100 billion, setting strong competitive benchmarks.

Foreign exchange remains a structurally constrained and highly competitive segment due to persistent FX shortages. Banks compete intensely for exporters, remittance inflows, and trade-related clients, while recent exchange rate reforms have gradually improved market efficiency and reduced distortions.

Lending competition is strong but regulated by prudential requirements, including concentration limits and capital adequacy standards. Credit allocation is increasingly influenced by sectoral priorities and risk-based supervision, with NPL ratios at system level improving to around 3.1 percent, indicating strengthened asset quality across the industry.

2.4.3 New Entrants and Structural Shifts

Competition in the Ethiopian banking sector has intensified considerably as a result of several concurrent structural developments.

The entry of new banks established between 2021 and 2023 has added direct competitive pressure, as these institutions have adopted aggressive market strategies characterised by higher deposit interest rates, faster loan processing systems, and technology-driven customer acquisition approaches.

A particularly significant structural shift has been the conversion of large microfinance institutions into fully licensed commercial banks. The transformation of the Amhara Credit and Saving Institution into Tsedey Bank and the Oromia Credit and Saving Share Company into Siinqee Bank are prominent examples. These

conversions have brought established rural branch networks and large existing customer bases into the commercial banking space, substantially intensifying competition in the retail and SME segments.

The rapid growth of digital finance platforms has further reshaped the competitive landscape. Mobile money services, most notably Telebirr, have captured significant transaction volumes across mobile payments, remittances, and utility and merchant payments, compelling banks to accelerate their digital transformation agendas, pursue fintech partnerships, and develop API-based service delivery capabilities.

Looking ahead, the introduction of capital markets through the Ethiopian Securities Exchange is expected to fundamentally alter the dynamics of financial sector competition. Banks will increasingly compete not only for deposits and loans but also for equity capital, bond issuance mandates, and institutional investor funding. Capital market development is also expected to raise the bar for transparency, corporate governance, and performance benchmarking, particularly as institutions prepare for potential public listing and heightened investor scrutiny. In parallel, the gradual opening of the sector to foreign banks is anticipated to introduce additional competitive intensity through advanced risk management practices, stronger capitalisation, product innovation in corporate and investment banking, and superior digital infrastructure.

2.4.4 Ethiopian Economic Performance

The Ethiopian economy has continued to demonstrate resilience and a gradual stabilization trajectory in recent years supported by ongoing macroeconomic reforms, structural adjustments, and improved policy coordination between fiscal and monetary authorities. Real GDP growth reached 8.1% in 2023/24, up from 7.2% in 2022/23, reflecting sustained expansion despite domestic and global challenges. However, growth is projected to moderate slightly to 7.2% in 2024/25, before stabilizing within the 7–8% range over the medium term (2025/26–2028/29), consistent with a more balanced and reform-driven growth path (NBE, 2025; IMF, 2025).

Inflation has shown a clear disinflation trend following tight monetary policy measures, exchange rate reforms, and improved supply conditions. Average inflation declined from 33.9% in 2021/22 and 32.5% in 2022/23 to 26.6% in 2023/24, and is estimated to further decline to 16.6% in 2024/25, with expectations of reaching single-digit levels by 2026/27. This reflects the combined effect of monetary tightening, improved agricultural output, and recent financial sector reforms, including foreign exchange liberalization measures highlighted in the National Bank of Ethiopia Financial Stability Report (2025).

Fiscal performance shows gradual consolidation. Government revenue improved from 7.3% of GDP in 2023/24 to 8.5% in 2024/25, while expenditure rose to 12.0% of GDP, resulting in a narrowing fiscal deficit of -1.5% of GDP. Medium-term projections indicate continued fiscal improvement supported by tax reforms and expenditure rationalization, with revenue expected to exceed 11% of GDP by 2028/29.

Public debt dynamics reflect structural adjustments and exchange rate effects. Total public debt declined from 48.9% of GDP in 2021/22 to 34.4% in 2023/24, before increasing to 45.6% in 2024/25, mainly due to rising external debt exposure and valuation changes following FX market reforms. Despite this, debt remains on a medium-term declining path supported by fiscal consolidation and improved export earnings.

Monetary developments indicate tightening liquidity conditions followed by gradual normalization. Broad money growth declined from 27.2% in 2021/22 to 14.1% in 2023/24, before rebounding to 24.0% in 2024/25, reflecting policy adjustments and liquidity expansion in the banking system. Credit to the private sector and state-owned enterprises slowed significantly, contracting by -11.9% in 2024/25, driven by tighter credit conditions and risk containment measures within the financial sector.

The external sector shows mixed but improving performance. Export growth strengthened to 25.5% in 2024/25, supported by commodity exports and services expansion, while imports grew by 7.3%, reflecting recovering domestic demand. The current account deficit remained contained at around -3% of GDP, while

FDI improved to 3.2% of GDP in 2024/25, signaling renewed investor confidence. Foreign exchange reserves increased gradually, improving import cover from 0.5 months in 2022/23 to 1.7 months in 2024/25, with further improvements expected as reforms deepen.

Overall, Ethiopia is transitioning from a high-growth, high-inflation economy toward a more stable macroeconomic framework. While vulnerabilities remain—particularly external debt pressure, inflation persistence, and FX constraints—the reform momentum is strengthening macroeconomic stability and improving medium-term resilience.

Table 41: Key Economic Indicators

Indicator	2021/ 22	2022/ 23	2023/ 24	2024/ 25	2025/ 26	2026/ 27	2027/ 28	2028/2 9
					Proj.	Proj.	Proj.	Proj.
Real GDP Growth (%)	6.4	7.2	8.1	7.2	7.1	7.7	8	7.8
Inflation - average (%)	33.9	32.5	26.6	16.6	12	9.2	7.7	7.2
General government finances								
Revenue (% GDP)	8.1	7.9	7.3	8.5	10.2	10.7	11.1	11.4
Expenditure (% GDP)	12.7	10.8	9.5	12	12.6	13	13.3	13.4
Fiscal balance, incl. grants (% GDP)	-4.2	-2.6	-2	-1.5	-1.7	-1.8	-1.8	-1.6
Public debt (% of GDP) and reserves								
Public debt	48.9	40.2	34.4	45.6	42.6	39.7	37.2	34.5
Domestic debt	24.9	22.1	19.3	16.3	15.9	15.4	15.1	15.3
External debt (incl. IMF)	24	18.1	15.1	29.3	26.6	24.3	22.1	19.2
Money and Credit								
Broad money (% change)	27.2	26.6	14.1	24	24.4	23.8	19.4	18.7
Credit to private sector & SOEs (% change) ²	17.2	23.4	9.3	-11.9	33.8	30.3	21.2	19.9
External sector								
Exports of goods & services (US\$, f.o.b.; % change)	22.8	3.3	8.1	25.5	2.3	10.3	17.2	13.9
Imports of goods & services (US\$, c.i.f.; % change)	24.9	-1.4	7.8	7.3	1.2	6.9	8.8	12.1
External current account balance, incl. official transfers (% GDP)	-4	-2.9	-2.9	-3.2	-3.1	-2.7	-2.1	-2.2
Current account (% GDP)	-4	-2.9	-2.9	-2.9	-3.1	-2.7	-2.1	-2.2
FDI (% GDP)	2.6	2.1	1.9	3.2	3	2.9	3	3
Reserves (months of imports)	0.8	0.5	0.6	1.7	2.1	2.7	3.5	3.4
External debt (% GDP)	24	18.1	15.4	30.4	26.6	24.3	22.1	19.2

Source: National Bank of Ethiopia, Quarterly Bulletin, Vol. 40, No. 4 (Fourth Quarter 2023/24), for 2021/22–2023/24; International Monetary Fund, Country Report No. 25/188 (2025), for the 2024/25–2028/29 projections. The macroeconomic data discussed in this Section are drawn from the same sources unless otherwise stated.

2.4.5 Growth Rate, Inflation Rate, Exchange Rate, and Monetary Policies

As pointed out above, Ethiopia's economic narrative is defined by robust growth coupled with persistent inflationary pressures and NBE actively reforming its monetary policy framework. As can be observed in Figure 2, the real GDP growth rate for 2023/24 stood at a strong 8.1%. This represents an acceleration of 6.3% in 2020/21 and 7.2% in 2022/23. Looking further ahead, the average real GDP growth is projected to maintain an impressive 8% over the 2025-2029 period, indicating a sustained expansionary trend.

Figure 2: Ethiopian Real GDP Growth and Inflation Rate (%)

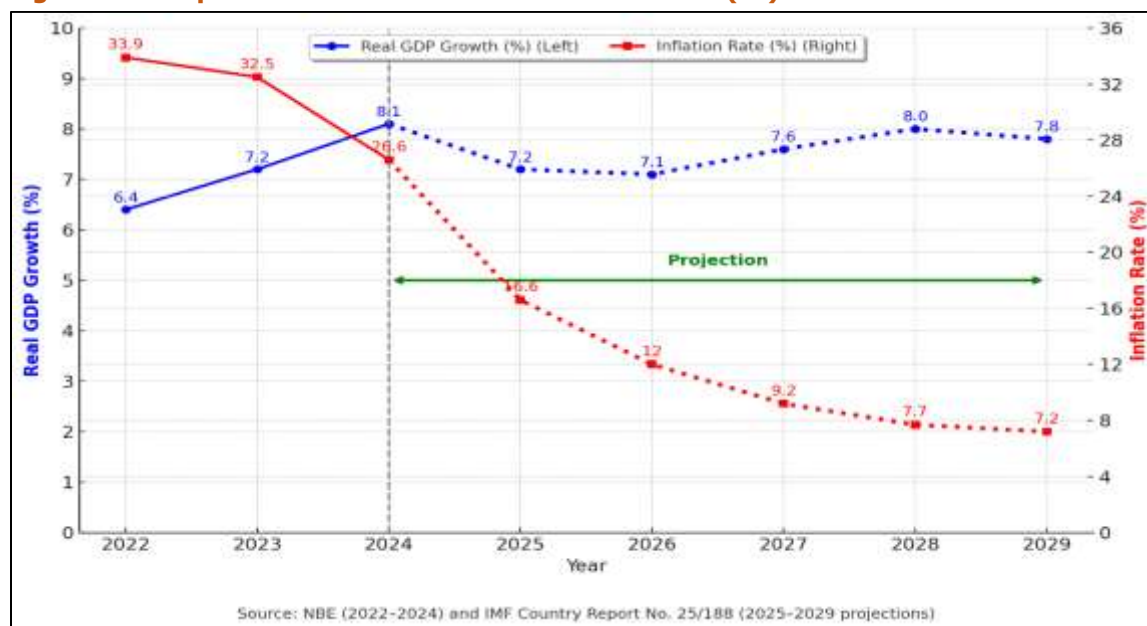


Figure Note: Ethiopia's real GDP growth has accelerated from 6.4% in 2022 to 8.1% in 2024, supported by strong performances in agriculture, industry, and services. At the same time, annual CPI inflation has eased from a peak of 33.9% in 2022 to 16.6% in 2025, reflecting tighter macroeconomic management, improved foreign exchange availability, and targeted policy interventions. Projections to 2029 indicate continued robust growth well above the Sub-Saharan Africa average and a steady decline in inflation to single digits by 2027, underpinned by on-going reforms and sectoral diversification.

However, this growth was significantly offset by high inflation. The Country-level general inflation (CPI growth rate) was 26.6% in 2023/24, a moderation from 32.5% in 2022/23 and 33.8% in 2021/22, and a notable increase from 20.2% in 2020/21. Food inflation (28.1%) and non-food inflation (24.4%) remain substantial in 2023/24. More recently, inflation has shown signs of further moderation, decreasing from 20.8% in 2024 to 16% in June 2025. Furthermore, the medium-term outlook anticipates a steady decline in inflation, with projections reaching single digits by 2026/27 (9.2%) and 7.2% by 2028/29, contingent on prudent monetary and fiscal policies (IMF 2025¹). The projected decline in inflation to single digits is a critical positive trend attributed to tighter macroeconomic management, improved foreign exchange availability, and targeted policy interventions. However, the persistent negative real interest rates for deposits, lending, and T-bills in Q4 2023/24 indicate that savings are still eroding in real value (NBE 2025²). For disinflation to be sustainable, real interest rates, need to turn positive to incentivize savings and curb demand-side inflationary pressure.

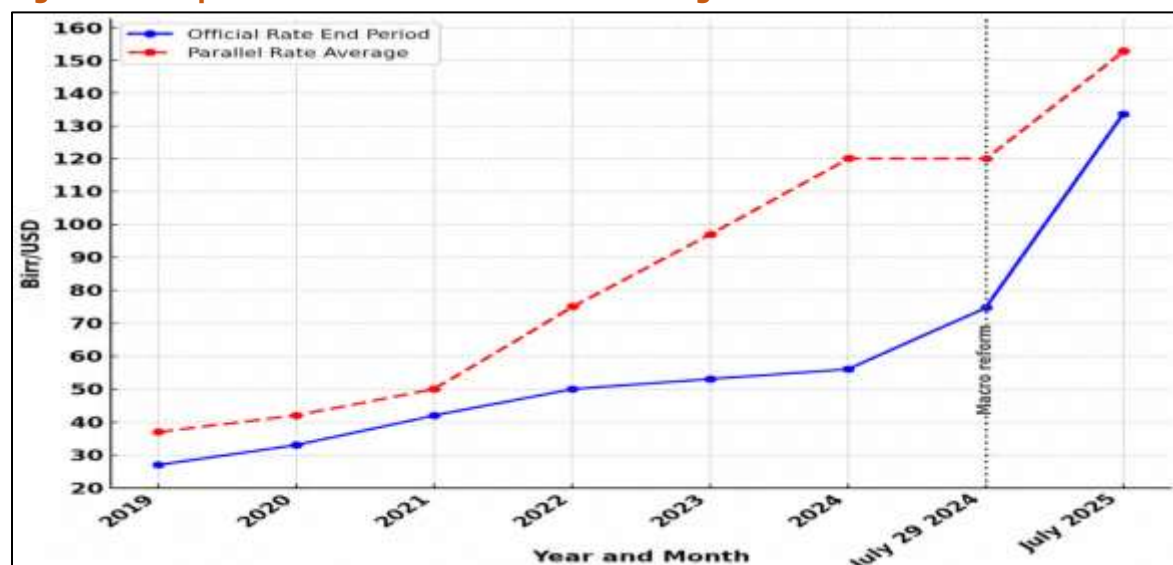
A stable, lower-inflation environment is crucial for enhancing the real value of investments and fostering a more predictable lending and investment climate for banks. Positive real interest rates would encourage deposit mobilization, improve banks' funding bases, and potentially reduce reliance on more expensive term deposits. The exchange rate regime change in July 2024 was a critical, albeit painful component of this stabilization effort. The shift to a managed float led to an immediate and sharp depreciation of Ethiopian Birr, with the official rate moving from approximately 58 per US dollar to 128 per US dollar by the end of July 2024. This decisive realignment was instrumental in narrowing the premium on the parallel foreign exchange market from over 100% to the low teens, although the premium has since widened modestly to around 20% as

¹ International Monetary Fund. (2025). *The Federal Democratic Republic of Ethiopia: 2025 Article IV consultation, third review under the extended credit facility arrangement, and financing assurances review—Press release; staff report; staff supplement; and statement by the Executive Director for the Federal Democratic Republic of Ethiopia* (IMF Country Report No. 25/188). International Monetary Fund

² National Bank of Ethiopia. (2025). *Quarterly bulletin: Volume 40, No. 4, Fourth quarter 2023/24, Fiscal year series*. National Bank of Ethiopia.

market inefficiencies persisted.

Figure 3: Ethiopian Official Vs. Parallel Market Exchange Rate Premium



2.4.6 Developments in the Economy

The Ethiopian economy has undergone significant development, marked by a dual narrative of impressive growth amidst persistent challenges and a comprehensive reform agenda. The central driver of recent economic development is the government's comprehensive Homegrown Economic Reform Agenda (HGER 2.0 (FDRE, 2024)). This ambitious program serves as an overarching framework for Ethiopia's transition from a state-dominated to a private sector-driven economy. It is supported by a US\$3.4 billion Extended Credit Facility (ECF) arrangement with the IMF and substantial budget support from the World Bank, providing both a policy anchor and critical financing. The agenda's core pillars are restoring macroeconomic stability and creating a vibrant and competitive private sector.

One of the key developments was the progressive liberalization of sectors that were previously closed to foreign investments. This strategic opening was designed to inject capital, technology, and competition into key areas of the economy. The most significant of these is the banking sector, with a new law approved in February 2025 that formally permits foreign banks to operate in Ethiopia (NBE 2025). This move, which follows the successful entry of Safaricom into the telecommunications sector and similar openings in logistics, retail, and wholesale trade, transforms the capital market from a strategic option to a strategic necessity.

Along with sectoral liberalization, the government is actively working to improve the broader business climate. These efforts include simplifying business start-up challenges (MINT, 2025), licensing procedures, and establishing a formal public-Private Dialogue platform (MoF, 2025). These changes aim to systematically identify and resolve operational obstacles that have historically hindered private investment, fostering a more collaborative relationship between the state and business community.

Simultaneously, significant reforms are underway to address the fiscal risks posed by large state-owned enterprises (SOEs). The establishment of the (EIH) as a sovereign wealth fund is intended to introduce modern management practices and professional corporate governance into the SOE portfolio (EIH, 2024). Concrete actions, such as the full recapitalization of the state-owned Commercial Bank of Ethiopia (CBE) and the implementation of a multiyear plan to align electricity and fuel prices with their cost of provision, are major steps toward reducing quasi-fiscal burdens on the state budget and improving the operational efficiency of these critical enterprises.

2.4.7 Future Outlook of the Economy

The outlook for the Ethiopian economy is positive, characterized by a projected continuation of robust growth, supported by the sustained implementation of the reform agenda, and an improving macroeconomic environment. According to the World Bank, real GDP growth reached approximately 7.2% in FY2024/25, and the medium-term outlook projects average annual growth in the range of 7.5% to 8.0% through FY2028/29.

This sustained expansion was expected to be driven by a diverse set of growth factors. Key factors among these are large-scale investments in the mining sector, such as the launch of the Tulu Kapi gold and copper mine, continued expansion of electricity generation from major hydropower projects, productivity gains in agriculture, and the on-going growth of the services sector, led by the expansion of Ethiopian Airlines' fleet and network.

The macroeconomic environment is expected to become increasingly stable. Inflation is forecasted to continue its downward trajectory, reaching 12% in FY2025/26 and falling into the single digits by FY2027/28, contingent on the NBE's continued commitment to its prudent policy stance. The external position is also projected to be strengthened. The current account deficit is forecasted to remain at manageable levels, narrowing to -2.1% of GDP by FY2027/28. In parallel, foreign exchange reserves are expected to accumulate steadily, reaching a target of 3.5 months of import cover by the end of the same fiscal year. This marked improvement in the reserve position enhances the economy's resilience to external shocks and bolsters investor confidence.

2.4.8 Ethiopia Capital Market Performance

The Ethiopian capital market is at an early but rapidly transforming stage, characterized by significant structural reforms aimed at transitioning from a bank-dominated, administratively controlled financial system toward a market-based capital allocation framework. Historically, Ethiopia lacked a functional secondary securities market, and government securities were primarily issued through administrative arrangements rather than competitive market pricing mechanisms. This structure reflected a form of financial repression, where commercial banks were effectively required to absorb government securities at non-market-determined rates, limiting the development of deep and liquid capital markets.

The establishment of the Ethiopian Capital Market Authority (ECMA) under Proclamation No. 1248/2021 and the official launch of the Ethiopian Securities Exchange (ESX) in January 2025 represent a structural turning point in the financial system. These reforms are complemented by the operationalization of the Interbank Money Market (IMM) in October 2024, which has already facilitated transactions exceeding ETB 1.3 trillion by December 2025, significantly improving liquidity management and monetary policy transmission.

A major milestone in market development has been the transition of Treasury bill (T-bill) pricing from a largely regulated system to a market-based auction mechanism. Following reforms introduced in mid-2024, yields began adjusting upward to reflect market conditions, increasing investor participation and improving auction performance. This shift has strengthened price discovery, enhanced demand for government securities, and reduced reliance on administrative allocation mechanisms.

In the 2023/24 fiscal year, T-bill auctions recorded a total demand of ETB 812.9 billion, while total supply reached approximately ETB 1.4 trillion equivalent issuance capacity, resulting in partial undersubscription in earlier periods but improving alignment between demand and supply following reforms. Of the ETB 797.8 billion sold, banks accounted for ETB 162.3 billion, while non-bank institutions absorbed ETB 285.5 billion, reflecting growing participation from institutional investors such as insurers and pension funds. Outstanding T-bills increased to ETB 447.8 billion, compared to ETB 116.6 billion in 2020/21, indicating deepening domestic debt absorption capacity.

The average weighted yield on T-bills increased steadily from 1.7% in 2018/19 to 9.7% in 2023/24, and

further rose above 20% in the post-reform period (2024/25) in some auction windows, reflecting the transition toward market-determined interest rates and alignment with inflation expectations. This development has significantly improved real returns on government securities, strengthening demand and reinforcing the credibility of the reform process.

In parallel, the corporate debt market remains in its infancy, with limited issuance and narrow investor participation. The Commercial Bank of Ethiopia (CBE) remains the dominant institutional investor in corporate bonds, although its participation has declined significantly, reflecting a gradual shift toward market diversification and alternative investment instruments.

The broader capital market reform agenda is supported by coordinated efforts from the International Monetary Fund (IMF), World Bank, and the Ministry of Finance. Key reforms include the planned elimination of mandatory T-bill subscription requirements for commercial banks, development of a central securities depository (CSD), dematerialization of government securities, and improved issuance planning frameworks. These reforms aim to strengthen transparency, efficiency, and secondary market development.

Overall, Ethiopia's capital market is transitioning from a segmented and administratively controlled system toward an integrated, market-based financial ecosystem. The combination of ESX launch, interbank market development, and T-bill pricing reforms has created early signs of financial deepening and improved investor participation. While the market remains nascent, these structural reforms are laying the foundation for long-term capital mobilization, improved fiscal financing efficiency, and private sector investment expansion.

Table 42: Capital Market Activity (FY2018/19–FY2024/25)

Indicator	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25*
T-Bills Demanded (Total)	422,633.5	242,155.1	284,783.6	599,478.6	595,231.3	812,892.1	1,120,500
T-Bills Sold	422,633.5	242,155.1	238,799.6	582,268.6	576,081.3	797,797.1	1,085,300
Average Weighted Yield (%)	1.7	4.8	8	9.5	9.7	9.7	18.5
T-Bills Outstanding (Total)	138,054.4	23,724.0	116,560	317,169.6	341,869.5	447,802.9	612,400.0
Banks	650.0	5,604.0	52,040	195,432.3	146,568.1	162,259.3	185,000
Non-Banks	137,404.4	18,120.0	64,520	121,737.3	195,301.5	285,543.6	427,400

Source: National Bank of Ethiopia, Financial Stability Report, ESX Market

2.4.9 Comparative Overview of Berhan Bank S.C.'s Position within Ethiopian Banking Industry

The Ethiopian banking industry continued to register strong expansion during the 2024/25 and 2025/26 fiscal periods, driven by sustained deposit mobilization, loan growth, digital banking expansion, capital accumulation, and increasing financial inclusion. Industry competition also intensified as banks pursued aggressive customer acquisition, branch expansion, digital transformation, and enhanced lending activities.

According to the latest industry reports published by the National Bank of Ethiopia (NBE), the banking industry recorded strong double-digit growth across most performance indicators during 2025. Industry-wide deposits, loans, assets, and capital continued expanding despite persistent inflationary pressures, foreign exchange shortages, and tightening liquidity conditions.

Within this evolving market structure, Berhan Bank S.C. continues to position itself as an emerging medium-sized private commercial bank with above-industry-average growth momentum across several operational and financial indicators.

The comparative assessment below evaluates Berhan Bank S.C.'s position relative to industry peers using growth rates, market shares, portfolio ratios, liquidity indicators, and operational efficiency measures.

Table 43: Industry Classification Structure (2025)

Category	Characteristics	Representative Banks
Large/Systemically Important Banks	Dominant market share, extensive branch networks, strong capital base, nationwide dominance	Commercial Bank of Ethiopia
Medium/Established Private Banks	Strong market presence, mature operations, diversified portfolios	Awash Bank, Bank of Abyssinia, Dashen Bank, Cooperative Bank of Oromia, and Hibret Bank
Small and Emerging Banks	Mid-to-small scale, fast growth orientation, expanding footprint	Wegagen Bank, Nib Bank, Berhan Bank S.C. , Oromia Bank, Zemen Bank, Bunna Bank, Enat Bank, Abay Bank

Within this structure, Berhan Bank S.C. is positioned as a small-to-mid tier emerging private bank, with strong growth momentum and increasing competitive relevance.

2.4.9.1 Industry Structure and Market Segmentation

The Ethiopian banking system is characterized by a tiered market structure comprising three main segments:

A. Large Bank Segment

The large-bank segment is dominated by the Commercial Bank of Ethiopia (CBE), which holds a dominant position in the market, accounting for more than half of total industry deposits, loans, and assets. This segment plays a systemic role in financial intermediation and liquidity allocation within the economy.

B. Medium Bank Segment

The medium-bank segment collectively represents approximately 30%–35% of total industry deposits and loans. Established nationwide operations, diversified portfolios, and relatively strong financial positions characterize banks in this category.

C. Small Bank Segment

The small-bank segment accounts for approximately 15%–20% of total industry deposits and loans. This segment is highly competitive and fragmented, with institutions focusing on rapid growth, niche positioning, and efficiency-driven expansion strategies.

Within this structure, Berhan Bank S.C. is classified under the small-bank segment, with increasing competitive relevance driven by above-average growth performance.

2.4.9.2 Deposit Mobilization Performance

Deposit mobilization remains a key indicator of customer confidence, funding stability, and market competitiveness. The Ethiopian banking sector continues to be dominated by large banks, which account for more than 45%–50% of total deposits, while medium and small banks collectively contribute the remaining share. Berhan Bank S.C. holds an estimated 2.5%–3% of total industry deposits. Despite its relatively modest market share, the Bank has demonstrated strong deposit growth, reflecting enhanced customer acquisition

capabilities, deeper penetration of retail and SME segments, and improved efficiency in mobilizing stable funding sources.

2.4.9.3 Loans and Advances Performance

The loans and advances market remains concentrated among large banks, which account for more than half of total industry lending. Berhan Bank S.C. maintains an estimated market share of approximately 2.5%–3%, positioning it within the small-bank category. Nevertheless, the Bank continues to expand its lending portfolio at a pace that outperforms many peers, reflecting effective credit deployment, growing customer demand, and an increasing role in supporting economic activities across its target market segments.

2.4.9.4 Asset Size and Growth Performance

Total industry assets remain highly concentrated within large and medium-sized banks. Berhan Bank S.C. accounts for approximately 3% of total banking sector assets, reflecting its position as a growing but relatively small market participant. Despite this, the Bank has achieved strong asset growth driven by expansion in loans, investments, and deposit mobilization, indicating its increasing capacity to compete and strengthen its market presence.

2.4.9.5 Capital Strength

Capital adequacy remains fundamental to financial stability, regulatory compliance, and future growth. While industry capital is largely concentrated among large and medium banks, Berhan Bank S.C. represents an estimated 3%–4% of total sector capital. The Bank recorded capital growth significantly above the industry average, supported by strong shareholder commitment and sustained earnings growth. This performance has strengthened its solvency position and enhanced its capacity to support future business expansion and regulatory requirements.

2.4.9.6 Branch Network Position

The Ethiopian banking sector maintains extensive branch networks, with medium-sized banks accounting for the largest share of total branches. Berhan Bank S.C.'s branch network represents approximately 3%–4% of industry branches, reflecting a more selective physical expansion strategy. While its footprint remains smaller than many competitors do, the Bank continues to focus on branch productivity, digital banking initiatives, and cost-efficient service delivery models to enhance customer reach and operational effectiveness.

2.4.9.7 Foreign Currency Generation

Foreign currency mobilization remains a critical challenge and competitive differentiator within the Ethiopian banking industry. Large banks continue to dominate foreign exchange inflows, while Berhan Bank S.C. contributes an estimated 2%–3% of total industry foreign currency generation. The Bank's performance reflects growing participation in trade finance, expansion of its import-export customer base, and gradual enhancement of its foreign exchange service capabilities, positioning it for continued growth in this strategically important area.

2.4.9.8 Loan-to-Deposit Ratio (Liquidity Position)

The loan-to-deposit ratio (LDR) is an important measure of liquidity management and intermediation efficiency. Berhan Bank S.C.'s LDR of approximately 77% is broadly aligned with industry norms and comparable to peer institutions. This indicates a balanced approach to credit expansion and liquidity management, allowing the Bank to maintain efficient utilization of deposits while preserving a stable funding structure and manageable liquidity risk profile.

2.4.9.9 Overall Competitive Position Assessment

Berhan Bank S.C. remains positioned within the small-bank segment of the Ethiopian banking industry, holding an estimated market share of approximately 2%–3% across major financial indicators. Despite its relatively modest market presence, the Bank has consistently recorded growth rates above industry averages in deposits, loans, assets, and capital. This demonstrates a strong growth trajectory, improving competitive position, and increasing capacity to capture future market opportunities. Continued investment in capital, technology, customer acquisition, and foreign currency generation is expected to further strengthen the Bank's long-term competitiveness.

Berhan Bank S.C.'s key strengths include strong growth momentum across deposits, loans, assets, and capital, consistently outperforming industry averages. The Bank has also demonstrated improving capital adequacy, expanding foreign currency generation capacity, and increasing market penetration through a balanced strategy focused on customer acquisition, operational efficiency, and sustainable business growth.

Despite its strong growth trajectory, Berhan Bank S.C. continues to face challenges associated with its relatively small market share and limited branch network compared to larger competitors. The Bank is also exposed to operational, liquidity, and credit risks inherent in rapid expansion, while the need to strengthen foreign currency generation and scale infrastructure remains critical to supporting its long-term growth objectives.

2.5 Regulatory Environment

Berhan Bank S.C. operates under the National Bank of Ethiopia's (NBE) prudential rules regarding capital adequacy, liquidity, credit limits, loan classification, provisioning, and AML/CFT. The Bank must also ensure strict compliance with all applicable federal proclamations and national regulations. During the reported period, Berhan Bank S.C. has complied with all material NBE directives and regulatory standards, except that its loan growth in FY2025/26 exceeded the NBE credit growth limit, as disclosed in Section 2.5.21; the NBE took no supervisory measure, and the limit was removed with effect from July 2026.

2.5.1 Banking Business Proclamation No. 1360/2025

Enacted on December 17, 2024, this landmark legislation repealed legacy laws (Proclamation No. 592/2008) to modernize the sector.

It serves as the primary legal framework shaping Berhan Bank S.C.'s strategic and operational landscape, notably opening the industry to foreign participation for the first time in five decades. Banks operate within a regulatory framework where the National Bank of Ethiopia (NBE) acts as the primary licensing and supervisory authority. NBE's regulatory environment shapes the Company's financial, operational, and strategic decisions, setting performance benchmarks and dictating required capital structures.

2.5.2 Entry Routes for Foreign Banks

The Proclamation establishes clear legal pathways for foreign financial institutions to enter the Ethiopian market. A reputable, prudentially supervised foreign bank may now:

- Incorporate a wholly- or partially-owned subsidiary (minimum paid-up capital to be set by NBE directive);
- Open a deposit-taking or non-deposit-taking branch (but not both); or
- Acquire up to 40% of a single domestic bank provided aggregate foreign shareholding in that bank remains below 49%. Representative offices are also brought under NBE licensing for the first time.

2.5.3 Investor Categories and Capital Requirements

Only “strategic investors” (international banks, development finance institutions, private equity funds, or government-owned financial institutions) may establish subsidiaries or branches; other foreign investors are limited to portfolio-style share acquisitions. Capital must be fully paid in foreign currency up-front and parked in a blocked account pending licensing. Dividends and expatriate salaries may be repatriated under the new floating-exchange-rate rules.

2.5.4 Governance and Fit-and-Proper Standards

At least one-third of a bank’s board must now be independent directors, and the NBE has powers to vet the suitability of all significant shareholders, directors, and senior managers. Foreign nationals may serve as CEO or senior executives for renewable five-year terms if no qualified Ethiopian is available, entrenching skills-transfer obligations.

2.5.5 Expanded NBE Powers and Prompt Corrective Action

The National Bank becomes a dedicated resolution authority, able to intervene early in order to remove managers, impose capital restoration plans, suspend dividends, arrange purchase-and-assumption transactions, or place a failing bank in temporary administration, thereby reducing systemic risk.

2.5.6 Prudential and Reporting Alignment

All banks must adopt IFRS for loan-loss provisioning, publish audited financial statements in newspapers and on their websites, and submit detailed returns to the NBE. External auditors are obliged to report material breaches or suspected crimes directly to the supervisor.

2.5.7 Ancillary Reforms

Foreign banks may own immovable property necessary for their business, while mortgage collateral enforcement continues under existing Ethiopian civil procedures. The law also paves the way for cross-border supervisory co-operation agreements and macro-prudential tools such as counter-cyclical capital buffers.

2.5.8 Foreign Exchange Exposure Limits – SBB/96/2025

Directive SBB/96/2025 caps a bank’s net foreign-currency position at $\pm 18\%$ of Tier 1 capital at every close of business. It requires consolidated calculation and submission of the exposure report to the NBE by noon the next day. Any excesses must be eliminated within one business day; failure to do so results in a penalty of 10% per annum on the uncorrected balance, plus fixed fines of ETB 10,000 for late filing and ETB 50,000 for misreporting. The central bank may also suspend FX operations or restrict dividends for repeated breaches.

2.5.9 Risk-Based Capital Adequacy Requirements – SBB/95/2025

This Directive replaces the one-size-fits-all rule with a simple principle: the riskier the bank’s assets, the more of its own money it must set aside. Every licensed bank is now required to hold three safety cushions measured against its “risk-weighted assets”: Common Equity Tier 1 (min 7%), Total Tier 1 (min 9%), and an Overall capital ratio (min 11%).

Risk weightings drive the new calculus. Cash and NBE bills carry a zero weight, while corporate loans and other exposures are assigned weights ranging from 20% to 150%. Collateral no longer reduces the weight for non-performing loans; once a facility is classified as NPL, the full amount is weighted at 150%.

2.5.10 Licensing and Renewal of Banking Business – SBB/94/2025

Directive SBB/94/2025 is the latest comprehensive rulebook for granting and renewing banking licenses to domestic and foreign institutions. For a subsidiary or domestic bank, the minimum paid-up capital is set at ETB 5 billion. Representative offices must keep USD 100,000 on deposit to cover annual expenses. This ensures all entrants possess sufficient financial backing to support the economy.

2.5.11 Recovery Plan of Banks Directive – SBB/93/2025

Effective May 13, 2025, this obliges every bank to file a board-approved Recovery Plan annually by September 30. The plan must map how the bank would restore viability without public funds if capital falls below 75% of the minimum or liquidity breaches the 25% threshold. It identifies core business lines, quantifies the impact of severe macro shocks, and sets triggers for asset disposal, liability management, or capital raising. Failure to deliver or execute the plan can trigger supervisory restrictions.

2.5.12 Bank Corporate Governance – SBB/91/2024

This Directive embeds robust governance to balance risk-taking with prudence. It mandates that the board include at least two independent female directors, tightens election procedures, and redefines nomination committee duties. A cap of two employee directors safeguards independence, ensuring sustainable shareholder value and the protection of stakeholder interests. The Board currently includes two female directors, W/ro Meron Gezahegn and W/ro Abaydar Ketteema (PhD), meeting the minimum requirement of two female directors. The Board does not currently include independent directors; the Bank will apply the independent director requirements of the Directive at the next election of the Board of Directors. The Nomination and Remuneration Committee is constituted in accordance with this directive.

2.5.13 Asset Classification and Provisioning – SBB/90/2024

This directive ensures prudent risk governance by aligning classification with international standards. All NPLs must be placed under non-accrual status regardless of collateral. If one loan to a client (accounting for 20% of their total exposure) is non-performing, all loans to that customer are reclassified as NPLs. To prevent "ever-greening," restructurings are restricted to three for short/medium-term and four for long-term loans. Berhan Bank S.C.'s NPL ratio improved to 4.78% in FY2025 (from 5.75% in FY2023), placing it just inside the NBE's 5% ceiling. Trade-related NPLs grew 120%+ between 2023 and 2025. Under this directive, any further deterioration in trade or construction NPLs will have immediate income impact (non-accrual) and capital impact (150% RW). SO 6 includes a dedicated NPL resolution program as a priority response.

2.5.14 Persons with Significant Influence – SBB/89/2024

Aims to safeguard stability and trust by imposing stringent fitness-and-propriety tests on owners, directors, and senior managers. Candidates must demonstrate high qualifications, experience, and integrity. Board members face caps on concurrent directorships to ensure they have the capacity to govern effectively throughout their tenure.

2.5.15 Related Party Transactions – SBB/88/2024

Designed to prevent abuse and conflicts of interest, this ensures all related-party transactions are concluded on arm's-length terms. Exposure to a single related party may not exceed 15% of capital, and combined exposure to all related parties is capped at 35%. Preferential terms for connected individuals are strictly prohibited.

2.5.16 Large Exposure Directives – SBB/87/2024

To control concentration risk, the directive limits the aggregate of all large exposures to any single counterparty or group to 25% of the bank's total capital. Banks must establish board-approved policies to monitor and govern these exposures, ensuring that a single failure does not compromise the bank's solvency.

2.5.17 Foreign Exchange Directive – FXD/01/2024

Ushers in a market-based exchange-rate regime with six headline changes, including the creation of an inter-bank market and the licensing of independent FX bureaus. Exporters must convert 50% of proceeds into Birr at market rates, keeping the other 50% in retention accounts. For Berhan Bank S.C., this liberalized regime offers revenue opportunities through higher FX turnover and competitive pricing.

2.5.18 Financial Consumer Protection – FCP/01/2020

Establishes a framework for fair and transparent transactions. Berhan Bank S.C. complies by disseminating clear information on rates and tariffs across multiple channels and maintaining a contact center to handle customer inquiries and complaints promptly, fostering professional conduct and trust.

2.5.19 Payment Instrument Issuers – ONPS/10/2025

Sets a hard floor of Birr 100 million paid-up capital for any entity issuing payment instruments. Single-shareholder control is capped at 40%, forcing a dispersed ownership structure that reduces concentration risk and supports the Bank's digital strategy in an interoperable environment.

2.5.20 Minimum Capital Requirement for Banks – SBB/78/2021

Resets the minimum paid-up capital floor to Birr 5 billion. The compliance deadline for existing banks was June 30, 2026, and has passed. Failure to comply exposes a bank to severe remedial action, such as forced merger or receivership, underscoring the regulator's push for fewer, stronger banks capable of supporting a growing economy. Berhan Bank S.C.'s paid-up capital was ETB 6.33 billion (ETB 6,328,419,000) as at November 24, 2025 and as at the date of this Prospectus, exceeding the ETB 5 billion minimum. The Bank therefore met the requirement by the June 30, 2026 deadline and is in compliance as at the date of this Prospectus. The current Offer targets ETB 10.0 billion by Q2 FY2026/27, reflecting management's assessment that the NBE will escalate the minimum threshold over time, as already anticipated in the Bank's scenario planning for ETB 15B/20B/25B thresholds.

2.5.21 Other Related Rules and Regulations

A. Capital Market Regulations No. 1248/2021 and Directive No. 1030/2024 and ESX Rulebook of the Ethiopian Securities Exchange, 2024

The Capital Market Proclamation No. 1248/2021 and Directive No. 1030/2024, as well as the Ethiopian Securities Exchange (ESX) Rulebook establish a regulatory platform to govern share companies and issuer of securities for capital-raising purposes. These rules establish mandatory registration and strict documentation requirements for financial institutions structured as share companies engaged in public offerings or trading securities. In line with the applicable regulatory frameworks, the Company is required to register its existing shares and any new public offerings with the ECMA after meeting the prescribed requirements. As a listed entity, it is also subject to continuous reporting and compliance obligations. Key requirements include filing a Registration that must incorporate audited financial reports covering the preceding three (3) years, a no-objection letter from the regulator (NBE), and a description of the issued and paid-up capital of the company, and others to the ECMA and ESX. The Company is mandated to maintain strong governance frameworks that align with the established regulatory standards.

B. Dematerialization Directive

ECMA has issued requirements for the dematerialization of securities the conversion of physical share certificates into electronic form held in the Central Securities Depository (CSD) operated by the Ethiopian Securities Exchange. This directive applies to Berhan Bank S.C. as an issuer registering securities with ECMA under this Prospectus.

The specific impacts on Berhan Bank S.C. are:

Compliance with the Dematerialisation Directive requires the Bank to convert a register of 23,580 shareholders holding 6,328,419 shares from physical certificates into electronic records held in the Central Securities Depository operated by the Ethiopian Securities Exchange. The consequences for the Bank are as follows.

- Operational. The Bank must cleanse, reconcile and verify its shareholder records before upload, including resolving incomplete identification data, holdings registered in the names of deceased shareholders

pending succession, holdings subject to dispute, and holdings registered to entities whose legal status has since changed. The Bank must also appoint and interface with a licensed registrar or CSD participant. This work falls on the Share Administration function, which the Bank has resourced through the Shareholders Management System deployed in FY2024/25 and described in Section 2.1.3.

- Process. Share transfers, dividend payment and corporate action processing will migrate from the Bank's internal share register to CSD-based settlement. The Bank must amend its dividend payment procedure, its register-maintenance procedure and its shareholder verification controls accordingly, and must reconcile its register to the CSD on a continuing basis.
- Timing and completion risk. Shares that shareholders do not claim and dematerialise within the period prescribed by the Directive cannot be traded on the over-the-counter market until claimed. Given the size and dispersion of the Bank's shareholder base, the Bank expects a residual population of unclaimed holdings, which will generate continuing shareholder-service volumes and may attract shareholder complaints. The corresponding risk factor is disclosed in Section 9.
- Capital and earnings. Dematerialisation has no effect on the Bank's capital, solvency, funding or earnings. It changes the form in which existing shares are held, not the rights attaching to them.

C. Ethiopian Deposit Insurance Fund

Ethiopian Deposit Insurance Fund (EDIF) is one element of the financial safety net. EDIF is an institution with its own legal personality, established under Council of Ministers Regulation No. 482/2021, and it officially commenced operations in April 2023 after meeting all necessary preconditions. The Fund's role is to contribute to financial-system stability by protecting depositors when a deposit-taking financial institution i.e., a commercial bank or a microfinance institution fails to meet its obligations to them. The main directive governing the Ethiopian Deposit Insurance Fund is Directive No. 01/2023, which sets the initial and annual premium contributions for member institutions. Issued by EDIF, this directive establishes a 0.04 % initial premium and a 0.3 % annual premium on total deposits for all licensed commercial banks and microfinance institutions in Ethiopia.

D. Proclamation on Money Laundering and Financing of Terrorism

Proclamation on Prevention and Suppression of Money Laundering and Financing of Terrorism (No. 780/2013). This law applies to all financial institutions in Ethiopia, including banks, and is aimed at preventing, suppressing money laundering, and the financing of terrorism. It requires institutions to conduct customer due-diligence, verify customer identity, and maintain robust internal controls against illicit financial flows. The Company has implemented every measure necessary to comply with these requirements and regularly prepares and submits transaction reports to the Financial Intelligence Service (FIS).

E. Employee Benefit Legislations

Primarily Labor Law Proclamation No. 1156/2019 governs Ethiopia's labor relations. The statute codifies the rights and obligations of employers and employees, detailing wages, working conditions, and benefits. Rigorous compliance promotes a stable, healthy, and productive workforce, reinforcing the Bank's operational efficiency and reputation as a responsible employer.

F. Legislations on Tax

Ethiopian banks are principally governed by the Income Tax Proclamation (as amended by Proclamation No. 1395/2025) and associated regulations. These impose a 30 % flat corporate-income-tax rate on banking profits, an Alternative Minimum Tax (AMT) and assorted withholding taxes; they also subject specified services to Value-Added Tax and imported items to customs duty. As Category-A taxpayers, banks must additionally pay a Minimum Alternative Tax equal to 2.5 % of net banking income whenever their standard income-tax

liability falls below this floor, thereby guaranteeing a baseline contribution to government revenue even in low- or zero-profit years.

G. NBE Credit Growth Limit

During the review period, the National Bank of Ethiopia applied a quantitative limit on the annual growth of commercial banks' outstanding credit as part of its monetary policy framework. The limit was set at 14% in FY2022/23, revised to 18%, and further revised to 24% with effect from January 2025. The Bank's gross loans and advances grew by 6.67% in FY2023/24 and 16.74% in FY2024/25. In FY2025/26, gross loans and advances grew by 36.65% in the nine months to 31 March 2026 (41.78% year on year), above the 24% limit. The National Bank of Ethiopia was aware of the Bank's position and did not take any supervisory measure. With effect from July 2026, the National Bank of Ethiopia removed the credit growth limit, and the Bank is no longer subject to it.

2.6 Employees

2.6.1 Information on Employees of the Issuer

Table 44: Employee Record (Permanent)

Job Category	FY2023/24			FY2024/25			June 30, 2026 (Prospectus Date)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Managerial	578	356	934	592	334	926	593	325	918
Professional	483	486	969	466	519	985	536	592	1,128
Clerical	686	561	1,247	700	679	1,379	615	598	1,213
Non-Clerical	2,104	750	2,854	1,953	553	2,506	1,836	529	2,365
Grand Total	3,851	2,153	6,004	3,711	2,085	5,796	3,580	2,044	5,624

Note: All employees of Berhan Bank S.C. across all reporting periods are engaged on a full-time basis. The Bank does not employ part-time staff. In addition to direct employees, the Bank engages outsourced personnel for non-clerical support functions (security and facility management); these outsourced workers are employed directly by third-party service providers and are not included in the headcount figures above.

Table 45: Employment Type Segmentation (Full-time vs Part-time)

Employment Type	FY2022/23	FY2023/24	FY2024/25	FY2025/26 (Jun 30, 2026)
Permanent Staff (Full-time)	5,998	6,004	5,796	5,624
Contract Staff (Full-time)	13	9	6	6
Total Direct Employees (Full-time)	6,011	6,013	5,802	5,630
Outsourced Personnel	N/A	N/A	N/A	1,106
Part-time Staff	—	—	—	—

The Bank employed 6,004 staff in FY2023/24, declining to 5,796 in FY2024/25 (–3.5%), and further to 5,624 as at June 30, 2026 (–3.0%). The cumulative reduction of 380 staff over two years reflects the branch network rationalization program (net reduction from 383 to 375 branches) and ongoing efficiency measures. The Bank's FY2026/27 strategic plan projects a stabilized headcount of 5,694.

As at 30 June 2026, the Bank employed 5,630 direct employees (5,624 permanent and 6 contract staff), compared with 5,802 direct employees (5,796 permanent and 6 contract staff) as at 30 June 2025, as shown in the tables above. The Bank's workforce comprises both permanent and contract employees engaged across branch operations, customer service, digital banking, risk management, treasury, finance, and administrative

functions. The Bank maintains a structured human resource management framework focused on operational continuity, succession planning, staff capacity development, and employee retention. During the reporting periods, the Bank continued implementing staff development initiatives through classroom-based training programs, technical certification support, management development programs, and digital learning platforms aimed at strengthening both managerial and non-managerial competencies.

Employee turnover remained within manageable levels during the period under review, reflecting the Bank's ongoing focus on employee engagement and retention. The Bank also continued strengthening workforce productivity through performance management systems, incentive structures, and professional development programs.

In addition to direct employment, the Bank engages outsourced personnel primarily for non-clerical support functions, including security and facility management services, in order to enhance operational efficiency and branch support services.

2.6.2 Employee Compensation and Benefits

The Bank provides compensation and benefit packages designed to support employee welfare, enhance staff retention, and maintain competitiveness within the Ethiopian banking industry. Employee compensation structures are reviewed periodically in line with operational requirements, labor market conditions, and the Bank's performance objectives.

The Bank provides a comprehensive and competitive compensation and benefits framework designed to attract, motivate, and retain qualified employees while ensuring alignment with industry standards and regulatory requirements. The remuneration structure includes salary, fuel allowance, housing allowance, representation allowance, mobile phone allowance, per-diem, hardship allowance, cash indemnity, overtime pay, provident fund contributions, cleaning allowance, leave benefits, medical coverage, training support, tuition fee reimbursement, severance pay, pension scheme contributions, and salary advance facilities.

Table 46: Employee Compensation and Benefits Total Cost (ETB '000)

Item (ETB '000)	FY 2024/25	FY 2023/24	FY 2022/23
Salaries	(1,379,710)	(1,220,871)	(1,061,522)
Staff Allowances	(431,228)	(357,324)	(226,354)
Overtime	(23,111)	(23,033)	(20,386)
Bonus	(209,213)	(174,152)	—
Training and Education	(43,786)	(21,295)	(49,123)
Leave Payment	(15,731)	(15,751)	(21,313)
Pension Costs – Defined Contribution Plan	(150,973)	(133,539)	(115,039)
Provident Fund – Defined Contribution Plan	(13,727)	(12,140)	(11,105)
Other Staff Expenses	(91,182)	(83,404)	(82,558)
Total Short-term Employee Benefits	(2,358,661)	(2,041,509)	(1,587,400)
Defined Benefit Plans – Severance	(42,002)	(34,772)	(28,870)
Total Personnel Expenses	(2,400,663)	(2,076,281)	(1,616,270)

Item (ETB '000)	FY 2024/25	FY 2023/24	FY 2022/23
Severance Liability (Statement of Financial Position)	194,200	136,485	101,795

The Bank's total personnel expenses increased from ETB 1.62 billion in FY2023 to ETB 2.40 billion in FY2025 (+48.5% over two years), driven by salary adjustments, staff expansion, and the introduction of a bonus scheme in FY2024. Severance pay obligations (defined benefit) are recognized on the statement of financial position at ETB 194.2 million as at June 30, 2025 (2024: ETB 136.5 million; 2023: ETB 101.8 million), reflecting the actuarially estimated present value of future severance obligations for employees with five or more years of service.

Berhan Bank S.C. does not operate any share-based payment scheme, employee share ownership plan, or any other arrangement involving the participation of employees in the share capital of the Bank as at the date of this Prospectus. No options, warrants, or rights over shares have been granted to any employee. All compensation paid to employees is cash-based as described in the tables above. Should the Bank establish any share-based payment or employee capital participation arrangement in the future, such arrangement will be disclosed in accordance with applicable ECMA and NBE requirements.

Table 47: Pension Cost

Period	Pension Cost
(ETB)	
June 2024	133,538,530.75
June 2025	150,972,693.38
March 2025	113,549,322.56
March 2026	147,138,001.17

The Bank's pension expenses increased from ETB 133.54 million in June 2024 to ETB 150.97 million in June 2025, reflecting workforce expansion, salary adjustments, and growth in employee-related obligations. Pension costs further increased to ETB 147.14 million as at March 2026 compared to ETB 113.55 million as at March 2025. The increase is consistent with the Bank's employee compensation structure and ongoing investment in human capital to support operational growth and branch expansion activities.

Table 48: Staff Loans

Staff Loans	FY 2022/23	FY 2023/24	FY 2024/25	March 2025	March 2026
(ETB Million)					
Emergency Staff Loans	366.51	464.28	-	-	-
Personal Loans	150.89	220.62	309.13	310.99	431.90
Automobile Loans	156.08	179.69	162.90	172.54	163.91
Mortgage Loans	1,562.89	2,331.71	2,291.92	2,315.57	2,172.09
Total	2,236.38	3,196.30	2,763.94	2,799.09	2,767.89

The Bank provides staff loan facilities as part of its employee welfare and retention framework in accordance with internal credit policies and procedures. Staff loan facilities primarily include personal loans, automobile financing, mortgage loans, and emergency advances.

Mortgage loans constitute the largest component of staff lending throughout the reporting period, reflecting the Bank's focus on long-term employee welfare and housing support. Personal loans demonstrated gradual

growth over the reviewed periods, increasing from ETB 150.89 million in June 2022/23 to ETB 431.90 million in March 2026, indicating increasing utilization of employee credit facilities.

Total staff loans remained relatively stable between March 2025 and March 2026, amounting to ETB 2.80 billion and ETB 2.77 billion, respectively. The overall portfolio reflects the Bank's continued commitment to employee support while maintaining internal lending controls and policy-based eligibility requirements.

Working hours:

Table 49: Working hours

Category	Working Days	Morning Hours	Afternoon Hours
Head Office	Monday to Saturday	8:00 AM - 12:00 PM	1:00 PM - 5:00 PM
Branches	Monday to Saturday	8:00 AM - 12:00 PM	1:00 PM - 6:00 PM
Selected Branches	Monday to Saturday	8:00 AM - 12:00 PM	1:00 PM - 8:00 PM

With Regards to Leave and medical

- The Bank grants to non-managerial employees 17 working days of annual leave with an additional one-day leave entitlement added every two years. However, for managerial employees, the Bank grants 23 working days of annual leave with an additional one day of leave entitlement added each year.
- The Bank provides 100% local medical coverage to their employees

2.6.3 Employee Dependency

The Bank's operations are not dependent on any single individual. Responsibility for the Bank's principal business lines is distributed across the Executive Management Team described in Section 4.3, each member of which operates under Board-approved charters and delegated authority limits, and the Bank maintains a documented succession plan covering the Chief Executive Officer and each Chief Officer position, which is reviewed annually by the Board. Appointments to the Board of Directors and to executive management require the prior approval of the National Bank of Ethiopia under Directive No. SBB/91/2024, which constrains the speed at which senior vacancies can be filled; the Bank mitigates this by maintaining identified internal successors for each executive position. The Bank does not consider that the loss of the services of any one director or officer would have a material adverse effect on its operations, although the simultaneous loss of several members of executive management could disrupt execution of the strategic initiatives described in Section 2.2.2.

Key-personnel dependency. Notwithstanding the foregoing, the Bank identifies two areas in which operational capability is concentrated in a limited number of specialised personnel. First, core banking system (CBS) and IT operations depend on a small, specialised IT team that administers the Rubikon CBS, including the CBS-24 upgrade currently being implemented; the unplanned loss of members of this team could disrupt system availability, delay the upgrade and increase cybersecurity exposure. Second, foreign-currency (FCY) generation is concentrated in the FX treasury relationship managers: more than 62% of the Bank's organic FCY is originated through a limited number of relationship managers, so that their departure could reduce FX income and weaken correspondent-banking relationships. The Bank manages these concentrations through succession planning and capacity development.

2.7 Debt Position

The table below summarizes the Bank's debt position for the last three years:

Table 50: Debt position

Lender Name	FY 2024/25	FY 2023/24	FY 2022/23	Interest Rate
(ETB)				
National Bank of Ethiopia	—	—	ETB 559,028,000	16%

The Bank's principal source of funding continues to be customer deposits, reflecting its stable retail and commercial banking franchise. Total customer deposits reached ETB 44.5 billion as of June 30, 2025, demonstrating continued growth in the Bank's deposit mobilization capacity and supporting its liquidity position. Compared to the previous financial year, there have been no material changes in the Bank's borrowing structure, funding composition, or financing strategy, other than the settlement of the temporary National Bank of Ethiopia borrowing facility. The Bank continues to maintain a conservative funding profile with limited reliance on external debt financing.

As of June 30, 2025, the Bank had no outstanding borrowings from external lenders. Historically, the Bank obtained short-term financing amounting to ETB 559 million from the National Bank of Ethiopia in 2023 at an interest rate of 16%. The borrowing was temporary in nature and was fully settled during the subsequent financial year. The facility primarily served as a short-term liquidity support mechanism during a period of tightening market liquidity.

The Bank's total deposits increased from ETB 33.78 billion in 2023 to ETB 36.85 billion in 2024 and ETB 44.45 billion in 2025, reaching ETB 59.35 billion as at 31 March 2026, representing a three-year compound growth rate of approximately 21%. This sustained deposit growth has been the Bank's primary source of funding for asset growth over the period.

The Bank confirms that it is not acting as a guarantor for any material debt obligations of third parties as of June 30, 2025

2.7.1 Off - balance sheet Items

Table 51: Contingent Liabilities and Commitments (ETB '000)

Item (ETB '000)	FY 2024/25	FY 2023/24	FY 2022/23
Guarantees Issued and Outstanding	13,223,743	6,644,301	3,068,344
Commitments on Letters of Credit (net of margin paid)	1,939,037	100,495	46,749
Loans Approved but Not Disbursed	310,000	250,000	1,642,612
Total Contingent Liabilities	15,472,780	6,994,796	4,757,705
Capital Expenditure Commitments (not provided for)	115,000	78,500	—

Total contingent liabilities grew from ETB 4.76 billion in FY2023 to ETB 15.47 billion in FY2025 (+225.3%), driven primarily by a fourfold increase in guarantees issued (ETB 3.07 billion to ETB 13.22 billion), reflecting the Bank's growing trade finance activities and increased utilisation of guarantee facilities by commercial and corporate customers. Letters of credit commitments (net of margin paid) increased sharply from ETB 46.7 million in FY2023 to ETB 1.94 billion in FY2025, consistent with higher import financing activity following exchange rate liberalisation in July 2024. Loans approved but not yet disbursed declined from ETB 1.64 billion in FY2023 to ETB 310 million in FY2025, reflecting improved disbursement execution. In addition, the Bank

had capital expenditure commitments of ETB 115 million as at June 30, 2025 (2024: ETB 78.5 million) for purchase of various capital items not yet provided for in the financial statements.

Material Changes in Borrowing and Funding Structure since Last Financial Year

- Paid-up capital increase: The Bank's paid-up capital increased from ETB 4,286,885,000 as at June 30, 2025 to ETB 6,328,419,000 as at November 24, 2025, reflecting additional shareholder subscriptions of ETB 2,041,534,000 (1,958,419 new shares) in the period. This is the most material change in the funding structure since the last financial year-end.
- Deposit growth: Total customer deposits increased from ETB 44.45 billion as at June 30, 2025 to ETB 59.35 billion as at March 31, 2026, a growth of ETB 14.90 billion (+33.5% in nine months). This reflects the Bank's continued deposit mobilization activities and does not represent any new borrowing or debt.
- Interbank Money Market: The Bank continued to participate in the NBE's Interbank Money Market (IMM) for short-term liquidity management purposes during the period from July 2025 to the date of this Prospectus. These are overnight and short-term tactical positions and do not represent a structural change in the Bank's funding strategy.

Looking forward, the Bank expects to finance its business plans and operational activities primarily through internally generated funds, customer deposits, retained earnings, and ongoing balance sheet growth. The Bank does not currently anticipate undertaking any significant external borrowing arrangements in the near term.

2.8 Investment Activity

2.8.1 Investment in Government securities

During the 2024/25 financial year, Berhan Bank S.C. diversified its portfolio to strengthen financial standing, enhance liquidity, and support sustainable growth objectives

Table 52: Investment in government securities

Year of Start	Start Date(s)	Total Started	Year of Maturity	Maturity Date(s)	Total Maturing
(ETB)					
Treasury Bonds					
2022	15-Dec-22	422,340,000	2027	14-Dec-27	422,340,000
2023	16-Jan-23 to 18-Dec-23	1,848,888,000	2028	15-Jan-28 to 16-Dec-28	1,848,888,000
2024	15-Jan-24 to 18-Dec-24	1,620,394,000	2029	13-Jan-29 to 17-Dec-29	1,620,394,000
2025	16-Jan-25 to 16-Jun-25	1,366,344,000	2030	15-Jan-30 to 15-Jun-30	1,366,344,000
Subtotal - Treasury Bonds		5,257,966,000			5,257,966,000
DBE Bonds					
2023	14-Mar-23	196,770,000	2026	14-Mar-26 (matured)	196,770,000
2024	5-Jan-24	348,330,000	2027	5-Jan-27	348,330,000
2025	29-Jan-25	273,765,000	2028	30-Jan-28	273,765,000
Subtotal - DBE Bonds		818,865,000			818,865,000
Government Bond					
2021	7-Apr-21	5,000,000	2027	6-Apr-27	5,000,000

Year of Start	Start Date(s)	Total Started	Year of Maturity	Maturity Date(s)	Total Maturing
Subtotal - Government Bond		5,000,000			5,000,000
Open Market Operations (OMO)					
2025	26-Jun-25	1,005,753,424.66	2025	10-Jul-25 (matured – historical)	1,005,753,424.66
Subtotal - OMO		1,005,753,424.66			1,005,753,424.66

As at 30 June 2025, The portfolio consists of Treasury Bonds totalling 5,257,966,000 and DBE Bonds totalling 818,865,000. Treasury Bonds started between 15 December 2022 and 16 June 2025, with maturities ranging from 14 December 2027 to 15 June 2030, spread across the years 2022 (422,340,000 starting in 2022 maturing in 2027), 2023 (1,848,888,000 maturing in 2028), 2024 (1,620,394,000 maturing in 2029), and 2025 (1,366,344,000 maturing in 2030). DBE Bonds started on 14 March 2023 (196,770,000 maturing 14 March 2026), 5 January 2024 (348,330,000 maturing 5 January 2027), and 29 January 2025 (273,765,000 maturing 30 January 2028).

A total of 5,000,000 in Government Bonds was issued on 7 April 2021 and matures on 6 April 2027, adding to the maturity concentration in 2027. Additionally, an Open Market Operations (OMO) instrument with a discount value of 1,005,753,424.66 was issued on 26 June 2025 and matured on 10 July 2025 (a 14-day tenor). This instrument is disclosed as a historical holding at 30 June 2025 and is no longer outstanding. The DBE Bond of ETB 196,770,000 also matured on 14 March 2026. Since July 2025 the Bank has managed short-term liquidity through participation in the National Bank of Ethiopia's Interbank Money Market (IMM), using overnight and short-term positions.

Investment in equity

Berhan Bank holds strategic equity investments in EthSwitch S.C., Premier Switch Solution S.C., Berhan Insurance S.C., and Debo Microfinance S.C. These investments support the Bank's long-term strategy of expanding digital banking capabilities, strengthening participation in Ethiopia's financial infrastructure, and diversifying income sources.

The Bank's total equity investment portfolio increased from ETB 60.7 million in 2023 to ETB 142.7 million in 2025, while the total fair value increased from ETB 306.6 million to ETB 608.0 million over the same period. The growth reflects additional investments and fair value appreciation.

EthSwitch S.C. represents the Bank's largest strategic investment, with a fair value of ETB 525.3 million and a 3.90% ownership stake as of June 30, 2025. The Bank also held equity interests of 5.00% in Berhan Insurance S.C., 3.28% in Premier Switch Solution S.C., and 4.68% in Debo Microfinance S.C. These investments are geographically concentrated in Ethiopia and primarily relate to the banking, payment systems, insurance, and microfinance sectors.

Going forward, the Bank expects to continue investing in branch expansion, digital banking infrastructure, and strategic financial sector partnerships. These investments are expected to be financed primarily through internally generated funds, retained earnings, and customer deposit growth.

Material investments since June 30, 2025: The Bank has not made any material new equity investments since June 30, 2025. The increase in paid-up capital from ETB 4,286,885,000 (June 30, 2025) to ETB 6,328,419,000 (November 24, 2025) reflects new share issuances to existing shareholders and does not constitute an external investment.

Valuation Party and Methodology

The Bank measures its equity investments at fair value. For investments traded in active markets, fair value is determined using current market prices without the need for significant judgment. However, since the Bank's equity investments, including those in EthSwitch S.C. and Berhan Insurance S.C., are in unlisted entities, fair value is determined using generally accepted valuation techniques such as recent arm's-length transactions, discounted cash flow (DCF) analysis, option pricing models, and other methods commonly used by market participants. As at 30 June 2025, these equity investments were classified as Level 2 within the fair value hierarchy, indicating that their valuation is based on observable market inputs, either directly or indirectly, rather than on unadjusted quoted prices in active markets.

The fair value of the Bank's equity securities has been determined by PricewaterhouseCoopers (PwC), an independent internationally recognized valuation firm. PwC has conducted the valuation in accordance with the International Valuation Standards and IFRS 9 requirements applicable to financial assets measured at fair value through other comprehensive income (FVOCI).

The Bank has made an irrevocable election under IFRS 9 to designate its strategic equity investments including EthSwitch S.C., Berhan Insurance S.C., Premier Switch Solution S.C., and Debo Microfinance S.C. as Fair Value Through Other Comprehensive Income (FVOCI). Under this approach, changes in the fair value of these investments are recognized in other comprehensive income and accumulated in a separate equity reserve (the FVOCI reserve). Upon disposal of these investments, the accumulated fair value gains or losses are transferred directly to retained earnings and are not reclassified to profit or loss. Dividends received from these investments are recognized in profit or loss when the Bank's right to receive payment is established.

Table 53: Equity Investments by Value

Description	2023 Invested	2023 Fair Value	2023 %	2024 Invested	2024 Fair Value	2024 %	2025 Invested	2025 Fair Value	2025 %
	(ETB'000)			(ETB'000)			(ETB'000)		
Berhan Insurance S.C.	13,313	19,058	4.92	18,259	26,033	5.40	26,449	44,081.46	5.00
Ethswitch S.C.	40,877	277,492	8.59	68,379	388,980	3.88	100,000	525,268.71	3.90
Premier Switch Solution S.C.	4,800	8,591	1.22	9,849	43,620	4.08	11,531	31,303.60	3.28
Debo Micro Finance S.C.	1,667	1,473	3.09	1,667	1,518	2.19	4,683	7,395.30	4.68
Total	60,657	306,614	-	98,154	460,152	-	142,663	608,049.07	-

Note: All Equity Investments of the Bank are located in Addis Ababa

2.8.2 Income from investments

Total investment income demonstrated a strong upward trajectory over the review period, increasing from ETB 269.8 million in 2023 to ETB 478.4 million in 2025. This growth was primarily driven by increased returns from treasury bonds, expansion in government securities holdings, and rising income from strategic equity investments.

Treasury bond income remained the dominant contributor to total investment returns, reflecting the Bank's significant exposure to sovereign debt instruments and the gradual shift toward higher-yielding market-based securities. Income from government bonds and T-bills exhibited volatility across the period, reflecting changing interest rate environments and portfolio reallocation strategies.

In addition, income from OMO and interbank money market operations emerged in 2025, indicating increased participation in short-term liquidity management instruments. Equity investments in financial infrastructure institutions such as EthSwitch S.C., insurance entities, and microfinance institutions continued to provide stable dividend contributions and capital gains, reinforcing portfolio diversification benefits.

Overall, the investment portfolio reflects a balanced mix of sovereign instruments, development finance securities, money market operations, and strategic equity holdings, supporting both liquidity management and income generation objectives of the Bank.

Table 54: Income Generated from Investments

Investment	2023 Dividend / Fair Value Gain	2024 Dividend / Fair Value Gain	2025 Dividend / Fair Value Gain
(ETB)			
Treasury Bonds	43,155,586.85	178,029,906.62	343,456,757.69
Government Bond & T Bill	186,290,472.85	57,363,552.72	1,972,472.23
Open Market Operations (OMO) & IMM	—	—	20,069,862.96
DBE Bonds	22,000,698.48	48,694,866.74	69,719,355.66
Berhan Insurance S.C.	3,258,147.61	5,234,296.12	7,537,934.61
EthSwitch S.C.	13,075,995.25	29,038,330.69	30,655,152.37
Premier Switch Solution S.C.	1,062,702.75	3,226,129.71	2,600,000.00
Debo Microfinance S.C.	973,780.56	1,154,000.00	2,430,000.00
Total Investment Income	269,817,384.35	322,741,082.60	478,441,535.52

2.9 Property, Land, and Fixed Assets

2.9.1 Overview of Material Property, Land and Fixed Assets

The Bank's property, land and fixed assets consist of land, buildings, and assets acquired through settlement of non-performing loans that are classified as non-current assets held for sale. These assets are essential for supporting the Bank's branch operations and administrative infrastructure and are located across various operational sites in Ethiopia, including Addis Ababa and regional towns.

The Bank's fixed asset base is maintained to ensure operational continuity, branch expansion, and service delivery capacity.

2.9.2 Property, Plant and Equipment (PPE)

Property, plant and equipment are measured at historical cost less accumulated depreciation and accumulated impairment losses. The cost model is applied in accordance with applicable financial reporting standards. Depreciation is charged systematically over the estimated useful lives of the assets.

Subsequent expenditures are capitalized only when it is probable that future economic benefits will flow to the Bank and the cost can be reliably measured. All other maintenance and repair costs are recognized in profit or loss as incurred.

Table 55: Property, Plant and Equipment as at 30 June 2025

Description	Cost	Acc. Depreciation	Book Value
(ETB)			

Description	Cost	Acc. Depreciation	Book Value
Buildings	85,878,174.38	4,718,618.98	81,159,555.40
Motor Vehicles	477,958,935.45	85,670,467.83	392,288,467.63
Office Equipment & Other Operational Equipment	609,467,259.80	225,918,498.41	383,250,005.22
Computer & IT Equipment	447,152,675.53	131,591,185.37	315,379,787.76
Total PPE	1,620,457,045.16	447,898,770.59	1,172,077,816.01

A. Land Assets

The Bank holds leasehold land primarily used for branch development and headquarters facilities. Land is recorded at acquisition or lease cost and is not depreciated.

Table 56: Leasehold Land as at 30 June 2025

Description	Use	Location	Certificate / Ref.	Legal Characteristics	Valuation Method
Leasehold land 1,782.37 m ²	Transitional Head Office building site	Goma Kuteba, Addis Ababa	AA000030901190	Government leasehold; land held under Ethiopian government land lease system; lease right registered with Addis Ababa City Administration; no private encumbrance	Lease cost (ETB 1,188,098 on books); not depreciated per IFRS
Leasehold land 5,427.9 m ²	Headquarters building site (new HQ construction planned)	Mexico area, Addis Ababa (financial district)	Ownership documentation in process	Government leasehold; site of planned new Head Office construction; no private encumbrance	Lease cost (ETB 107,792,178 on books); not depreciated per IFRS

Both leasehold land parcels are held under the Ethiopian government land lease system administered by the Addis Ababa City Administration. Land held under government lease is not owned in freehold; the Bank holds the right to use the land for the lease term. Neither parcel is subject to any mortgage, private encumbrance, or third-party claim. The Mexico site is the planned location for the Bank's new Head Office building.

B. Owned Properties (Branch Premises Condominium Shops)

Table 57: Owned Properties

No.	Description	Use	Location	Acquisition Value (ETB)	Ownership Certificate(s)	Legal Characteristics	Valuation Method
1	Condominium shop (2 units)	Gerji Branch banking operations	Gerji Mariam, Addis Ababa	28,214,325	፬፻/14/65/1/17/5926 3/00 and ፬፻/14/65/1/18/5926 1/00	Freehold ownership; no encumbrance or third-party claim	Historical cost less accumulated depreciation (cost model, IFRS)
2	Condominium shop (2 units)	Bulbula Mariam Branch banking operations	Bulbula Mariam Mazoriya, Addis Ababa	16,487,915	፬፻/12/72/5/19/2556 27/00 and ፬፻/12/72/5/13/2556 26/00	Freehold ownership; no encumbrance or third-party claim	Historical cost less accumulated depreciation (cost model, IFRS)

No.	Description	Use	Location	Acquisition Value (ETB)	Ownership Certificate(s)	Legal Characteristics	Valuation Method
3	Condominium shop (1 unit)	Bole Arabisa Branch banking operations	Bole Arabisa, Addis Ababa	4,890,552	፬፮/፳፭/11/106/5/1/17181/00	Freehold ownership; no encumbrance or third-party claim	Historical cost less accumulated depreciation (cost model, IFRS)
4	Condominium shop (3 units)	Ayat 49 Branch banking operations	Bole Ayat, Addis Ababa	11,876,318	፬፮/10/176/1/25/58561/00; ፬፮/10/176/1/13/58562/00; ፬፮/10/176/1/12/58567/00	Freehold ownership; no encumbrance or third-party claim	Historical cost less accumulated depreciation (cost model, IFRS)
5	Condominium shop (2 units)	Yeka Abado Branch banking operations	Yeka Abado, Addis Ababa	5,797,340	የከ12/35060033/09 and የከ12/35060037/09	Freehold ownership; no encumbrance or third-party claim	Historical cost less accumulated depreciation (cost model, IFRS)
6	Condominium shop (3 units)	Tulu Dimtu Branch banking operations	Tulu Dimtu	7,228,272	028999; 029000; 029001	Freehold ownership; no encumbrance or third-party claim	Historical cost less accumulated depreciation (cost model, IFRS)
7	Store	Storing / warehouse operations	Kaliti, Addis Ababa	10,755,154	000070700979	Freehold ownership; no encumbrance or third-party claim	Historical cost less accumulated depreciation (cost model, IFRS)

All owned branch premises above are freehold properties with ownership certificates registered with the Addis Ababa City Administration. None of the above properties is subject to any mortgage, encumbrance, leaseback arrangement, or third-party claim as at June 30, 2025.

C. Non-Current Assets Held for Sale Acquired Properties

Non-current assets held for sale consist of repossessed collateral obtained through settlement of non-performing loans. They are measured at the lower of carrying amount and fair value less costs to sell.

Table 58: Non-Current Assets Held for Sale

No.	Type	Use	Location	Acquisition Value (ETB)	Ownership Certificate	Legal Characteristics	Valuation Method
1	Farming land	Available for sale non-core asset acquired through loan settlement	Mekele	1,273,198	Held by Berhan Bank S.C.	No encumbrance; held pending sale under the Bank's non-performing asset disposal policy	Acquisition price; fair value reviewed annually by internal assessment
2	Residential house	Investment property held pending disposal	Addis Ababa (Wossen area)	11,237,500	Held by Berhan Bank S.C.	No encumbrance; ownership title held by Bank pending transfer	Acquisition price (lower of cost or NRV)

No.	Type	Use	Location	Acquisition Value (ETB)	Ownership Certificate	Legal Characteristics	Valuation Method
3	Store building	Available for own use under processing for branch/storage use	Gelan	38,500,000	Received; transfer under process	Ownership transfer in progress; no third-party encumbrance	Acquisition price
4	Residential house	Available for sale non-core asset	Addis Ababa (Jacross area)	22,000,000	Received; transfer under process	Ownership transfer in progress; no third-party encumbrance	Acquisition price (lower of cost or NRV)
5	Residential house	Available for sale non-core asset (acquired after reporting date, disclosed as subsequent event)	Dilla	4,050,000	Held by Berhan Bank S.C.	No encumbrance; subsequent event acquired after June 30, 2025	Acquisition price

D. Non-Current Assets Held for Sale Repossessed Motor Vehicles

Table 59: Non-Current Assets Held for Sale Repossessed Motor Vehicles

No.	Description	Use	Location	Cost (ETB)	Fair Value (ETB)	Impairment (ETB)
2.1	Dump truck Plate ET-03-46268	Available for sale	Addis Ababa	500,000	250,000	250,000
2.2	Toyota pickup Plate ET-03-62802	Available for sale	Addis Ababa	450,000	130,000	320,000
2.3	Mid-Bus Plate Oro-03-10326	Available for sale	Addis Ababa	220,000	80,000	140,000

Total impairment loss on repossessed motor vehicles: ETB 710,000 (cost ETB 1,170,000 less fair value ETB 460,000). These vehicles are being held for sale in the ordinary course of the Bank's non-performing asset disposal program.

2.10 Material Contracts

Materiality Criteria: For the purposes of this section, a contract is classified as material if it meets any of the following criteria: (a) the total contract value equals or exceeds ETB 10,000,000 (Ten Million Ethiopian Birr) or, where the contract is denominated in a foreign currency, the equivalent of ETB 10,000,000 translated at the National Bank of Ethiopia mid-market exchange rate prevailing on the date of the contract; (b) the contract is strategically material to core banking operations (IT infrastructure, CBS, cybersecurity, digital banking) regardless of value; (c) the contract is with a related party or interested person; or (d) termination of the contract would materially disrupt operations. A single quantitative threshold, expressed in Ethiopian Birr, is applied throughout this section; no separate foreign-currency threshold is used.

Table 60: Material Contracts of Berhan Bank S.C.

No.	Description and Key Terms	Total Contract Value	Amount Paid to Date	Amount Outstanding	Completion Status / End Date	Material Obligations Conditions /	Parties
1	Load Balancer & Advanced Web Application Firewall Supply, installation, and configuration of network security and load balancing infrastructure to support the Bank's digital banking operations. Key obligation: Bank to provide site access and IT team coordination. Vendor to complete within contract term.	ETB 90,902,918	ETB 27,270,875	ETB 63,632,043	Ongoing 23 March 2026 deadline	Bank must provide timely site access; penalty clause for delays by vendor. Outstanding amount to be paid upon delivery milestones.	Berhan Bank S.C. and Malam Engineering PLC
2	PowerEdge R960 Servers with 4TB Memory Procurement of high-capacity server hardware for core banking infrastructure upgrade.	ETB 33,245,179	ETB 16,622,590	ETB 16,622,589	Ongoing 60 days after LC opening	Payment of balance upon delivery and acceptance testing. No early termination right for Bank once LC opened.	Berhan Bank S.C. and Malam Engineering PLC
3	Cisco Switch, Routers and Internal Firewalls Network infrastructure procurement and implementation.	ETB 53,441,588	ETB 53,441,588 (paid in full)	Nil Completed	Completed (90 days after LC opening)	Warranty obligations remain; vendor to provide post-delivery support.	Berhan Bank S.C. and Malam Engineering PLC
4	SIEM (Security Information and Event Management) Procurement, implementation, configuration, and training for cybersecurity monitoring platform.	USD 278,166	ETB 139,696 (~USD 1,643)	USD ~276,523	Ongoing per project plan	Vendor to deliver full implementation per agreed project plan. Bank entitled to penalty if milestones not met.	Berhan Bank S.C. and Trans Business Machines JV with Malam Engineering
5	Core Banking System Upgrade (CBS-24) Multi-version CBS upgrade to Rubikon CBS version 24, covering treasury, digital integration, and enhanced banking functions.	USD 516,697	USD 392,000	USD 124,697	Ongoing 31 May 2025 (post original deadline; under completion)	CBS must be live before outstanding balance is released. Downtime risk during cutover is a material operational condition. Post-go-live support included in contract scope.	Berhan Bank S.C. and Neptune Financial Software Ltd

No	Description and Key Terms	Total Contract Value	Amount Paid to Date	Amount Outstanding	Completion Status / End Date	Material Obligations / Conditions	Parties
6	Comprehensive CBS Support and Maintenance SLA 2-year annual support and maintenance for Rubikon CBS platform.	USD 119,978 (2-year total)	USD 58,567 (Year 1)	USD 61,411 (Year 2 due Sep 2026)	Year 1 completed Year 2 ongoing to Sep 2027	Annual payment obligation. Bank must maintain SLA in force to retain vendor CBS support; lapse would affect regulatory compliance and CBS stability. This fee is analogous to a royalty (see Section 2.3.8.7).	Berhan Bank S.C. and Trans Business Machines Ltd (Neptune distributor)
7	Privileged Access Management (PAM) Procurement, implementation, and training for IT access control system.	USD 115,282	USD 115,282 (paid in full)	Nil Completed	Completed 30 January 2025	Post-implementation warranty and support obligations. System must be maintained for cybersecurity compliance under SBB/96/2025.	Berhan Bank S.C. and IE Network Solution PLC JV with Silco Networks FZE
8	IT Governance, ITSM, and Security Compliance Consulting and implementation of IT governance framework.	ETB 4,398,750	ETB 879,750	ETB 3,519,000	Ongoing 5 November 2025	Deliverable-based: subsequent payments released upon completion of each phase. Bank has right to withhold payment if deliverables not met.	Berhan Bank S.C. and Orest Solutions PLC
9	Datacenter Infrastructure Relocation Colocation of Bank's primary datacenter at Ethio Telecom facility for 5-year term.	ETB 43,199,520 (5-year)	Nil disclosed at signing	ETB 43,199,520 (total remaining)	Ongoing 1 September 2024 to 1 September 2029	Monthly/annual payment obligation. Termination of this agreement without alternative colocation would create material operational risk. SLA uptime requirements apply.	Berhan Bank S.C. and Ethio Telecom
10	Network Infrastructure SLA 5-year network service level agreement for branch connectivity.	ETB 10,359,000 (5-year)	Nil disclosed at signing	ETB 10,359,000 (total remaining)	Ongoing 30 June 2025 to 29 June 2030	Annual service fee payment. Critical dependency for real-time transaction processing across 375 branches (see Section 2.3.8.1).	Berhan Bank S.C. and Ethio Telecom

No	Description and Key Terms	Total Contract Value	Amount Paid to Date	Amount Outstanding	Completion Status / End Date	Material Obligations Conditions /	Parties
11	Electric Vehicles 58 units for staff transport allocation.	ETB 204,950,000	ETB 204,950,000 (paid in full)	Nil Completed	Completed 23 November 2025	Delivery and registration obligations fulfilled. Standard vehicle warranty applies.	Berhan Bank S.C. and Nasew Trading PLC
12	Electric Vehicles Additional units.	ETB 54,094,499	ETB 54,094,499 (paid in full)	Nil Completed	Completed 20 October 2024	As above.	Berhan Bank S.C. and AAG Africa Import & Export
13	Electric Vehicles Additional units (MOENCO).	ETB 32,900,000	ETB 32,900,000 (paid in full)	Nil Completed	Completed 22 March 2025	As above.	Berhan Bank S.C. and MOENCO
14	Micro Digital Lending Platform (Kacha FinTech) Revenue-sharing arrangement for retail and MSME digital lending.	Revenue-sharing per transaction volume	N/A (revenue share)	N/A (ongoing revenue share)	Ongoing subject to NBE regulatory approval	Revenue-sharing terms not individually disclosable. Activation conditional on NBE approval of the digital lending product. No capital commitment outstanding from the Bank.	Berhan Bank S.C. and Kacha Digital Financial Services
15	Fuel Aggregator System Nationwide fuel payment platform (public-private partnership).	Government framework financial terms not individually disclosable	N/A	N/A	Ongoing	Transaction fee-based arrangement. The Bank is entitled to fee income on fuel payment transactions processed. No capital expenditure obligation on the Bank.	Berhan Bank S.C. and Ministry of Transport and Logistics
16	ECMA Securities Registration — Transaction Advisor fee for share registration and public offer.	ETB 10,752,500	ETB 4,301,000	ETB 6,451,500	Ongoing — 20 November 2025 (extended for 3rd submission)	Balance payable upon ECMA approval of the Prospectus and completion of registration. No penalty for delay caused by regulatory review timing.	Berhan Bank S.C. and Ethio Capital Solutions PLC

SECTION THREE

3 FINANCIAL STATEMENTS AND INFORMATION

3.1 Financial Information

The Bank's consolidated audited financial statements for financial years ended 30 June 2025 (FY2025), 30 June 2024 (FY2024) and 30 June 2023 (FY2023) and interim report as of December 2025 shall be deemed to be incorporated by reference in, and form part of, this Prospectus. These financial statements have been drawn up in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board and endorsed by the Accounting and Auditing Board of Ethiopia. All figures presented in this section are extracted verbatim from the audited financial statements without modification; however, in sections requiring more recent information, unaudited interim financial statements as of March 2026 have been used.

3.2 Profit Forecast

There is no forecast financial information included in this Prospectus as at the date of this Prospectus.

3.3 Significant Changes in the Issuer's Financial Position

Berhan Bank has demonstrated consistent growth trajectory in its paid-up capital over the reviewed periods, reflecting the bank's sustained capacity to mobilize shareholder funds and expand its capital base in line with regulatory requirements and business growth objectives. The paid-up capital grew modestly from ETB 3.35 billion (June 30, 2023) to ETB 3.45 billion (June 30, 2024), representing an incremental increase driven by additional share subscriptions. A more pronounced expansion was recorded by June 30, 2025, with paid-up capital reaching ETB 4.29 billion, before a significant and notable surge to ETB 6.33 billion as of November 24, 2025 a figure that remained unchanged through December 31, 2025, with both the number of shares outstanding (6,328,419) and the par value (ETB 1,000 per share) holding constant between the two periods, indicating that no new shares were issued nor any capital transactions occurred during that interim period. Notably, throughout the entire review period, the bank's authorized share capital remained fixed at ETB 10 billion.

Overall financial position. In addition to the growth in paid-up capital described above, the Bank's financial position changed significantly, principally through growth in lending and deposit mobilisation, between 30 June 2025 and the most recent balance-sheet dates presented in this Prospectus:

1. Gross loans and advances increased from ETB 35.97 billion at 30 June 2025 to ETB 49.16 billion at 31 March 2026 (+36.7%; unaudited management information). Loans and advances to customers (net) were ETB 44.10 billion at 31 December 2025, compared with ETB 34.53 billion at 30 June 2025 (+27.7%).
2. Customer deposits increased from ETB 44.45 billion at 30 June 2025 to ETB 59.35 billion at 31 March 2026 (+33.5%; unaudited management information), having been ETB 53.46 billion at 31 December 2025 (+20.3% on 30 June 2025).
3. Total assets increased from ETB 58.96 billion at 30 June 2025 to ETB 71.34 billion at 31 December 2025 (+21.0%), and total equity from ETB 8.54 billion to ETB 11.21 billion (+31.3%), reflecting profit for the period and the increase in paid-up capital.

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4. Loan growth of 36.7% over nine months, compared with an increase in paid-up capital of ETB 2.04 billion since 30 June 2025, increases risk-weighted assets and is a principal reason for the capital-raising described in this Prospectus. The Bank's capital adequacy ratio was 16.00% at 30 June 2025 against the 11% minimum under Directive No. SBB/95/2025.

3.4 Pro Forma Financial Information

The Bank in so far does not have an established subsidiary company nor has the plan to have a collaborative engagement with other entities in the form of acquisitions or other forms.

SECTION FOUR

4 GOVERNANCE AND MANAGEMENT

4.1 Corporate Governance

Berhan Bank S.C. operates under a comprehensive framework aligned with national regulations and international standards, including the National Bank of Ethiopia's Corporate Governance Directive No. SBB/91/2024 and Basel Committee principles. Its Corporate Governance Charter clearly defines the roles and responsibilities of the Board of Directors and Senior Management, ensuring transparency, accountability, ethical conduct, and protection of the interests of shareholders, depositors, and other stakeholders.

4.1.1 Governance Framework

Berhan Bank S.C. adheres to a comprehensive corporate governance framework that integrates both national regulatory standards and international best practices. The framework is anchored in the Corporate Governance Directive No. SBB/91/2024 issued by NBE and aligns with the Basel Committee's Corporate Governance Principles for Banks (2015), the Banking Business Proclamation, and the Commercial Code of Ethiopia.

At the core of this structure is the Corporate Governance Charter, which defines the roles, responsibilities, and accountability mechanisms of the Board of Directors and Senior Management. It ensures that the interests of shareholders, depositors, and stakeholders are safeguarded while promoting ethical conduct, transparency, and sustainable value creation.

4.1.2 Compliance and Oversight

The Bank demonstrates full compliance with its governance regime through consistent implementation of the Corporate Governance Charter and associated bylaws. These documents are reviewed periodically to reflect evolving regulations and business needs. Independent oversight of auditing, risk management, and internal control functions is guaranteed through direct reporting to the Board Audit Committee. The Bank conducts regular Board and committee self-assessments, ensuring continuous improvement in governance effectiveness. Transparent appointment, performance evaluation, and remuneration processes for Board members and executives align with NBE directives and international good governance practices.

4.1.3 Board Composition and Management Accountability

The Board of Directors consists of eleven members. The Board collectively brings expertise in banking, finance, accounting, risk management, IT, business administration, and sustainability. Directors are nominated through a rigorous and transparent process that ensures independence, diversity, and professional competence.

The Chief Executive Officer (CEO) and Senior Management Team are accountable for executing the Bank's strategic plan, implementing governance policies, and ensuring operational efficiency. The CEO and Senior Management Team, oversees day-to-day management and performance through Board-approved charters and Key Performance Indicators (KPIs) aligned with the Bank's risk appetite and strategic objectives.

The Board does not currently include independent directors. The independent director requirements of the National Bank of Ethiopia Corporate Governance Directive No. SBB/91/2024 will be applied at the next election of the Board of Directors.

The nationality of all directors and executive management has been duly recorded and disclosed in accordance with regulatory requirements. All directors and executive management are Ethiopian nationals. The Bank

confirms that there are no service contracts with directors providing for termination benefits, severance arrangements, or other post-employment compensation.

Comprehensive legal, regulatory, and insolvency background checks have been conducted for all directors and executive management across all jurisdictions in which they have resided or conducted business, both within and outside Ethiopia.

All directors and members of executive management have received formal approval from the National Bank of Ethiopia in accordance with applicable banking laws and directives. There are no family relationships between or among directors and executive management.

No changes to senior management are anticipated within the twelve months following registration. Should any changes arise, they will be disclosed promptly in accordance with regulatory requirements. The Bank confirms that the establishment, composition, and functioning of its Board of Directors fully comply with the requirements of the National Bank of Ethiopia Corporate Governance Directive No. SBB/91/2024, the Banking Business Proclamation, and the Commercial Code of Ethiopia.

4.1.4 Ethics and Code of Conduct

The Bank enforces a Code of Conduct and Ethics that applies to all employees, management, and directors. This code promotes integrity, transparency, and accountability, forming the foundation of the Bank's corporate culture.

A whistleblower policy enables confidential reporting of misconduct, protecting employees from retaliation. Reported issues are investigated promptly, and disciplinary actions are applied consistently. Oversight of ethical standards rests with the Board, ensuring accountability and adherence across all levels of the institution.

4.1.5 Stakeholder Engagement and Sustainability

Berhan Bank S.C. does not utilize a standalone stakeholder policy. Instead, it integrates engagement strategies into two core documents: the Environmental & Social Policy (ESG framework) and the Shareholder Engagement Policy. This approach ensures that stakeholder interests are woven directly into the bank's broader governance and ESG philosophy.

Key Stakeholder Pillars

- **Shareholders:** The focus is on equitable treatment, removing barriers to participation, and ensuring transparent communication and voting processes for all shareholders.
- **Employees:** Engagement is centered on fair labor practices and professional development. Notably, employees are active participants in sustainability, receiving training on environmental best practices and participating in initiatives like tree planting and e-waste recycling.
- **Customers & Investors:** The bank engages these groups primarily to promote and coordinate sustainable finance solutions, aligning financial products with environmental goals.
- **Regulators:** The bank maintains open dialogue with oversight bodies to ensure alignment with national and international sustainable finance standards.

4.1.6 Environmental, Social, and Governance (ESG) Considerations

Environmental and social responsibility is embedded within the Bank's strategic and risk frameworks. Policies on Environmental and Social Risk Management (ESRM) guide lending and investment decisions, integrating sustainability considerations such as climate risk, resource use, human rights, and community impact.

A. Environmental Considerations

The Bank is committed to reducing its environmental footprint and progressively transitioning toward more sustainable, low-carbon operations. In line with this commitment, the Bank seeks to align its activities with global climate objectives, integrate ESG and climate-related risks into its Risk Appetite Framework, and manage direct and indirect environmental risks arising from its operations, clients, suppliers, and other stakeholders. The Bank also promotes responsible resource use through energy efficiency, water conservation, waste reduction, and environmentally responsible sourcing practices. In addition, it aims to avoid or minimize adverse environmental impacts and, where appropriate, support initiatives that contribute to ecosystem protection and restoration. These environmental commitments apply both to the Bank's internal operations and to projects or activities financed through its lending and investment activities.

B. Social Considerations

The Bank's social framework is designed to promote responsible business conduct, inclusive growth, and the protection of stakeholder interests across its operations and financed activities. The framework covers six principal areas: workplace and labor standards, diversity and inclusion, human rights compliance, community engagement, customer protection, and governance and transparency. In relation to workplace and labor standards, the Bank is committed to maintaining fair human resources policies in compliance with applicable national laws, clearly documenting worker rights, providing reasonable working conditions, and ensuring accessible grievance mechanisms. The Bank also prohibits discrimination, harassment, child labor, and forced labor across its operations and, where applicable, its supply chains. In addition, the Bank promotes equal opportunities regardless of gender, race, or background; supports local communities through philanthropic and educational initiatives; assesses health and safety risks associated with financed projects; and encourages inclusive and sustainable economic growth. Customer protection is addressed through commitments to product safety, data privacy, and fair business practices. Governance and transparency are reinforced through accountability mechanisms, the integration of ESG and climate-related risks into the Risk Appetite Framework, and the formal adoption of the revised Environmental and Social Policy in March 2025. The Bank's procedures further require that environmental and social risks arising from stakeholders be actively managed, rather than merely identified.

4.1.7 Internal Controls and Risk Management

Berhan Bank S.C. maintains a comprehensive internal control and risk management framework designed to safeguard assets, ensure the reliability of financial reporting, and promote compliance with applicable laws and regulations. The framework is aligned with the National Bank of Ethiopia (NBE) Corporate Governance Directive SBB/91/2024 and international best practices, and is structured around the three-lines-of-defense model.

Under this model, the first line of defense comprises business and operational units, which are responsible for identifying, owning, and managing risks arising from day-to-day banking activities, including credit, market, operational, and compliance risks. These units implement internal controls and ensure adherence to approved policies, procedures, and risk limits.

The second line of defense consists of the Risk Management, Compliance, and Legal functions, which are responsible for developing risk management frameworks, policies, and methodologies, and for independently monitoring the Bank's overall risk exposure. These functions provide oversight, compliance monitoring, and advisory support to ensure adherence to regulatory requirements and internal policies.

The third line of defense is the Internal Audit function, which operates independently and reports directly to the Board Audit Committee. Internal Audit provides risk-based, independent assurance on the effectiveness of governance, risk management, and internal control systems, and evaluates the adequacy and performance of both the first and second lines of defense.

The Chief Risk and Compliance Officer maintains direct access to the Board of Directors and the Risk Management and Compliance Committee, ensuring a high level of independence, transparency, and accountability in risk oversight.

4.1.8 Risk Governance and Risk Appetite

The Bank's risk governance framework is anchored by the Board of Directors, which retains ultimate responsibility for defining the Bank's risk strategy and overseeing its implementation. In this regard, the Bank has developed its Risk Appetite Statement (RAS) for the first time, which sets out the level and types of risk the Bank is willing to accept in pursuit of its strategic objectives. The RAS is currently under Board review and is expected to be finalized and submitted for approval by the National Bank of Ethiopia.

4.1.9 Stress Testing and Scenario Analysis

As part of its forward-looking risk management approach, the Bank conducts regular stress testing and scenario analysis on a quarterly basis. These exercises form an integral part of the Bank's comprehensive risk assessment and reporting process and are designed to evaluate the potential impact of adverse economic and financial conditions on key risk indicators, including non-performing loans, liquidity positions, and foreign exchange exposures.

The Internal Audit function independently reviews the integrity and relevance of data used in stress testing, as well as the appropriateness of the scenarios applied, to ensure alignment with prevailing economic conditions and the Bank's risk profile. The outcomes of these exercises support proactive risk management and informed decision-making by senior management and the Board.

4.1.10 Corporate Governance Structure and Potential Changes

The Bank maintains a robust corporate governance structure in compliance with Directive SBB/91/2024. The Board of Directors currently meets regulatory requirements on gender diversity, including the minimum two-seat representation of female directors: W/ro Meron Gezahegn and W/ro Abaydar Kettema (PhD) currently serve on the Board. The Board does not currently include independent directors; the independent director requirements of Directive SBB/91/2024 will be applied at the next election of the Board of Directors.

To support effective oversight, the Board has established five specialized committees: the Audit Committee, Risk Management and Compliance Committee, Credit Committee, Nomination and Remuneration Committee, and Building Project Committee. These committees provide focused oversight across key areas, including financial reporting, risk management, credit approval, governance and remuneration, and strategic infrastructure projects.

At present, there are no anticipated material changes to the composition of the Board or its committees. However, the Bank acknowledges that future changes in Board membership, committee structure, or governance practices may arise in response to regulatory requirements, strategic priorities, or evolving business needs. Any such material changes will be disclosed to stakeholders in accordance with applicable NBE and ECMA regulations.

4.2 Risk Management Framework and Identification

Cognizant of the importance of a sound risk management structure, Berhan Bank has established a Risk Management and Compliance Committee (RMCC) of the Board of Directors and an associated framework designed to identify, measure, monitor, and control risks arising from its operations. The Bank's charter, which lays out principles, major processes, guides the framework and responsibilities aligned with National Bank of Ethiopia (NBE) directives and industry best practices.

To this end, the Bank has established a structure comprising the following key bodies:

- Board of Directors (BoDs)
- Risk Management and Compliance Committee (RMCC)
- The Chief - Risk and Compliance Officer
- Risk and Compliance Management Department (RCMD)
- Internal Audit Function (Third Line of Defense)
- Company Secretary

This framework is designed to facilitate oversight by the Board and ensure the proper execution of all risk management and compliance processes.

4.2.1 Governance and Oversight Structure

The Bank's risk governance follows a **Three Lines of Defense** model, as authorized by the NBE, supported by clear accountability and independent oversight:

- **First Line:** Represents front-line operations, including branches and departments directly responsible for managing and executing processes that generate risk.
- **Second Line:** Includes risk management, compliance, and internal control departments (including the Risk and Compliance Management Department and the Chief Risk and Compliance Officer).
- **Third Line:** The internal audit function, which provides independent assurance to senior management and the Board that risk management processes are functioning as intended.

Ultimate accountability rests with the Board of Directors, which is responsible for the bank's business strategy, financial soundness, risk management, and compliance obligations. The Board approves the risk appetite statement, oversees risk management and internal controls, and ratifies the appointment of the Chief Risk and Compliance Officer.

The Risk Management and Compliance Committee (RMCC) provides focused oversight, responsible for reviewing risk management strategies, policies, risk appetite statements, and risk tolerance limits for Board approval. The Chief Risk and Compliance Officer is responsible for supporting the committee, overseeing all risk management strategies and operations, and ensuring effective implementation of risk and compliance programs.

4.2.2 Key Risk Categories and Identification

Based on the charter, the Bank identifies and manages the following core risk categories, aligning with relevant NBE Directives:

- **Credit Risk:** Explicitly mentioned as a key risk to be managed, with the RMCC responsible for oversight of strategies for all relevant risks, including credit risk.
- **Liquidity Risk:** The RMCC is responsible for oversight of strategies for liquidity management, ensuring they are consistent with the stated risk appetite.
- **Market Risk:** The RMCC oversees strategies for market risk, ensuring alignment with the bank's risk appetite.
- **Operational Risk:** Identified as a key risk category, including risks from processes, people, and systems. The RMCC reviews management's periodic reports on risk exposure and risk portfolio composition.
- **Compliance Risk:** A core function of the Committee, including ensuring adherence to relevant proclamations, regulations, NBE directives, and other laws. This specifically includes Anti-Money Laundering (AML), Countering Financing of Terrorism (CFT), and Countering Financing of Proliferation

of Weapons of Mass Destruction (CFP), which are mandated to be escalated at a higher level. The Bank shall have a dedicated compliance function overseen by the Chief Risk and Compliance Officer.

- **IT and Cyber Risk (Information Technology Risk):** Defined as risks related to integrated computer hardware, software, networks, and processes. The Bank must have systems in place for risk management, the RMCC ensures infrastructure, resources, and systems are adequate.
- **Reputational Risk:** Explicitly listed as a risk under the RMCC's oversight responsibilities.
- **Sustainability Risk:** The Bank shall integrate sustainability (social, environmental, and economic sustainability where it intersects) into the overall risk management and control framework, including risk appetite and the three-lines-of-defense model. This includes assessing the impact of climate change, natural resource constraints, human rights concerns, and other broad sustainability issues on the loan portfolio and traditional risks (credit, liquidity, market, operational risks).
- **Human Resource/Staff Independence Risk:** The RMCC must ensure that staff responsible for implementing risk management systems perform those duties independently of the bank's risk-taking activities.

4.2.3 Risk Management Processes

- Berhan Bank S.C.'s charter outlines key processes to ensure risks are proactively managed within the approved risk appetite:
- **Risk Identification & Measurement:** The RMCC reviews and assesses the adequacy of risk management policies and frameworks in identifying, measuring, monitoring, and controlling risk.
- **Monitoring and Reporting:** The RMCC receives regular reporting from the Chief Risk Officer on the bank's current risk profile, risk culture, utilization against risk appetite; limit breaches, and mitigation plans. The Company Secretary analyzes and summarizes reports for the committee. The committee also reviews management's periodic reports on risk exposure and risk management activities.
- **Internal Control Review:** The RMCC periodically reviews the effectiveness of internal controls and risk management processes, assessing the quality of the internal control system, particularly the consistency of risk measurement, monitoring, and control systems.
- **Compliance Checking:** The RMCC is responsible for checking compliance with bank policies, relevant proclamations, regulations, NBE directives, and other laws.

4.2.4 Risk Management Reporting

The RMCC reports regularly to the full Board of Directors. The committee shall regularly update the Board about its activities at the earliest possible Board meeting after matters requiring Board attention are discussed.

The RMCC holds meetings at least once a month. The committee may request and receive all information and data from relevant corporate and control functions it deems important for discharging its responsibilities. The Company Secretary is responsible for writing and circulating minutes of meetings to RMCC members and the Board.

4.3 Management and Board of Directors

4.3.1 Brief Profile of Board of Directors

Berhan Bank S.C. is led by an experienced and diverse 11-member Board of Directors, responsible for strategic oversight, policy guidance, governance, risk management, and shareholder value creation in line with the Bank's mission and regulatory requirements. The table below presents each Board member's qualifications

and professional experience, together with their nationality, principal Board functions, specific skills, relevant business interests, and other significant business activities or directorships held during the last five years.

Table 61: Profiles of Board of Directors

Name	Position	Nationality	Tenure	Qualifications	Principal Functions & Specific Skills	Business Interests & Directorships (Last 5 Years)
Ato Eligo Legesse Mota	Chairperson	Ethiopian	Serving since 2018; current term commenced 19 April 2024	Bachelor of Science in Computer Science	Principal functions: Board Chairperson; Chair of Credit Committee Specific skills: Business management, ICT governance, enterprise leadership	Gellately Hankey (General Manager); DCL Trading PLC (Managing Director) Business interests: General Manager at Gellately Hankey (1996-present); Managing Director of DCL Trading PLC (2009-present)
Ato Ermias Girma Tekle	Deputy Chairperson	Ethiopian	Serving since 2021; current term commenced 19 April 2024	MSc in Accounting and Finance BA in Education (Accounting)	Principal functions: Deputy Chairperson; Chairperson of Risk Management and Compliance Committee; Member of Building Project Committee Specific skills: Accounting, finance, risk management, academic leadership	EKHC - Director (2012-2023); Berhan Bank S.C. - Board Member (2021-present) Business interests: Woliso TVET (2004-2009); Ambo University - Vice Dean and Teacher (2010-2012); EKHC - Director (2012-2023)
W/ro. Meron Gezahegn Seifu	Director	Ethiopian	Serving since 2018; current term commenced 19 April 2024	BA in Accounting ACCA - Qualified Chartered Certified Accountant	Principal functions: Director; Chairperson of Audit Committee; Member of Nomination and Remuneration Committee Specific skills: Audit, financial management, risk advisory, credit analysis	Berhan Bank S.C. - Board Member (2018-present); Irish Aid Ethiopia - Internal Auditor (concurrent) Business interests: Internal Auditor, Audit and Financial Management and Risk Advisor - Irish Aid Ethiopia (2008-present); Audit Manager - Bromhead & Co. Chartered Accountants (2005-2008); Credit Analyst - Commercial Bank of Ethiopia (1998-2005)
Ato Sibu Ayele Etefa	Director	Ethiopian	Current term commenced 19 April 2024	BA in Accounting and Finance Diploma in Accounting ACCA Certificate (Fundamental Level)	Principal functions: Director; Member of Risk Management and Compliance Committee Specific skills: Insurance finance, investment management, financial strategy	Berhan Insurance S.C. - Deputy CEO (2020-2023); Berhan Bank S.C. - Board Member (2024-present) Business interests: Deputy CEO Strategy and Corporate Service - Berhan Insurance S.C. (2020-2023); Finance and Investment Department Manager - Berhan Insurance S.C. (2014-2019); Africa Insurance Company - Junior Accountant to General Accounts Section Head (1999-2011)

Name	Position	Nationality	Tenure	Qualifications	Principal Functions & Specific Skills	Business Interests & Directorships (Last 5 Years)
Ato Jaleta Wordoffa Girarra	Director	Ethiopian	Current term commenced 19 April 2024	BA in Accounting ACCA Part-Qualified	Principal functions: Director; Member of Audit Committee Specific skills: Financial management, audit, NGO/non-profit finance, banking	Bleu Blac Rouge Foundation (BBRF) - Finance and Operations Manager (2020-present); Bethany Christian Services (2010-2020); Berhan Bank S.C. - Board Member (2024-present) Business interests: Finance and Operations Manager - Bleu Blac Rouge Foundation (BBRF) (2020-present); Bethany Christian Services - Finance and Operations Manager (2010-2020); Senior Project Auditor - Compassion International (2005-2010); Banker - Commercial Bank of Ethiopia (1998-2005)
Ato Binyam Bedewi Mohammed	Director	Ethiopian	Current term commenced 19 April 2024	MBA in International Business	Principal functions: Director; Member of Credit Committee; Member of Building Project Committee Specific skills: Real estate, commodity trading, coffee export, corporate leadership	Phison Real Estate SC - CEO; Zablon Trading PLC - CEO; Eva Coffee PLC - CEO; Diplomat Real Estate SC - CEO; Berhan Bank S.C. - Board Member (2024-present) Business interests: CEO - Phison Real Estate SC, Zablon Trading PLC, Eva Coffee PLC, Diplomat Real Estate SC (2009-present)
Dr. Lemma Degefa Gudeta	Director	Ethiopian	First appointed May 31, 2023; current term commenced 19 April 2024	BA in Public Administration MA in Management PhD in Management and Leadership	Principal functions: Director; Chairperson of Nomination and Remuneration Committee Specific skills: Leadership development, organizational management, NGO/development sector governance, strategic consultancy	Rescue The Generation - Country Director (2022-present); Center for African Leadership Development - Senior Consultant (2014-2021); Berhan Bank S.C. - Board Member (2023-present) Business interests: Country Director - Rescue The Generation (2022-present); Senior Consultant - Center for African Leadership Development (2014-2021); Country Director - Lutheran World Federation (2009-2013)
Dr. Abaydar Kettema Woldeeab	Director	Ethiopian	Current term commenced 19 April 2024	BA in Accounting MBA in Business Administration PhD in Transformational Leadership	Principal functions: Director; Member of Audit Committee Specific skills: Finance, audit, donor fund management, agricultural research finance, transformational leadership	Berhan Bank S.C. - Board Member (2024-present) Business interests: Associate Finance Director - World Vision Ethiopia (2008-2012); Finance and Accounts Specialist - Agricultural Research and Training Project (2006-2008); Head of Audit Inspection and Head of Finance Audit - EIAR, EARO, and Institute of Agricultural Research

Name	Position	Nationality	Tenure	Qualifications	Principal Functions & Specific Skills	Business Interests & Directorships (Last 5 Years)
Dr. Aynalem Abayneh Mamo	Director	Ethiopian	Serving since 2018; current term commenced 19 April 2024	BSc in Mathematics and Physics MSc in Accounting and Management Science PhD in Management	Principal functions: Director; Chairperson of Credit Committee Specific skills: Management consultancy, academic leadership, business continuity, change management	GOLDIE Management Consultancy Service - Founder/Manager (ongoing); Berhan Bank S.C. - Board Member (2018-present) Business interests: Founding Owner and Manager - GOLDIE Management Consultancy Service; Academic and consultancy roles at BITS College, Hawassa University, Saint Mary University College, and the International Leadership Institute; Senior roles at Ethiopian Evangelical Church Mekane Yesus
Ato Daniel Wondimu Wolderufael	Director	Ethiopian	Current term commenced 19 April 2024	BA in Economics MBA in Business Administration	Principal functions: Director; Member of Credit Committee; Member of Nomination and Remuneration Committee Specific skills: Business leadership, insurance, trading, international business	Messidan International Trading PLC - General Manager/Co-owner (present); Dima Flower Farm PLC - General Manager/Co-owner (present); Berhan Bank S.C. - Board Member (2024-present) Business interests: General Manager and Co-owner - Messidan International Trading PLC and Dima Flower Farm PLC (present); Leadership roles at Queen of Sheba Enterprise, GACMAS PLC, Nyala Insurance S.C., and WARYT Mulutla International PLC (1994-2013)
Ato Girma Mamo Milky	Director	Ethiopian	Current term commenced 19 April 2024	BSc in Civil Engineering MBA in Business Administration	Principal functions: Director; Chairperson of Building Project Committee; Member of Risk Management and Compliance Committee Specific skills: Civil engineering, construction project management, infrastructure development	Girma Mamo General and Water Works Construction Company - CEO (2004-present); Berhan Bank S.C. - Board Member (2024-present) Business interests: CEO - Girma Mamo General and Water Works Construction Company (2004-present); Social Infrastructure Expert - Ethiopian Social Rehabilitation & Development Fund; Engineering Section Head - Myung Sung International Development PLC; Development Program Coordinator - Meserete Kristos Church Relief and Development Program

4.3.2 The Board of Directors and Term of Office

The table below presents the composition of Berhan Bank 's Board of Directors and the respective terms of office of each director. In addition to assignment and expiry dates, the table below includes the NBE approval date and duration of service (tenure) for each Board member, in accordance with ECMA disclosure requirements.

Table 62: The Board of Directors and Term of Office

S.No	Name	Position	Assignment Date	Expiry of Current Term	NBE Approval Date	Tenure (Duration of Service)
1	Ato Eligo Legesse Mota	Chairperson	19 April 2024	18 April 2027	February 10, 2018 E.C. (Yekatit 2, 2010 E.C.)	Serving since 2018; current term commenced 19 April 2024
2	Ato Ermias Girma Tekle	Deputy Chairperson	19 April 2024	18 April 2027	March 29, 2021 E.C. (Megabit 20, 2013 E.C.)	Serving since 2021; current term commenced 19 April 2024
3	W/ro. Meron Gezahegn Seifu	Director	19 April 2024	18 April 2027	February 10, 2018 E.C. (Yekatit 2, 2010 E.C.)	Serving since 2018; current term commenced 19 April 2024
4	Ato Sibu Ayele Etefa	Director	19 April 2024	18 April 2027	April 19, 2024 E.C. (Miazia 11, 2016 E.C.)	Current term commenced 19 April 2024
5	Ato Jaleta Wordoffa Girarra	Director	19 April 2024	18 April 2027	April 19, 2024 E.C. (Miazia 11, 2016 E.C.)	Current term commenced 19 April 2024
6	Ato Binyam Bedewi Mohammed	Director	19 April 2024	18 April 2027	April 19, 2024 E.C. (Miazia 11, 2016 E.C.)	Current term commenced 19 April 2024
7	Dr. Lemma Degefa Gudeta	Director	19 April 2024	18 April 2027	April 19, 2024 E.C. (Miazia 11, 2016 E.C.)	First appointed May 31, 2023; current term commenced 19 April 2024
8	Dr. Abaydar Kettema Woldeeab	Director	19 April 2024	18 April 2027	April 19, 2024 E.C. (Miazia 11, 2016 E.C.)	Current term commenced 19 April 2024
9	Dr. Aynalem Abayneh Mamo	Director	19 April 2024	18 April 2027	February 10, 2018 E.C. (Yekatit 2, 2010 E.C.)	Serving since 2018; current term commenced 19 April 2024
10	Ato Daniel Wondimu Wolderufael	Director	19 April 2024	18 April 2027	April 19, 2024 E.C. (Miazia 11, 2016 E.C.)	Current term commenced 19 April 2024
11	Ato Girma Mamo Milky	Director	19 April 2024	18 April 2027	April 19, 2024 E.C. (Miazia 11, 2016 E.C.)	Current term commenced 19 April 2024

4.3.3 Brief Profile of Senior Management

Berhan Bank S.C.'s Senior Management Team, led by Chief Executive Officer Ato Ermias Tefera, comprises highly experienced professionals responsible for executing the Bank's strategic plan and overseeing daily operations. The team includes specialists in finance, credit, operations, risk management, IT, and human

resources, ensuring effective governance, compliance, and service delivery. All members of senior management listed in Table 63 below are Ethiopian nationals.

Table 63: Profiles of Senior Management

	Ermias Tefera Shawel.Appointed 8 January 2024. Ermias Tefera Shawel holds an MBA and a BA in Economics, and has completed postgraduate-level legal studies. With more than 35 years of banking experience, he has held senior leadership roles in financial management, institutional governance, and corporate strategy.
Chief Executive Officer (CEO)	
	Solomon Assefa Haile Solomon Assefa Haile Appointed 13 April 2015. Solomon Assefa Haile holds a BA in Economics and has more than 29 years of experience in the banking sector. His expertise includes enterprise operations, financial systems management, and strategic planning.
Deputy CEO Enterprise Services	
	Dagmawi Kasahun Mengesha Appointed 8 May 2013. Dagmawi Kasahun Mengesha holds an MBA and a BA in Accounting and brings over 20 years of progressive leadership experience in banking and finance. His expertise spans international banking, credit management, corporate finance, digital banking, branch operations, business development, and corporate customer relationship management. Throughout his career, he has played a key role in shaping international banking and credit policies, driving portfolio management strategies, expanding correspondent banking networks, and leading operational improvement initiatives. In addition, he leads domestic operations as well as the development of digital banking policies and procedures. He has also provided strategic leadership in international banking operations, supporting institutional growth, business transformation, and large-scale expansion efforts.
Deputy CEO Credit and International Banking	
	Maresha Halemichael Gonfa Appointed 14 January 2015. Masresha Hailemickael Gonfa holds an Executive MBA, a BA in Economics, and a Diploma in Banking and Finance. With over 26 years of banking experience, he has extensive expertise in strategic management, retail banking development, and customer relationship growth.
Deputy CEO Strategy & Retail Banking	



Chief Digital Banking and Estate Management Officer

Bethlehem Getachew Metaferia Appointed 1 January 2018. Bethlehem Getachew Metaferia holds an MBA, a BA in Management, and an Advanced Diploma in Computer Science. With more than 27 years of experience, she brings strong expertise in information systems and digital transformation.



Chief Risk Management & Compliance Officer

Desta Bekalo Saga Appointed 26 December 2022. Desta Bekalo Sapa holds an MBA and a BA in Economics. With more than 26 years of experience, he specializes in risk management, compliance, and operational control.



Chief District & Branch Banking Officer

Amanuel Tadese W/Gebriel Appointed 28 October 2009. Amanuel Tadese W/Gebriel holds a BA in Economics and has more than 20 years of banking experience. His expertise includes branch operations, credit administration, and regional business coordination.



Chief Internal Audit Officer

Shimelis Tesfaye Reta Appointed 7 March 2015 holds an MA in Public Management and Policy, a BA in Economics, and a Diploma in Banking. With more than 36 years of experience in banking and finance, he has extensive expertise in internal audit, risk assessment, and governance assurance. He has led audit engagements, strengthened compliance frameworks, and contributed to the development of robust internal control systems.

	Sirak Amare Shifarew Appointed 12 August 2013. Sirak Amare Shiferaw holds an MBA in Public Management and Policy, a BA in Political Science and International Relations, and a Diploma in Accounting. With more than 24 years of experience, he specializes in human capital management, organizational development, and institutional reform.
Chief Human Capital Officer	
	Tesfaye Maru Abate Appointed 13 April 2015 Tesfaye Maru Abate holds an MBA in General Management, a BA in Sociology and Social Anthropology, and a Diploma in Banking and Finance. With over 21 years of experience, he has strong expertise in financial control, operational oversight, and resource management.
Chief Finance Officer	
	Benyam Mesfin Demeke Appointed 3 September 2013 Binyam Mesfin Demeke holds a BSc in Management Information Systems and a Diploma in Accounting. With more than 29 years of experience, he has expertise in enterprise resource management, marketing, and business operations.
Chief Enterprise Resource and Marketing Officer	
	Wossen Alemeye Liyew Appointed 15 October 2025. Wossen Alemeye Liyew holds an MSc in Computer Science, a BSc in Electrical Engineering, and a postgraduate diploma in Project Management. With more than 32 years of professional experience, he has held senior leadership positions in electrical engineering, information technology, and digital transformation.



Chief Information Officer



Deputy Chief Loan Recovery & Documentation Officer



Deputy Chief Strategy & Emerging Markets Officer



Deputy Chief Estate Management Officer

Assefa Taye Ketema Appointed 8 October 2018 Assefa Taye Ketema holds an LLB, a BA in Accounting and Finance, and diplomas in Law and Banking. With over 36 years of experience, he has expertise in legal advisory, banking operations, financial governance, and regulatory compliance.

Thomas Desalegn Beyene Appointed 9 December 2013. Thomas Desalegn Beyene holds an MBA in Project Management, a BA in Accounting, and a Diploma in Banking and Finance. With more than 21 years of experience, he has strong expertise in strategy, financial management, transformation, digital financial services, and IFRS implementation.

Yared Aguade Wubneh Appointed 18 March 2010 holds a BSc in Civil Engineering and has over 20 years of professional experience in property valuation, project management, and facility operations, with extensive expertise in engineering oversight, and institutional infrastructure development.

Deputy Chief District Operations



Officer

Solomon Tadesse Degu Appointed 17 March 2016. Solomon Tadesse Degu holds an MBA, an MSc in Finance and Investment, a BA in Accounting, and a Diploma in Banking. With over 18 years of experience, he has built strong expertise in branch operations and district office management



Deputy Chief IBD Operation

Nebyou Moges Mekonen Appointed 12 August 2024 holds MA in Marketing Management, a BA in Accounting and a Diploma in Banking and Finance. With more than 21 years of experience, he specializes in Trade finance, Remittance, Forex, Correspondent banking Relationship and other international Banking services, with strong expertise on Corporate customer relationship Management.



Deputy
Chief Operations and
Service
Delivery Officer

Belay Mebrat Tegen Appointed 16 December 2021. holds M.Sc. and B.Sc. degrees in Computer Science. With over 20 years of progressive experience, he has provided strategic leadership in enterprise-wide technology transformation, aligning IT initiatives with business priorities, adopting market-standard frameworks, and leading digital transformation initiatives with strategic impact on operational efficiency, service delivery, growth, and regulatory compliance.

	Abey Berhane Embeza Appointed 30 March 2015 Holds an MBA and a BA in Accounting with over 20 years of experience in banking and finance. He has contributed to the development of credit products, credit policies, and operational procedures, and has practical experience in financial modelling, credit analysis, loan appraisal, portfolio management, risk assessment, and branch operations.
Deputy Chief Credit Operation Officer	
Deputy Chief Information Officer	Rodas Solomon Aweitu Appointed 5 January 2015. Rodas Solomon Aweitu has over 15 years of experience in information technology and banking systems management.

Table 64: Senior management Date of appointment and years at Berhan Bank S.C.

Name	Position	Date Appointed	Total Years' Experience	Years at Berhan Bank S.C.
Ermias Tefera Shawel	Chief Executive Officer	8 January 2024	Over 35 years	8.4 years
Solomon Assefa Haile	Deputy CEO Enterprise Services	13 April 2015	Over 29 years	11.2 years
Dagmawi Kasahun Mengesha	Deputy CEO Credit and International Banking	8 May 2013	Over 20 years	13.2 years
Masresha Hailemickael Gonfa	Deputy CEO Strategy and Retail Banking	14 January 2015	Over 26 years	11.5 years
Bethlehem Getachew Metaferia	Chief Digital Banking and Estate Management Officer	1 January 2018	Over 27 years	8.5 years
Desta Bekalo Sapa	Chief Risk Management and Compliance Officer	26 December 2022	Over 26 years	3.5 years
Amanuel Tadesse W/Gebriel	Chief District and Branch Banking Officer	28 October 2009	Over 20 years	16.7 years
Shimelis Tesfaye Reta	Chief Internal Audit Officer	7 March 2015	Over 36 years	11.3 years
Sirak Amare Shiferaw	Chief Human Capital Officer	12 August 2013	Over 24 years	12.9 years
Tesfaye Maru Abate	Chief Finance Officer	13 April 2015	Over 21 years	11.2 years
Binyam Mesfin Demeke	Chief Enterprise Resource and Marketing Officer	3 September 2013	Over 29 years	12.8 years
Wossen Alemeye Liyew	Chief Information Officer	15 October 2025	Over 32 years	New appointment
Assefa Taye Ketema	Deputy Chief Loan Recovery and Documentation Officer	8 October 2018	Over 36 years	7.7 years
Thomas Desalegn Beyene	Deputy Chief Strategy and Emerging Markets Officer	9 December 2013	Over 21 years	12.6 years

Name	Position	Date Appointed	Total Years' Experience	Years at Berhan Bank S.C.
Yared Aguade Wubneh	Deputy Chief Estate Management Officer	18 March 2010	Over 20 years	16.3 years
Solomon Tadesse Degu	Deputy Chief District Operations Officer	17 March 2016	Over 18 years	10.3 years
Abey Berhane Embeza	Deputy Chief Credit Operation Officer	30 March 2015	Over 20 years	11.3 years
Belay Mebrat Tegen	Deputy Chief Operations and Service Delivery Officer	16 December 2021	Over 24 years	4.5 years
Nebyou Moges Mekonen	Deputy Chief International Banking Officer	12 August 2024	20 years	1.9 years
Rodas Solomon Aweitu	Deputy Chief Information Officer	5 January 2015	Over 15 years	years

4.4 Board Committees and Practices

The Bank has established standing Board committees to strengthen governance, ensure effective oversight, and align operations with the directives of the National Bank of Ethiopia and international best practices. Each committee operates under a formally adopted charter approved by the Board of Directors, with clear authority, scope, and reporting responsibilities.

The establishment, composition, and functioning of all board committees fully comply with the requirements of the National Bank of Ethiopia (NBE) Directives and the

The Board of Directors carries out its oversight responsibilities through five specialised committees, each governed by a formal charter:

- **Audit Committee** – Oversees financial reporting integrity, internal controls, and both internal and external audit functions.
- **Risk Management and Compliance Committee** – Monitors the Bank's risk profile, regulatory compliance, and overall risk governance.
- **Nomination and Remuneration Committee** – Manages Board and senior management appointments, performance evaluation, and remuneration structures.
- **Credit Committee** – Reviews and approves major credit exposures in line with the Bank's risk appetite.
- **Building Project Committee** – Supervises the planning and implementation of major capital and infrastructure projects.

All committee members remain active in their respective roles. Any changes in membership since June 2025 will be duly recorded and disclosed in board resolutions, with updated compositions reflected in official filings.

4.4.1 Audit Committee

The Board Audit Committee is established to provide independent oversight of the Bank's corporate governance, risk management, and internal control processes. It operates under the authority of the Board of Directors and in alignment with NBE directives, with a mandate to ensure financial transparency and the sound management of public deposits.

A. Key Responsibilities

The Committee's oversight duties are organised across four primary areas:

- **Financial Reporting:** Ensuring fair and transparent financial disclosures and approving financial statements before they are presented to the full Board.

- **External Audit:** Recommending the appointment or dismissal of external auditors and reviewing the scope and objectivity of their work.
- **Internal Audit:** Approving annual audit plans, ensuring all Bank activities are audited at least every three years, and overseeing the appointment and remuneration of the Head of Internal Audit to maintain independence.
- **Compliance:** Monitoring adherence to laws, regulations, and ethical codes, including the review of material related-party transactions exceeding Birr 15 million.

B. Composition

Table 65: Audit Committee Members

Role	Name
Chairperson	Wzo. Meron Gezahegn Seifu
Member	Ato Jaleta Wordoffa Gurarra
Member	Dr. Abaydar Kettema Woldeab

The Committee consists of at least three non-employee directors, with at least one serving as an independent director in the Chairperson role. To ensure technical competence, at least two members must have experience in audit, accounting, or financial reporting. Members are prohibited from having recent ties within the preceding 12 months to the Bank's existing external audit firm.

C. Governance and Operational Procedures

The Committee meets monthly. A majority of members in office constitutes a quorum, and decisions are taken by majority vote of those present. The Committee has explicit authority to investigate any matter within its scope, access all senior management and records, and seek independent professional advice. Meeting minutes are consistently recorded, reviewed, and endorsed, ensuring transparency and accountability.

4.4.2 Risk Management and Compliance Committee

The Risk Management and Compliance Committee oversees the Bank's risk governance framework, risk appetite, and compliance structures, including strategies for capital and liquidity management. It ensures that credit, market, liquidity, operational, cybersecurity, and ESG risks are effectively managed and that the Bank's compliance culture remains sound.

A. Key Responsibilities

- Review and recommend risk appetite, limits, and risk policies.
- Monitor the adequacy of internal controls and risk and compliance resources.
- Oversee fraud monitoring, whistleblowing mechanisms, and related-party exposures.
- Ensure alignment of risk practices with strategy and regulatory requirements.
- Report to the Board on significant risk exposures and compliance issues.

B. Composition

Table 66: Risk Management and Compliance Committee Members

Role	Name
Chairperson	Ato Ermias Girma Tekle
Member	Ato Sibu Ayele Etefa
Member	Ato Girma Mamo Milky

The Committee consists of at least three directors with relevant risk management experience. The Chairperson should ideally be an independent director and may not simultaneously chair the Board or any other committee.

The Bank is required to integrate environmental and social sustainability into its risk appetite, specifically evaluating climate change and natural resource constraints on the loan portfolio.

C. Governance and Operational Procedures

The Committee meets at least once a month at the Bank's headquarters. Agendas and supporting materials are distributed to members at least five business days in advance. The Committee adopts the Three Lines of Defense model to separate front-line operations, risk and compliance oversight, and independent internal audit functions. It reports regularly to the full Board of Directors on its activities and any material issues identified during its sessions. Meeting minutes are consistently recorded, reviewed, and endorsed.

4.4.3 Nomination and Remuneration Committee

The Nomination and Remuneration Committee oversees Board composition, senior management appointments, succession planning, and remuneration frameworks. It ensures that leadership policies are aligned with the Bank's strategy and risk culture, and that the Bank attracts, rewards, and retains top-tier talent in compliance with relevant labour laws and financial sector regulations.

A. Key Responsibilities

- **Strategic Oversight:** Establishing human resource strategies and policies aligned with business requirements.
- **Executive Management:** Recommending frameworks for hiring, replacing, or removing senior management, and overseeing their performance evaluations and succession planning.
- **Compensation:** Monitoring and recommending salary structures, benefits, and overall reward packages based on industry standards and performance benchmarking. Salary studies may be conducted by an external consultant or an internal salary study committee, with proposed scales presented to the Board for approval based on profitability and industry standards.
- **Training and Ethics:** Ensuring Board members receive proper induction and continuous training, and considering disciplinary matters related to senior management.

B. Composition

Table 67: Nomination and Remuneration Committee Members

Role	Name
Chairperson	Dr. Lemma Degefa Gudeta
Member	Ato Eligo Legesse Motta
Member	Ato Daniel Wondimu Wolderufael
Member	Wzo. Meron Gezahegn Seifu

The Committee was established in June 2021 in compliance with NBE Directive SBB/71/2019 on Corporate Governance. Membership is drawn from non-executive directors with relevant experience in human resource management, remuneration, or organisational governance.

C. Governance and Operational Procedures

The Committee meets at least quarterly. It operates under formally approved terms of reference defining its mandate, responsibilities, and reporting lines. Decisions on salary scales and benefit packages take effect following full Board approval, and approved scales remain in force for subsequent years, with annual increment steps determined by Board decision. Meeting minutes are consistently recorded, reviewed, and endorsed.

4.4.4 Credit Committee

The Credit Committee supports the Board in overseeing the Bank's lending activities, credit policies, and portfolio quality, ensuring that credit risks are prudently managed and that lending practices remain sustainable.

A. Key Responsibilities

- Review and approve major credit exposures in line with the Bank's risk appetite and credit policy.
- Monitor portfolio quality and concentration risks.
- Ensure lending practices comply with NBE directives and internal credit standards.
- Report to the Board on significant credit exposures and portfolio developments.

B. Composition

Table 68: Credit Committee Members

Role	Name
Chairperson	Dr. Aynalem Abayneh Mamo
Member	Ato Eligo Legesse Motta
Member	Ato Biniam Bedewi Mohammed
Member	Ato Daniel Wondimu Wolderufael

The Committee consists of directors with relevant experience in credit, finance, or risk management, appointed in compliance with NBE governance directives.

C. Governance and Operational Procedures

The Committee meets at least quarterly or more frequently as credit exposures require. It operates under formally approved terms of reference. Decisions are taken by majority vote of members present, with quorum constituted by a majority of members in office. Meeting minutes are consistently recorded, reviewed, and endorsed.

4.4.5 Building Project Committee

The Building Project Committee oversees the planning, implementation, and monitoring of the Bank's major infrastructure and construction projects, ensuring that capital investments are delivered to standard, within budget, and in accordance with procurement requirements.

A. Key Responsibilities

- Review and approve major construction and infrastructure project plans.
- Monitor project progress, costs, and compliance with applicable standards.
- Oversee procurement processes and contractor performance.
- Report to the Board on project status, cost variances, and material risks.

B. Composition

Table 69: Building Project Committee Members

Role	Name
Chairperson	Ato Girma Mamo Milky
Member	Ato Ermias Girma Tekle
Member	Ato Biniam Bedewi Mohammed

The Committee consists of directors with relevant experience in infrastructure, project management, or engineering oversight, appointed by the Board of Directors.

C. Governance and Operational Procedures

The Committee meets at least quarterly or as project milestones and procurement decisions require. It operates under formally approved terms of reference defining its mandate, responsibilities, and reporting lines. Meeting minutes are consistently recorded, reviewed, and endorsed, ensuring accountability for all project-related decisions.

4.5 Changes on the Board in the Last 3 Years

Over the past three financial years, Berhan Bank S.C. has experienced changes in the composition of its Board of Directors and senior management, reflecting the Bank's commitment to strengthening corporate governance, regulatory compliance, and leadership capacity in line with NBE's Corporate Governance Directive (SBB/91/2024).

Between 2022 and 2025, Berhan Bank S.C. transitioned to a renewed governance structure, replacing or reappointing nearly all Board members and appointing a new Chief Executive Officer. These changes have positioned the Bank for improved oversight, risk management, and regulatory compliance under the National Bank of Ethiopia's supervisory framework.

Table 70: Summary of Board Changes

YEAR	CHANGE
2022	Ato Fuad Hassen Edris was appointed as a director on 18 July 2022, expanding the Board's professional diversity and representation.
2023	- Dr. Lemma Degefa Gudeta was appointed as a director on 31 May 2023. - The Bank's then President and Chief Executive Officer, Ato Girum Tsegaye, resigned on 2 November 2023 following internal governance restructuring.
2024	- Ato Ermias Tefera, formerly Vice President of the Bank, was appointed as President and Chief Executive Officer on 8 January 2024, following approval by the National Bank of Ethiopia. - On 19 April 2024, the Board of Directors was fully reconstituted, introducing new members including Ato Eligo Legesse Motta (Chairperson) and Ato Ermias Girma Tekle (Vice Chairperson), among others. - The reconstitution was intended to enhance governance capacity, sectoral expertise, and compliance with NBE's Corporate Governance Directive (SBB/91/2024).
2025	The reconstituted Board continues to serve as of July 1, 2025, providing continuity in oversight and policy direction. No additional changes were reported during the 2024/25 financial year.

To the best of the Bank's knowledge, no member of the Board of Directors, Executive Management, or Senior Management:

- has had a bankruptcy or insolvency petition filed against them, or against any partnership in which they were a partner or any company of which they were a director or key officer;
- has been convicted of, or is currently the subject of pending criminal proceedings relating to, fraud or dishonesty; or
- Has been restrained by any court or regulatory body from acting as an investment adviser, securities dealer, director or employee of a financial institution, or from engaging in any business practice, due to fraud or dishonesty.

Furthermore, no Director has any direct or indirect interest in unusual or significant transactions entered into by the Bank during the current or preceding financial year (or any earlier year) that remain outstanding or unperformed.

4.6 Remuneration Paid to the Board of Directors

The remuneration of the Board of Directors is determined in accordance with directives issued by the National Bank of Ethiopia and is subject to approval by the shareholders at the Ordinary General Meeting. The Bank

does not maintain a formal internally developed remuneration framework; rather, compensation practices are guided by applicable regulatory provisions governing the banking sector.

Board members receive a fixed monthly allowance and an annual remuneration, with total compensation reflecting their roles and level of participation in Board activities.

Compensation for executive management is determined based on prevailing market practices within the Ethiopian banking industry, primarily to attract and retain qualified professionals. Executive remuneration is predominantly fixed and cash-based, consisting of salaries and standard benefits. The Bank does not currently implement performance-linked incentives, deferred compensation schemes, or variable in-kind benefits beyond standard employment provisions.

The total cash remuneration paid to the Board of Directors for the financial year amounted to ETB 1,650,000.

As of the date of this Prospectus, the total estimated remuneration payable for the financial year ending June 2026 amounts to ETB 2.97 million for the Board of Directors and ETB 40.233 million for Executive Management. Executive Management are permanent employees of the Bank, and their remuneration comprises salaries and standard benefits. The Bank does not currently apply performance-linked, deferred, or non-cash incentive compensation schemes beyond standard employment benefits.

Table 71: Remuneration Paid to the Board of Directors

Board Members	Amount Set for 100% Participation	Participation (%)	Gross Amount Earned	Net Amount Paid After Tax
-	(ETB)	-	(ETB)	
Eligo Legesse Motta	150,000.00	100%	150,000.00	127,500.00
Ermias Girma Tekle	150,000.00	100%	150,000.00	127,500.00
Meron Gezahegn Seifu	150,000.00	100%	150,000.00	127,500.00
Sibu Ayele Etefa	150,000.00	100%	150,000.00	127,500.00
Jaleta Wordofa Gurarra	150,000.00	100%	150,000.00	127,500.00
Biniam Bedewi Mohammed	150,000.00	100%	150,000.00	127,500.00
Dr. Lemma Degefa Gudeta	150,000.00	100%	150,000.00	127,500.00
Dr. Abaydar Kettema Woldeeab	150,000.00	100%	150,000.00	127,500.00
Dr. Aynalem Abayneh Mamo	150,000.00	100%	150,000.00	127,500.00
Daniel Wondimu Wolderufael	150,000.00	100%	150,000.00	127,500.00
Girma Mamo Milky	150,000.00	100%	150,000.00	127,500.00
Total	1,650,000.00		1,650,000.00	1,402,500.00

Benefits-in-kind to Board members: no benefits-in-kind (including motor vehicles, housing, entertainment allowances, club memberships, or other non-cash benefits) were provided to any member of the Board of Directors during the financial year ended June 30, 2025. The total Board remuneration disclosed in the table above represents the complete cash compensation paid to Board members and no additional benefits were granted beyond the amounts stated.

Table 72: Remuneration paid to Board Directors and Executive Management

No.	Employment Category	FY (Jul 2025 to Jun 2026)	FY (Jul 2024 to Jun 2025)	FY (Jul 2023 to Jun 2024)
1	Board of Directors	2,970,000.00	2,970,000.00	2,570,000.00
2	Executive Management	40,233,000.00	25,721,300.00	10,427,500.00

**In Kind Benefit to Executive Management: (car + unlimited fuel, The Bank grants Gym service to any preferred Gym centre, mobile apparatus+ unlimited data+ unlimited voice package)*

4.7 Promoters

In accordance with the ECMA Public Offering and Trading Directive No. 1030/2024, the Bank discloses the following in relation to promoters: 6,636 founding shareholders in June 2009 established Berhan Bank S.C. The Bank confirms that:

- No payments, commissions, securities, or other benefits were provided or proposed to promoters (founding shareholders or any persons who acted in a promoter capacity) during the three financial years ended June 30, 2025.
- No promoter holds, or held during the three-year period under review, any material interest in any partnership, company, or association that was material to the Bank's business or that resulted in any transaction or arrangement that would require disclosure as a related-party transaction beyond those already disclosed in Section 6 of this Prospectus.

SECTION FIVE

5 CAPITAL STRUCTURE AND INFORMATION ON SECURITIES

5.1 Share Capital

As of 30 June 2025, Berhan Bank S.C. has authorized share capital stands at ETB 10,000,000,000, as approved by the Extraordinary General Meeting (EGM) held on October 17, 2024. The authorized capital has remained unchanged since then.

Table 73: Details of Share Capital of the Company

Particulars (ETB)	FY 2022/23 (30 Jun 2023)	FY 2023/24 (30 Jun 2024)	FY 2024/25 (30 Jun 2025)	Nov 24, 2025	As at Date of Prospectus
Authorized Capital	10,000,000,000	10,000,000,000	10,000,000,000	10,000,000,000	10,000,000,000
Subscribed Capital	3,350,433,000	3,447,898,000	4,286,885,000	6,328,419,000	6,328,419,000
Number of Shares Outstanding	3,350,433	3,447,898	4,286,885	6,328,419	6,328,419
Beginning Paid-up Capital	3,350,433,000	3,350,433,000	3,447,898,000	4,286,885,000	6,328,419,000
Number of Shares Issued in Year	--	97,465	838,987	2,041,534	--
Proceeds of Share Issue (ETB)	--	97,465,000	838,987,000	2,041,534,000	--
Ending Paid-up Capital	3,350,433,000	3,447,898,000	4,286,885,000	6,328,419,000	6,328,419,000
Number of Shareholders	16,781	16,902	20,752	23,580	23,580

All shares are Ordinary Shares with a par value of ETB 1,000 each. Subscribed capital has equalled paid-up capital in all periods; no partly-paid shares are outstanding. All share issuances were for cash consideration at par value

In accordance with ECMA disclosure requirements, the following matters are disclosed:

- **Shares not representing capital:** All issued shares of Berhan Bank S.C. represent paid-up capital. There are no shares in issue that do not represent capital (such as treasury shares, nil-paid shares, or shares held by the Bank in itself).
- **Class of shares:** The Bank maintains a single class of shares, being Ordinary Shares. There is only one class of shares in issue. All Ordinary Shares carry equal rights including equal voting rights (one vote per share), equal entitlement to dividends, and equal participation in net assets upon liquidation. There are no preference shares, deferred shares, redeemable shares, or other classes with special, differential, or preferential rights.
- **Shares issued for consideration other than cash:** All shares issued by the Bank have been issued for cash consideration at par value (ETB 1,000 per share). No shares have been issued for non-cash

consideration, as part of any acquisition, as scrip dividend, or otherwise for consideration other than cash.

5.2 Shareholder Agreements Affecting Control

The Bank has no shareholder agreements or arrangements that affect control, management, or voting power, and there are no instruments or contingent obligations that could lead to a change in ownership structure and maintains all relevant documentation related to each capital raise round.

5.3 Other Securities

The Bank maintains a single class of shares, ordinary shares, which carry equal voting rights, dividend entitlements, and rights to participate in the Bank's residual assets upon liquidation. Each share confers one vote at any General Meeting of the Bank. There are no preference shares, deferred shares, or other classes with special rights, restrictions, or privileges.

5.4 Dividend Policy

Berhan Bank S.C. has a formal Share Administration and Dividend Policy approved by the Board of Directors, which governs the division of each year's earnings between distribution to shareholders and retention within the Bank. That policy operates within the framework set by the Commercial Code of Ethiopia (Proclamation No. 1243/2021), the Banking Business Proclamation and the directives issued under it by the National Bank of Ethiopia, the Federal Income Tax Proclamation and the directive governing the taxation of undistributed profits, and the Bank's Memorandum and Articles of Association. This Section sets out what each of those instruments requires, and how each has applied to the Bank in practice during the three financial years under review.

5.4.1 Source of Profits from which Dividends may be Declared

Dividends are declared exclusively out of the Bank's annual net profit after tax as reported in its audited financial statements prepared under IFRS. They are not declared out of share premium, out of the fair value reserve arising on the Bank's equity investments measured at fair value through other comprehensive income, out of the regulatory risk reserve, or out of any other reserve. Other comprehensive income ETB 268,058 thousand in FY2025 is not distributable and does not enter the calculation.

Undistributed profit brought forward is available for distribution in a subsequent year only to the extent that it has not been appropriated to a non-distributable reserve. Where the Bank has accumulated losses, no dividend may be declared until those losses have been fully absorbed by profits. The Bank carried no accumulated losses at any point during the three financial years under review.

5.4.2 Required Allocations to Reserves and the Determination of Distributable Profit

Before any amount is available for distribution, the Bank must complete all required provisioning and reserve transfers: the legal reserve transfer of not less than 25% of net profit; the transfer to the Regulatory Risk Reserve required by NBE Directive No. SBB/90/2024; full provisioning for loan losses and other prudential matters; and absorption of any losses carried forward.

5.4.3 Authority Responsible for Declaring and Approving Dividends

The dividend is proposed by the Board of Directors and declared by the shareholders in general meeting. Neither the Board alone nor management may declare or pay a dividend.

In formulating its recommendation, the Board has regard to the Bank's financial condition, its operating results for the year, its present and projected cash requirements, its planned expansion, any obligations arising under its financing arrangements, and its capital adequacy position. A consideration of particular weight for the Bank

is the relationship between paid-up capital and the NBE single-borrower lending limit: because that limit is expressed as a proportion of capital, retention of profit directly increases the maximum exposure the Bank may take to any one customer and therefore its ability to meet the credit demand of its larger corporate borrowers.

The Annual General Meeting has final authority. It may approve the Board's recommendation, approve a lesser amount, or resolve that the whole or any part of the year's net profit be retained within the Bank for capitalisation. All three dividends declared during the period under review were approved by AGM resolution.

5.4.4 Basis and Method of Calculating the Dividend

Dividends are calculated by reference to the weighted paid-up share of each shareholder. The method is time-weighted rather than based on a holding at a single record date: a shareholder who paid up shares part-way through the financial year participates only in proportion to the period for which those shares were paid up. The aggregate of these individual entitlements is the dividend declared for the year.

The dividend per share disclosed in this Prospectus is a derived figure, being the total dividend declared divided by the weighted average number of shares outstanding during the year. It is presented so that investors may compare returns across years; it is not the rate at which any particular shareholder is paid, since each shareholder's entitlement depends on the timing of that shareholder's own paid-up contributions. By way of illustration, for the financial year ended 30 June 2025 the Bank declared a dividend of ETB 1,045,836 thousand against a weighted average of 3,831,194 shares outstanding, giving a dividend per share of ETB 273 and a payout ratio of 49.7% of net profit after tax.

5.4.5 Shareholders Entitled to Receive the Dividend

A dividend for a financial year is payable to those persons registered as shareholders of the Bank, and whose shares were paid up, during that financial year, in each case to the extent and for the period determined under the time-weighted method described in Section 5.4.4. A person who acquires shares after the close of a financial year does not participate in the dividend declared for that year.

Shares that have not been fully paid up by the shareholder neither accrue nor receive a dividend. Shares held by the Bank itself, if any, are subject to the applicable legal and regulatory restrictions on distributions in respect of such shares.

5.4.6 Manner and Timing of Dividend Payment

A dividend is declared by resolution of the shareholders at the Annual General Meeting for the financial year to which it relates, and is paid in the following financial year. Payment is made in Ethiopian Birr within 60 working days of the date of the AGM resolution declaring the dividend. Payment is made by credit to the shareholder's account with the Bank or by such other means as the Bank specifies.

Amounts that remain unclaimed at the end of the payment period are transferred to a dedicated uncollected dividend payable account maintained by the Bank and remain payable to the shareholder on presentation of a valid claim. Unclaimed amounts do not accrue interest.

Shareholders of Ethiopian origin resident outside Ethiopia receive their dividends in Ethiopian Birr. Those amounts are not repatriable, but may be reinvested in newly issued shares of the Bank. Prospective investors resident outside Ethiopia should have particular regard to this restriction, which is a limitation on the economic return available to them and is disclosed as a risk factor in Section 9.

5.4.7 Election Between Cash and Capitalisation, and Retention of Profit

Shareholders may elect to receive dividends in cash, net of the applicable 15% dividend income tax, or to capitalize their dividend entitlement into additional shares at par value of ETB 1,000 per share. Where a shareholder elects partial payment and partial capitalization, the taxable portion (cash) and the non-taxable

portion (capitalized) are processed separately. A shareholder whose capitalized entitlement is not an exact multiple of the ETB 1,000 par value is required to make an additional cash payment to complete the subscription of a whole share; otherwise the fractional amount is retained by the system as a pending credit.

Separately from the individual shareholder election described above, the Annual General Meeting may resolve that the whole or part of the year's net profit be retained within the Bank for capitalisation. Where it does so, retention is effected by one of two routes. Under the mandatory plough-back arrangement, the Bank retains the profit and issues shareholders additional shares of equivalent value in place of cash, preserving the Bank's liquidity while transferring value to shareholders. Alternatively, by way of a rights issue, existing shareholders are offered the opportunity to subscribe for further shares in proportion to their holdings at a stated price, which both permits shareholders to increase their holding and provides the Bank with new capital. The offer described in Section 8 of this Prospectus is an issue of the second kind.

5.4.8 Circumstances in which Dividends may not be Declared or Paid

No dividend may be declared or paid in any of the following circumstances.

- Legal reserve. A minimum of 25% of annual net profit must be transferred to the legal reserve until such reserve equals the prescribed proportion of paid-up capital. This transfer reduces the amount of net profit available for dividend distribution. The reserve stood at 39.1% of paid-up capital at 30 June 2025 and the requirement therefore continues to bind.
- Regulatory Risk Reserve. The Bank is required to maintain a Regulatory Risk Reserve in accordance with NBE Directive SBB/90/2024 on Asset Classification and Provisioning. Transfers to this reserve from retained earnings reduce distributable profit. The transfer was ETB 524,184 thousand in FY2025, an increase of 160.9% on FY2024.
- Capital adequacy. The Bank's Capital Adequacy Ratio (CAR) must be maintained above the 11% regulatory minimum per NBE Directive SBB/95/2025. No dividend may be declared or paid that would reduce the Bank's CAR below this threshold. The Bank's CAR was 16.00% at 30 June 2025 and the constraint was not binding.
- NBE review and supervisory powers. Dividend declarations by private commercial banks are subject to review by the National Bank of Ethiopia to confirm compliance with all applicable prudential requirements. No dividend may be paid if the Bank is in breach of any applicable regulatory capital or liquidity requirement. The National Bank of Ethiopia may also prohibit or restrict a distribution under the Banking Business Proclamation.
- Minimum capital. The Bank must maintain paid-up capital above the NBE statutory minimum of ETB 5 billion. Dividend payments that would reduce capital below this threshold are not permitted. The National Bank of Ethiopia has discretion to waive this requirement or to extend the compliance period.
- Insufficient profit. No dividend may be paid where the annual net profit is insufficient to cover operating losses for the year together with any accumulated losses brought forward.
- Unpaid and treasury shares. Shares not fully paid up by the shareholder neither accrue nor receive a dividend. Shares repurchased by the Bank are subject to the applicable legal and regulatory restrictions.
- No other restrictions. As at the date of this Prospectus, the Bank has no outstanding external borrowings or loan covenants that impose additional restrictions on dividend payments beyond those described above.

5.4.9 Taxation of Dividends

Dividend income tax is withheld at source by the Bank on the cash portion of each distribution at the rate of 15% (10% for distributions made before the Income Tax (Amendment) Proclamation No. 1395/2025, which applied to the FY2022/23 and FY2023/24 dividends) and remitted to the Ministry of Revenue. No tax is withheld on the portion of an entitlement that a shareholder elects to capitalise into additional shares. Dividend income tax remitted was ETB 40,668 thousand in FY2025, ETB 28,406 thousand in FY2024 and ETB 12,537 thousand in FY2023.

Profits that are neither distributed nor capitalised within the period prescribed by the applicable directive on the taxation of undistributed profits may attract tax on undistributed profit. This is one of the considerations weighed by the Board and the Annual General Meeting in determining the balance between distribution and retention. Shareholders should refer to Section 8.1.8 for the taxation of the securities generally and should seek independent tax advice.

5.4.10 Dividend per share for the last three financial years

Table 74: Dividend History Last Three Financial Years

Descriptions	FY2024/25	FY2023/24	FY2022/23	% Change 23/24 → 24/25	% Change 22/23 → 23/24
Profit after tax (ETB '000)	2,102,198	1,188,212	508,627	+76.9%	+133.6%
Dividend declared (ETB '000)	1,045,836	681,088	196,394	+53.6%	+246.8%
Weighted average shares (ETB '000)	3,831,194	3,391,670	3,256,697	+13.0%	+4.1%
Dividend per share (ETB)	273	201	60	+35.8%	+235.0%
Earnings per share (ETB)	549	350	156	+56.9%	+124.4%
Payout ratio	49.7%	57.3%	38.6%	-	-
Cash paid (ETB '000)	230,454	255,655	112,834	-9.9%	+126.6%
Capitalized (ETB '000)	774,713	397,028	71,022	+95.1%	+459.0%
Tax paid (ETB '000)	40,668	28,406	12,537	+43.2%	+126.6%

Notes: (1) All amounts in ETB '000 except DPS, EPS and payout ratio. (2) Weighted average shares are calculated on a time-weighted basis for each financial year. (3) DPS = dividend declared ÷ weighted average shares. (4) EPS = profit after tax ÷ weighted average shares. (5) Payout ratio = dividend declared ÷ profit after tax. (6) Cash paid includes dividends transferred to the uncollected dividend payable account for shareholders who had not claimed their entitlement at the year-end processing date. (7) Tax paid = dividend income tax withheld from the cash portion at 10% for FY2022/23 and FY2023/24 and 15% for FY2024/25 and remitted to the Ministry of Revenue; no tax is deducted from capitalised dividends. (8) The sum of cash paid, capitalised and tax paid equals dividend declared in each year. (9) All dividends were declared by AGM resolution.

Dividend per share increased from ETB 60 in FY2022/23 to ETB 201 in FY2023/24 and ETB 273 in FY2024/25, driven by accelerating profit growth. The dividend payout ratio was 38.6% in FY2022/23, rising to 57.3% in FY2023/24 as the Bank distributed a larger proportion of significantly higher profits, and moderating to 49.7% in FY2024/25 to retain a greater proportion of earnings for capital adequacy reinforcement and strategic growth. Earnings per share grew from ETB 156 in FY2022/23 to ETB 350 in FY2023/24 and ETB 549 in FY2024/25, reflecting accelerating profitability relative to the weighted average share base. Dividend per share

grew more slowly than earnings per share in FY2024/25 35.8% against 56.9% and more quickly in FY2023/24 235.0% against 124.4%. As explained in Section 5.4.8, the moderation in the payout ratio in FY2024/25 reflects the 160.9% increase in the mandatory transfer to the Regulatory Risk Reserve rather than a discretionary decision to retain a larger share of distributable profit: the Bank distributed 99.2% of the profit that remained available after mandatory transfers, against 98.7% in the prior year.

The proportion of dividends capitalized versus paid in cash has increased materially over the three-year period. In FY2024/25, ETB 774,713 thousand (74.1% of total declared) was capitalized as additional shares, and ETB 230,454 thousand (22.0%) was distributed in cash to shareholders, with ETB 40,668 thousand (3.9%) representing dividend income tax remitted to the Ministry of Revenue. This pattern reflects a deliberate shareholder preference for reinvestment and is consistent with the Bank's capital strengthening objectives. Cash actually paid to shareholders fell 9.9% in FY2024/25 notwithstanding the 53.6% increase in the dividend declared. Investors seeking a cash yield should note that the Bank's recent history is one of rising declared dividends accompanied by falling cash distributions, and that a shareholder electing cash receives an amount net of 15% withholding tax.

5.4.11 Effect of the Offer on Dividend Entitlement

The Offer Shares described in Section 8 will rank *pari passu* with the existing Ordinary Shares in all respects. Because entitlement is computed on the time-weighted paid-up value of each holding under the method described in Section 5.4.4, a subscriber for Offer Shares issued in 10 February 2027 will participate in the dividend for the financial year ending 30 June 2027 only in proportion to the part of that year for which the Offer Shares were paid up. Offer Shares will carry no entitlement to any dividend declared in respect of the financial year ended 30 June 2026 where the record date or the relevant financial year precedes their issue.

Investors should also note that the increase in the number of shares in issue following the Offer will, other things being equal, reduce dividend per share for a given quantum of distributable profit, and that [a principal purpose of the Offer is to strengthen the Bank's capital base and capital adequacy position in line with regulatory requirements and its long-term strategic ambitions](#), an objective that may weigh in favour of retention in future years. Neither the Board nor the Bank gives any assurance as to the amount of any future dividend, or that any dividend will be paid.

SECTION SIX

6 INTEREST AND RELATED PARTY TRANSACTIONS

6.1 Board of Directors Interest

The Board of Directors of Berhan Bank S.C. confirms that as of the date of this prospectus, there are no material conflicts of interest, financial or otherwise, that could influence the objectivity or integrity of Berhan Bank S.C., and that there are no existing or potential relationships, arrangements, or circumstances that may give rise to a conflict of interest in relation thereto. Below is the shareholding levels for the respective board directors. All shareholdings disclosed in section four represent direct and beneficial ownership of shares held in the personal names of the respective Directors. The Bank confirms that no Director holds shares indirectly through nominees, affiliated entities, or other beneficial arrangements.

There are no non-beneficial interests held by any member of the Board of Directors as at the date of this prospectus.

Table 75: Board of Directors Shareholding Detail

S. No	Directors	No. of Shares	% Shareholding
1	Eligo Legesse Motta	343	0.01
2	Ermias Girma Tekle	200	0.00
3	Meron Gezahegn Seifu	1,152	0.02
4	Sibu Ayele Etefa (Representing Berhan Insurance SC)	126	0.00
5	Jaleta Wordofa Gurarra	498	0.01
6	Biniam Bedewi Mohammed	14,022	0.22
7	Dr. Lemma Degefa Gudeta	2,649	0.04
8	Dr. Abaydar Kettema Woldeab	578	0.01
9	Dr. Aynalem Abayneh Mamo	1,227	0.02
10	Daniel Wondimu Wolderufael	128	0.00
11	Girma Mamo Milky	413	0.01
Total		21,336	0.34

6.2 Loan to Board of Directors

The Bank has extended loan facilities to Directors and Key Management Personnel in the ordinary course of business. These facilities are granted on arm's length terms, consistent with those applicable to comparable third-party transactions, and are adequately secured. The aggregate exposure to Directors and Key Management Personnel is included within the related party disclosures presented below.

Table 76: Loan to Board of Directors

Name	Relationship	Facility Type / Approved limit	Outstanding Balance (ETB Million)	Maturity Date	Capital (%)	Year
Endeshaw Kassa Zewdie (Dashura Import)	BoD Member	Import Loan	13.20	04/16/26	0.69	2023
Ethiopian Kale Heywet Church Head Office	BoD Member	Building Loan	225.93	03/03/32	4.94	2023
Endeshaw Kassa Zewdie (Dashura Import)	BoD Member	30.00	29.86	04/13/25	0.63	2024
Ethiopian Kale Heywet Church Head Office	BoD Member	214.02	214.61	03/03/32	4.50	2024
Desta Bekalo Sapa	BoD Member	1.46	1.21	02/23/29	0.03	2024
Mesidan International Trading Plc	BoD Member	8.80	6.12	11/23/26	0.15	2025

Related party loan transactions involving Board of Directors (BoD) members and affiliated entities showed a declining trend over the three-year period, decreasing from ETB 256.46 million in 2023, representing 6.31% of the Bank's capital, to ETB 261.76 million in 2024 (5.55% of capital), and declining to ETB 6.12 million in 2025, representing only 0.15% of capital. The exposures primarily related to loans granted to Ethiopian Kale Heywet Church Head Office, Dashura Import, and Mesidan International Trading Plc. The substantial reduction in related party exposures in 2025 indicates improved concentration management and reduced credit exposure to Board-related parties. The Bank confirms that all related party transactions were undertaken in the ordinary course of business, approved in accordance with applicable internal policies and regulatory requirements, and conducted on arm's length terms.

no guarantees, whether direct or indirect, have been granted by the Bank or any of its subsidiaries for the benefit of any member of the Board of Directors or their related parties as at the date of this Prospectus, other than those arising as part of the ordinary course of banking business disclosed in the loan table above. No Board member is a beneficiary of any off-balance-sheet guarantee facility issued by the Bank.

6.3 Directors' Remuneration

Table 77: Director's remuneration

No.	Employment Category	FY (Jul 2025 to Jun 2026)	FY (Jul 2024 to Jun 2025)	FY (Jul 2023 to Jun 2024)
(ETB)				
1	Board of Directors	2,970,000.00	2,970,000.00	2,570,000.00
2	Executive Management	40,233,000.00	25,721,300.00	10,427,500.00

No benefits-in-kind (including motor vehicles, housing, entertainment allowances, club memberships, or other non-cash benefits) were provided to any member of the Board of Directors during the financial

years ended . The total Board remuneration disclosed in the table above represents the complete cash compensation paid to Board members and no additional benefits were granted beyond the amounts stated

6.4 Major Shareholders and Interested Persons

The parties involved hereby confirm that they do not hold any direct or indirect financial, ownership, or other interests in Berhan Bank S.C., and that no member of the involved parties, their affiliates, or representatives has any stake, shareholding, or beneficial interest in Berhan Bank S.C. as of the date of this prospectus.

Ownership of Berhan Bank S.C. remains entirely domestic, consisting of individual investors and private institutions, all in full compliance with the National Bank of Ethiopia's Ownership Directive.

Table 78: Summary of Berhan Bank S.C.'s top 10 Shareholders

S. No.	Shareholder	No. of Shares	% Shareholding
1	Zablon Trading PLC	120,000	1.90%
2	FDRE Public Servants' Social Security Administration	118,426	1.87%
3	Shitaye Tadesse Seyoum	90,000	1.42%
4	Milkias Negash Teggen	90,000	1.42%
5	E-Ethio Credit System PLC	80,000	1.26%
6	Sara Workneh Ambaye	70,000	1.11%
7	Dereje Bedilu Habte	65,000	1.03%
8	Droga Pharma PLC	57,000	0.90%
9	Berhan Insurance S.C.	50,678	0.80%
10	Mitiku Lemma Jijo	48,321	0.76%
	Top 10 Shareholders	789,425	12.47%
	Others	5,538,994	87.53%
	Total Issued Shares	6,328,419	100%

**The issued share capital has increased since 30 June 2025; the amount shown is the latest available at the date of this prospectus.*

6.4.1 Shareholders Owning More Than 5%

In accordance with Article 109 of the Ethiopian Capital Market Authority (ECMA) Public Offering and Trading of Securities Directive No. 1030/2024, the Bank is required to disclose any person, other than a member of the Board of Directors, who directly or indirectly holds 5% and more of the Company has issued share capital or voting rights

As of 24 November 2025, Berhan Bank S.C. confirms that no person or entity (non-Director), whether directly or indirectly, holds five% (5%) or more of the Bank's issued share capital or voting rights.

The Bank's ownership structure remains widely distributed among a large number of Ethiopian individual and institutional shareholders, with no controlling or dominant shareholder.

- All shares are of one class ordinary shares with identical rights and privileges.

- Each ordinary share carries equal par value (Birr 1,000) and one vote per share at shareholder meetings.
- There are no preference shares,
- There are no non-voting shares,
- There are no special classes of equity,
- No shareholder enjoys different or preferential voting rights.

6.4.2 Existing Agreements between Interested Persons

The Bank confirms that there are no existing agreements, arrangements, or understandings between shareholders, Directors, or Interested Persons that affect management control, the exercise of voting rights, or the relationship between shareholders and the Bank as at the date of this prospectus.

6.4.3 Shareholder Agreements Affecting Control

The Bank has no shareholder agreements or arrangements that affect control, management, or voting power, and there are no instruments or contingent obligations that could lead to a change in ownership structure.

6.4.4 Contingent Instruments

As of the date of this prospectus, Berhan Bank S.C. has no instruments, convertible obligations, or contingent agreements that could result in a change of control of Berhan Bank S.C. in the near future. The Bank remain governed by the National Bank of Ethiopia's Ownership Directive, which limits individual shareholding to a maximum of five% (5%) and institutional shareholding to ten% (10%) of total paid-up capital. These provisions ensure transparency, prevent ownership concentration, and safeguard the Bank's independence and governance integrity.

6.4.5 Related Party Transactions

In accordance with Article 110(3) of the Ethiopian Capital Market Authority (ECMA) Public Offering and Trading of Securities Directive, the Bank discloses related-party transactions undertaken in the last three years. These disclosures are prepared in compliance with the Commercial Code, International Financial Reporting Standards (IFRS), and the relevant Directives of the National Bank of Ethiopia (NBE) to ensure transparency and consistency in financial reporting.

As of the reporting date (FY 2024/25), the total outstanding related party exposures amounted to Birr 44.63 million, representing approximately 0.85% of the Bank's total capital of Birr 6,067.49 million. Related party exposures include loans and advances to Directors, Key Management Personnel, and associated entities, arising in the ordinary course of business. These exposures were primarily staff loans advanced to Senior Executive Officers under the Bank's employee lending scheme, extended at standard staff rates and terms applicable to all employees.

All facilities granted to related parties were duly approved in accordance with internal credit policies, NBE regulations, and the requirements of IAS 24. The loans were classified as "pass," indicating they are performing and not in arrears. Adequate collateral has been pledged against these facilities, comprising buildings, vehicles, and personal guarantees with an aggregate estimated value of birr 51.46 million.

The bank confirms that related-party arrangements may continue into future financial periods in the ordinary course of business, as employee lending programs and facilities to directors and key management personnel constitute ongoing operational activities. All such future related-party transactions will be conducted in strict compliance with IAS 24 related party disclosures, NBE directives, and the commercial code of Ethiopia. Any related-party arrangements continuing into future financial periods will be appropriately disclosed in subsequent financial statements in accordance with these regulatory requirements.

Table 79: Related Party Transactions Exposure

Related Party Transactions	FY2025	FY2024	FY2023	YoY Change FY2024/25
Outstanding Loans to Related Parties (ETB Million)	44.63	261.76	256.46	-83%
Total Net Loans & Advances to Customers (ETB Million)	34,528.0	29,202.3	27,346.1	+18%
RPT Loans as % of Total Loan Portfolio	0.13%	0.90%	0.94%	
RPT Loans as % of Total Regulatory Capital	0.85%	5.55%	6.31%	

Sources: Outstanding related party balances from **Tables 82, 83, and 84**. Net Loans & Advances from the audited Statements of Financial Position (FY2023, FY2024, FY2025).

Related party loans and advances as a percentage of the Bank's total net loan portfolio declined from 0.94% in FY2023 to 0.90% in FY2024, and fell sharply to 0.13% in FY2025 following the full settlement of the Ethiopian Kale Heywet Church Head Office facility (ETB 225.93 million) and the Dashura Import facility (ETB 13.20 million) during FY2025. The Bank's total net loan portfolio grew from ETB 27,346.1 million in FY2023 to ETB 34,528.0 million in FY2025 (+26.3%), further diluting the relative weight of related party exposures. As at the date of this Prospectus, the Bank's RPT loan exposure of 0.13% of the total loan portfolio and 0.85% of regulatory capital is materially below the NBE prudential limits applicable to large exposures and related party concentrations.

Table 80: Loan and advances to BOD and Senior Management Members

Category	Outstanding Balance	Collateral Value	Percent of Total Capital
(ETB Million)			
Loans and advances to Board members and Senior Management	44.63	51.46	0.85%

The Bank has provided no guarantees, off-balance sheet commitments, or its subsidiaries for the direct or indirect benefit of any related party beyond the exposures disclosed above.

All related party transactions have been conducted on arm's length terms, without preferential treatment in interest rates, collateral requirements, or repayment conditions. The Bank continuously monitors such exposures to ensure compliance with prudential limits and to safeguard the integrity of its lending operations.

Table 81: Related Party Transactions as a Proportion of Total Turnover

Description	December 31, 2025	FY 2024/25	FY 2023/24	FY 2022/23
Total Related Party Transactions (ETB)	126,901,866	147,593,297	125,239,400	194,486,733
Total Turnover / Operating Income (ETB)	1,174,625,278	2,193,735,328	834,683,548	437,089,530
Related Party Transactions as % of Total Turnover	11%	7%	15%	44%

the table above presents total related party transactions as a proportion of the Bank's total operating income (turnover) for each of the four periods presented. Related party transactions as a proportion of total turnover ranged from 44% in FY2022/23 to 7% in FY2024/25, with the significant decline in FY2025 reflecting the substantial reduction in the outstanding balance of Board-related loans following the settlement of the Ethiopian Kale Heywet Church Head Office and Dashura Import facilities. The interim December 2025 ratio of 11% reflects the continued normalization of related party exposure following these settlements. All related

party transactions were conducted in the ordinary course of business at arm's length terms applicable to all counterparties.

6.4.5.1 Related Party transactions as at June 30, 2025

As of 30th June 2025, the related party transactions amounted to Birr 44.63 million, which represented 0.85% of the Capital. This was a reduction from Birr 261.76 million reported in the FY 2023/24.

Table 82: Related Party transactions as at June 30, 2025

Name (ETB Million)	Approved Limit / Facility	Outstanding Balance	Maturity Date	Percent of Capital
Ermias Tefera Shawel	3.00	2.80	01/02/30	0.05%
Amanuael Tadesse Weldegebriel	4.54	3.95	06/20/43	0.07%
Bethlehem Getachew Metaferia	7.23	6.73	04/21/36	0.12%
Desta Bekalo Sapa	2.04	1.97	03/04/30	0.03%
Shimeles Tesfaye Retta	1.74	1.07	04/27/28	0.03%
Solomon Assefa Haile	4.90	3.31	06/26/34	0.08%
Dagmawi Kasahun Mengesha	5.89	5.87	06/24/44	0.10%
Masresha H/Mickael Gonfa	1.33	1.07	02/08/34	0.02%
Tesfaye Maru Abate	4.91	4.79	01/08/36	0.08%
Sirak Amare Sheferaw	1.98	1.84	01/28/30	0.03%
Marta Besha Awol	4.86	4.72	07/29/45	0.08%
Thomas Desalegn Beyene	0.50	0.38	02/19/29	0.01%
Mesidan International Trading Plc	8.80	6.12	11/23/26	0.15%
TOTAL	51.73	44.63		0.85%

6.4.5.2 Related Party transactions as at June 30, 2024

As of 30th June 2024, the related party transactions amounted to Birr 261.76 million, which represented 5.55% of the Capital. A slight increase from Birr 256.46 reported in FY 2022/23.

Table 83: Related Party transactions as at June 30, 2024

Name	Approved Limit / Facility	Outstanding Balance	Maturity Date	Percent of Capital
Amanuael Tadesse Weldegebriel	5.56	5.01	06/20/43	0.12%
Bethlehem Getachew Metaferia	7.04	6.61	04/21/36	0.15%
Solomon Assefa Haile	5.70	4.46	06/26/34	0.12%
Endeshaw Kassa Zewdie (Dashura Import)	30.00	29.86	04/13/25	0.63%
Ethiopian Kale Heywet Church Head Office	214.02	214.61	03/03/32	4.50%
Desta Bekalo Sapa	1.46	1.21	02/23/29	0.03%
Total	263.77	261.76		5.55%

6.4.5.3 Related Party transactions as at June 30, 2023

As of 30th June 2023, the related party transactions amounted to Birr 256.46 million, which represented 6.31% of the Capital.

Table 84: Related Party transactions as at June 30, 2023

Name	Facility Type	Outstanding Balance (ETB Million)	Maturity Date	Percent of Capital
Girum Tsegaye Kassa	Staff Loan	2.07	06/20/43	0.05%
Amanuael Tadesse Weldegebriel	Staff Loan	5.16	04/21/36	0.13%
Bethlehem Getachew Metaferia	Staff Loan	5.77	04/21/36	0.13%
Solomon Assefa Haile	Staff Loan	4.33	04/13/27	0.13%
Endeshaw Kassa Zewdie (Dashura Import)	Import Loan	13.20	04/16/26	0.69%
Ethiopian Kale Heywet Church Head Office	Building Loan	225.93	03/03/32	4.94%
Total		256.46		6.31%

SECTION SEVEN

7 MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis (MD&A) provides a comprehensive discussion of Berhan Bank S.C.'s historical financial performance, financial position, operating results, liquidity, capital position, and operational performance for the fiscal years ended June 30, 2023, June 30, 2024, and June 30, 2025 together with the reviewed interim period ended 31 December 2025 and, where expressly stated, unaudited management information as at 31 March 2026 and 30 June 2026.. This section should be read together with the information contained in Section 2 "Business Overview", Section 3 "Financial Information", and the other information relating to the Bank contained elsewhere in this Prospectus.

The analysis is based on the Bank's audited historical financial statements prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), the Commercial Code of Ethiopia (2021), and the applicable directives of the National Bank of Ethiopia (NBE). Where specifically indicated, reference has also been made to unaudited internal management reports for the six-month period ended December 31, 2025.

7.1 Overview

During the three-year period under review, Berhan Bank S.C. recorded continued growth in profitability, operating income, customer deposits, loans and advances, shareholders' equity, and customer base while continuing investments in banking infrastructure, technology, and service delivery channels. The Bank's balance sheet expanded steadily, primarily supported by sustained customer deposit mobilization, retained earnings, and periodic increases in shareholders' capital. Operating performance also reflected increasing contributions from non-interest income, while capital adequacy and asset quality remained within the prudential requirements prescribed by the National Bank of Ethiopia.

7.1.1 Income Growth and Composition

The Bank recorded sustained growth in operating income throughout the review period. Net operating income increased from ETB 3.14 billion in FY2023 to ETB 4.58 billion in FY2024 and further to ETB 7.95 billion in FY2025, representing year-on-year growth of 46% in FY2024 and 74% in FY2025.

The increase was driven by continued expansion in both net interest income and non-interest income. Net interest income increased from ETB 2.79 billion in FY2023 to ETB 3.32 billion in FY2024 and further to ETB 3.95 billion in FY2025, representing annual growth of approximately 19% in both years. The increase reflects continued expansion of the Bank's lending portfolio together with growth in interest-earning assets.

Interest income increased from ETB 4.39 billion in FY2023 to ETB 5.11 billion in FY2024 and further to ETB 6.06 billion in FY2025, while interest expense increased from ETB 1.60 billion to ETB 1.80 billion and ETB 2.11 billion, respectively. Although funding costs increased alongside deposit growth, net interest income continued to expand and remained the Bank's primary source of recurring operating income. Average interest-earning assets grew as gross loans and advances rose from ETB 28.89 billion to ETB 35.97 billion over the two years (+24.5%) and investment securities rose from ETB 4.14 billion to ETB 6.96 billion (+68.1%). Interest on loans and advances, the largest single income line, increased from ETB 4,037.7 million in FY2023 to ETB 4,707.4 million in FY2024 (+ETB 669.7 million, +16.6%) and to ETB 5,363.8 million in FY2025 (+ETB 656.4 million, +13.9%). Interest on investment securities grew from ETB 251.5 million to ETB 415.1 million (+65.1% over two years) as the Bank increased its holdings of government bonds and bills, and interest on deposits due from banks more than doubled from ETB 102.4 million to ETB 259.4 million as foreign currency placements with correspondent banks increased following exchange rate liberalisation. On the funding side, interest on

savings deposits, the largest expense line, rose from ETB 1,073.2 million to ETB 1,289.7 million (+20.2%) driven by deposit volume growth rather than repricing, while interest on time deposits rose from ETB 333.3 million to ETB 570.5 million (+71.2%) as the time deposit book grew and repriced. The net interest margin was therefore broadly stable across the period, and the growth in net interest income is attributable principally to balance sheet expansion.

Non-interest income recorded stronger growth than interest income during the review period. Net fee and commission income increased from ETB 435.2 million in FY2023 to ETB 756.7 million in FY2024 and further to ETB 2.09 billion in FY2025, representing annual growth of 74% and 176%, respectively. The increase reflects higher transaction volumes, increased utilization of digital banking services, expansion of trade finance activities, and growth in other fee-generating banking services. The FY2025 is attributable to three identifiable drivers commission on guarantees increased from ETB 267.4 million to ETB 628.7 million (+ETB 361.3 million, +135.1%) as the outstanding guarantee portfolio grew to ETB 13.22 billion; commission on letters of credit increased from ETB 164.6 million to ETB 305.3 million (+ETB 140.7 million, +85.5%) on higher import LC volumes; and fees income increased from ETB 366.3 million to ETB 1,201.6 million (+ETB 835.3 million, +228.0%) reflecting the repricing of service charges and higher digital and card transaction volumes across a customer base that grew to 2.90 million accounts.

Other operating income increased from ETB 228.2 million in FY2023 to ETB 438.3 million in FY2024 and further to ETB 1.90 billion in FY2025. The significant increase during FY2025 was primarily attributable to foreign exchange-related gains arising from exchange rate adjustments introduced during the year. Foreign exchange income increased substantially from approximately ETB 201 million in FY2024 to approximately ETB 1.70 billion in FY2025. Consequently, FY2025 operating income included a significant contribution from foreign exchange-related income, which may moderate in future reporting periods as foreign exchange market conditions stabilize.

The Bank's continued expansion of lending activities also supported growth in interest income. Net loans and advances increased from ETB 27.35 billion in FY2023 to ETB 29.20 billion in FY2024 and further to ETB 34.53 billion in FY2025, thereby increasing the Bank's stock of interest-earning assets.

7.1.2 Operating Expenses

Operating expenses increased during the review period as the Bank expanded its operations, customer base, technology infrastructure, and service delivery network.

Total operating expenses increased from ETB 2.53 billion in FY2023 to ETB 3.07 billion in FY2024, representing growth of 21%, and further increased to ETB 5.43 billion in FY2025, representing year-on-year growth of 77%. The increase primarily reflects higher personnel costs, investments in technology infrastructure, branch operating expenses, administrative costs, and other operating expenditures associated with business expansion.

Despite the increase in absolute operating expenses, the Bank maintained improved operational efficiency as revenue growth outpaced expense growth over the review period. The cost-to-income ratio improved from 80.73% in FY2023 to 67.06% in FY2024 and remained at 68.32% in FY2025, significantly below the FY2023 level.

7.1.3 Profitability

The Bank recorded continuous improvement in profitability throughout the review period.

Profit before income tax increased from ETB 605.2 million in FY2023 to ETB 1.51 billion in FY2024, representing growth of 149%, and further increased to ETB 2.52 billion in FY2025, representing growth of 67%.

Profit after tax increased from ETB 508.6 million in FY2023 to ETB 1.19 billion in FY2024 and further to ETB 2.10 billion in FY2025, representing cumulative growth of more than 300% over the three-year period.

The improvement in profitability reflects higher net interest income, increased fee and commission income, stronger operating leverage, and increased foreign exchange-related income recorded during FY2025. The FY2023 to FY2024 increase of ETB 902.5 million in profit before tax was driven principally by a swing in loan impairment of ETB 352.0 million (from a charge of ETB 207.8 million in FY2023 to a net release of ETB 144.2 million in FY2024 following the improvement in the NPL ratio from 5.75% to 4.98%), together with net interest income growth of ETB 527.8 million and fee income growth of ETB 321.5 million, partially offset by the ETB 534.9 million increase in operating expenses. The FY2024 to FY2025 increase of ETB 1,009.9 million was driven principally by the ETB 1,462.3 million increase in other operating income, of which approximately ETB 1,499.0 million relates to the non-recurring foreign exchange benefit described in Section 7.2, and by the ETB 1,331.1 million increase in net fee and commission income, offset by the ETB 2,359.1 million increase in operating expenses. Investors are directed to the sensitivity discussion in Section 7.2 in assessing the sustainability of the FY2025 result.

7.1.4 Asset Growth

The Bank's balance sheet expanded during the review period.

Total assets increased from ETB 45.05 billion in FY2023 to ETB 46.02 billion in FY2024 and further to ETB 58.96 billion in FY2025, representing annual growth of 2% and 28%, respectively.

Net loans and advances increased from ETB 27.35 billion in FY2023 to ETB 29.20 billion in FY2024 and further to ETB 34.53 billion in FY2025, representing annual growth of 7% and 18%, respectively.

Investment securities were broadly flat in FY2024 at ETB 4.06 billion (FY2023: ETB 4.14 billion) before increasing by ETB 2.89 billion, or 71.2%, to ETB 6.96 billion in FY2025. The FY2025 increase was driven almost entirely by additions to government bonds and bills of ETB 2.74 billion, which the Bank made in order to deploy deposit inflows that could not be lent under the NBE credit growth ceiling then in force, as explained in Section 7.3.2. The subdued 2.2% asset growth in FY2024 is explained by the simultaneous repayment of the Bank's outstanding borrowings of ETB 559.0 million and by the normalisation of mobile fund transfer settlement receivables, which fell by ETB 2.96 billion in that year; excluding that settlement effect, underlying asset growth in FY2024 was approximately 8.7%.

7.1.5 Funding and Liabilities

The Bank continued to finance its operations primarily through customer deposits.

Customer deposits increased from ETB 33.78 billion in FY2023 to ETB 36.85 billion in FY2024 and further to ETB 44.45 billion in FY2025, representing annual growth of 9% and 21%, respectively.

Total liabilities were ETB 40.02 billion at 30 June 2023, declining marginally to ETB 39.81 billion at 30 June 2024 (ETB -208.1 million, -0.5%), before increasing to ETB 50.42 billion at 30 June 2025 (ETB +10.61 billion, +26.6%). The marginal decline in total liabilities in FY2024 reflected the repayment of the Bank's outstanding borrowings of ETB 559.0 million, which more than offset growth in customer deposits and other operational liabilities during the year. Deposit mobilization remained the principal contributor to balance sheet growth throughout the review period.

7.1.6 Capital Position

Share capital increased from ETB 3.35 billion at 30 June 2023 to ETB 3.45 billion at 30 June 2024 (ETB +97.5 million, +3.0%), reflecting 97,465 new shares issued at par value of ETB 1,000 during FY2024. Share capital further increased to ETB 4.29 billion at 30 June 2025 (ETB +838.9 million, +24.3%) following the issue of

838,987 new shares as part of the Bank's capital strengthening programme to meet the NBE minimum paid-up capital requirement of ETB 5 billion.

Total equity increased from ETB 5.03 billion at 30 June 2023 to ETB 6.21 billion at 30 June 2024 (ETB +1.18 billion, +23.5%), primarily driven by profit after tax of ETB 1.19 billion partially offset by dividend payments and transfers to reserves. Total equity further increased to ETB 8.54 billion at 30 June 2025 (ETB +2.33 billion, +37.5%), supported by profit after tax of ETB 2.10 billion, additional share capital contributions, and continued growth in legal and regulatory risk reserves.

The Capital Adequacy Ratio (CAR) remained above the regulatory minimum throughout the review period, measuring 18.00% in FY2023, 17.00% in FY2024 and 16.00% in FY2025. The applicable minimum CAR is 11% under the Risk-Based Capital Adequacy Directive No. SBB/95/2025. The Bank's CAR headroom above that minimum therefore narrowed from 700 basis points in FY2023 to 600 basis points in FY2024 and 500 basis points in FY2025. The declining trend reflects risk-weighted asset growth outpacing capital accretion, and is a principal reason for the new offer of securities described in Section 8.

Liquidity and Asset Quality

The Bank's NBE liquidity ratio was 23.69% at 30 June 2025 (21.16% at 30 June 2024; 21.02% at 30 June 2023), comfortably above the NBE statutory minimum of 15% in each year of the review period. The liquidity ratio improved from 21.02% in FY2023 to 21.16% in FY2024 (an improvement of 14 basis points) and increased more materially to 23.69% in FY2025 (an improvement of 253 basis points), driven by the substantial growth in foreign bank deposits and new money market operations placements following exchange rate liberalization in July 2024. Total liquid assets held by the Bank grew from ETB 6.58 billion in FY2023 to ETB 7.19 billion in FY2024 (+9.3%) and further to ETB 9.69 billion in FY2025 (+34.8%).

During the six-month period ended December 31, 2025, the Bank generated positive net cash from operating activities of ETB 7.45 billion compared with ETB 4.65 billion during the corresponding period of the previous year. Net cash used in investing activities amounted to ETB 528.9 million, primarily relating to investments in property, equipment, technology infrastructure and other strategic operational assets. Financing activities resulted in net cash outflows of ETB 6.85 billion, mainly reflecting dividend payments, lease obligations and other financing activities. Cash and cash equivalents remained positive at ETB 7.42 billion at December 31, 2025.

Asset quality improved over the review period. The non-performing loan (NPL) ratio declined from 5.75% in FY2023 to 4.98% in FY2024 and further to 4.78% in FY2025, indicating gradual improvement in loan portfolio quality while remaining within the regulatory threshold. The regulatory threshold referred to above is the 5.0% maximum NPL ratio prescribed by NBE Directive No. SBB/90/2024. The Bank's NPL ratio was above that threshold in FY2023 (5.75%) and has been within it since FY2024. Impairment coverage of non-performing loans, measured as the total impairment allowance of ETB 897.0 million against non-performing loans of approximately ETB 1,719.6 million at 30 June 2025, was approximately 52.2% (FY2024: approximately 59.9%; FY2023: approximately 64.0%). The decline in coverage over the period is a movement exceeding the qualitative materiality parameters in Section 7.1.3 and is explained by the migration of a portion of the non-performing book to collateral-backed exposures carrying lower expected credit loss under IFRS 9.

7.1.7 Operational Scale and Customer Base

The Bank continued to expand its banking operations and customer outreach throughout the review period.

The customer base increased from 2.05 million in FY2023 to 2.59 million in FY2024 and further to 2.90 million in FY2025, representing cumulative growth of approximately 42%.

The Bank undertook a strategic optimization of its branch network during FY2025. Eighteen lower-performing branches were consolidated with nearby branches, while eleven new branches comprising one city branch

and ten outlying branches were established. Consequently, the Bank operated 375 branches at June 30, 2025, consisting of 161 city branches and 215 outlying branches.

ATM installations increased from 121 in FY2023 to 167 in FY2024 and further to 183 in FY2025, expanding customer access to banking services. The number of POS terminals was rationalized from 301 in FY2024 to 241 in FY2025 as part of the Bank's optimization of its electronic payment infrastructure.

Staff turnover declined from 14.1% in FY2023 to 6.6% in FY2024 (a reduction of 7.5 percentage points, -53.2%), reflecting improved retention initiatives and a reduction in voluntary departures following salary adjustments and enhanced staff benefit programmes implemented during the year. Staff turnover declined further to 5.0% in FY2025 (a reduction of 1.6 percentage points, -24.2%), indicating continued improvement in workforce stability. The cumulative 64.5% reduction in staff turnover over the two-year period represents a material improvement in organizational stability that will contribute to more consistent service delivery and reduced recruitment and training costs.

The Bank continued strengthening its service delivery channels through physical branches, ATMs, POS terminals and digital banking platforms. Management intends to continue investing in digital banking infrastructure, technology-enabled service delivery and operational efficiency to support customer growth, improve service accessibility and enhance transaction capabilities.

Table 85: Summary KPIs

ETB '000 (except ratios)	FY2025	FY2024	FY2023	YoY % 24/25	YoY % 23/24
Interest Income	6,058,457	5,112,154	4,391,533	19%	16%
Interest Expense	(2,107,561)	(1,796,517)	(1,603,668)	17%	12%
Net Interest Income	3,950,896	3,315,637	2,787,865	19%	19%
Net Fee & Commission Income	2,087,842	756,719	435,173	176%	74%
Other Operating Income	1,900,602	438,261	228,166	334%	92%
Net Operating Income	7,946,575	4,577,533	3,140,055	74%	46%
Total Operating Expenses	(5,428,856)	(3,069,748)	(2,534,819)	77%	21%
Profit Before Tax	2,517,719	1,507,785	605,236	67%	149%
Profit After Tax	2,102,198	1,188,212	508,627	77%	134%
Loans & Advances (Net)	34,527,984	29,202,255	27,346,057	18%	7%
Total Assets	58,958,858	46,021,507	45,045,220	28%	2%
Customer Deposits	44,454,019	36,852,193	33,782,294	21%	9%
Total Equity	8,540,120	6,213,195	5,029,445	37%	24%
Return on Assets	3.55%	3.28%	1.34%	n/a	n/a
Return on Equity	24.61%	20.08%	6.03%	n/a	n/a
Cost-to-Income Ratio	68.32%	67.06%	80.73%	n/a	n/a
Capital Adequacy Ratio	16.00%	17.00%	18.00%	n/a	n/a
NPL Ratio	4.78%	4.98%	5.75%	n/a	n/a
Customer Base (accounts)	2,900,396	2,589,039	2,047,822	12%	26%
Branches	375	383	366	-2%	5%
ATMs	183	167	121	10%	38%
POS Terminals	241	301	301	-20%	0%

N/A: Not Available

Over the three-year period, Berhan Bank recorded improvements in profitability and operating efficiency. Return on Assets (ROA) increased from 1.34% in FY2023 to 3.55% in FY2025, while Return on Equity (ROE) improved from 6.03% to 24.61% over the same period, reflecting stronger profitability and more efficient

utilization of shareholders' funds. The cost-to-income ratio improved from 80.73% in FY2023 to 68.32% in FY2025, indicating enhanced operating efficiency despite higher operating expenses. Asset quality also improved as the non-performing loan ratio declined from 5.75% to 4.78%, while the Capital Adequacy Ratio remained above the National Bank of Ethiopia's minimum regulatory requirement throughout the review period.

7.1.8 Service Delivery Channels

Berhan Bank continued to enhance its service delivery network through a combination of branch optimization and expansion of electronic banking infrastructure. During FY2025, the Bank rationalized its branch network by consolidating eighteen lower-performing branches with nearby branches while opening eleven new branches to improve operational efficiency and service coverage. Consequently, the Bank operated 375 branches at the end of FY2025.

The Bank continued to expand its ATM network, increasing installations from 121 in FY2023 to 183 in FY2025, thereby improving customer access to banking services. The number of POS terminals declined to 241 in FY2025 following a strategic rationalization of the POS network aimed at improving operational effectiveness and utilization.

Management intends to continue investing in digital banking infrastructure, electronic payment systems, self-service channels and technology-enabled banking services to improve service accessibility and support continued growth in customer transactions.

Table 86: Service Delivery Channels

Channels	FY2025	FY2024	FY2023	YoY 2024/25	YoY 2023/24
Branches	375	383	366	-2%	5%
ATMs	183	167	121	10%	38%
POS Terminals	241	301	301	-20%	0%

7.1.9 Customer Base

The Bank continued to expand its customer base throughout the review period. Customer accounts increased from 2.05 million in FY2023 to 2.59 million in FY2024 and further to 2.90 million in FY2025, reflecting sustained customer acquisition and continued utilization of the Bank's products and services.

The continued growth in customer accounts provides opportunities to deepen customer relationships through increased adoption of digital banking services, transaction banking products, and value-added financial services. Management intends to continue strengthening customer engagement through ongoing investments in technology, service delivery improvements, and expanded digital banking capabilities.

Table 87: Customer Base

Category	FY2025	FY2024	FY2023	Growth 2024/25	Growth 2023/24
Customer Accounts	2,900,396	2,589,039	2,047,822	12%	26%

7.2 Key Material Factors Affecting the Company Results & Operations

7.2.1 Macroeconomic Factors

The Ethiopian economy underwent significant macroeconomic adjustment during the review period following the comprehensive economic reform program introduced in July 2024. The reform programme, supported by the International Monetary Fund (IMF), the World Bank and other development partners, introduced wide-ranging structural reforms covering exchange rate liberalization, fiscal consolidation, monetary policy reforms, banking sector recapitalization, tax reforms and trade liberalization.

Economic activity remained resilient despite the adjustment process. According to the World Bank, real GDP growth reached approximately 7.2% during FY2024/25, supported by improved agricultural production, recovery in industrial output, expansion of electricity generation, increased gold exports and continued growth in the services sector. Medium-term growth is projected to remain above 7%, supported by continued structural reforms, improved private sector investment and export growth.

Inflation, measured by the general consumer price index, moderated from approximately 30.2% in FY2022/23 to approximately 23.3% in FY2023/24 and approximately 16.6% in FY2024/25, as tighter monetary policy, improved agricultural production and fiscal reforms reduced domestic price pressures. For the Bank, the effect was two-directional: high nominal inflation supported nominal deposit and loan growth and permitted the repricing of service fees, which contributed to the growth in fees income described in Section 7.1.1; at the same time it drove the increase in personnel and branch operating costs described in Section 7.1.2 and was the principal reason for the salary and benefit adjustments implemented in FY2024. The National Bank of Ethiopia's policy rate was maintained at 15% during FY2024/25, which raised the opportunity cost of holding non-earning reserves and supported yields on the Bank's treasury bill and money market placements.

The external sector also improved following the adoption of a market-based foreign exchange regime. Export earnings increased significantly, particularly from gold exports, while remittance inflows strengthened. International reserves improved during the period, contributing to enhanced macroeconomic stability.

These macroeconomic developments supported continued growth in banking activity, customer deposits, transaction volumes and demand for financial services, while also influencing foreign exchange-related income and the valuation of foreign currency-denominated assets and liabilities.

Table 88: Selected Macroeconomic Indicators

Indicator	2025P	2026P	2027P
Real GDP Growth	7.2%	7.1%	7.7%
Inflation	16.6%	12.0%	9.2%
Current Account Balance (% GDP)	(3.2%)	(3.2%)	(2.7%)
Public Debt (% GDP)	29.5%	31.5%	32.8%

Source: [International Monetary Fund and World Bank published projections.](#)

7.2.2 Regulatory Factors

The National Bank of Ethiopia introduced several significant regulatory reforms during the review period that materially affected banking sector operations.

The introduction of the Foreign Exchange Directive (FXD/01/2024) established a market-based foreign exchange regime, allowing greater flexibility in exchange rate determination. The transition materially affected foreign exchange transactions and contributed to increased foreign exchange-related income across the banking sector during FY2025. For the Bank specifically, the directive established an interbank FX market, removed the fixed exchange rate peg and introduced an initial 50% export proceeds retention requirement for exporters. Its quantified effect on the Bank was an increase in foreign exchange-related income from approximately ETB 201.0 million in FY2024 to approximately ETB 1,700.0 million in FY2025, an increase in deposits with foreign banks from ETB 286.4 million to ETB 2,382.7 million (+732.0%), and an increase in foreign currency receivables from ETB 191.8 million to ETB 710.0 million (+270.1%). Subsequent amendments permitting 100% export proceeds retention for qualifying exporters, international card issuance for FX account holders and revised cash declaration thresholds are expected to influence the Bank's FX-related income, foreign currency deposit composition and card-based fee income in future periods.

The National Bank of Ethiopia also implemented Directive SBB/91/2024, requiring all commercial banks to increase their minimum paid-up capital to ETB 5 billion. During FY2025, Berhan Bank advanced towards

compliance with this requirement through the issue of 838,987 new shares, which increased paid-up capital from ETB 3,447.9 million to ETB 4,286.9 million. The Bank's paid-up capital reached ETB 6,328.4 million by 31 March 2026, exceeding the ETB 5 billion minimum. The requirement is a principal driver of the capital raising history described in Section 5 and of the new offer of securities described in Section 8.

Monetary policy measures also influenced banking operations during the review period. Throughout the three financial years covered by this Prospectus, the National Bank of Ethiopia applied a quantitative ceiling on annual credit growth as part of its inflation management framework. The ceiling was set at 14% in FY2023, revised to 18%, and further revised to 24% with effect from January 2025. With effect from July 2026 the National Bank of Ethiopia removed the credit growth ceiling, and the Bank is no longer subject to a fixed annual ceiling on the growth of its loan portfolio. The consequences of that removal for the Bank are analysed in Section 7.2.5.C. All references in this Section to the credit growth ceiling are stated in the past tense accordingly, and the corresponding risk of unconstrained portfolio growth is disclosed in Section 9.

The regulatory framework continued to evolve following the enactment of the Banking Business Proclamation No. 1360/2025. The directives with the most direct effect on the Bank, and their specific implications, are as follows:

Table 89: Principal Regulatory Developments and their Specific Impact on the Bank

Instrument	Requirement	Specific Impact on Berhan Bank
Risk-Based Capital Adequacy Directive No. SBB/95/2025	Migration from leverage-based to risk-weighted capital measurement; minimum CAR of 11%	CAR headroom narrowed from 700 bps (FY2023) to 500 bps (FY2025). Full implementation, combined with post-cap loan growth, will increase risk-weighted assets and compress the buffer further. This is a principal reason for the new offer described in Section 8.
Minimum Paid-up Capital Directive No. SBB/91/2024	Minimum paid-up capital of ETB 5 billion	Required the FY2025 issue of 838,987 shares (ETB 839.0 million). Paid-up capital reached ETB 6,328.4 million by 31 March 2026.
Foreign Exchange Directive No. FXD/01/2024	Market-determined exchange rate; interbank FX market; export proceeds retention	Increased FX-related income by approximately ETB 1,499.0 million in FY2025; increased foreign bank deposits by ETB 2,096.2 million.
Foreign Exchange Exposure Directive No. SBB/96/2025	Net open FX position limited to $\pm 18\%$ of Tier 1 capital	Constrains the Bank's ability to retain FX liquidity on balance sheet and requires active treasury management of the ETB 2.38 billion foreign bank placement book.
Recovery Planning Directive No. SBB/93/2025	Board-approved recovery plan with defined triggers and options	Requires additional governance, stress testing and reporting capability; increases compliance and professional cost within operating expenses.
Asset Classification and Provisioning Directive No. SBB/90/2024	NPL ratio ceiling of 5.0%; regulatory risk reserve transfers	Drove the increase in the regulatory risk reserve from ETB 403.1 million (FY2023) to ETB 1,128.2 million (FY2025). The Bank was above the 5.0% ceiling in FY2023 (5.75%) and within it from FY2024.
Cash Reserve Requirement (increase from 7% to 10%)	Higher non-interest-earning reserve against deposit liabilities	Increased the statutory non-earning reserve on the FY2025 deposit base by approximately ETB 1,336.6 million, reducing deployable liquidity.
Removal of the 7% minimum savings deposit rate floor	Deposit pricing set by the market	Creates repricing risk on the ETB 27.40 billion savings book (61.6% of deposits); each 100 bps increase in the savings rate would add approximately ETB 274.0 million to annual interest expense.
Banking Business Proclamation No. 1360/2025	Permits foreign bank subsidiaries and equity stakes of up to 40% in domestic banks	Exposes the ETB 934.1 million of FY2025 trade finance commission income (LCs and guarantees) to competition from institutions with deeper correspondent networks and lower funding costs.

Instrument	Requirement	Specific Impact on Berhan Bank
Dematerialisation Directive No. 1047/2025 and Public Offer and Trading of Securities Directive No. 1030/2024	Securities to be held in electronic form in the CSD; registration and ongoing disclosure obligations	Requires conversion of 6,328,419 shares held by 23,580 shareholders into electronic records, one-off registration and CSD onboarding costs, and the establishment of a continuing disclosure function. See Section 8.3.

7.2.3 Industry and Competitive Factors

The Ethiopian banking sector continued to become increasingly competitive during the review period as private commercial banks expanded their branch networks, digital banking platforms and customer acquisition strategies.

The enactment of the Banking Business Proclamation No. 1360/2025 introduced a new competitive landscape by permitting foreign banks to establish subsidiaries or acquire equity interests in domestic banks, subject to regulatory approval. The prospect of increased foreign participation is expected to enhance competition across banking products, customer service, technology adoption and operational efficiency.

Competition has also intensified from mobile money operators, fintech companies and other payment service providers offering digital payment solutions, mobile banking applications and electronic financial services. Increased customer preference for digital banking continues to reshape the competitive environment and places greater emphasis on innovation, technology investment and customer experience.

In response, Berhan Bank has continued strengthening its service delivery capabilities through investments in technology, expansion of electronic banking channels and continued enhancement of customer services. The Bank's exposure to this competitive pressure is concentrated in trade finance and corporate banking, which generated FY2025 commission income of ETB 934.1 million (letters of credit ETB 305.3 million and guarantees ETB 628.7 million), equivalent to 39.7% of total fees and commission income and 37.1% of profit before tax. A material migration of corporate trade finance mandates to foreign-affiliated institutions would therefore have a quantifiable effect on the Bank's earnings.

7.2.4 Company-Specific Factors

A. Digital banking and technology transformation

Digital banking continued to transform Ethiopia's financial sector during the review period. Mobile money adoption expanded rapidly, supported by increased smartphone penetration, improvements in telecommunications infrastructure and government initiatives promoting digital financial services.

The National Digital Payments Strategy (BRIDGE 2030) aims to accelerate digital payment adoption and increase the contribution of digital transactions to the national economy. In addition, implementation of the Fayda Digital ID programme and increasing interoperability among payment service providers are expected to further strengthen digital financial inclusion.

During the review period, Berhan Bank continued investing in technology infrastructure and digital banking services to improve customer experience, operational efficiency and service accessibility. The Bank expanded its ATM network from 121 in FY2023 to 183 in FY2025 and continued strengthening its electronic banking infrastructure. Investments were directed toward improving digital service delivery, payment systems, information security and technology infrastructure to support increasing transaction volumes and customer demand. Capital expenditure on intangible assets, principally banking software, was ETB 25.8 million in FY2025 (FY2024: nil; FY2023: nil), and purchases of property and equipment were ETB 231.9 million in FY2025 (FY2024: ETB 260.2 million; FY2023: ETB 861.7 million).

The continued expansion of digital banking services contributed to growth in transaction-based income, fee and commission income and operational efficiency while strengthening the Bank's competitive position within

Ethiopia's evolving financial sector. Quantitatively, fees income (which includes digital channel and card fees) grew from ETB 366.3 million in FY2024 to ETB 1,201.6 million in FY2025, an increase of ETB 835.3 million or 228.0%.

B. Branch network optimisation

During FY2025 the Bank consolidated 18 lower-performing branches into nearby branches and opened 11 new branches, reducing the network from 383 to 375 branches. The purpose was to reduce fixed operating cost per branch and to redirect resources to higher-yielding locations. The Bank's customer base nevertheless increased by 311,357 accounts (+12.0%) and deposits by ETB 7,601.8 million (+20.6%) in the same year, indicating that the consolidation did not impair deposit mobilisation capacity.

C. Regional disruption

Civil unrest in the Oromia and Amhara regions during FY2023–FY2025 required the temporary closure of a number of the Bank's regional branches and the suspension of cash-in-transit operations in affected areas. The disruptions were confined to specific woredas and secondary towns within those regions; the Bank's Addis Ababa network, which accounts for the substantial majority of deposits and loans, was not affected. The Bank estimates the aggregate revenue impact of branch closures did not exceed 2% of total operating income in any single year. Elevated security expenditure was incurred during affected periods, reflected within operating expenses. No specific loan impairment provisions were raised in connection with these events, and the Bank's NPL ratio improved from 5.75% in FY2023 to 4.78% in FY2025. All affected branches have since been reopened and are operating normally. The Bank's Oromia and Amhara branches collectively represent approximately 12.9% of total customer deposits and 10.9% of the total loan portfolio as at March 2026. The Bank's Business Continuity Plan, cash-in-transit security protocols, and real-time security monitoring committee were activated during affected periods. Recurrence of civil disturbances in these or other regions where the Bank operates cannot be excluded; investors should consider this risk alongside the Bank's regional geographic exposure when evaluating the securities described in this Prospectus. This risk is further addressed in Sections 9.1.1 and 2.4.

7.2.5 Discussion on Trends and Uncertainties

I. Trends

The following regulatory and structural developments represent the key trends that are expected to materially influence Berhan Bank's future financial performance, risk profile, and strategic direction. Each trend is assessed in terms of its direct impact on the Bank's operations and balance sheet.

A. Liberalisation of the Banking Industry

The Banking Business Proclamation No. 1360/2025, enacted in December 2024, introduced a fundamentally changed competitive landscape by permitting foreign banks to establish subsidiaries or acquire equity stakes of up to 40% in domestic commercial banks. While foreign entry is expected to bring capital, technology, and product innovation into the Ethiopian banking sector, it also introduces meaningful competitive pressure on segments where Berhan Bank currently generates a material share of its income.

For Berhan Bank, the most immediate competitive sensitivity lies in trade finance and corporate banking. The Bank's fee and commission income grew from ETB 435.2 million in FY2023 to ETB 2.09 billion in FY2025, driven substantially by commissions on letters of credit (ETB 305.3 million in FY2025) and guarantees (ETB 628.7 million in FY2025). These are precisely the revenue streams most exposed to competition from foreign institutions with established correspondent networks, lower funding costs, and deeper trade finance capabilities. A material shift in corporate customers toward foreign-affiliated banks in trade finance mandates could compress fee income and letter of credit volumes.

Berhan Bank's response includes continued deepening of relationships in mid-market and SME segments where local market knowledge, geographic accessibility, and existing account relationships provide a structural advantage as well as continued investment in digital service delivery and the expansion of its 375-branch physical network into upcountry markets where foreign institutions are unlikely to compete near-term.

B. Foreign Exchange Directive FXD/01/2024 and Subsequent Amendments

The adoption of a market-based foreign exchange regime under Directive FXD/01/2024 in July 2024 was the single most consequential regulatory development for Berhan Bank's financial performance during the review period. The directive established an interbank FX market, removed the fixed exchange rate peg, and introduced a 50% export proceeds retention requirement for exporters.

The financial impact on Berhan Bank was immediate and material. Other operating income which includes foreign exchange gains increased from ETB 228.2 million in FY2023 to ETB 438.3 million in FY2024 and further to ETB 1.90 billion in FY2025, representing a 733% increase over the two-year period. This surge reflects both the revaluation of the Bank's foreign currency assets at the new market rate following the July 2024 devaluation and increased transactional FX volumes. FX gains have accordingly become a significant contributor to the Bank's income base and its profitability trajectory.

Subsequent amendments to the FX framework including provisions relating to 100% export proceeds retention for qualifying exporters, international card issuance for FX account holders, and adjustments to cash declaration thresholds are expected to further influence the Bank's FX-related income, FCY deposit composition, and card-based fee income. The Bank's treasury and trade finance operations are being enhanced to comply with evolving FX reporting and risk management requirements as the regulatory framework continues to develop.

Management notes, however, that the elevated level of FX gains recorded in FY2025 reflects a one-time revaluation benefit that is unlikely to recur at the same magnitude in subsequent years. Future FX income will be more closely tied to transactional volumes and the spread earned on FX intermediation. The sustainability of the Bank's profitability at FY2025 levels is therefore contingent on the continued growth of core interest income and fee income to replace the exceptional FX component.

C. Removal of the Credit Growth Ceiling

During the three years covered by this Prospectus, the National Bank of Ethiopia imposed a quantitative ceiling on annual credit growth for commercial banks as part of its monetary policy framework. The ceiling was set at 14% in FY2023, revised upward to 18%, and further adjusted to 24% effective January 2025. These limits materially constrained Berhan Bank's ability to expand its loan portfolio in line with available funding and customer demand.

Notwithstanding these constraints, the Bank grew its net loans and advances from ETB 27.3 billion as at 30 June 2023 to ETB 34.5 billion as at 30 June 2025, representing cumulative growth of 26.3% over two years. This growth was achieved against a backdrop of strong deposit expansion: customer deposits increased from ETB 33.8 billion in FY2023 to ETB 44.5 billion in FY2025. As a result, the Bank's loan-to-deposit ratio declined from approximately 80.9% in FY2023 to 79.2% in FY2025, reflecting a growing pool of deposits that could not be fully deployed into earning loan assets due to the regulatory ceiling.

As of July 2026, the National Bank of Ethiopia has removed the credit growth ceiling, providing the Bank with materially greater flexibility to expand its lending portfolio. This development is significant for Berhan Bank's interest income trajectory. Interest on loans and advances the Bank's largest income line reached ETB 5.36 billion in FY2025, representing 88.5% of total interest income. Even a moderate increase in the loan portfolio deployment ratio would generate a material uplift in net interest income in the near term.

The Bank is well positioned to capture this opportunity. Total equity grew from ETB 5.03 billion in FY2023 to ETB 8.54 billion in FY2025, providing an expanding capital base against which prudent credit growth can be supported. The Capital Adequacy Ratio stood at 16% as at June 2025, comfortably above the NBE's 11% regulatory minimum, leaving capacity for portfolio expansion before the capital constraint becomes binding.

Future loan growth will be governed by the Bank's Board-approved risk appetite framework, internal credit policies, NBE prudential requirements including minimum CAR and liquidity ratios, and ongoing credit quality monitoring. The Bank's NPL ratio improved from 5.75% in FY2023 to 4.78% in FY2025, confirming that portfolio quality has strengthened a prerequisite for sustainable lending expansion. While increased lending is expected to enhance net interest income and overall earnings, the Bank remains committed to maintaining sound underwriting standards as it pursues portfolio growth in the post-cap environment.

D. Increase in the Reserve Requirement Ratio

The National Bank of Ethiopia increased the statutory cash reserve requirement ratio from 7% to 10%, requiring commercial banks to hold a larger proportion of their deposit liabilities as non-interest-earning reserves with the central bank. For Berhan Bank, this change directly reduces the proportion of customer deposits that can be deployed into interest-earning assets such as loans, advances, and investment securities.

The impact is amplified by the scale of the Bank's deposit base. Customer deposits grew from ETB 33.8 billion in FY2023 to ETB 44.5 billion in FY2025, an increase of ETB 10.7 billion over two years. At a 10% reserve ratio, the statutory non-earning reserve requirement on the FY2025 deposit base is approximately ETB 4.45 billion approximately ETB 1.34 billion higher than the ETB 3.11 billion that would have been required under the former 7% ratio. This incremental locked-up liquidity represents foregone earning capacity that must be compensated through other means, including the deployment of freed-up credit capacity following the credit cap removal and the optimization of the Bank's investment securities portfolio.

The combination of the higher reserve requirement and the credit growth ceiling which remained binding until July 2026 contributed to the Bank's declining loan-to-deposit ratio during the review period. The removal of the credit cap partially offsets the liquidity constraint imposed by the higher reserve requirement by expanding the permissible deployment of residual deposits into loans.

E. Removal of the Minimum Savings Deposit Interest Rate Floor

The National Bank of Ethiopia has removed the 7% minimum savings deposit rate floor that previously set a binding lower bound on deposit pricing across the banking sector. While this introduces pricing flexibility, it also intensifies competition for retail deposits and creates upward pressure on funding costs as banks compete to attract and retain depositors in a more market-driven environment.

For Berhan Bank, this development has direct relevance given the composition of the deposit base. Savings deposits are the Bank's largest funding source, standing at ETB 27.4 billion as at June 2025 (61.6% of total deposits), up from ETB 21.0 billion in FY2023 (62.2% of deposits). The interest expense on savings deposits the single largest component of funding cost increased from ETB 1.07 billion in FY2023 to ETB 1.29 billion in FY2025, driven primarily by volume growth rather than rate changes during the review period.

Looking forward, the removal of the rate floor may lead to differentiated deposit pricing as banks with stronger competitive positions or higher-yielding asset portfolios offer above-floor rates to attract mobile depositors. Berhan Bank's strategy to maintain savings deposits as the core of its low-cost funding base is reflected in its stated deposit mix targets, which project savings deposits remaining above 63% of the total deposit book. The risk is that achieving this target may require more competitive pricing in an environment where the 7% floor no longer anchors expectations. Any structural increase in the cost of savings deposits would compress net interest margins, as the Bank's savings deposit rate sensitivity is high given the scale of that funding line.

Total interest expense rose from ETB 1.60 billion in FY2023 to ETB 2.11 billion in FY2025, consistent with deposit base expansion. The Bank continues to monitor deposit pricing closely and maintains sufficient asset-side yield to absorb moderate increases in funding costs without a material erosion of net interest income.

F. Risk-Based Capital Framework (SBB/95/2025) and Minimum Capital Requirement

The introduction of the Risk-Based Capital Adequacy Directive (SBB/95/2025) shifts Ethiopia's capital framework from a simplified leverage-based approach toward a more granular risk-weighted capital measurement methodology, with a minimum CAR of 11%. This transition requires banks to invest in enhanced risk measurement systems and to hold more capital against higher-risk asset categories.

Berhan Bank maintained a CAR of 16% in FY2025 (FY2024: 17%; FY2023: 18%), providing a meaningful buffer above the minimum regulatory requirement at each point in the review period. The Bank also completed the capital raising process for ETB 5 billion minimum paid-up capital compliance under Directive SBB/91/2024 during FY2025. However, the Bank acknowledges that as the risk-based framework is implemented in full and as the loan portfolio expands in line with the credit cap removal, the risk-weighted asset base will grow, potentially reducing the CAR buffer. Ongoing capital planning will be required to ensure the Bank remains comfortably above the minimum threshold as the portfolio grows.

II. Uncertainties

The principal uncertainties that may affect the Bank's future results include: (i) the pace and extent of foreign bank entry under Proclamation No. 1360/2025 and its competitive impact on trade finance fee income and corporate deposits; (ii) the trajectory of FX income in the post-devaluation environment, given that the exceptional FX gains recorded in FY2025 may not be sustained at the same level; (iii) the degree to which loan portfolio growth accelerates following credit cap removal and the corresponding credit quality implications; and (iv) the rate at which deposit pricing adjusts to the removal of the savings rate floor and the impact on funding costs and net interest margins.

7.3 Historical Analysis of the Bank's Financial Performance

7.3.1 Statement of Profit or Loss and Other Comprehensive Income

The tables below set out the bank's historical statements of comprehensive income for the years ended 30 June 2025, 2024, and 2023.

Table 90: Statement of Profit or Loss and Other Comprehensive Income

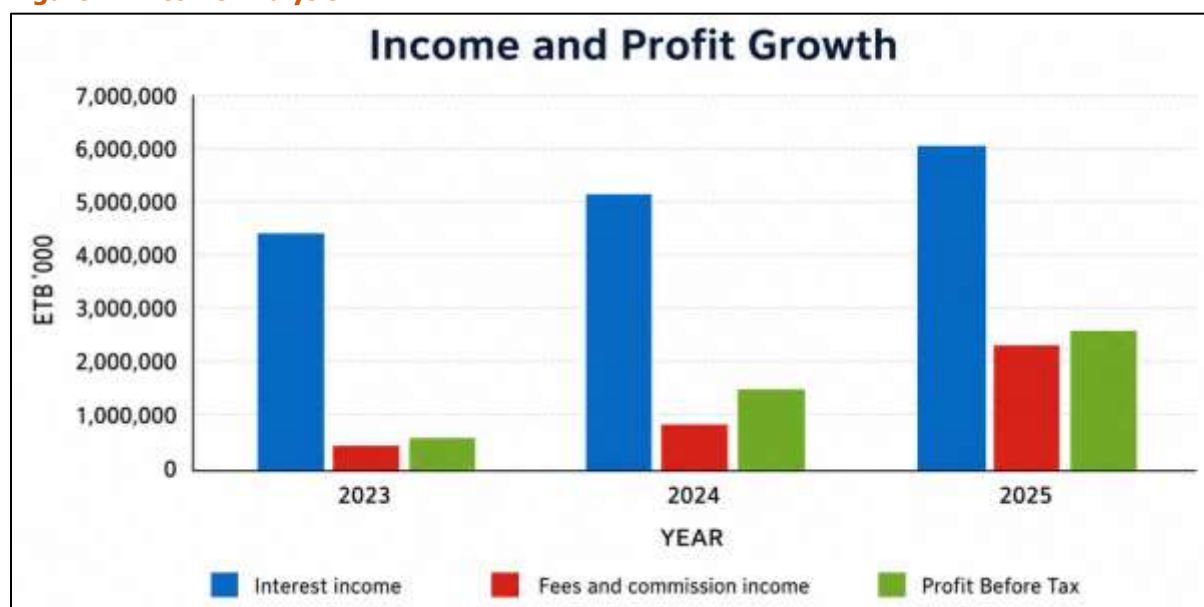
Item	FY 2024/25	FY 2023/24	FY 2022/23
ETB '000			
Interest income			
Interest on loans and advances	5,363,807	4,707,404	4,037,666
Interest on investment securities	415,149	284,135	251,474
Interest on deposits due from banks	259,431	120,615	102,393
Interest on short-term securities	20,070	0	0
Total interest income	6,058,457	5,112,154	4,391,533
Interest expense			
Interest on demand deposits	(6,594)	(15,027)	(19,226)
Interest on saving deposits	(1,289,693)	(1,151,210)	(1,073,164)
Interest on time deposits	(570,549)	(521,216)	(333,279)
Interest on borrowings from domestic banks	(194,945)	(66,728)	(138,041)
Interest expense – lease	(45,780)	(42,336)	(39,958)

Item	FY 2024/25	FY 2023/24	FY 2022/23
Total interest expense	(2,107,561)	(1,796,517)	(1,603,668)
Net interest income	3,950,896	3,315,637	2,787,865
Fees and commission income			
Commission on letters of credit	305,328	164,607	88,156
Commission on CPOs, cheques and fund transfers	1,933	1,365	1,670
Commission on guarantees	628,731	267,391	122,782
Fees income	1,201,585	366,296	280,054
Commission on PO issuance	214,361	36,867	19,353
Total fees and commission income	2,351,938	836,526	512,015
Fees and commission expense	(264,096)	(79,807)	(76,842)
Net fee and commission income	2,087,842	756,719	435,173
Other operating income and impairment			
Other operating income	1,900,602	438,261	228,166
Total operating income	7,939,340	4,510,617	3,451,204
Loan impairment charge	22,528	144,207	(207,763)
Impairment loss - other financial assets	(15,293)	(77,291)	(103,386)
Net operating income	7,946,575	4,577,533	3,140,055
Operating expenses			
<i>Short-term employee benefits</i>			
Salaries	(1,379,710)	(1,220,871)	(1,061,522)
Staff allowances	(431,228)	(357,324)	(226,354)
Overtime	(23,111)	(23,033)	(20,386)
Bonus	(209,213)	(174,152)	0
Training and education	(43,786)	(21,295)	(49,123)
Leave payment	(15,731)	(15,751)	(21,313)
Pension costs - defined contribution plan	(150,973)	(133,539)	(115,039)
Provident fund - defined contribution plan	(13,727)	(12,140)	(11,105)
Other staff expenses	(91,182)	(83,404)	(82,558)
Total short-term employee benefits	(2,358,661)	(2,041,509)	(1,587,400)
<i>Long-term employee benefits</i>			
Defined benefit plans – severance	(42,002)	(34,772)	(28,870)
Total personnel expenses	(2,400,663)	(2,076,281)	(1,616,270)
Depreciation of property and equipment	(97,988)	(79,426)	(367,461)
Amortization of intangible assets	(4,165)	(3,784)	(3,773)
Amortization of right-of-use assets	(343,927)	(317,680)	
Other operating expenses	(2,582,113)	(592,577)	(547,315)
Subtotal depreciation, amortization and other expenses	(3,028,193)	(993,467)	(918,549)
Total operating expenses	(5,428,856)	(3,069,748)	(2,534,819)
Profit and comprehensive income			
Profit before tax	2,517,719	1,507,785	605,236
Income tax expense	(415,521)	(319,573)	(96,609)
Profit for the period	2,102,198	1,188,212	508,627

Item	FY 2024/25	FY 2023/24	FY 2022/23
OCI net of income tax	268,058	217,056	144,888
Total comprehensive income	2,370,256	1,405,268	653,515
Profit attributable to equity holders	2,102,198	1,188,212	508,627
Per-share and dividend information			
Weighted average number of ordinary shares ('000)	3,831,194	3,391,670	3,256,697
Basic EPS	549	350	156
DPS	273	201	60
Payout ratio	49.70%	57.30%	38.60%
Total dividend	1,045,836	681,088	196,394

I. Income Analysis

Figure 4: Income Analysis



The graph illustrates the projected growth of Berhan Bank S.C.'s income and profitability over three years, from 2023 to 2025. Interest income consistently dominates, rising steadily each year, reflecting strong lending performance. Fees and commission income show moderate growth, indicating gradual expansion of non-interest revenue streams. Profit before tax exhibits a notable upward trend, particularly between 2024 and 2025, highlighting improving operational efficiency and financial strength. Overall, the chart underscores the bank's sustained revenue growth and enhanced profitability trajectory.

II. Interest Income

Table 91: Interest Income

Particular	FY2025	FY2024	FY2023	% Change FY2024→FY2025	% Change FY2023→FY2024
Interest on loans and advances	5,363,807	4,707,404	4,037,666	+13.9%	+16.6%
Interest on investment securities	415,149	284,135	251,474	+46.1%	+13.0%
Interest on deposits due from banks	259,431	120,615	102,393	+115.1%	+17.8%

Particular	FY2025	FY2024	FY2023	% Change FY2024→FY2025	% Change FY2023→FY2024
Interest on short-term securities	20,070	0	0	n/a	n/a
Total Interest Income	6,058,457	5,112,154	4,391,533	+18.5%	+16.4%

Total interest income rose from ETB 4.4 billion in FY2023 to ETB 5.1 billion in FY2024, an increase of ETB 720.6 million or 16.4%, and further to ETB 6.1 billion in FY2025, an increase of ETB 946.3 million or 18.5%. Over the two years the cumulative increase was ETB 1.7 billion, or 38.0%.

The FY2023 to FY2024 step was almost entirely a loan-book effect. Interest on loans and advances rose from ETB 4.0 billion to ETB 4.7 billion, an increase of ETB 669.7 million or 16.6%, which is 92.9% of the total movement, on a gross loan book that grew ETB 1.9 billion or 6.7%. Interest on investment securities added ETB 32.7 million (+13.0%), from ETB 251.5 million to ETB 284.1 million, and interest on deposits due from banks ETB 18.2 million (+17.8%), from ETB 102.4 million to ETB 120.6 million.

The FY2024 to FY2025 composition Interest on loans and advances rose ETB 656.4 million (+13.9%) to ETB 5.4 billion, but that was only 69.4% of the total increase against 92.9% in the prior year. Three treasury sources supplied the balance. Interest on deposits due from banks more than doubled, rising ETB 138.8 million or 115.1% to ETB 259.4 million 14.7% of the movement as foreign currency placements with correspondent banks grew from ETB 286.4 million to ETB 2.4 billion following the July 2024 exchange rate liberalisation. Interest on investment securities rose ETB 131.0 million or 46.1% to ETB 415.1 million 13.8% of the movement on a bond and bill portfolio that grew ETB 2.7 billion or 76.1% as the Bank deployed deposit inflows it could not lend under the credit growth ceiling then in force. Interest on short-term securities of ETB 20.1 million arose for the first time, contributing 2.1%, following the operationalisation of the National Bank of Ethiopia's Open Market Operations framework in October 2024.

Decomposing the FY2025 movement in loan interest between volume and rate: average net loans and advances grew from ETB 28.3 billion to ETB 31.9 billion, an increase of ETB 3.6 billion or 12.7%, while the average yield rose from 16.65% to 16.83%, an increase of 18 basis points. The volume effect accounts for ETB 597.9 million, or 91.1%, of the increase; the rate effect for ETB 51.9 million, or 7.9%; and the combined effect for ETB 6.6 million, or 1.0%. Growth in loan interest is therefore volume-led, and the relaxation of the NBE credit growth ceiling to 24% in January 2025, rather than any repricing of the loan book, is its principal cause.

III. Interest Expense

Table 92: Interest Expense

Item (ETB '000)	FY2025	FY2024	FY2023	% Change FY2024→FY2025	% Change FY2023→FY2024
Interest on demand deposits	(6,594)	(15,027)	(19,226)	-56.1%	-21.8%
Interest on saving deposits	(1,289,693)	(1,151,210)	(1,073,164)	+12.0%	+7.3%
Interest on time deposits	(570,549)	(521,216)	(333,279)	+9.5%	+56.4%
Interest on borrowings from domestic banks	(194,945)	(66,728)	(138,041)	+192.1%	-51.7%
Interest expense lease	(45,780)	(42,336)	(39,958)	+8.1%	+6.0%

Item (ETB '000)	FY2025	FY2024	FY2023	% Change FY2024→FY2025	% Change FY2023→FY2024
Total Interest Expense	(2,107,561)	(1,796,517)	(1,603,668)	+17.3%	+12.0%

Total interest expense rose from ETB 1.6 billion in FY2023 to ETB 1.8 billion in FY2024, an increase of ETB 192.8 million or 12.0%, and further to ETB 2.1 billion in FY2025, an increase of ETB 311.0 million or 17.3%. The cumulative increase was ETB 503.9 million, or 31.4%. In both steps interest expense grew more slowly than interest income 12.0% against 16.4% in FY2024 and 17.3% against 18.5% in FY2025 which is why net interest income widened in absolute terms in each year.

The FY2023 to FY2024 step is accounted for principally by interest on time deposits, which rose from ETB 333.3 million to ETB 521.2 million, an increase of ETB 187.9 million or 56.4%, as customers migrated from savings into term products in a rising-rate environment and the time deposit book itself grew ETB 731.4 million or 23.9%. Interest on savings deposits added ETB 78.0 million (+7.3%), from ETB 1.1 billion to ETB 1.2 billion. These were partly offset by interest on borrowings from domestic banks, which fell ETB 71.3 million or 51.7% to ETB 66.7 million following repayment of the Bank's outstanding external borrowings of ETB 559.0 million during the year, and by demand deposit interest, down ETB 4.2 million or 21.8% to ETB 15.0 million.

The FY2024 to FY2025 step of ETB 311.0 million is fully accounted for by five movements, in order of magnitude. Savings deposit interest rose ETB 138.5 million or 12.0%, from ETB 1.2 billion to ETB 1.3 billion, driven by volume as the savings book grew 30.6% rather than by repricing. Interest on borrowings from domestic banks rose ETB 128.2 million or 192.1%, from ETB 66.7 million to ETB 194.9 million, arising from participation in the National Bank of Ethiopia's interbank money market from October 2024; this is short-term tactical liquidity management used to meet reserve requirements and bridge intra-period funding gaps, not a structural change in funding strategy, the Bank having had no borrowings outstanding at either 30 June 2024 or 30 June 2025. Interest on time deposits rose ETB 49.3 million or 9.5%, from ETB 521.2 million to ETB 570.5 million, on a book that was virtually static at +0.3%, so this movement is rate-driven, the implied average rate rising from 13.7% to 15.0%. Lease interest under IFRS 16 rose ETB 3.4 million or 8.1% in line with the branch estate. In the opposite direction, demand deposit interest fell ETB 8.4 million or 56.1%, from ETB 15.0 million to ETB 6.6 million, as the demand book continued to reprice toward non-interest-bearing terms notwithstanding a 9.7% increase in demand balances.

IV. Net Interest Income

Net interest income rose from ETB 2.8 billion in FY2023 to ETB 3.3 billion in FY2024, an increase of ETB 527.8 million or 18.9%, and further to ETB 4.0 billion in FY2025, an increase of ETB 635.3 million or 19.2% a remarkably consistent rate of growth across two years in which the underlying drivers were quite different.

The net interest margin moved in opposite directions across the two steps. It improved 97 basis points from 8.67% in FY2023 to 9.64% in FY2024, then compressed 48 basis points to 9.16% in FY2025. The FY2024 improvement arose because net interest income grew 18.9% while average earning assets grew only ETB 2.2 billion, or 7.0% the NBE credit growth ceiling of 18% constrained asset expansion, so income gains were spread across a barely larger base. The FY2025 compression is the mirror image: average earning assets grew ETB 8.7 billion, or 25.4%, following relaxation of the ceiling to 24% in January 2025, and that growth outpaced net interest income growth of 19.2%.

Net Interest Margin (NIM)

Table 93: Net Interest Margin (NIM)

Item (ETB '000)	FY2025	FY2024	FY2023	% Change FY2024→FY2025	% Change FY2023→FY2024
Net Interest Income	3,950,896	3,315,637	2,787,865	+19.2%	+18.9%
Average Earning Assets	43,129,256	34,406,724	32,160,227	+25.4%	+7.0%
Net Interest Margin (NIM)	9.16%	9.64%	8.67%	-48 bps (-5.0%)	+97 bps (+11.2%)
Total Interest Income	6,058,457	5,112,154	4,391,533	+18.5%	+16.4%
Total Interest Expense	(2,107,561)	(1,796,517)	(1,603,668)	+17.3%	+12.0%
Cost of funds (interest expense / average earning assets)	4.89%	5.22%	4.99%	-33 bps (-6.4%)	+23 bps (+4.6%)

V. Non-Interest Income

Non-interest income showed expansion, increasing from ETB 663.34 million in 2023 (net fees and other income combined) to ETB 1.19 billion in 2024, representing an increase of ETB 524.0 million or 79.0%, and further to ETB 3.99 billion in 2025, reflecting an increase of ETB 2.80 billion or 235.3%. Fees and commission income primarily drove this growth, which increased from ETB 512.0 million in 2023 to ETB 836.5 million in 2024 and ETB 2.35 billion in 2025, representing increases of 63.4% and 181.2%, respectively, largely due to higher transaction volumes in trade finance services such as guarantees and letters of credit. Other operating income also increased particularly in 2025, rising from ETB 228.2 million in 2023 to ETB 438.3 million in 2024 and ETB 1.90 billion in 2025, representing a 333.7% increase in the final year. One of the factors for this sharp rise was mainly driven by foreign exchange gains due to devaluation of birr by the NBE as of July 2024, which increased substantially in 2025. Overall, non-interest income became a major contributor to total income in 2025.

Table 94: Fee and Commission Income

Item (ETB '000)	FY2025	FY2024	FY2023	% Change FY2024→FY2025	% Change FY2023→FY2024
Commission on letters of credit	305,328	164,607	88,156	+85.5%	+86.7%
Commission on CPOs, cheques and fund transfers	1,933	1,365	1,670	+41.6%	-18.3%
Commission on guarantees	628,731	267,391	122,782	+135.1%	+117.8%
Fees income	1,201,585	366,296	280,054	+228.0%	+30.8%
Commission on payment order issuance	214,361	36,867	19,353	+481.5%	+90.5%
Total Fee Income	2,351,938	836,526	512,015	+181.2%	+63.4%
Fees and commission expense	(264,096)	(79,807)	(76,842)	+230.9%	+3.9%
Net fee and commission income	2,087,842	756,719	435,173	+175.9%	+73.9%

Total fees and commission income rose from ETB 512.0 million in FY2023 to ETB 836.5 million in FY2024, an increase of ETB 324.5 million or 63.4%, and further to ETB 2.4 billion in FY2025, an increase of ETB 1.5 billion or 181.2%. Net of fee and commission expense, the contribution to operating income rose from

ETB 435.2 million to ETB 756.7 million (+ETB 321.5 million, +73.9%) and then to ETB 2.1 billion (+ETB 1.3 billion, +175.9%). This is the fastest-growing income category in the Section and, in FY2025, the second-largest contributor to operating income after net interest income.

The FY2023 to FY2024 step of ETB 324.5 million is driven by trade finance recovery. Commission on guarantees rose ETB 144.6 million or 117.8%, from ETB 122.8 million to ETB 267.4 million, contributing 44.6% of the movement. Fees income rose ETB 86.2 million or 30.8%, from ETB 280.1 million to ETB 366.3 million, contributing 26.6%. Commission on letters of credit rose ETB 76.5 million or 86.7%, from ETB 88.2 million to ETB 164.6 million, contributing 23.6%. Commission on payment order issuance rose ETB 17.5 million or 90.5%. Commission on cheques and fund transfers fell ETB 0.3 million (–18.3%) and is immaterial throughout.

The FY2024 to FY2025 step of ETB 1.5 billion is concentrated in three lines that together account for ETB 1.3 billion, or 88.3%, of the movement. Fees income rose ETB 835.3 million or 228.0%, from ETB 366.3 million to ETB 1.2 billion the single largest fee movement reflecting the repricing of account maintenance and transaction service charges together with higher digital channel and card transaction volumes across a customer base that grew 12.0% to 2.90 million accounts; this is a volume and price effect rather than a new product. Commission on guarantees rose ETB 361.3 million or 135.1%, from ETB 267.4 million to ETB 628.7 million, as the outstanding guarantee portfolio reached ETB 13.2 billion at 30 June 2025, of which advance payment and performance guarantees issued to construction and infrastructure contractors represented 88.0%. Commission on letters of credit rose ETB 140.7 million or 85.5%, from ETB 164.6 million to ETB 305.3 million, as import letter of credit volumes recovered following the restoration of foreign currency availability, consistent with the ETB 1.2 billion (+63.2%) growth in import financing. Commission on payment order issuance rose ETB 177.5 million or 481.5%, the highest percentage growth of any line, reflecting increased use of payment orders in foreign currency settlement.

Fee and commission expense rose from ETB 76.8 million in FY2023 to ETB 79.8 million in FY2024, an increase of ETB 3.0 million or 3.9%, and then to ETB 264.1 million in FY2025, an increase of ETB 184.3 million or 230.9%. In FY2025 it therefore grew faster than fee income, driven by correspondent bank charges, card scheme fees and switch costs on the higher trade finance and card volumes; net fee retention fell from 85.0% in FY2023 to 90.5% in FY2024 and back to 88.8% in FY2025. Because ETB 934.1 million of FY2025 fee income derives from trade finance commissions, and trade finance is the segment most exposed to the entry of foreign banks under Proclamation No. 1360/2025, the sustainability of this income line should be assessed alongside the competitive analysis in Section 7.2.

VI. Other Income

Table 95: Other Income

Item (ETB '000)	FY2025	FY2024	FY2023	% Change FY2024→FY2025	% Change FY2023→FY2024
Other income	192,788	236,728	39,700	-18.6%	+496.3%
Gain on foreign exchange	1,707,814	201,533	188,466	+747.4%	+6.9%
Total Other Operating Income	1,900,602	438,261	228,166	+333.7%	+92.1%

Other operating income rose from ETB 228.2 million in FY2023 to ETB 438.3 million in FY2024, an increase of ETB 210.1 million or 92.1%, and further to ETB 1.9 billion in FY2025, an increase of ETB 1.5 billion or 333.7%. The two steps have entirely different causes and should not be read as a trend.

In the FY2023 to FY2024 step the movement is driven by the non-foreign-exchange component: other income rose ETB 197.0 million or 496.3%, from ETB 39.7 million to ETB 236.7 million, contributing 93.8% of the

increase, while the gain on foreign exchange rose only ETB 13.1 million or 6.9%, from ETB 188.5 million to ETB 201.5 million.

In the FY2024 to FY2025 step the position reverses completely. The gain on foreign exchange rose ETB 1.5 billion or 747.4%, from ETB 201.5 million to ETB 1.7 billion, contributing 103.0% of the increase, while other income fell ETB 43.9 million or 18.6%, from ETB 236.7 million to ETB 192.8 million.

The driver of the FY2025 foreign exchange movement is the National Bank of Ethiopia's introduction of a market-determined exchange rate in July 2024. The gain of ETB 1.7 billion comprises a one-off revaluation gain on the initial repricing of the Bank's foreign currency assets principally foreign bank deposits, which grew to ETB 2.4 billion, and foreign currency receivables of ETB 710.0 million from the pre-reform rate of approximately ETB 58 per US dollar to the post-reform market rate of approximately ETB 128 per US dollar, together with recurring dealing income from the intermediation of import, export and remittance flows at market rates and ongoing FX trading income from intermediation of import/export and remittance flows at market rates.

Management therefore considers it unlikely that FX gains will recur at the ETB 1.7 billion level in subsequent periods absent further significant exchange rate movements.

Investors should note that reported FY2025 profitability is materially dependent on FX income, which accounted for approximately 81.4% of Other Operating Income and approximately 25.2% of Total Operating Income. The Bank's underlying core earnings (excluding FX gains) should be assessed separately for forward-looking profitability analysis.

VII. Operating Expense Analysis

Total operating expenses rose from ETB 2.5 billion in FY2023 to ETB 3.1 billion in FY2024, an increase of ETB 534.9 million or 21.1%, and further to ETB 5.4 billion in FY2025, an increase of ETB 2.4 billion or 76.9%. The FY2025 increase absorbed 70.0% of the ETB 3.4 billion increase in net operating income in the same year and is the largest adverse movement in the statement of profit or loss.

The FY2023 to FY2024 total personnel expenses rose ETB 460.0 million or 28.5%, from ETB 1.6 billion to ETB 2.1 billion, being 86.0% of the total movement. Within that, staff allowances rose ETB 131.0 million (+57.9%), salaries ETB 159.3 million (+15.0%), and a bonus of ETB 174.2 million was introduced where none had been paid in FY2023. These measures responded to inflation of approximately 23.3% and were effective: staff turnover fell from 14.1% to 6.6% in the same year, a reduction of 53.2%. Training expenditure was cut ETB 27.8 million (-56.6%). Depreciation of property and equipment fell ETB 288.0 million or 78.4%, from ETB 367.5 million to ETB 79.4 million, which is a presentation effect rather than a saving on adoption of IFRS 16 the depreciation on leased branch premises was reclassified to amortisation of right-of-use assets, which was ETB 317.7 million in FY2024 and nil in FY2023. On a combined basis, depreciation and amortisation rose from ETB 371.2 million to ETB 400.9 million, an increase of ETB 29.7 million or 8.0%.

The FY2024 to FY2025 personnel expenses rose ETB 324.4 million or 15.6%, from ETB 2.1 billion to ETB 2.4 billion, which is 13.8% of the total movement and below inflation of 16.6% indicating that the FY2024 step-change was largely non-recurring and the personnel cost base has since stabilised. Combined depreciation and amortisation rose ETB 45.2 million or 11.3% to ETB 446.1 million, tracking the branch estate. The movement is instead concentrated almost entirely in other operating expenses, which rose ETB 2.0 billion or 335.7%, from ETB 592.6 million to ETB 2.6 billion, accounting for 84.3% of the total increase in operating expenses. That single line movement is larger than the increase in net interest income and net fee income combined in the same year, and it is the principal reason the cost-to-income ratio deteriorated 126 basis

points to 68.32% despite operating income growth of 73.6%. By contrast the same line had risen only ETB 45.3 million, or 8.3%, in the preceding step.

Table 96: Operating Expense

Item (ETB '000)	FY2025	FY2024	FY2023	% Change FY2024→FY2025	% Change FY2023→FY2024
Short-term employee benefits					
Salaries	(1,379,710)	(1,220,871)	(1,061,522)	+13.0%	+15.0%
Staff allowances	(431,228)	(357,324)	(226,354)	+20.7%	+57.9%
Overtime	(23,111)	(23,033)	(20,386)	+0.3%	+13.0%
Bonus	(209,213)	(174,152)	0	+20.1%	n/a
Training and education	(43,786)	(21,295)	(49,123)	+105.6%	-56.6%
Leave payment	(15,731)	(15,751)	(21,313)	-0.1%	-26.1%
Pension costs defined contribution plan	(150,973)	(133,539)	(115,039)	+13.1%	+16.1%
Provident fund defined contribution plan	(13,727)	(12,140)	(11,105)	+13.1%	+9.3%
Other staff expenses	(91,182)	(83,404)	(82,558)	+9.3%	+1.0%
Subtotal: short-term employee benefits	(2,358,661)	(2,041,509)	(1,587,400)	+15.5%	+28.6%
Defined benefit plans severance	(42,002)	(34,772)	(28,870)	+20.8%	+20.4%
Total personnel expenses	(2,400,663)	(2,076,281)	(1,616,270)	+15.6%	+28.5%
Depreciation of property and equipment	(97,988)	(79,426)	(367,461)	+23.4%	-78.4%
Amortization of intangible assets	(4,165)	(3,784)	(3,773)	+10.1%	+0.3%
Amortization of right-of-use assets	(343,927)	(317,680)	—	+8.3%	n/a
Other operating expenses	(2,582,113)	(592,577)	(547,315)	+335.7%	+8.3%
	(3,028,193)	(993,467)	(918,549)	+204.8%	+8.2%
Total operating expenses	(5,428,856)	(3,069,748)	(2,534,819)	+76.9%	+21.1%

VIII. Profitability Analysis

Table 97: Profitability

Item (ETB '000)	FY2025	FY2024	FY2023	% Change FY2024→FY2025	% Change FY2023→FY2024
Profitability and comprehensive income					
Profit before tax	2,517,719	1,507,785	605,236	+67.0%	+149.1%
Income tax expense	(415,521)	(319,573)	(96,609)	+30.0%	+230.8%

Item (ETB '000)	FY2025	FY2024	FY2023	% Change FY2024→FY2025	% Change FY2023→FY2024
Profit for the period	2,102,198	1,188,212	508,627	+76.9%	+133.6%
Other comprehensive income, net of tax	268,058	217,056	144,888	+23.5%	+49.8%
Total comprehensive income	2,370,256	1,405,268	653,515	+68.7%	+115.0%
Memorandum: effective tax rate	16.5%	21.2%	16.0%	-470 bps (-22.2%)	+520 bps (+32.5%)
Shareholder returns and dividend indicators					
Profit attributable to equity holders	2,102,198	1,188,212	508,627	+76.9%	+133.6%
Weighted average number of ordinary shares	3,831,194	3,391,670	3,256,697	+13.0%	+4.1%
Basic earnings per share (ETB)	549	350	156	+56.9%	+124.4%
Dividend per share (ETB)	273	201	60	+35.8%	+235.0%
Payout ratio	49.7%	57.3%	38.6%	-760 bps (-13.3%)	+1,870 bps (+48.4%)
Dividend declared for the year	1,045,836	681,088	196,394	+53.6%	+246.8%

Profit before tax rose from ETB 605.2 million in FY2023 to ETB 1.5 billion in FY2024, an increase of ETB 902.5 million or 149.1%, and further to ETB 2.5 billion in FY2025, an increase of ETB 1.0 billion or 67.0%. Profit for the period rose from ETB 508.6 million to ETB 1.2 billion (+ETB 679.6 million, +133.6%) and then to ETB 2.1 billion (+ETB 914.0 million, +76.9%). Total comprehensive income rose from ETB 653.5 million to ETB 1.4 billion (+ETB 751.8 million, +115.0%) and then to ETB 2.4 billion (+ETB 965.0 million, +68.7%).

The FY2023 to FY2024 step is attributable to four movements. Loan impairment swung ETB 352.0 million, from a charge of ETB 207.8 million to a net release of ETB 144.2 million, as the non-performing loan ratio fell from 5.75% to 4.98% and previously provided exposures were recovered or upgraded; this single movement is 39.0% of the increase in profit before tax. Net interest income added ETB 527.8 million (+18.9%), net fee and commission income ETB 321.5 million (+73.9%), and other operating income ETB 210.1 million (+92.1%). Against these, operating expenses rose ETB 534.9 million (+21.1%) and impairment on other financial assets improved ETB 26.1 million.

The FY2024 to FY2025 step is attributable to two large offsetting groups. On the income side, other operating income added ETB 1.5 billion (+333.7%), net fee and commission income ETB 1.3 billion (+175.9%) and net interest income ETB 635.3 million (+19.2%). On the expense side, operating expenses absorbed ETB 2.4 billion (+76.9%) and fee and commission expense a further ETB 184.3 million (+230.9%); loan impairment moved adversely by ETB 121.7 million as the FY2024 release of ETB 144.2 million reduced to ETB 22.5 million. Because approximately ETB 1.5 billion of the increase in other operating income is the non-recurring foreign

exchange revaluation described under Table 95, underlying profit before tax excluding that item would have declined year on year, and the FY2025 result should be read in that light.

The effective tax rate rose 520 basis points from 16.0% in FY2023 to 21.2% in FY2024, then fell 470 basis points to 16.5% in FY2025. Income tax expense accordingly rose ETB 223.0 million (+230.8%) in the first step, well ahead of pre-tax profit growth of 149.1%, but only ETB 95.9 million (+30.0%) in the second, well behind pre-tax profit growth of 67.0%. The reduction in the effective rate contributed approximately ETB 118.0 million to FY2025 profit after tax.

Earnings per share rose from ETB 156 in FY2023 to ETB 350 in FY2024, an increase of ETB 194 or 124.4%, and to ETB 549 in FY2025, an increase of ETB 199 or 56.9%. In each step earnings per share grew more slowly than profit after tax 124.4% against 133.6%, and 56.9% against 76.9% because the weighted average number of shares rose 4.1% and 13.0% respectively as the Bank issued shares in progressing toward the ETB 5 billion minimum paid-up capital requirement. Dividend declared rose from ETB 196.4 million to ETB 681.1 million (+ETB 484.7 million, +246.8%) and then to ETB 1.0 billion (+ETB 364.7 million, +53.6%), giving dividend per share of ETB 60, ETB 201 and ETB 273 and payout ratios of 38.6%, 57.3% and 49.7%. As explained in Section 5.4, the reduction in the payout ratio in FY2025 reflects the increase in mandatory transfers to the Regulatory Risk Reserve rather than a discretionary decision to retain more. Other comprehensive income rose ETB 72.2 million (+49.8%) and then ETB 51.0 million (+23.5%), arising principally from fair value movements on unquoted equity holdings, and is not distributable.

7.3.2 Statement of Financial Position

A comprehensive three year statement of financial position covering the period from 2023 to 2025 is presented below for Berhan Bank. The following table and accompanying analysis present Berhan Bank S.C.'s Statement of Financial Position as at 30 June 2025, 30 June 2024, and 30 June 2023. At the high level:

FY2023 to FY2024: Total assets grew marginally from ETB 45.05 billion to ETB 46.02 billion (ETB +976.3 million, +2.2%). Growth was subdued as the Bank simultaneously repaid its outstanding external borrowings of ETB 559.0 million and faced relatively slower loan portfolio expansion under the NBE credit growth ceiling of 18%. Total liabilities declined by ETB 208.1 million (-0.5%), while total equity expanded by ETB 1.18 billion (+23.5%), increasing the Bank's equity-to-assets ratio from 11.2% to 13.5%.

FY2024 to FY2025: Total assets grew strongly from ETB 46.02 billion to ETB 58.96 billion (ETB +12.94 billion, +28.1%). Growth was driven by substantial expansion in net loans and advances (+ETB 5.33 billion, +18.2%), foreign bank deposits and money market placements (+ETB 2.48 billion, +51.3%), and investment securities (+ETB 2.89 billion, +71.2%). Total liabilities increased by ETB 10.61 billion (+26.6%), reflecting deposit growth of ETB 7.60 billion and expansion in trade finance-related liabilities. Total equity increased by ETB 2.33 billion (+37.5%).

Table 98: Statement of Financial Position

Particulars	FY 2024/25	FY 2023/24	FY 2022/23
(ETB '000)			
Cash and Balances with Banks			
Cash in hand local currency	1,690,665	1,707,309	1,746,191
Cash in hand foreign currency	215,097	24,416	22,110
Placement with other Institutions	1,644,421	1,478,983	988,752
Deposits with foreign banks	2,382,651	286,403	653,829
Balance held with National Bank of Ethiopia	385,120	1,342,957	321,931
Money Market Operations	1,005,753	0	
Gross cash and balances with banks	7,323,707	4,840,068	3,732,813

Particulars	FY 2024/25	FY 2023/24	FY 2022/23
Less: Allowance for Impairment- Bank Balances	-231	-153	-89
Cash and Balances with Banks	7,323,476	4,839,915	3,732,724
Due from Banks & Other Financial Institutions;			
ATM Settlement-Off Us	33,735	255,951	211,913
Cheque Clearance-Outward	6,449	2,655	5,459
Foreign Currency Receivable	709,999	191,831	55,862
Mobile Fund Transfer-Off Us	116,486	486,950	3,446,685
Due from Banks & Other Financial Institutions	866,669	937,387	3,719,919
Loans and Advances to Customers			
Agriculture	130,128	152,534	102,126
Building and construction	6,303,311	5,640,130	5,477,570
Domestic trade and services	6,213,821	6,272,772	7,625,159
Export	1,195,655	1,426,388	1,169,467
Hotel and Tourism	398,571	410,348	425,279
Health and Education Service	672,637	245,060	159,851
Import	3,095,892	1,897,053	1,898,018
Manufacturing	4,237,549	2,822,610	2,881,224
Merchandise Loans	11,007	135,205	40,790
Overdrafts	4,176,372	3,651,249	2,703,459
Personal loan	3,647,405	3,545,679	2,601,839
Pre-Shipment	2,686,914	994,823	1,149,898
Staff loan	2,763,940	3,196,297	2,236,378
Transport	440,739	428,342	419,987
Gross Loans and Advances to Customers	35,973,941	30,818,490	28,891,045
Less: Impairment allowance	-897,023	-919,550	-1,063,758
Stage 1	-200,841	-219,151	-194,483
Stage 2	-1,140	-1,357	-4,364
Stage 3	-695,042	-699,042	-864,911
Loans and advances after impairment allowance	35,076,918	29,898,940	27,827,287
Less :			
Interest in suspense	-120,292	-84,462	-69,921
Staff Loan Market Interest Adjustment	-428,642	-612,223	-411,309
Net Loan Balance	34,527,984	29,202,255	27,346,057
Investment Securities	6,956,850	4,064,422	4,139,617
i) Financial Assets at amortized cost			
Bonds and Bills	6,349,118	3,604,450	3,833,127
Less Allowance for impairment	-317	-180	-124
Net Bond and Bills	6,348,801	3,604,270	3,833,003
ii) Financial Assets at FVTOCI:			
Equity Investments	142,663	98,154	60,657
Fair Value Adjustment – Equity Investments	465,386	361,998	245,957
Net Equity Investments	608,049	460,152	306,614
Other Assets	2,897,297	1,550,695	1,253,266
Inventory	116,106	152,044	78,179
Non-Current Assets Held for Sale	237,671	214,641	0
Right-of-use assets	1,202,909	1,165,020	58,041
Intangible Assets	26,722	5,052	8,835

Particulars	FY 2024/25	FY 2023/24	FY 2022/23
Property and Equipment	1,448,274	1,340,376	2,297,882
Restricted Fund Balance	3,354,900	2,549,700	2,410,700
Total Assets	58,958,858	46,021,507	45,045,220
Liabilities			
Due to Banks & Other Institutions			
Cheque Clearance-Inward	7,067	7,905	9,193
ATM Settlement-On Us	177,375	103,839	98,243
Mobile Fund Transfer-On Us	102,906	466,274	3,410,972
Deposits from Customers			
Demand deposits	13,248,870	12,078,453	8,949,876
Savings deposits	27,399,146	20,979,921	21,770,027
Time deposits	3,806,003	3,793,819	3,062,391
Total deposits from customers	44,454,019	36,852,193	33,782,294
Current Tax Liabilities	448,597	286,389	79,077
Margins Held on Letters of Credit	1,508,336	567,992	365,273
Borrowings			559,028
Other Liabilities	3,192,689	1,069,912	1,509,576
Provisions	301,061	250,027	65,052
Retirement Benefit Obligations	194,200	136,485	101,795
Deferred Tax Liabilities	32,489	67,295	35,275
Total Liabilities	50,418,739	39,808,311	40,015,778
Equity			
Share Capital	4,286,885	3,447,898	3,350,433
Share Premium	18,628	16,372	15,847
Retained Earnings	1,045,836	681,088	196,394
Legal Reserve	1,677,627	1,153,737	856,684
Other Reserve	382,940	310,080	206,983
Regulatory Risk Reserve	1,128,204	604,020	403,104
Total Equity	8,540,120	6,213,195	5,029,445
Total Liabilities and Equity	58,958,859	46,021,506	45,045,223

7.3.2.1 Asset Analysis

A. Cash and Balances with Banks

Table 99: Cash and Balances with Banks

Item (ETB '000)	FY2025	FY2024	FY2023	% Change FY2024→FY2025	% Change FY2023→FY2024
Cash in hand local currency	1,690,665	1,707,309	1,746,191	-1.0%	-2.2%
Cash in hand foreign currency	215,097	24,416	22,110	+780.9%	+10.4%
Placement with other institutions	1,644,421	1,478,983	988,752	+11.2%	+49.6%
Deposits with foreign banks	2,382,651	286,403	653,829	+731.9%	-56.2%
Balance held with National Bank	385,120	1,342,957	321,931	-71.3%	+317.2%

Item (ETB '000)	FY2025	FY2024	FY2023	% Change FY2024→FY2025	% Change FY2023→FY2024
Money market operations	1,005,753	—	—	n/a	n/a
Gross Amount	7,323,707	4,840,068	3,732,813	+51.3%	+29.7%

Cash and balances with banks rose from ETB 3.7 billion in FY2023 to ETB 4.8 billion in FY2024, an increase of ETB 1.1 billion or 29.7%, and further to ETB 7.3 billion in FY2025, an increase of ETB 2.5 billion or 51.3%.

The FY2023 to FY2024 step is explained by the balance held with the National Bank of Ethiopia, which rose ETB 1,021.0 million or 317.2%, from ETB 321.9 million to ETB 1.3 billion, being 92.2% of the movement. Placements with other institutions added ETB 490.2 million (+49.6%), from ETB 988.8 million to ETB 1.5 billion. These were partly offset by deposits with foreign banks, down ETB 367.4 million or 56.2% from ETB 653.8 million to ETB 286.4 million, reflecting the foreign currency scarcity that prevailed before liberalisation.

The FY2024 to FY2025 step is explained by three movements. Deposits with foreign banks rose ETB 2.1 billion or 731.9%, from ETB 286.4 million to ETB 2.4 billion, being 84.4% of the movement, as export and remittance clients generated higher hard currency inflows at market rates and the Bank placed the surplus with correspondent banks to earn interest while keeping its net open position within the $\pm 18\%$ of Tier 1 capital permitted by Directive No. SBB/96/2025. Money market operations of ETB 1.0 billion arose for the first time following the operationalisation of the NBE's interbank framework in October 2024. Cash in hand in foreign currency rose ETB 190.7 million or 780.9%, from ETB 24.4 million to ETB 215.1 million, on the same underlying cause. Offsetting these, the balance with the National Bank fell ETB 957.8 million or 71.3%, from ETB 1.3 billion to ETB 385.1 million, as the Bank reallocated reserves from a non-earning balance into the two yielding categories above a treasury decision, not a reduction in regulatory compliance. Local currency cash was essentially flat across all three years, falling 2.2% and then 1.0%.

B. Due from Banks and Financial Institutions

Table 100: Due from Banks and Financial Institutions

Item (ETB '000)	FY2025	FY2024	FY2023	% Change FY2024→FY2025	% Change FY2023→FY2024
ATM settlement off us	33,735	255,951	211,913	-86.8%	+20.8%
Cheque clearance outward	6,449	2,655	5,459	+142.9%	-51.4%
Foreign currency receivable	709,999	191,831	55,862	+270.1%	+243.4%
Mobile fund transfer off us	116,486	486,950	3,446,685	-76.1%	-85.9%
Total Due from Banks / FIs	866,669	937,387	3,719,919	-7.5%	-74.8%

Balances due from banks declined from ETB 3.72 billion in FY2023 to ETB 0.94 billion in FY2024 (ETB –2.78 billion, –74.8%) and further to ETB 0.87 billion in FY2025 (ETB –70.7 million, –7.5%).

The decline was driven primarily by the normalization of Mobile Fund Transfer receivables (Off Us), which fell from ETB 3.45 billion in FY2023 to ETB 116.5 million in FY2025. This represents the resolution of interbank settlement positions arising from the Bank's mobile banking platform interactions with EthSwitch and other payment network operators, which in FY2023 reflected a peak in unsettled cross-bank mobile payment claims. Improved settlement infrastructure and faster clearing cycle times through the national payment system reduced the float. The growing foreign currency receivables (from ETB 55.9 million in FY2023 to ETB 710.0 million in FY2025) reflect increased bilateral FX settlement obligations with correspondent banks arising from higher trade finance and remittance volumes following exchange rate liberalization, consistent with the Bank's growing trade finance income.

Balances due from banks declined from ETB 3.72 billion in 2023 to ETB 0.94 billion in 2024, representing a decrease of ETB 2.78 billion or 74.8%, and further to ETB 0.87 billion in 2025, reflecting a decline of ETB 70.7 million or 7.5%. A drop in mobile fund transfer receivables, which decreased substantially over the period, primarily drove the reduction. However, foreign currency receivables increased from ETB 55.9 million in 2023 to ETB 191.8 million in 2024 and ETB 710.0 million in 2025, partially offsetting the decline and indicating a shift toward foreign currency-related interbank exposures.

C. Loans and Advances to Customers

Table 101: Loans and Advances to Customers

Item (ETB '000)	FY2025	FY2024	FY2023	% Change FY2024→FY2025	% Change FY2023→FY2024
Agriculture	130,128	152,534	102,126	-14.7%	+49.4%
Building and construction	6,303,311	5,640,130	5,477,570	+11.8%	+3.0%
Domestic trade and services	6,213,821	6,272,772	7,625,159	-0.9%	-17.7%
Export	1,195,655	1,426,388	1,169,467	-16.2%	+22.0%
Hotel and tourism	398,571	410,348	425,279	-2.9%	-3.5%
Health and education service	672,637	245,060	159,851	+174.5%	+53.3%
Import	3,095,892	1,897,053	1,898,018	+63.2%	-0.1%
Manufacturing	4,237,549	2,822,610	2,881,224	+50.1%	-2.0%
Merchandise loans	11,007	135,205	40,790	-91.9%	+231.5%
Overdrafts	4,176,372	3,651,249	2,703,459	+14.4%	+35.1%
Personal loan	3,647,405	3,545,679	2,601,839	+2.9%	+36.3%
Pre-shipment	2,686,914	994,823	1,149,898	+170.1%	-13.5%
Staff loan	2,763,940	3,196,297	2,236,378	-13.5%	+42.9%
Transport	440,739	428,342	419,987	+2.9%	+2.0%
Gross Amount	35,973,941	30,818,490	28,891,045	+16.7%	+6.7%
Net Loan	34,527,985	29,202,255	27,346,058	+18.2%	+6.8%

Gross loans and advances rose from ETB 28.9 billion in FY2023 to ETB 30.8 billion in FY2024, an increase of ETB 1.9 billion or 6.7%, and further to ETB 36.0 billion in FY2025, an increase of ETB 5.2 billion or 16.7%. Net loans rose ETB 1.9 billion (+6.8%) and then ETB 5.3 billion (+18.2%). The difference between the two steps is explained by the NBE credit growth ceiling, which stood at 18% in FY2024 and was relaxed to 24% in January 2025.

The FY2023 to FY2024 step is one of active portfolio reshaping rather than uniform growth. Domestic trade and services fell ETB 1.4 billion or 17.7%, from ETB 7.6 billion to ETB 6.3 billion, in addition, That contraction was more than replaced by three categories: staff loans rose ETB 959.9 million (+42.9%) to ETB 3.2 billion as the staff lending scheme was expanded; overdrafts rose ETB 947.8 million (+35.1%) to ETB 3.7 billion; and personal loans rose ETB 943.8 million (+36.3%) to ETB 3.5 billion. Manufacturing fell ETB 58.6 million (-2.0%), import financing was flat at -0.1%, and pre-shipment financing fell ETB 155.1 million (-13.5%). The Bank therefore absorbed an ETB 1.4 billion sectoral contraction and still grew the book 6.7%, and the improvement in the non-performing loan ratio from 5.75% to 4.98% in the same year indicates the reshaping achieved its purpose.

The FY2024 to FY2025 step is the opposite: four trade- and industry-linked sectors contributed ETB 5.0 billion, or 96.4%, of the ETB 5.2 billion increase. Pre-shipment financing rose ETB 1.7 billion or 170.1%, from ETB 994.8 million to ETB 2.7 billion, as exporters drew working capital against the improved birr value of export proceeds and the 50% retention entitlement introduced under Directive FXD/01/2024 a direct reversal of the FY2024 decline. Manufacturing rose ETB 1.4 billion or 50.1%, from ETB 2.8 billion to ETB 4.2 billion, as industrial customers financed input purchases at market exchange rates. Import financing rose ETB 1.2 billion or 63.2%, from ETB 1.9 billion to ETB 3.1 billion, tracking the recovery in letter of credit volumes. Building and construction rose ETB 663.2 million or 11.8%, from ETB 5.6 billion to ETB 6.3 billion, consistent with the growth in advance payment and performance guarantees described in Section 7.4. Health and education services rose ETB 427.6 million (+174.5%) from a small base.

Three declines partly offset these. Staff loans fell ETB 432.4 million or 13.5% following scheduled repayments and a tightening of the scheme after the FY2024 expansion. Export loans fell ETB 230.7 million or 16.2% as exporters migrated to pre-shipment facilities the two movements are substantially the same customers using a different product. Merchandise loans fell ETB 124.2 million or 91.9% from an already small base. Domestic trade and services was broadly flat at -0.9% after the FY2024 contraction

D. Investment Securities

Table 102: Investment Securities

Item (ETB '000)	FY2025	FY2024	FY2023	% Change FY2024→FY2025	% Change FY2023→FY2024
Financial assets at amortised cost					
Bonds and bills	6,349,118	3,604,450	3,833,127	+76.1%	-6.0%
Less: allowance for impairment	(317)	(180)	(124)	+76.1%	+45.2%
Net bonds and bills	6,348,801	3,604,270	3,833,003	+76.1%	-6.0%
Financial assets at FVTOCI					
Equity investments (cost)	142,663	98,154	60,657	+45.3%	+61.8%
Fair value adjustment	465,386	361,998	245,957	+28.6%	+47.2%
Net equity investments	608,049	460,152	306,614	+32.1%	+50.1%
Total Investment Securities	6,956,850	4,064,422	4,139,617	+71.2%	-1.8%

Investment securities remained relatively stable from ETB 4.14 billion in 2023 to ETB 4.06 billion in 2024, reflecting a slight decline of ETB 75.2 million or 1.8%, and then increased to ETB 6.96 billion in 2025, representing a rise of ETB 2.89 billion or 71.2%. Bonds and bills mainly drove the 2025 increase, which expanded by ETB 2.74 billion or 76.1%, indicating increased allocation toward fixed-income instruments. The Bank also holds equity investments in Ethswitch S.C, Berhan Insurance S.C., Premier Switch Solution S.C., and Debo Micro Finance S.C. These equity investments also increased steadily, supported by both additional investments and fair value gains. The trend reflects a strategic shift toward income-generating securities and balance sheet diversification.

E. Other Assets

Table 103: Other Assets

Item (ETB '000)	FY2025	FY2024	FY2023	% Change FY2024→FY2025	% Change FY2023→FY2024
Other receivables	2,523,877	1,062,305	945,735	+137.6%	+12.3%
Prepayments	103,182	61,139	38,209	+68.8%	+60.0%
Prepaid staff benefits	558,822	721,510	486,557	-22.5%	+48.3%
Gross Amount	3,185,881	1,844,954	1,470,501	+72.7%	+25.5%
Less: impairment allowance	(288,584)	(294,259)	(217,235)	-1.9%	+35.5%
Net Amount	2,897,297	1,550,695	1,253,266	+86.8%	+23.7%

Net other assets rose from ETB 1.3 billion in FY2023 to ETB 1.6 billion in FY2024, an increase of ETB 297.4 million or 23.7%, and further to ETB 2.9 billion in FY2025, an increase of ETB 1.3 billion or 86.8%.

The FY2023 to FY2024 step is driven by prepaid staff benefits, up ETB 235.0 million or 48.3% from ETB 486.6 million to ETB 721.5 million, with the expansion of the staff loan scheme as described in Loan and advance subsection, together with other receivables up ETB 116.6 million or 12.3%.

The FY2024 to FY2025 step is driven almost entirely by other receivables, up ETB 1.5 billion or 137.6% from ETB 1.1 billion to ETB 2.5 billion, being 108.6% of the net movement. Prepaid staff benefits fell ETB 162.7 million or 22.5%, with the reduction in staff loans, and prepayments rose ETB 42.0 million or 68.8%.

F. Property and Equipment

Table 104: Property and Equipment

Item (ETB '000)	FY2025	FY2024	FY2023	% Change FY2024→FY2025	% Change FY2023→FY2024
Buildings	81,160	53,739	66,392	+51.0%	-19.1%
Motor vehicles	391,903	373,561	422,592	+4.9%	-11.6%
Office and other equipment	383,250	400,006	300,081	-4.2%	+33.3%
Furniture and fittings	276,582	277,380	239,310	-0.3%	+15.9%
Computer and accessories	315,380	235,690	176,291	+33.8%	+33.7%
Total Net Book Value	1,448,274	1,340,376	1,204,667	+8.1%	+11.3%

The net book value of property and equipment rose from ETB 1.2 billion in FY2023 to ETB 1.3 billion in FY2024, an increase of ETB 135.7 million or 11.3%. The increase was driven mainly by office and other equipment, up ETB 99.9 million or 33.3% to ETB 400.0 million; computer and accessories, up ETB 59.4 million or 33.7%; and furniture and fittings, up ETB 38.1 million or 15.9%.

In FY2025, the net book value increased further to ETB 1.4 billion, an increase of ETB 107.9 million or 8.1%. The increase was driven primarily by computer and accessories, up ETB 79.7 million or 33.8% to ETB 315.4 million, and buildings, up ETB 27.4 million or 51.0% to ETB 81.2 million, partly offset by a decline in office and other equipment of ETB 16.8 million or 4.2%.

G. Intangible Assets

Table 105: Intangible Assets

Item (ETB '000)	FY2025	FY2024	FY2023	% Change FY2024→FY2025	% Change FY2023→FY2024
Cost					
Opening balance (1 July)	25,098	25,098	25,098	0.0%	0.0%
Acquisitions	25,835	—	—	n/a	n/a
Total cost	50,933	25,098	25,098	+102.9%	0.0%
Accumulated amortization					
Opening balance (1 July)	20,046	16,263	12,479	+23.3%	+30.3%
Amortisation for the year	4,165	3,784	3,773	+10.1%	+0.3%
Total amortisation	24,211	20,046	16,263	+20.8%	+23.3%
Net Book Value	26,722	5,052	8,835	+428.9%	-42.8%

Intangible assets declined from ETB 8.84 million in 2023 to ETB 5.05 million in 2024, representing a decrease of ETB 3.78 million or 42.8%, before increasing to ETB 26.72 million in 2025, reflecting an increase of ETB 21.67 million or 429.0%. The sharp increase in 2025 was driven by new software acquisitions, indicating renewed investment in digital systems.

7.3.2.2 Liability Analysis

A. Deposits from Customers

Customer deposits increased from ETB 33.78 billion in FY2023 to ETB 44.45 billion in FY2025 (+31.6% cumulative).

Deposit mix evolved: savings deposits declined marginally as a share (64.4% in FY2023 to 61.6% in FY2025), while demand deposits grew from 26.5% to 29.8% of total, reflecting increased transaction banking relationships from higher commercial activity.

FY2023 to FY2024: Demand deposits increased from ETB 8,949.9 million to ETB 12,078.5 million (ETB +3,128.6 million, +34.9%), the strongest growth rate among deposit types, reflecting an expansion of current account relationships with commercial customers and government-related entities. Savings deposits declined marginally from ETB 21,770.0 million to ETB 20,979.9 million (ETB -790.1 million, -3.6%), partly reflecting customers' shift of balances toward higher-yielding time deposits and alternative saving instruments in a rising interest rate environment. Time deposits increased from ETB 3,062.4 million to ETB 3,793.8 million (ETB +731.4 million, +23.9%), as customers sought higher fixed returns amid rising deposit pricing. In aggregate, total deposits grew by ETB 3,069.9 million (+9.1%) in FY2024.

FY2024 to FY2025: Demand deposits increased from ETB 12,078.5 million to ETB 13,248.9 million (ETB +1,170.4 million, +9.7%). Savings deposits increased strongly from ETB 20,979.9 million to ETB 27,399.1 million (ETB +6,419.2 million, +30.6%), recovering and accelerating following the FY2024 dip, and remained the Bank's core funding source at 61.6% of total deposits. Time deposits remained broadly stable at ETB 3,806.0 million (ETB +12.2 million, +0.3%), as customers preferred the flexibility of savings accounts in an uncertain interest rate environment following the July 2024 FX reform. In aggregate, total deposits grew by ETB 7,601.8 million (+20.6%) in FY2025.

The high proportion of savings and demand deposits (approximately 91.4% of total deposits) provides stable, largely non-time-bound funding. The Bank's loan-to-deposit ratio of approximately 79.2% in FY2025 (compared to 80.9% in FY2023) indicates improved liquidity buffer relative to the NBE-prescribed maximum of 85%.

Table 106: Deposits from Customers

Item (ETB '000)	FY2025	FY2024	FY2023	% Change FY2024→FY2025	% Change FY2023→FY2024
Demand deposits	13,248,870	12,078,453	8,949,876	+9.7%	+35.0%
Savings deposits	27,399,146	20,979,921	21,770,027	+30.6%	-3.6%
Time deposits	3,806,003	3,793,819	3,062,391	+0.3%	+23.9%
Total Deposits	44,454,019	36,852,193	33,782,294	+20.6%	+9.1%

B. Other Liabilities

Total other liabilities increased from ETB 3.25 billion in FY2023 to ETB 4.57 billion in FY2024 (+40.7%) and further to ETB 8.17 billion in FY2025 (+78.7%). The principal drivers of the FY2025 increase were: (i) Blocked for guarantee and other claims: ETB 2.75 billion in FY2025 vs. ETB 1.22 billion in FY2024 (+ETB 1.53 billion, +125.0%), reflecting the substantial growth in trade finance guarantees issued by the Bank (total contingent liabilities from guarantees reached ETB 13.22 billion in FY2025 per Section 7.4); (ii) Margin held on Letter of

Credit: ETB 1.85 billion in FY2025 vs. ETB 225.5 million in FY2024 (+ETB 1.62 billion, +718.9%), reflecting increased import LC activity and higher cash margin requirements; and (iii) Taxes payable: ETB 1.06 billion in FY2025 vs. ETB 126.8 million in FY2024 (+ETB 934.2 million), reflecting the significantly higher taxable income in FY2025.

Table 107: Other Liabilities

Item (ETB '000)	FY2025	FY2024	FY2023	% Change FY2024→FY2025	% Change FY2023→FY2024
Financial liabilities					
Banking instruments payables	98,059	71,754	219,716	+36.7%	-67.3%
Unearned income	96,525	72,370	41,842	+33.4%	+73.0%
Lease liability	573,032	508,846	459,574	+12.6%	+10.7%
Total financial liabilities	767,616	652,970	721,132	+17.6%	-9.5%
Non-financial liabilities					
Tax and other obligations	98,225	54,474	54,800	+80.3%	-0.6%
Sundry payables	2,326,848	362,468	733,644	+542.0%	-50.6%
Total non-financial liabilities	2,425,073	416,942	788,444	+481.6%	-47.1%
Total Other Liabilities	3,192,689	1,069,912	1,509,576	+198.4%	-29.1%

FY2023 to FY2024 (decline of ETB 439,664 thousand, -29.1%): The decline was driven by two factors: Banking Instruments Payables fell sharply from ETB 219,716 thousand to ETB 71,754 thousand (-67.4%), reflecting settlement of outstanding banking instrument clearance obligations during the year; and Sundry Payables declined from ETB 733,644 thousand to ETB 362,468 thousand (-50.6%), reflecting improved settlement of commercial payable obligations. These reductions more than offset the steady increase in Lease Liability (from ETB 459,574 thousand to ETB 508,846 thousand, +10.7%) arising from continued branch expansion under IFRS 16 right-of-use asset recognition.

FY2024 to FY2025 (increase of ETB 2,122,777 thousand, +198.5%): The increase was driven almost entirely by Sundry Payables, which increased from ETB 362,468 thousand to ETB 2,326,848 thousand (+ETB 1,964,380 thousand, +542.2%). This is the single dominant movement in Other Liabilities across the entire three-year period. The sharp increase in Sundry Payables in FY2025 reflects the significant expansion in the Bank's trade finance operations following exchange rate liberalization in July 2024: total contingent liabilities grew from ETB 6.99 billion in FY2024 to ETB 15.47 billion in FY2025, generating corresponding payable obligations for blocked guarantee margins, trade-related settlements, and commercial payables directly linked to the Bank's growing off-balance-sheet trade finance activities.

C. Margins Held on Letters of Credit

Margins held on letters of credit increased from ETB 365.3 million in 2023 to ETB 568.0 million in 2024, representing an increase of ETB 202.7 million or 55.5%, and further to ETB 1.51 billion in 2025, reflecting an increase of ETB 940.3 million or 165.6%. The growth reflects increased trade finance activities and higher volumes of import-related transactions.

7.3.2.3 Equity Analysis

Table 108: Equity Analysis

Item (ETB '000)	FY2025	FY2024	FY2023	% Change FY2024→FY2025	% Change FY2023→FY2024
Share capital	4,286,885	3,447,898	3,350,433	+24.3%	+2.9%
Share premium	18,628	16,372	15,847	+13.8%	+3.3%
Retained earnings	1,045,836	681,088	196,394	+53.6%	+246.8%
Legal reserve	1,677,627	1,153,737	856,684	+45.4%	+34.7%
Other reserve	382,940	310,080	206,983	+23.5%	+49.8%
Regulatory risk reserve	1,128,204	604,020	403,104	+86.8%	+49.8%
Total Equity	8,540,120	6,213,195	5,029,445	+37.5%	+23.5%

FY2023 to FY2024: Share capital increased by ETB 97.5 million (+3.0%) from ETB 3,350.4 million to ETB 3,447.9 million, reflecting 97,465 new shares issued. Retained earnings increased from ETB 196.4 million to ETB 681.1 million (+ETB 484.7 million, +246.8%), representing the dividend declared for FY2023 transferred to retained earnings ahead of payment. Legal Reserve grew from ETB 856.7 million to ETB 1,153.7 million (+ETB 297.1 million, +34.7%), reflecting the mandatory 25% profit appropriation from FY2023 net profit. The Regulatory Risk Reserve increased from ETB 403.1 million to ETB 604.0 million (+ETB 200.9 million, +49.8%), reflecting transfer requirements under NBE Directive SBB/90/2024.

FY2024 to FY2025: Share capital increased by ETB 839.0 million (+24.3%) from ETB 3,447.9 million to ETB 4,286.9 million, following the issue of 838,987 new shares. Retained earnings increased from ETB 681.1 million to ETB 1,045.8 million (+ETB 364.7 million, +53.5%), representing the FY2024 dividend transferred to retained earnings. Legal Reserve grew from ETB 1,153.7 million to ETB 1,677.6 million (+ETB 523.9 million, +45.4%). The Regulatory Risk Reserve increased substantially from ETB 604.0 million to ETB 1,128.2 million (+ETB 524.2 million, +86.8%), reflecting the significant increase in impairment provisions and provisioning requirements associated with the growing loan book.

Table 109: Summary Statement of Financial Position (As at 31 December 2025)

Assets (ETB '000)	Dec 31, 2025	Jun 30, 2025	Growth (%)
Cash and Balances with Banks	7,422,645	7,323,476	1.35%
Due from Banks & Financial Institutions	1,272,053	866,669	46.77%
Loans and Advances to Customers	44,102,758	34,527,985	27.73%
Investment Securities	6,877,776	6,348,801	8.33%
Other Assets	4,879,207	2,897,297	68.41%
Property and Equipment	3,024,900	3,354,900	(9.84%)
Total Assets	71,337,132	58,958,859	21.00%

Table 110: Liabilities and Equity

Liabilities & Equity (ETB '000)	Dec31, 2025	June 20, 2025	Growth (%)
Deposits from Customers	53,457,566	44,454,019	20.25%
Borrowings	500,000	448,597	11.46%

Liabilities & Equity	Dec31, 2025	June 20, 2025	Growth (%)
Other Liabilities	6,170,522	5,125,472	20.39%
Total Liabilities	60,128,088	50,418,739	19.27%
Total Equity	11,209,044	8,540,120	31.25%
Total Liabilities and Equity	71,337,132	58,958,859	21.00%

As at 31 December 2025, Berhan Bank S.C.'s total assets increased by 21.0% compared to June 2025, mainly driven by growth in loans and advances to customers and expansion in other operating assets.

Loans and advances increased by 27.73% to ETB 44.10 billion, reflecting continued credit expansion and increased financing activities across multiple sectors of the economy. Customer deposits also increased by 20.25% to ETB 53.46 billion, remaining the Bank's primary funding source and supporting balance sheet growth.

Total shareholders' equity increased by 31.25%, supported mainly by retained earnings and capital strengthening initiatives undertaken during the reporting period. The growth in equity indicates continued enhancement of the Bank's capital position and financial capacity.

7.3.3 Statement of Cash Flows

The condensed cash-flow statement that follows shows how Berhan Bank S.C. converted rising earnings into liquidity.

Table 111: Statement of Cash Flows

Item	FY 2024/25	FY 2023/24	FY 2022/23
(ETB '000)			
Cash flows from operating activities	-	-	-
Profit before tax	2,511,080	1,507,785	605,235
Adjustment for:	-	-	-
Loan impairment charges	(22,528)	(144,207)	207,763
Impairment losses on other assets	15,293	77,291	103,386
Amortization of right-of-use assets	343,927	317,681	-
Amortization of intangible assets	4,165	3,784	3,773
Depreciation and impairment of PPE	98,188	79,456	367,536
Impairment Loss (Gain) Asset Held for Sale	170	45	100
Allowance for Inventory Write-Down	-	589	15
Gain on disposal of property, plant and equipment (net)	(46,322)	(172,550)	(2)
Gain from reversal of impairment allowance	(320)	(71)	(157)
Interest Expense on Lease Liability	45,780	42,336	39,958
Payment of Severance Benefit	(14,815)	(13,026)	(17,975)
Gain/Loss on Lease Modification(net)	(2,558)	-	(42)
Write off Expense	22,628	-	-
Other Non-Cash Income	(832)	-	-
Operating profit before working capital changes	2,953,856	1,699,113	1,309,590
Cash flow from operations before changes in working capital	-	-	-
Decrease (increase) in loans and advances excluding provision	(5,155,451)	(1,927,445)	(6,714,520)
Decrease (increase) in non-current asset held for sale	(23,200)	(156,645)	0
Decrease (increase) in other assets	(1,488,678)	(158,998)	(321,089)
Decrease (increase) in restricted fund balances	(805,200)	(139,000)	(575,000)
Increase (decrease) in deposits	7,601,826	3,069,899	7,755,019
Increase (decrease) in margin held account	940,344	202,719	(89,031)

Item	FY 2024/25	FY 2023/24	FY 2022/23
Increase (decrease) in other liabilities	2,157,769	(406,221)	47,447
Decrease (increase) in inventory	36,258	(74,454)	(35,800)
Decrease (increase) in due from banks and other financial institutions	70,718	2,782,532	(2,850,626)
Increase (decrease) in provisions	51,034	184,975	(37,253)
Increase (decrease) in due to banks and other institutions	(290,670)	(2,940,390)	3,173,252
Increase (decrease) in retirement benefit obligations - charge for the year	42,002	34,772	28,870
Decrease in impairment provision Allowance	(42,213)	0	-
Net working capital movement	3,094,539	471,744	381,269
Cash generated from operations	-	-	-
Withholding Tax Paid	(1,730)	(1,164)	(115)
Profit tax Paid	(286,389)	(79,077)	(94,538)
Prior Period Tax	-	(9,154)	(34,918)
Net cash flow from operating activities	5,760,276	2,081,462	1,561,288
Cash flows from investing activities	-	-	-
Purchase of Property and Equipment	(231,874)	(260,240)	(861,694)
Purchase of Intangible Assets	(25,835)	0	0
Acquisition of the right-of-use asset	(381,816)	(389,487)	-
Investment in NBE bills and bonds	(2,744,668)	228,677	(533,034)
Investment in Shares	(44,509)	(37,497)	(30,519)
Proceeds from sale of property and equipment	72,109	217,698	44
Net cash flow from investing activities	(3,356,593)	(240,849)	(1,425,203)
Cash flows from financing activities	-	-	-
Ordinary Shares Issued	838,987	97,465	191,408
Share Premium Received	2,256	525	2,215
Dividends paid	(681,088)	(196,394)	(235,631)
Increase (Decrease) Borrowings	0	(559,028)	559,028
Principal Lease Payment	(78,549)	(75,927)	(62,369)
Director's Share of Profit	(1,650)	0	(1,425)
Net cash flow from financing activities	79,956	(733,359)	453,226
Net change in cash and cash equivalents	2,483,639	1,107,254	589,311
Cash and cash equivalents at the beginning of the year	4,840,068	3,732,813	3,143,500
Cash and cash equivalents at the end of the year	7,323,707	4,840,067	3,732,811

A. Operating Cash Flow Analysis

Net cash generated from operating activities increased from ETB 1.56 billion in 2023 to ETB 2.08 billion in 2024, reflecting an increase of ETB 520.2 million or 33.3%, and further to ETB 5.76 billion in 2025, representing an increase of ETB 3.68 billion or 176.8%. The growth in 2025 was primarily driven by higher profitability, with profit before tax increasing substantially, alongside favorable movements in working capital. In particular, customer deposits increased by ETB 7.60 billion in 2025 compared to ETB 3.07 billion in 2024, providing a major source of liquidity. In addition, growth in other liabilities and margin accounts contributed positively to operating cash flows.

These inflows were partially offset by increased lending activity, as loans and advances expanded by ETB 5.16 billion in 2025 compared to ETB 1.93 billion in 2024, reflecting continued credit growth. Other asset growth and increases in restricted balances also absorbed liquidity. Despite these outflows, the net effect remained positive, indicating improved cash conversion from earnings and effective balance sheet management.

B. Investing Cash Flow Analysis

Net cash used in investing activities decreased from an outflow of ETB 1.43 billion in 2023 to ETB 240.8 million in 2024, representing an improvement of ETB 1.18 billion or 83.1%, before increasing to an outflow of ETB 3.36 billion in 2025, reflecting a deterioration of ETB 3.12 billion or 1,293.6%. The sharp increase in outflows in 2025 was primarily driven by substantial investment in government securities, particularly bonds and bills, amounting to ETB 2.74 billion. In addition, continued investment in right-of-use assets and property and equipment contributed to cash outflows.

While proceeds from disposal of property and equipment provided some offset, and investment in prior years was more moderate, the 2025 trend reflects a strategic shift toward investment in income-generating securities and infrastructure expansion.

C. Financing Cash Flow Analysis

Net cash from financing activities declined from an inflow of ETB 453.2 million in 2023 to an outflow of ETB 733.4 million in 2024, representing a decrease of ETB 1.19 billion or 261.8%, before recovering to an inflow of ETB 80.0 million in 2025, reflecting an improvement of ETB 813.3 million or 110.9%. The 2024 outflow was primarily driven by repayment of borrowings amounting to ETB 559.0 million and dividend payments.

In 2025, financing inflows were supported by issuance of new shares amounting to ETB 839.0 million, partially offset by dividend payments of ETB 681.1 million and lease-related repayments. Overall, the financing structure reflects continued reliance on equity injections to support growth, alongside ongoing dividend distributions.

7.3.4 Summary of Interim Statement of P/L and OCI

Table 112: Summary of Interim statement (For the Six-Month Period Ended 31 December 2025)

Particulars	Dec, 31 2025	Dec ,31 2024	Growth (%)
(ETB '000)			
Interest Income	3,885,919	2,901,083	33.95%
Interest Expense	(1,234,943)	(962,728)	28.28%
Net Interest Income	2,650,976	1,938,355	36.77%
Fee and Commission Income	1,700,126	732,985	131.95%
Fee and Commission Expense	(41,132)	(35,282)	16.58%
Net Fee and Commission Income	1,658,994	697,703	137.78%
Other Operating Income	1,151,028	1,245,921	(7.62%)
Total Operating Income	9,460,998	3,881,477	143.75%
Loan Impairment Charge	(7,201)	3,145	N/A
Impairment Loss on Other Financial Assets	(51,672)	(619)	N/A
Net Operating Income	9,402,125	3,884,003	142.07%
Total Operating Expenses	(3,991,036)	(2,462,855)	62.05%
Profit Before Tax	2,111,089	1,416,148	49.07%
Income Tax Expense	(422,218)	(283,230)	49.07%
Profit for the Period	1,688,871	1,132,918	49.07%
Basic Earnings Per Share (ETB)	339.11	232.86	45.63%

For the six-month period ended 31 December 2025, Berhan Bank S.C. recorded continued growth in revenue generation and profitability compared to the corresponding period of the previous financial year. Total operating income increased by 143.75% to ETB 9.46 billion, primarily driven by growth in interest income and fee-based income streams.

Net interest income increased by 36.77%, reflecting expansion in the Bank's lending activities and earning asset portfolio. In addition, net fee and commission income more than doubled during the reporting period, indicating increased transaction volumes, enhanced utilization of banking services, and broader customer engagement across digital and branch banking channels.

Profit before tax increased to ETB 2.11 billion from ETB 1.42 billion in the corresponding prior period, while profit after tax reached ETB 1.69 billion, representing growth of 49.07%. The increase in profitability was achieved despite higher operating expenses associated with branch expansion, personnel costs, technology investments, and operational scaling.

The Bank also reported improvement in earnings per share, which increased from ETB 232.86 to ETB 339.11, reflecting enhanced earnings generation during the interim reporting period.

Table 113: Summary Statement of Cash Flows (For the Six-Month Period Ended 31 December 2025)

Particulars	Dec 31, 2025	Dec 31, 2024
(ETB '000)		
Net Cash Generated from Operating Activities	7,445,777	4,654,835
Net Cash Used in Investing Activities	(528,925)	(681,088)
Net Cash Generated from Financing Activities	(6,845,896)	237,768
Net Increase in Cash and Cash Equivalents	99,169	4,211,515
Cash and Cash Equivalents at Beginning of Period	7,323,707	3,112,192
Cash and Cash Equivalents at End of Period	7,422,876	7,323,707

The Bank generated positive operating cash flow of ETB 7.45 billion during the reporting period, supported by growth in deposits, operating profitability, and expansion in customer transactions.

Investment cash outflows primarily related to investments in property, equipment, technology infrastructure, and other strategic operational assets. Financing cash flows mainly reflected dividend-related activities, lease obligations, and financing adjustments undertaken during the reporting period.

The Bank maintained positive cash and cash equivalent balances throughout the interim period, supporting operational liquidity and day-to-day banking activities.

7.4 Contingent Liabilities and Commitments

This subsection provides disclosure on Berhan Bank S.C.'s contingent liabilities and commitments as at 30 June 2025 and 30 June 2026, in accordance with the requirements of the Public Offer and Trading of Securities Directive No. 1030/2024. Contingent liabilities are potential obligations that may arise from past events but whose existence depends on uncertain future events not wholly within the Bank's control. Commitments represent obligations to issue guarantees, letters of credit, or otherwise extend credit support to customers. While these instruments are off-balance-sheet, they have the potential to affect the Bank's financial position, liquidity, and capital adequacy if they crystallize.

Table 114: Summary of Contingent Liabilities and Commitments

Category	Jun 30, 2025 (ETB M)	Jun 30, 2025 % of Cap	Jun 30, 2025 % of Assets	Jun 30, 2026 (ETB M)	YoY Growth
Letters of Guarantee (6 types)	13,224	308.5%	22.4%	16,535	+25.0%
Letters of Credit	1,940	45.3%	3.3%	[see note]	n/a
Total Contingent Liabilities	15,164	353.8%	25.7%	[see note]	n/a

Category	Jun 30, 2025 (ETB M)	Jun 30, 2025 % of Cap	Jun 30, 2025 % of Assets	Jun 30, 2026 (ETB M)	YoY Growth
Margins Held on LCs (cash collateral)	1,508	35.2%	2.6%	n/a	n/a

Paid-up Capital (Jun 2025): ETB 4,286,885 thousand. Total Assets (Jun 2025): ETB 58,958,858 thousand. Letters of Guarantee figures sourced from Bank guarantee management system (Guarantee Portfolio excel as at June 2025). Letters of Credit sourced from Section 7.3.2.2 narrative and balance sheet margin disclosures. Jun 2026 LC data not yet available; guarantees Jun 2026 sourced from Guarantee Portfolio excel.

7.4.1 Letters of Guarantee

As at 30 June 2025, Berhan Bank's total outstanding Letters of Guarantee stood at ETB 13,223.7 million (ETB 13.22 billion), representing 308.5% of the Bank's paid-up capital of ETB 4,286.9 million and 22.4% of total assets of ETB 58,958.9 million. Letters of guarantee are contingent instruments under which the Bank guarantees to a beneficiary that a customer will fulfill a contractual, regulatory, or financial obligation. The Bank's payment obligation arises only upon failure of the guaranteed customer to perform.

As at 30 June 2026, the total guarantee portfolio grew to ETB 16,535.3 million, representing an increase of ETB 3,311.5 million or 25.0% over the June 2025 position. This growth reflects continued expansion of the Bank's trade finance and project finance activities, consistent with the increase in guarantee commission income of 135% recorded in FY2025.

Table 115: Letters of Guarantee Portfolio by Type (ETB million)

Guarantee Type	Jun 30, 2025 (ETB M)	% of Total	Jun 30, 2026 (ETB M)	% of Total	YoY Change (ETB M)	Growth (%)
Advance Payment LG	9,222.3	69.7%	11,246.6	68.0%	+2,024.3	+21.9%
Performance Bond LG	2,424.3	18.3%	3,061.4	18.5%	+637.1	+26.3%
Bid Bond LG	672.9	5.1%	911.6	5.5%	+238.7	+35.5%
Supplier Credit LG	644.8	4.9%	767.1	4.6%	+122.3	+19.0%
Customs Duty Guarantee LG	212.3	1.6%	249.6	1.5%	+37.3	+17.6%
Other Guarantees	47.1	0.4%	298.9	1.8%	+251.8	+534.1%
Total	13,223.7	100.0%	16,535.3	100.0%	+3,311.6	+25.0%

Product Analysis:

- **Advance Payment Guarantees (69.7%; ETB 9,222.3 million):** The dominant product by value, representing 215.1% of paid-up capital alone. These guarantees are issued to beneficiaries of construction, supply, and service contracts where the customer has received an advance payment from the project owner. The guarantee provides the project owner with recourse if the contractor fails to deliver. The high concentration in this product reflects the Bank's significant participation in infrastructure project financing across Ethiopia. By June 2026, this category grew to ETB 11,246.6 million (+21.9%).
- **Performance Bond LGs (18.3%; ETB 2,424.3 million):** Issued primarily to guarantee customers' performance of contracted obligations in construction, supply, and services sectors. These instruments crystallize upon failure to complete a contracted scope of work.
- **Bid Bond LGs (5.1%; ETB 672.9 million):** Short-duration instruments (typically 60–90 days) issued in connection with tender processes. They are replaced by performance bonds if the customer wins the tender and carry lower crystallization risk than advance payment or performance guarantees. This

category recorded the highest growth rate (+35.5%) in the 12 months to June 2026, reflecting increased tendering activity by corporate customers.

- Supplier Credit LGs (4.9%; ETB 644.8 million): Issued to guarantee payment obligations of customers to their suppliers.
- Customs Duty Guarantee LGs (1.6%; ETB 212.3 million): Issued in favour of the Ethiopian Customs Authority to secure customs duties on imported goods.
- Other Guarantees (0.4%; ETB 47.1 million at June 2025): Grew to ETB 298.9 million by June 2026 (+534.1%), reflecting diversification of guarantee products. WCIB to confirm the composition of this category with Bank management.

Risk Management: All Letters of Guarantee are issued subject to the Bank's credit policy, including credit assessment of the guaranteed customer, collateral evaluation, and approval within the Bank's authority framework. Large guarantees are subject to NBE large exposure limits per Directive SBB/87/2024. The Bank's Asset and Liability Management Committee monitors total contingent exposure relative to capital and regulatory limits on a regular basis. The Bank does not consider the total guarantee portfolio to represent a material risk to its financial position given the distribution of exposures across numerous counterparties and sectors and the quality of underlying collateral and customer relationships.

7.4.2 Letters of Credit

Letters of credit are documentary credit instruments issued by the Bank at the request of its customers (applicants/importers) in favour of beneficiaries (exporters/suppliers) overseas or domestically. The Bank's payment obligation under an LC arises upon presentation of compliant shipping or trade documents conforming to the terms and conditions of the LC, regardless of the performance of the underlying trade contract. LCs primarily support customer import transactions denominated in foreign currency.

As at 30 June 2025, the Bank's gross outstanding Letters of Credit amounted to ETB 3,475.4 million (ETB 3.48 billion), representing 81.1% of paid-up capital and 5.9% of total assets. Cash margins held against the LC portfolio (balance sheet item "Margins Held on Letters of Credit") amounted to ETB 1,508.3 million, representing a cash collateral cover of 43.4% of gross outstanding LCs. The net unsecured LC exposure is therefore approximately ETB 1,967.1 million (ETB 1.97 billion), equivalent to 45.9% of paid-up capital.

By 30 June 2026, the gross LC portfolio grew to ETB 7,748.5 million (ETB 7.75 billion), representing a year-on-year increase of ETB 4,273.1 million or 123.0%. The substantial growth is driven principally by the emergence of petroleum import financing as the dominant LC category (ETB 4,057.4 million, 52.4% of total), a new category that was not present in the June 2025 portfolio, reflecting the Bank's increased participation in energy sector import financing following the exchange rate liberalization in July 2024.

Table 116: Letters of Credit Portfolio by Business Category (Gross, ETB million)

Business Category	Jun 30, 2025 Gross (ETB M)	% of Total
Petroleum	—	—
Transport	662.0	19.0%
Machinery	533.3	15.3%
Food Items	557.9	16.1%
Pharmaceuticals	459.0	13.2%
Raw Material	454.2	13.1%
Others	503.0	14.5%
Construction	96.0	2.8%
Manufacturing	111.2	3.2%

Business Category	Jun 30, 2025 Gross (ETB M)	% of Total
Chemicals	98.9	2.8%
Total (Gross LCs)	3,475.4	100.0%
Less: Margins Held on LCs (Cash Collateral)	(1,508.3)	(43.4% cover)
Net LC Exposure (Gross less Margins)	1,967.1	56.6% unsecured

The June 2025 LC portfolio is diversified across nine import sectors with no single category exceeding 20% of total:

- **Transport (19.0%; ETB 662.0 million):** The largest single category, comprising import financing for vehicles, transport equipment, and logistics-related goods. The collateral structure for transport LCs is not individually disclosed; the Bank applies standard LC margin and collateral requirements based on customer credit assessment.
- **Food Items (16.1%; ETB 557.9 million):** The second-largest category as at June 2025, supporting import of food commodities and consumer food products. This category declined to zero by June 2026, which may reflect seasonal LC utilization patterns, completion of specific import cycles, or reclassification into the "Others" category.
- **Machinery (15.3%; ETB 533.3 million):** Import financing for industrial machinery, agricultural equipment, and capital goods. Grew to ETB 811.1 million by June 2026 (+52.1%), reflecting continued import demand for production equipment.
- **Others (14.5%; ETB 503.0 million):** Miscellaneous import categories not individually classified, including consumer goods, office equipment, and specialized items. Grew to ETB 881.1 million by June 2026 (+75.2%).
- **Pharmaceuticals (13.2%; ETB 459.0 million):** Supporting import of medicines, medical equipment, and healthcare supplies. Declined to ETB 295.4 million by June 2026 (-35.6%), possibly reflecting shifts in import procurement patterns.
- **Raw Material (13.1%; ETB 454.2 million):** Import financing for industrial raw materials used in domestic manufacturing. Declined to ETB 267.6 million by June 2026 (-41.1%).
- **Manufacturing (3.2%; ETB 111.2 million):** Inputs and components for manufacturing operations. Grew strongly to ETB 271.0 million by June 2026 (+143.8%).
- **Construction (2.8%; ETB 96.0 million):** Import financing for construction materials and equipment. Grew substantially to ETB 313.6 million by June 2026 (+226.7%), reflecting increased construction financing activity.
- **Chemicals (2.8%; ETB 98.9 million):** Industrial chemicals and specialty chemical imports. Declined to ETB 53.6 million by June 2026 (-45.8%).

7.4.3 Large Borrower and Loan Concentration

The Bank's lending activities include financing extended to corporate entities, commercial businesses, and individual borrowers operating across multiple sectors of the economy. The top ten borrowers represent a portion of the Bank's total loan portfolio and consist of customers engaged in manufacturing, construction, pharmaceuticals, trade, financial services, and other commercial activities.

As at 31 March 2026, the aggregate outstanding balance of the top ten borrowers amounted to ETB 9,740.94 million (ETB 9.74 billion), representing approximately 19.82% of the total gross loan portfolio of ETB 49,159.76 million as at 31 March 2026. The majority of these exposures are classified as "Pass" in accordance with the applicable loan classification standards and prudential requirements of the National Bank of Ethiopia.

Table 117: Top Ten Borrowers (as at 31 March 2026)

Borrower	Outstanding Balance (ETB Million)	% of Gross Loan Portfolio (March 2026)	Loan Classification
Borrower 1	1,697.29	3.45%	Pass
Borrower 2	1,293.48	2.63%	Pass
Borrower 3	1,125.74	2.29%	Pass
Borrower 4	1,042.54	2.12%	Loss
Borrower 5	872.03	1.77%	Pass
Borrower 6	824.66	1.68%	Pass
Borrower 7	747.40	1.52%	Pass
Borrower 8	743.76	1.51%	Pass
Borrower 9	740.89	1.51%	Pass
Borrower 10	653.16	1.33%	Pass
Total Top 10	9,740.94	19.81%	9 Pass / 1 Loss

Note: Borrower identities are disclosed using generic labels in accordance with the Bank's customer confidentiality obligations. % of Gross Loan Portfolio calculated using 31 March 2026 gross loan balance of ETB 49,159.76 million as the denominator.

The Bank continues to undertake credit assessment, collateral evaluation, loan monitoring, and recovery procedures in accordance with its internal credit policies and applicable regulatory requirements. Large borrower exposures are monitored against NBE single-borrower limits and the Bank's internal concentration risk thresholds.

7.5 Non – Financial Indicators

Table 118: Non – Financial Indicators

Item	FY 2024/25	FY 2023/24	FY 2022/23
Number of Branches	375	383	366
Customer Base	2,900,396	2,589,039	2,047,822
Number of ATMs	183	167	121
Number of POS Terminals	241	301	301

Berhan Bank S.C.'s physical and digital service channels displayed varied trends over the three-year period ending June 2025. The Customer Base showed consistent expansion, growing from 2,047,822 in 2023 to 2,589,039 in 2024, representing a growth of 26.4%, and reaching 2,900,396 in 2025, a further 12% increase. This expansion in the depositor base served as one of the drivers for the 21% growth in customer deposits recorded in 2025, providing the liquidity necessary to support the bank's lending activities.

In terms of physical infrastructure, the Branch Network experienced a strategic shift. After increasing from 366 in 2023 to 383 in 2024, the count moderated to 375 in 2025. This reduction was a result of a deliberate rationalization strategy where the bank consolidated 18 low-performing branches to optimize resource allocation and enhance operational efficiency. Despite this physical consolidation, the bank's digital reach through ATMs grew steadily from 121 units in 2023 to 167 in 2024, a 38% increase, and reached 183 in 2025,

a 9.6% increase. Conversely, POS terminals remained stagnant at 301 units between 2023 and 2024 before declining to 241 units in 2025, representing a 20% decrease, which aligns with the bank's efforts to reduce redundancy in underperforming service points.

7.6 Key Financial Ratios

Table 119: Key Financial Ratios

Indicator	FY 2024/25	FY 2023/24	FY 2022/23
Key Performance Indicator			
Return on Assets (RoA)	3.55%	3.28%	1.34%
Basic Earnings Per Share	549	350	156
Net Return on Equity	24.61%	20.08%	6.03%
Dividend Per Share	273	201	60
Payout Ratio	49.70%	57.30%	38.60%
Asset Quality			
NPL Ratio	4.78%	4.98%	5.75%
Gross Loans & Advances	35,973,941	30,818,490	28,891,045
Capital & Solvency			
Capital Adequacy Ratio	16.00%	17.00%	18.00%
Paid-Up Capital	4,286,885	3,447,898	3,350,433
Efficiency			
Cost-to-Income Ratio	68.32%	67.06%	80.73%
Staff Turnover Rate	5.00%	6.60%	14.10%
Total Branch Network	375	383	363

I. Profitability and Earnings Trends

The bank's profitability ratios demonstrated upward momentum. The Return on Assets (RoA) improved from 1.34% in 2023 to 3.28% in 2024 and further to 3.55% in 2025. Similarly, the Net Return on Equity (RoE) saw a substantial rise from 6.03% in 2023 to 20.08% in 2024. This enhanced profitability is directly correlated with the surge in net operating income, which was increased in 2025 by foreign exchange gains, which showed an increase of 747%. Basic Earnings per Share (EPS) reflected this trend, rising from 156 ETB in 2023 to 350 ETB in 2024, a 124.4% growth, and reaching 549 ETB in 2025, a 56.9% growth. Shareholders saw a corresponding increase in Dividend per Share (DPS), which rose from 60 ETB in 2023 to 201 ETB in 2024 and 273 ETB in 2025, while the Payout Ratio moderated from 57.30% in 2024 to 49.70% in 2025 to support capital retention.

Asset Quality and Solvency Standards

The Bank's credit risk profile is summarised below. The Non-Performing Loan (NPL) Ratio was 5.75% at 30 June 2023, which was above the NBE regulatory maximum of 5.0% on the gross basis used in this Section; it was 4.98% at 30 June 2024, only 2 basis points below that maximum, and 4.78% at 30 June 2025, 22 basis points below it. The ratios in this Section are calculated on a gross basis (non-performing loans divided by gross loans and advances). The Bank has confirmed that, on the calculation basis applied by the NBE for regulatory purposes, it was not in breach of the NBE NPL maximum at 30 June 2023. The Bank has nevertheless operated with limited headroom against the 5.0% maximum. The movement in the NPL ratio should therefore be read together with the credit risk factors disclosed in this Prospectus. This movement occurred alongside a steady expansion in Gross Loans and Advances, which grew from 28.89 billion ETB in 2023 to 30.82 billion ETB in 2024, a 6.7% growth, and surged to 35.97 billion ETB in 2025, a 16.7% growth,

indicating a growing focus on lending as a primary income source. Conservatively, the loan-to-deposit ratio slightly decreased from 80.95% to 79.24%, consistent with liquidity improvement objectives below the regulatory requirement of 85%.

The Capital Adequacy Ratio stood at 18% in 2023 and slightly moderated to 17% in 2024. By June 30, 2025, the ratio reached 16%, which remains well above the 11% regulatory floor , indicating a healthy buffer to absorb potential operational and credit risks.

The bank's Paid-Up Capital grew steadily from 3.35 billion ETB in 2023 to 3.45 billion ETB in 2024, a growth of 3%. In the 2025 fiscal year, the bank accelerated its capital mobilization, with paid-up capital reaching 4.29 billion ETB, representing an increase of 24.3%. This strengthening of the capital base was essential to support the 28% expansion in total assets recorded in 2025.

Total Equity also saw upward movement, rising from 5.03 billion ETB in 2023 to 6.21 billion ETB in 2024, an increase of 23.5%. By 2025, total equity reached 8.54 billion ETB, marking a 37.5% increase from the previous year. This growth was driven by a combination of fresh capital injections from shareholders and the accumulation of retained earnings and legal reserves. The consistent rise in the equity base has provided the bank with the necessary leverage to expand its loan portfolio while maintaining financial stability.

II. Efficiency and Human Capital Stability

Efficiency metrics indicated a more streamlined operation. The Cost-to-Income Ratio improved from 80.73% in 2023 to 67.06% in 2024, and remained stable at 68.32% in 2025. This is due to an increase in operating expenses due to inflation and expansion, and the bank's income generation outpaces cost growth. Furthermore, the bank achieved improvement in organizational stability; the Staff Turnover Rate declined from 14.10% in 2023 to 6.60% in 2024 and reached a low of 5.00% in 2025. This 64.5% reduction in turnover over two years indicates improved employee retention and internal stability, which will contribute to more consistent service delivery across the network.

7.7 Capital Resource and Liquidity

7.7.1 Capital Resource

Berhan Bank S.C. maintains a capital management strategy designed to support sustained asset growth and ensure continued compliance with regulatory requirements. The Bank secures its funding through a diversified and internally driven strategy, prioritizing low-cost deposit mobilization and equity strengthening.

A. Deposit-Based Financing

Customer deposits remain the Bank's primary and most stable source of funding, accounting for approximately 90% of total liabilities. The Bank's total Deposits grew from 33.78 billion ETB in 2023 to 36.85 billion ETB in 2024, representing an increase of 9.1%, reaching 44.45 billion ETB in 2025, marking a growth of 20.6%. This expansion was largely driven by savings deposits, which accounted for 84% of the increase in the final fiscal year. By focusing on a stable, low-cost deposit base, the Bank financed its loan portfolio without relying on external borrowings. This debt-free position reduces high-interest costs and enhances the Bank's financial autonomy

B. Equity Capital and Recapitalization Strategy

Table 120: Equity

Capital Structure (ETB '000)	FY 2024/25	FY 2023/24	FY 2022/23
Legal Reserve	1,677,627	1,153,737	856,684
Other Reserve	382,940	310,080	206,983
Regulatory Risk Reserve	1,128,204	604,020	403,104
Share Capital	4,286,885	3,447,898	3,350,433

Capital Structure (ETB '000)	FY 2024/25	FY 2023/24	FY 2022/23
Share Premium	18,628	16,372	15,847
Retained Earnings	1,045,836	681,088	196,394
Total Equity	8,540,120	6,213,195	5,029,445

Paid-Up Capital Growth: Paid-up capital rose from ETB 3.35 billion in FY 2022/23 to ETB 3.45 billion in FY 2023/24 (3% growth), and jumped to ETB 4.29 billion in FY 2024/25, an increase of 24.3%. This was supported by additional shareholder subscriptions and targeted capital mobilization efforts.

- **Internal Capital Generation:** Reflecting growth in profitability, the Bank grew its internal reserves. Total reserves increased from ETB 1.47 billion in FY 2022/23 to ETB 2.07 billion in FY 2023/24 (41% growth), reaching ETB 3.19 billion in FY 2024/25 (54% growth). Notably, retained earnings grew from ETB 196 million in 2023 to ETB 1.05 billion in 2025, essentially converting operational success into permanent capital buffers.

This strengthened capital position has allowed Berhan Bank S.C. to maintain a Capital Adequacy Ratio (CAR) of 16% as of June 2025, which is double the regulatory minimum, providing ample capacity to absorb risk and support future balance sheet expansion.

C. Liquidity and Strategic Asset Deployment

The Bank's liquidity standing remains a core strength, with the liquidity ratio remaining stable at approximately 21% in 2023 and 2024, before rising to 23.69% in FY 2024/25. This remains comfortably above the 15% regulatory floor. A key component of this liquidity management is the Bank's ETB 6.3 billion investment in secure government bonds and treasury bills, which grew by 76.1% in the last year alone.

Strategic liquidity is further underpinned by a predictable inflow from maturing securities. Between 2026 and 2027, the Bank expects scheduled redemptions totaling ETB 649.1 million from DBE, EGRD, and Treasury bonds. These cash inflows, combined with fee-based revenue growth from digital banking and trade finance, provide the Bank with the flexibility to self-finance major capital undertakings.

D. Capital Structure and Growth

The Bank's planned future investment is the construction of a new headquarters building located in Mexico that is the centre of financial industry area. This project represents a major capital undertaking and is aligned with the Bank's long-term strategic objectives, including strengthening institutional presence, enhancing operational capacity, and consolidating administrative functions into a modern, purpose-built facility.

The headquarters project is expected to provide centralized office space for executive management and core operational departments, thereby consolidating functions currently dispersed across multiple locations. This consolidation is anticipated to improve operational efficiency, streamline internal coordination, and optimize resource utilization. In addition, the new headquarters will enhance the Bank's corporate image and strengthen its market positioning within the financial sector, while also creating the necessary capacity and infrastructure to support future growth and business expansion.

In addition to the headquarters project, the Bank may continue to invest in branch network optimization, digital banking infrastructure, and system modernization as part of its on-going strategic development plan.

7.7.2 Liquidity

The Bank's liquidity risk management framework is structured to ensure the availability of adequate cash and near-cash resources to meet its short-term financial obligations under both normal operating conditions and stressed liquidity scenarios. The framework incorporates regulatory compliance, internal liquidity limits, behavioral cash flow assumptions, and periodic stress testing under ALCO oversight.

For the past three consecutive financial years, the Bank has consistently maintained its liquidity ratio above the minimum requirement of 85% prescribed by the National Bank of Ethiopia (NBE). This sustained performance reflects the Bank's prudent liquidity management practices, stable deposit base.

Details of the Bank's liquidity ratios for the three-year period are presented below. In addition, the most recent six-month liquidity position report is attached, providing further insight into short-term liquidity trends, funding composition, and compliance with regulatory thresholds.

Table 121: Berhan Bank S.C. Liquidity Requirement Report

No.	Description	FY 2024/25	FY 2023/24	FY 2022/23
1	Required Liquid Assets			
1.1	Net current liabilities	31,327.81	33,968.01	40,894.18
1.2	15% of net current liabilities	4,699.17	5,095.20	6,134.13
2	Liquid Assets Held			
2.1	Cash - local and foreign currency	1,764.79	1,731.73	1,868.06
2.2	Deposits with NBE	2,732.21	3,892.65	3,753.05
2.3	Deposits with other local and foreign banks	1,617.92	1,720.52	4,235.62
2.4	Treasury bills	1,944.64	97.73	
2.5	Net due from domestic banks*	-	-	-
2.6	Net due from foreign banks* (LC)	1,475.97	253.31	168.30
2.7	Total liquid assets (= sum of 2.1 to 2.4 less 2.5 and 2.6)	6,583.59	7,189.32	9,688.43
3	Excess / deficit (2.7 - 1.2)	1,884.42	2,094.12	3,554.30
4	Liquidity ratio	21.02	21.16	23.69

Berhan Bank S.C. maintained a liquidity position well above the statutory requirements throughout the review period. The **Liquidity Ratio** improved from 21.02% in 2023 to 21.16% in 2024, and saw a more increase to 23.69% in 2025. This remains comfortably above the 15% minimum required by the National Bank of Ethiopia.

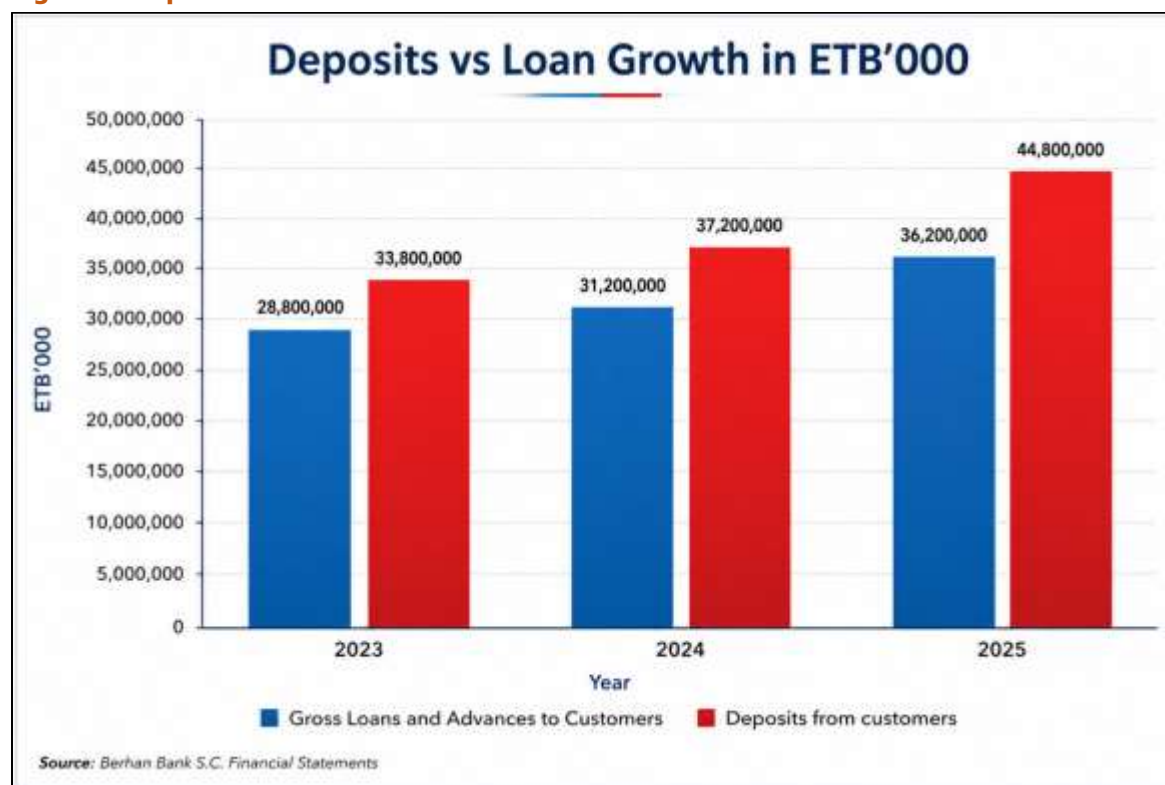
The **Total Liquid Assets** held by the bank grew from 6.58 billion ETB in 2023 to 7.19 billion ETB in 2024, a growth of 9.2%. By 2025, liquid assets surged to 9.69 billion ETB, representing a year on year increase of 34.8%. This increase was largely driven by a substantial rise in deposits with other local and foreign banks, which jumped from 1.72 billion ETB in 2024 to 4.24 billion ETB in 2025. As a result, the bank's **Excess Liquidity** over the regulatory requirement increased from 1.88 billion ETB in 2023 to 3.55 billion ETB in 2025, providing a cushion for meeting immediate obligations and supporting future asset growth. The drivers of the liquidity position are stated below.

- Customer deposits rose from 33.8 billion ETB in 2023 to 36.85 billion ETB in 2024, representing a year-on-year growth of 9%. In the 2025 fiscal year, deposit growth surged by 20.6% to reach 44.45 billion ETB. Higher savings and demand deposits, reflecting a total growth of 31.6% since 2023, primarily drove this performance. This expansion in the deposit base served as the foundation for the bank's lending activities and improved its overall liquidity position.
- Following the fiscal year 2023, the bank focused on settling its outstanding obligations. By the close of the 2024 fiscal year, all borrowings were fully repaid. This shift left the bank debt-free and transitioned its operational funding entirely to internal sources, such as customer deposits and equity. This self-

funding model reduces interest expense and enhances the bank's financial autonomy in a fluctuating interest rate environment.

- Gross loans and advances to customers increased from 28.9 billion ETB in 2023 to 30.82 billion ETB in 2024, a year on year growth of 6.6%. In 2025, the credit portfolio expanded further to 35.97 billion ETB, marking a year on year increase of 16.7%. The growth in loans was supported by the 20.6% increase in deposits during the same period, ensuring that the bank maintained a manageable loan-to-deposit ratio while continuing to support the credit needs of its customers.

Figure 5: Deposit Vs. Loan Growth in ETB '000



A. Funding and Liquidity Management

Deposits remained the principal source of funding, accounting for nearly 90% of total liabilities. From FY 2022/23 to FY 2024/25, total deposits rose from ETB 33.78 billion to ETB 44.45 billion, mainly from savings and demand accounts, which provided a stable, low-cost funding base. Liquidity buffers were strengthened through higher placements with the National Bank of Ethiopia and foreign banks, while loan-to-deposit ratios remained within prudential limits. The Bank achieved growth funded by stable deposits rather than borrowings, preserving liquidity and lowering interest costs.

The planned headquarters project and other capital expenditures are expected to be financed through a combination of:

Settlement of prior investments in securities;

Table 122: Securities Investment Lists

S.No	Securities Type	Invested Amount as of June 2025 (ETB '000)	First Maturity Date	First Maturity Amount (ETB '000)
1	T-Bond	5,257,966	14-Dec-27	422,340.00
2	DBE-Bond	818,865	14-Mar-26	221,770.00

S.No	Securities Type	Invested Amount as of June 2025 (ETB '000)	First Maturity Date	First Maturity Amount (ETB '000)
3	EGRD-Bond	5,000	6-Apr-26	5,000.00
	Total	6,081,831		649,110.00

As shown in the above table near-term maturities provide a predictable liquidity inflow, ETB 221.8 million from DBE bonds maturing in March 2026 and ETB 5.0 million from EGRD bonds in April 2026, followed by an ETB 422.3 million Treasury bond maturity in December 2027. These scheduled redemptions, totaling ETB 649.1 million in first maturities alone, represent cash inflows that can be strategically redeployed to finance the Bank's Head quarter building construction and other capital expenditure projects without immediate reliance on external borrowing.

Dividend income generated from the Bank's investments in various companies; and Additional capital injection anticipated in the near future.

These financing sources are structured to ensure that the Bank maintains adequate liquidity, preserves capital adequacy ratios, and complies with all applicable regulatory requirements to ensure that the project does not adversely affect its financial stability.

B. Expected Financing Sources for Business Plans and Activities

Berhan Bank S.C. expects to finance its business plans and growth activities through a diversified funding base centered on deposit mobilization, loan growth, investment in secure government securities, and strengthened capital positions.

- **Deposit Mobilization:** The Bank's expansion continues to be supported by a diverse and growing deposit base. Deposits increased by 20.6% to Birr 44.5 billion as of June 2025 from June 2023, reflecting the Bank's focus on attracting quality deposits. The deposit base comprising savings, time, and demand deposits provides a stable source of funds that strengthens the Bank's liquidity position and supports its lending activities.
- **Loan Portfolio as a Funding Source:** Lending and advances expanded by 18.2% to Birr 34.5 billion from FY 2023/24 to FY 2024/25, confirming credit as a key driver of income and a source of funds through interest income generation. Berhan Bank S.C. maintains conservative loan-to-deposit and loan-to-asset ratios, ensuring liquidity and regulatory compliance while optimizing asset utilization.
- **Investments in Government Securities:** The Bank invests in Ethiopian government bonds and treasury bills, which totaled approximately Birr 6.3 billion in bonds and bills in FY 2024/25 as part of its liquid assets. These holdings provide secure, liquid assets that back financial stability and meet reserve requirements.
- **Equity and Capital Growth:** Paid-up capital increased by 24.3% to Birr 4.3 billion in just a year period (FY 2024 to FY 2024/25), reflecting capital injection and retained earnings reinvestment for business expansion. Strengthening capital buffers enhances the Bank's capacity to finance growth opportunities and absorb risks.
- **Income Diversification and Fee-Based Revenues:** Non-interest income recorded growth, driven by a 181.2% rise in fee and commission income and a 333.7% increase in other operating income. Higher earnings from digital banking services, trade finance, and other fee-generating activities, which complemented core financing operations and strengthened cash flows, supported the surge.

- **Strategic Internal Funding:** The Bank pursues an internally driven funding strategy balancing deposits, loans, and investments, with a deliberate focus on liquidity and asset quality to finance on-going and planned business and investment activities sustainably

7.8 Working Capital Statement

The Management of Berhan Bank S.C. confirms that it has working capital sufficient for current operational requirements and will remain adequate for at least the next 12 months from the date of this Prospectus.

The Management of Berhan Bank S.C. confirms that current assets comfortably exceed current liabilities, ensuring adequate resources to meet operational and regulatory obligations.

As at June 30, 2025, Berhan Bank maintained a sound working-capital position, supported by rising operating cash flows, high liquidity reserves, and a growing deposit base. The Bank generated ETB 5.76 billion in net cash from operating activities in FY 2024/25 (2023: ETB 1.56 billion), reflecting higher profits and efficient asset-liability management.

The bank maintained a steady working capital position, reflecting internal cash generation, high liquidity reserves, and effective deposit mobilization. The Bank's working capital ensures sufficient resources to meet operational needs, regulatory obligations, and strategic growth initiatives without reliance on external borrowings.

Table 123: Working Capital Position

Particulars	FY 2022/23	FY 2023/24	FY 2024/25
(ETB '000)			
Total Assets	45,045,220	46,021,507	58,958,858
Total Liabilities	40,015,778	39,808,311	50,418,739

- Liquid assets, primarily cash, balances with banks, and short-term placements, more than doubled between 2023 and 2025, while short-term obligations remained stable.
- The Bank's internal liquidity and operating cash flows are sufficient to finance its ongoing lending, investment, and dividend commitments without external borrowing.

7.9 Capitalization and Indebtedness

7.9.1 Capitalization

The table below presents the Bank's capitalization as of March 31, 2026.

Table 124: Capitalization

Description	31 March 2026 (ETB '000)
Current Debt	
Financial Liabilities (Due to Banks & Other Institutions)	407,073
Lease Liability	-
Total Current Debt	407,073
Non-current Debt	
Lease Liability	-

Description	31 March 2026 (ETB '000)
Total Non-current Debt	-
Shareholders' Equity	
Paid-up Capital	6,328,419
Share Premium	26,957
Retained Earnings	1,479,893
Legal Reserve	2,362,300
Other Reserve	382,940
Regulatory Risk Reserve	1,650,524
Total Shareholders' Equity	12,231,033
Total Capitalization	12,638,106

Note: The financial figures presented above, as of March 31, 2026, are derived from internal management accounts and have not been audited by an independent external auditor.

As of March 31, 2026, Berhan Bank S.C. reported total capitalization of ETB 12.64 billion, reflecting growing capital base primarily supported by equity. Debt accounted for only 3%, while shareholders' equity represented approximately 97% of total capitalization.

Total debt stood at ETB 407.1 million, consisting solely of short-term obligations to banks and other financial institutions. In contrast, shareholders' equity reached ETB 12.23 billion, driven mainly by paid-up capital of ETB 6.33 billion, alongside retained earnings and reserves. The Bank's substantial reserve balances including legal and regulatory risk reserves further reinforce its capital strength and regulatory compliance.

7.9.2 Indebtedness

The table below shows the Bank's indebtedness as of **March 31, 2026**.

Table 125: Indebtedness

Statement of Indebtedness	Amount (ETB '000)
Cash and Cash Equivalents	8,070,109
Current Financial Indebtedness	
Financial Liabilities	407,073
Lease Liability	-
Total Current Financial Indebtedness	407,073
Net Current Financial Indebtedness	(7,663,036)
Non-current Financial Indebtedness	
Lease Liability	-
Total Non-current Financial Indebtedness	-
Net Financial Indebtedness	(7,663,036)

Note: The financial figures presented above, as of March 31, 2026, are derived from internal management accounts and have not been audited by an independent external auditor.

During the period, the Bank's total financial indebtedness remained low at ETB 407.1 million, entirely composed of short-term borrowings. No lease or long-term financial liabilities were recorded.

However, the Bank maintained a sound liquidity position, with cash and cash equivalents of ETB 8.07 billion significantly exceeding its financial obligations. As a result, net current financial indebtedness stood at negative ETB 7.66 billion.

This negative net indebtedness indicates that the Bank operates in a net cash position, where available liquidity far exceeds total financial debt. Such a position enhances financial resilience, minimizes dependence on external borrowing, and provides substantial flexibility to support lending growth and strategic initiatives

7.10 Disclosure of Potential ECMA Administrative Action

Prior to the full implementation of the share registration requirements under Capital Market Proclamation No. 1248/2021 and the related regulatory framework, the Bank undertook certain issuances of ordinary shares in the ordinary course of its capital-raising activities. The principal purpose of such issuances was to support the alignment of subscribed capital with paid-up capital and to facilitate the Bank's capital management objectives. Certain shares were also allotted to existing shareholders and employees, including in the context of employee participation and incentivisation arrangements. The Bank understands that such issuances were effected within the limits of its authorized capital; however, the regulatory treatment of those issuances should be considered in light of the legal and administrative transition to the current securities registration regime. The Bank has included this disclosure in the interest of transparency and may undertake such further steps as may be required by ECMA or other competent authorities in connection with the regularization or confirmation of the status of such issuances.

7.11 Statement on Going Concern

The Board of Directors of Berhan Bank S.C. declares that the Bank possesses adequate resources to continue its operations for the near future and has, accordingly, adopted the going concern basis in the preparation of the financial statements. Furthermore, the external auditors, Kokeb and Melkamu Audit Service LLP, raised no going concern issues in the financial audit conducted for the year ended June 30, 2025. Based on the audit procedures performed, the auditors concurred that management's use of the going concern basis of accounting is appropriate and identified no material uncertainties regarding the Bank's ability to continue its operations for at least twelve months from the reporting date.

7.12 Legal and Arbitration Proceedings

The materiality assessment of litigation, legal proceedings, and arbitration matters shall be determined using both quantitative and qualitative materiality considerations, consistent with the applicable IFRS requirements and the Bank's internal policies.

1. Quantitative Materiality

A legal or arbitration proceeding is quantitatively material if the amount in dispute, the potential financial liability to the Bank (including any penalty, damages, or costs award), or the provision or contingent liability recognized or disclosed in the audited financial statements, equals or exceeds ETB 10,000,000 (ten million Birr). This threshold represents approximately 0.17% of the Bank's total regulatory capital of ETB 6,067.5 million as at 30 June 2025 and is consistent with the Bank's overall financial reporting materiality policy.

In addition, even where individual claims are below ETB 10,000,000, a proceeding is considered quantitatively material if: (a) the aggregate of substantially similar or related claims from multiple claimants arising from the

same set of facts exceeds ETB 10,000,000; or (b) the cumulative effect of individually smaller claims would, if decided adversely, have a material impact on the Bank's reported profit or regulatory capital position.

2. Qualitative Materiality

A matter may be material even where its financial value does not exceed the applicable quantitative threshold. Accordingly, litigation and arbitration matters shall also be assessed based on their qualitative significance, including:

Compliance and regulatory risk: potential violation of laws, regulations, directives, licensing conditions, or regulatory requirements, including matters that may result in regulatory action or sanctions;

Reputational risk: potential adverse effect on the Bank's reputation, public confidence, customer trust, or relationships with key stakeholders;

Customer impact: potential effect on a significant number of customers, depositors, borrowers, investors, or other stakeholders;

Governance and Board-level significance: matters involving members of the Board, senior management, related parties, or issues that require Board or Board Committee consideration;

Business and strategic significance: matters that could materially affect the Bank's operations, strategy, business model, or ability to conduct its activities;

Precedent or systemic significance: matters that may establish a legal or regulatory precedent or have implications beyond the individual case; and

Other factors: any matter that, based on management, legal counsel, auditors, or regulatory assessment, could reasonably influence the decisions of users of the Bank's financial statements or prospectus.

Accordingly, a litigation or arbitration matter shall be treated as material where it meets either the applicable quantitative materiality threshold or, irrespective of its monetary value, where its nature, circumstances, potential consequences, or stakeholder impact are qualitatively material.

The final determination of materiality shall be documented and supported by the relevant legal, financial, regulatory, and management assessments and shall be subject to the Bank's applicable disclosure, governance, and approval requirements.

The following six legal proceedings meet the materiality threshold of ETB 10,000,000 and are currently pending as at the date of this Prospectus:

Table 126: Details of Material Legal Proceedings

Plaintiff / Case	Nature of Claim	Amount (ETB)	Court / Arbitration	Procedural History	Decisions to Date	Current Status & Potential Impact
Aprirose Trading PLC v. Berhan Bank S.C.	Letter of Credit — claimant alleges wrongful payment/non-payment under LC issued by the Bank	151,018,692	Federal High Court / Cassation Bench	Originating claim filed; cassation bench issued injunction	Injunction issued by cassation bench; no substantive decision on merits	File temporarily closed per cassation injunction; under active monitoring. Potential liability ETB 151.0M if case proceeds and is decided against Bank. This is the single largest individual claim.
AT Plastic and Plastic Manufacturing PLC v. Berhan Bank S.C.	Mortgage Cancellation — customer disputes Bank's enforcement of mortgage security over collateral	80,000,000	Federal High Court	Filed; adjourned for examination of evidence	No substantive decision on merits to date	Adjourned to 25/7/2018 E.C. for evidence examination. Potential liability ETB 80.0M if Bank's enforcement of security is annulled.

Plaintiff / Case	Nature of Claim	Amount (ETB)	Court / Arbitrator	Procedural History	Decisions to Date	Current Status & Potential Impact
Mesebo Cement Factory v. Berhan Bank S.C.	Guarantee Claim — beneficiary demands payment under performance guarantee issued by Bank	55,000,000	Federal High Court	Fully heard at first instance	First-instance court decided AGAINST the Bank; Bank has lodged appeal	Under appeal. Probable liability ETB 55.0M; appellate outcome uncertain. Bank's legal advisors assess appeal grounds as arguable.
Zewdinesh Abebe and 100 others v. Berhan Bank S.C. and Mirakle Real Estate	Unlawful withdrawal — plaintiffs allege unauthorized withdrawal of funds from their accounts	15,093,457	Federal Court	Filed; preliminary objection hearing conducted	Court conducted hearing on preliminary objection; ruling pending	Pending preliminary objection ruling. If objection overruled, case proceeds to merits. Potential liability ETB 15.1M.
Elias Beshae and 34 others v. Merical Yega Real Estate and Berhan Bank S.C.	Unlawful withdrawal — plaintiffs allege funds withdrawn without authorization	11,030,000	Federal Court	Filed; preliminary objection submitted by Bank	No ruling on preliminary objection yet	Adjourned for ruling on preliminary objection. Potential liability ETB 11.0M if objection fails and case decided against Bank.
Debretabor University v. Amedmicheal Temesegen and Berhan Bank S.C.	Guarantee Claim — University claims payment under guarantee issued by Bank	13,741,847	Federal Court	Bank served with claim; adjourned for statement of defence	No decision yet	Bank preparing and will submit statement of defence. Potential liability ETB 13.7M.

Total Gross Litigation Exposure: As at 1 July 2025, the Bank's total litigation exposure across all pending cases (including those below the individual materiality threshold of ETB 10 million) is ETB 334.87 million, comprising: (a) claims by the Bank against third parties (Bank as plaintiff): ETB 182.10 million; (b) claims against the Bank (Bank as defendant): ETB 148.57 million; and (c) cases in which the Bank has intervened as a third party: ETB 4.21 million.

Concluded Proceedings: No material legal proceedings meeting the ETB 10 million quantitative threshold were concluded within the 12-month period preceding the date of this Prospectus, other than those disclosed above.

Threatened Proceedings: As at the date of this Prospectus, no legal or arbitration proceedings meeting the materiality threshold have been formally threatened against the Bank beyond those disclosed as pending above

APPENDIX II: Contains details of outstanding Berhan Bank S.C. litigations.

SECTION EIGHT

8 INFORMATION CONCERNING THE SECURITIES BEING OFFERED

8.1 Information Concerning the Securities Being Offered

8.1.1 Type and Class of Securities Being Offered

The Offer comprises 3,671,581 new Ordinary Shares of Berhan Bank S.C. (the "Offer Shares") at an offer price of ETB 1,065 per share (the "Offer Price").

The Bank has, and upon completion of the Offer will continue to have, a single class of shares, being Ordinary Shares. The Bank has not issued any preference shares, convertible securities, warrants or any other class of equity securities.

8.1.2 Registration of Securities

The 6,328,419 existing Ordinary Shares of the Bank (the "Existing Shares") and the 3,671,581 Offer Shares will be registered with the Ethiopian Capital Market Authority ("ECMA") following approval of the Registration Statement and this Prospectus.

8.1.3 Legal Basis of the Registration and the Offer

The issuance was authorized by a resolution (No. 06/2017) of the shareholders at the Extraordinary General Meeting held on October 17, 2024, in accordance with the Capital Market Proclamation No. 1248/2021, the Public Offering and Trading of Securities Directive No. 1030/2024, and the Bank's Memorandum of Association.

8.1.4 The Name and Address of the Persons in Charge of Keeping the Records of the Securities

The Company Secretary of Berhan Bank S.C., Ms. Achamyesh Alemayehu, is responsible for maintaining the records of the Ordinary Shares of the Bank at the registered office of the Bank, which is also the address of the Company Secretary. Following registration and admission to trading, the Central Securities Depository ("CSD") will, in addition, maintain electronic records of the securities of the Bank.

8.1.5 Rights Attached to the Securities

The Bank has, and upon completion of the Offer will continue to have, only one class of shares, being the Ordinary Shares. The rights attached to the Ordinary Shares shall be uniform in all respects and shall form a single class for all purposes.

The rights attached to the Ordinary Shares are as set out below:

- Every Ordinary Share shall confer a right to participate in the annual net profits of the Bank and to a proportionate share in the net proceeds upon winding-up;
- The share in profits and in the net proceeds upon winding-up due to a holder of Ordinary Shares shall be calculated in proportion to their holding in the paid-up capital of the Bank;
- Every Ordinary Share shall confer voting rights, and the voting rights attached to a shareholder shall be proportional to the amount of capital represented by their Ordinary Shares;
- Every holder of Ordinary Shares shall have a pre-emptive right, in proportion to their holding, to subscribe for Ordinary Shares issued on an increase of capital;
- Every holder of Ordinary Shares shall have a pre-emptive right, in proportion to their holding, to subscribe for Ordinary Shares issued on an increase of capital;
- Every holder of Ordinary Shares shall have the right to freely transfer their shares subject to applicable laws, regulations, and prudential directives.

8.1.6 Treatment of Pre-Emptive Rights

In accordance with Article 448(1) and (2) of the Commercial Code and the applicable provisions of the Public Offer Directive, every shareholder recorded in the Bank's share register as at the Record Date (an "Existing Shareholder") has a Pre-emptive Right to subscribe for the Offer Shares in proportion to its shareholding. The Pre-emptive Right is intended to preserve proportional ownership interests and to protect Existing Shareholders against dilution. Each Existing Share carries one right (a "Right"). An Existing Shareholder's entitlement (its "Rights Entitlement") is the number of Rights it holds multiplied by $3,671,581 \div 6,328,419$ (approximately 0.58 Offer Shares per Right, or one Offer Share for approximately every 1.72 Existing Shares), rounded down to the nearest whole share.

The General Meeting of Shareholders resolved that Existing Shareholders shall be given first priority to subscribe for the Offer Shares. An Existing Shareholder may exercise its Rights in full or in part, transfer them in accordance with Section 8.4.1(d), or allow them to lapse. Where the Rights Issue is fully subscribed by Existing Shareholders, no Offer Shares will be allotted to External Investors.

Offer Shares not taken up through the exercise of Rights shall be allotted, in accordance with the Allotment Policy set out in Section 8.5.

8.1.7 Issue Date of the Offer Shares

The Offer Shares will be legally issued upon ECMA's approval of the Allotment Report, which is expected on or about February 10, 2027 and will be credited to the brokerage accounts of successful applicants on or about February 22, 2027. As the issue and crediting dates depend on the date of ECMA's approval, they will be adjusted accordingly and any change will be notified to investors.

8.1.8 Information on the Tax Treatment of the Securities

Investment in the Bank's securities is subject to Ethiopian tax laws, including the Federal Income Tax Proclamation No.979/2016, as amended by Proclamation No.1395/2025. According to this proclamation, the following taxes could be applicable to the holders of the securities on offer.

According to Article 57 of the Income Tax Proclamation (as amended), a resident of Ethiopia who derives income from dividends shall be liable for income tax at a rate of 15.0% of the gross amount of the dividend. Furthermore, a non-resident who derives an Ethiopian source dividend that is attributable to a permanent establishment of the non-resident in Ethiopia shall be liable for income tax at a rate of 15.0% (15% on the gross amount of the dividend). However, a dividend tax shall not apply to a body if a body distributes a dividend to a permanent establishment in Ethiopia or to a resident that is a member of a group of companies. "Group of companies" means a company that directly or indirectly has more than one company in which it owns more than 50.0% of the shares.

According to Article 59 of the Income Tax Proclamation (as amended), a person who derives a gain on the disposal of shares shall be liable to pay income tax at the rate of 15.0%. The amount of gain on disposal of a share by a person shall be the amount by which the consideration for the disposal of the asset exceeds the cost of the asset at the time of disposal, adjusted for inflation by 30.0%.

The above summary is provided for general information only and does not constitute tax advice.

8.1.9 Transferability of the Securities

The Ordinary Shares are freely transferable.

8.1.10 Public Takeover Bids

No public takeover bid has been made by any third party for the Bank's Ordinary Shares, during the financial years ended 30 June 2023, 30 June 2024 and 30 June 2025 or from that date to the date of this Prospectus.

8.2 Terms and Conditions of the Offer

8.2.1 The Total Amount of the Offer

The Rights Offer comprises 3,671,581 Ordinary Shares at a Rights Offer Price of ETB 1,065 each. The estimated gross proceeds receivable by the Company from the Right offer is ETB 3,910,233,765.

8.2.2 Conditions of the Offer

The Offer is made in the first instance to Existing Shareholders. Offer Shares not taken up by Existing Shareholders, whether through the exercise of Rights or through Excess Applications, are made available to External Investors who have applied during the Offer Period.

The Offer is conditional upon approval by the Ethiopian Capital Market Authority, compliance with applicable requirements of the National Bank of Ethiopia, achievement of the minimum subscription threshold set out in Section 8.8.1, completion of KYC and anti-money-laundering verification procedures in respect of each applicant, and compliance with applicable ownership limitations and other regulatory requirements.

8.2.3 Summary of Key Offer Terms

Table 127: Offer statistics

Description	Amount
Offer Price per Ordinary Share	ETB 1,065
Existing Ordinary Shares	6,328,419
Total Offer Shares	3,671,581
Total Estimated Ordinary Shares Following the Offer (if fully subscribed)	10,000,000
Record Date	October 10, 2026
Rights Entitlement	$3,671,581 \div 6,328,419$ (approximately 0.5802) Offer Shares per Existing Share held at the Record Date, rounded down to the nearest whole share
Eligibility	Existing Shareholders (Rights and Excess Applications); External Investors (only Offer Shares not taken up by Existing Shareholders)
Estimated Gross Proceeds	ETB 3,910,233,765
Estimated Offer Expenses	ETB 25,730,243
Estimated Net Proceeds	ETB 3,884,503,522
Minimum Subscription for the Offer to Proceed	1,835,790 Offer Shares (ETB 1,955,116,350; approximately 50.0%)
Underwriting	None

Note: Derivation of estimated net proceeds: Gross proceeds are calculated as 3,671,581 Offer Shares multiplied by the Offer Price of ETB 1,065 per share, giving estimated gross proceeds of ETB 3,910,233,765. After deducting estimated Offer expenses of ETB 25,730,243 the estimated net proceeds are ETB 3,884,503,522.

8.2.4 Expected Timetable of the Offer

The timetable below sets out the planned timeline for the Offer. The dates are calculated by reference to the date of approval of this Prospectus by ECMA. If any change is made to the Offer Period or any related timetable, the Bank will promptly notify investors in accordance with applicable regulatory requirements. The dates of legal issuance and crediting of the Offer Shares further depend on the date of ECMA's approval of the Allotment Report.

Table 128: Expected Timetable of the Offer

Expected Timetable of Events	Expected Date
Approval of this Prospectus	September 30, 2026
Publication of this Prospectus	October 5, 2026
Record Date	October 10, 2026
Commencement of the Offer Period (Subscription and payment begin)	October 29, 2026 at 9:00 AM
Offer Closing Date (last day for subscription and payment)	January 26, 2027, 5:00 PM
Completion of Allotment and Verification	January 28, 2027
Board approval of the allotment; submission of the Allotment Report to ECMA	5 February 2027
ECMA approval of the Allotment Report	On or about 10 February 2027
Notification of allotment results; refund of excess subscription monies	12 – 20 February 2027
Issue of the new shares and crediting to subscribers' accounts	On or about 22 February , 2027
Transfer of proceeds from the escrow account to the Bank	Following crediting to subscribers' accounts

Unless otherwise stated, all times shall be East Africa Time.

8.2.5 Allotment, Refund and Crediting

Following closure of the Offer Period, the Bank will compile an Allotment Report for submission to ECMA. The report will set out the overall results of the Offer, identify any investor allotted 5% or more of the Offer Shares, and specify the number of Rights exercised and the corresponding proposed allotments. ECMA approval of the Allotment Report is required before the Offer Shares may be issued.

Upon ECMA approval, the Offer Shares will be issued and credited directly to successful applicants' brokerage accounts through their licensed broker/dealer or investment bank, on or about the date set out in the expected timetable at Section 8.2.4.

Refunds arising from scaled-back, rejected or unsuccessful applications will be made through the applicant's licensed broker/dealer or investment bank to the account from which payment was made, without interest and net of applicable bank charges within 30 days of the announcement of allotted results.

8.2.6 The Offer Period

The Offer Period shall commence at 9:00 AM on October 29, 2026 and shall close at 5:00 PM on January 26, 2027 (the "Offer Closing Date"), East Africa Time.

Applications received outside the Offer Period, or that do not comply with this Prospectus, will be rejected.

8.2.7 Minimum and Maximum Amount of Application

The minimum number of Offer Shares that may be applied for by any single applicant is one (1) share. The maximum any shareholder may apply for is the sum of : (i) for an Existing Shareholder, its full Rights Entitlement plus any Excess Application; and (ii) for an External Investor, the number of Offer Shares that would bring that investor to 5% of total post-Offer paid-up capital.

8.3 Dematerialization of Existing Shares

The 6,328,419 existing Ordinary Shares, held by 23,580 registered shareholders, are currently evidenced by physical share certificates. Following registration with ECMA, these must be converted into electronic records held at the Central Securities Depository (CSD). Existing Shareholders complete the conversion as follows:

1. **Open a brokerage account** with a licensed broker/dealer or investment bank, in accordance with Section 8.4.2.
2. **Submit a Securities Deposit Form** through the broker/dealer or investment bank, instructing the deposit of the physical certificates into the brokerage account.
3. **Verification and credit.** The broker/dealer or investment bank forwards the request to the Bank's Registrar (the Share Administration function under the Company Secretary). Once the certificates are verified against the share register, the holdings are credited to the shareholder's brokerage account.
4. **Activation.** The dematerialized shares may then be held, transferred or traded freely once over-the-counter (OTC) trading commences.

Shares Not Yet Dematerialized

Shares not yet dematerialized remain recorded in the issuer-side CSD record in the name of the registered holder. The rights attached to them — dividends, voting and participation in distributions on winding-up — are unaffected, and no share is forfeited, cancelled or diminished. Until dematerialization is completed, however, the holder cannot transfer or trade the shares on the OTC market, and any Rights Entitlement or dividend payable may be delayed.

Holdings subject to pending succession, dispute or incomplete identification will be dematerialized once the Registrar has verified entitlement in accordance with the Commercial Code and the Bank's share register procedures. The related risk factor is disclosed in Section 9.

The Bank maintains a shareholder support facility at its head office and District Offices to assist with the process, and will publish reminders in line with ECMA requirements.

8.4 Application and Subscription Process

This section sets out who may subscribe for the Offer Shares, the requirements every applicant must meet before applying, and the procedure for submitting an application. All applications, together with full payment, must be submitted through a licensed broker/dealer or investment bank within the Offer Period.

8.4.1 Participation in the Offer

The Offer is open to two categories of investor: Existing Shareholders, under the Rights Issue, and External Investors (as defined in the Definitions of Key Terms), under the External Investor Offering. Both categories apply through the same procedure, set out in Section 8.4.3, and are subject to the same KYC requirements and to the NBE ownership limit of 5% of total post-Offer paid-up capital.

The two categories differ only in their priority of allotment. Existing Shareholders exercise their pre-emptive Rights, and then any Excess Applications, ahead of External Investors. External Investors are allotted only the Offer Shares that remain after both have been satisfied in full.

(a) Pre-emptive Rights

Each Existing Shareholder may subscribe for Offer Shares up to its Rights Entitlement. Rights validly exercised and paid for in full are satisfied in full before any other application is considered.

(b) Excess Applications

An Existing Shareholder may also apply for additional Offer Shares (an “Excess Application”), with full payment at the time of application. Excess Applications are satisfied only from Offer Shares not taken up through the exercise of Rights (the “Excess Pool”), are not guaranteed, and are allotted in accordance with the Allotment Policy in Section 8.5.

(c) External Investors

External Investors may apply at any time during the Offer Period, but an application confers no entitlement to an allotment. Allotment is made only after the Offer Period has closed, and only from the Offer Shares remaining once all exercised Rights and valid Excess Applications have been satisfied in full.

Where the remaining Offer Shares are sufficient, each External Investor is allotted the number of Offer Shares applied for. Where they are fewer than the total applied for, they are allotted among External Investors on a pro rata basis, in proportion to the number of Offer Shares each has validly applied for, rounded down to the nearest whole share and subject to the ownership limit in Section 8.2.7. Where no Offer Shares remain, no allotment is made and subscription monies are refunded in accordance with Section 8.2.5.

(d) Transfer of Rights

An Existing Shareholder may transfer all or part of its Rights offer, through its licensed broker/dealer or investment bank, to any person who meets the eligibility requirements applicable to Existing Shareholders or External Investors. The transferee may exercise the transferred Rights on the same terms; its Rights Entitlement is calculated on the total Rights it holds at the Offer Closing Date using the ratio in Section 8.2.3, and the transferor’s Rights Entitlement is reduced accordingly. The Bank accepts no responsibility for any transfer of Rights not effected through the proper procedures.

(e) Lapse of Rights

Rights must be exercised or transferred within the Offer Period. Any Rights not dealt with by the Offer Closing Date lapse automatically without compensation, and the holder’s proportionate interest in the Bank will be diluted accordingly. The Offer Shares corresponding to lapsed Rights form part of the Excess Pool.

8.4.2 Account Opening and KYC Requirements

Every applicant, whether an Existing Shareholder or an External Investor, must hold an active brokerage account with a licensed broker/dealer or investment bank before submitting an application. The minimum Know-Your-Customer (KYC) documentation required to open an account is set out below.

(a) Individuals

An Ethiopian national resident in Ethiopia must provide a FAYDA ID and TIN. A non-resident Ethiopian national must provide a FAYDA ID or Ethiopian passport, together with a TIN. A foreign national of Ethiopian origin must provide a FAYDA ID, TIN and Yellow Card.

(b) Companies and Institutions

Companies and institutions must provide documents proving their legal personality, including, as applicable:

- Certificate of incorporation or registration;
- Memorandum of association;
- Company TIN certificate;
- ID and TIN of directors;
- Passport photographs of directors or management;
- Authorized signatories and specimen signatures;
- Board resolution to open a brokerage account;
- Power of attorney, where applicable; and
- Company seal.

(c) Customer Due Diligence

All applicants are further subject to the customer due diligence and anti-money-laundering requirements of Proclamation No. 780/2013 and applicable ECMA and NBE rules.

8.4.3 Subscription Procedure

Existing Shareholders and External Investors follow the same four-step procedure.

1. **Open a brokerage account.** Hold an active brokerage account with a licensed broker/dealer or investment bank that meets the KYC requirements in Section 8.4.2. Existing Shareholders should also complete dematerialization under Section 8.3.
2. **Complete the Subscription Form.** Obtain the Subscription Form from any licensed broker/dealer or investment bank and state the number of Offer Shares applied for; Existing Shareholders also state the number of Rights exercised and any Excess Application. The minimum application is one Offer Share.
3. **Make payment.** Deposit the full subscription amount (number of Offer Shares applied for × Offer Price of ETB 1,065), plus applicable broker commission, through the broker/dealer or investment bank, which forwards the funds to the Offer escrow account opened by the Bank. Attach the deposit confirmation to the Subscription Form.
4. **Submit the application.** Lodge the completed Subscription Form and payment confirmation with the broker/dealer or investment bank during the Offer Period and before the Offer Closing Date. As allotment is not made in order of receipt, all valid applications received within the Offer Period are treated equally.

8.5 Allotment Policy

All allotments are subject to ECMA approval and are carried out as follows:

1. Exercised Rights first

Each Existing Shareholder that validly exercises Rights and pays in full is allotted the Offer Shares applied for, up to its Rights Entitlement (Section 8.1.6), subject to the regulatory conditions. All valid applications within Rights Entitlements are allotted in full before any Excess Application is considered.

2. Excess Pool

The Excess Pool comprises all Offer Shares not taken up through the exercise of Rights by Existing Shareholders and is available for allotment to both Existing Shareholders and External Investors. The Excess Pool shall first be allotted to Existing Shareholders who have exercised their Rights Entitlement in full and submitted valid Excess Applications. Only after all such Excess Applications have been satisfied in full shall any Offer Shares remaining in the Excess Pool be allotted to External Investors who have submitted valid applications within the Offer Period.

Additional Consideration:

Regulatory thresholds. Allotments are subject to the NBE ownership cap and KYC/AML requirements. Allocations exceeding the permitted threshold are scaled back, and surplus funds refunded without interest, less relevant bank charges. Offer Shares released by a scale-back are re-allotted in the order of priority set out in this Section.

8.6 Publication of Results

After the Offer closes, the Bank will complete reconciliation and verification and submit the Allotment Report to ECMA within the required timeframe. Following ECMA approval, the Bank will: (i) publicly announce the allotment results; (ii) confirm allocations to successful subscribers; (iii) procure CSD crediting of the allocated shares; and (iv) complete settlement of the proceeds. The Bank will notify ECMA and relevant market infrastructure entities of the completion of the Rights Offer.

The Bank is subject to ECMA's continuing obligations on the issue of equity securities for cash.

8.7 Pricing

The Offer Price is ETB 1,065 per Ordinary Share. Pursuant to Board of Directors Resolution No. 010/2026, adopted at its meeting held on August 13, 2025, the Board resolved to set the Offer Price at a 30% discount to the share valuation price of ETB 1522, taking into consideration the Bank's capital requirements, the objective of facilitating participation by Existing Shareholders, and the share valuation conducted by the independent Transaction Advisor, in its capacity as the appointed professional valuer for the Offer.

How the Fair Value Was Determined.

The Transaction Advisor used internationally accepted valuation methods and combined the results to arrive at a single fair value per share. In simple terms:

Income-based approach (Dividend/Earnings Discount Method): The Advisor estimated the profits and dividends the Bank is expected to generate in the coming years and converted these future amounts into today's money using a discount rate that reflects the risks of investing in an Ethiopian bank. This answers the question: "What is the Bank worth based on the money it is expected to earn for its shareholders?"

Market-based approach (Comparable Companies and Transactions): The Advisor compared the Bank with similar banks, using measures such as the ratio of share price to earnings (P/E) and share price to book value (P/B), and adjusted for differences in size, growth, and market conditions. This answers the question: "What are investors paying for similar banks?"

Asset-based approach (Net Asset Value): The Advisor also considered the value of the Bank's total assets after deducting all its liabilities, as a cross-check on the other methods. This answers the question: "What would each share be worth if the Bank's net assets were divided among shareholders?"

The results of these methods were weighted and reconciled to produce the fair value of ETB 1522 per share. No single method was relied on in isolation, which reduces the risk of the valuation being distorted by any one assumption.

Availability of the Valuation Report. The full independent Valuation Report, which sets out the detailed assumptions, financial projections, discount rates, comparable data, and calculations behind the fair value, is provided as an accompanying document to this Prospectus. Investors are encouraged to read the Valuation Report in full before making an investment decision.

8.8 Reasons for the Offer and Use of Proceeds

8.8.1 Minimum Subscription

The minimum subscription amount of ETB 1,955,116,350 (1,835,790) Offer Shares, representing 50% of the total Offer size) has been determined based on the Board of Directors' assessment of the minimum capital required to achieve the primary use-of-proceeds objectives of this Offer. If the minimum subscription is not achieved, the Offer will be cancelled and all application monies will be refunded within 30 days after the announcement of the cancellation.

8.8.2 Reasons for the Offer

Berhan Bank S.C. is conducting this Offer principally to strengthen its capital base in line with both regulatory requirements and its long-term strategic ambitions. As at November 24, 2025, the Bank's paid-up capital stood at ETB 6,328,419,000 following the subscription of 1,958,419 new shares during FY2025. While this exceeds the NBE's current minimum paid-up capital of ETB 5 billion (per Directive SBB/78/2021), the Bank's Board of Directors and management believe that a materially stronger capital base is necessary to: (i) maintain the Bank's Capital Adequacy Ratio above the NBE minimum of 11% and the Bank's internal target of NBE minimum plus 2 percentage points, notwithstanding the planned 28% asset growth; (ii) fund the Bank's branch expansion to 386 branches and its digital banking investment program, including the Rubikon CBS-24 upgrade and digital lending platform integration; (iii) position the Bank to attract a strategic foreign banking partner under the framework introduced by Banking Business Proclamation No. 1360/2025, which permits foreign banks to acquire up to 40% of domestic banks; and (iv) comply with any future escalation of the NBE minimum capital requirement, which the Bank's scenario planning anticipates may be raised to ETB 15–20 billion over the medium term. This Offer is therefore a strategic capital market transaction that serves both the Bank's regulatory compliance needs and its growth ambitions, and not merely a response to a specific capital shortfall.

8.8.3 Estimated Net Proceeds and Use of Funds

The gross proceeds from the Offer are estimated to be approximately ETB 3,910,233,765 assuming full subscription. After deducting estimated Offer expenses of approximately ETB 25,730,243 the estimated net proceeds are expected to be approximately ETB 3,884,503,522.

8.8.4 Sufficiency of Funds

The Board of Directors has determined that the net proceeds of the Offer will be sufficient to fund the primary objectives described in Sections 8.8.1 and 8.8.2, provided that at least 50% of the Offer Shares (the minimum subscription of 1,835,790 Offer Shares, or ETB 1,955,116,350) is subscribed. If the minimum subscription is not achieved, the Offer will not proceed, as set out in Section 8.8.1.

8.9 Distribution and Underwriting

The Offer is not underwritten, and the Bank has not entered into any underwriting arrangement in connection with the Offer.

8.10 Expenses of the Offer

Berhan bank shall bear all expenses related to the registration of 6,328,419 existing ordinary shares and the Rights offer for subscription of 3,671,81 new ordinary shares

The table below sets out the estimated major categories of expenses expected to be incurred in connection with the Offer.

Table 129: Offer expenses

Description	Amount (ETB)
Transaction Advisor	10,750,250
Legal Advisor	431,825
Auditor fee	841,340
Advertising and Marketing	2,000,000
ECMA Application Fees	300,000
ECMA Registration Fee (Existing Shares and Offer Shares)	10,238,653
Contingency	1,168,175
Total Estimated Expenses of the Offer	25,730,243

8.11 Professional Parties

Set out below is a summary of the professional parties and experts engaged by the Bank in connection with the Offer.

Table 130: Professional parties

Material Role	Interest in the Bank	Conflict of Interest
Transaction Advisor- Ethio Capital Solutions PLC	None	None
Legal Advisor- Tsegamlak Solomon & Associates	None	None
External Auditor- Kokeb and Melkamu Audit LLP	None	None

In accordance with Articles 39 and 81 of Directive No. 1030/2024, each of the professional parties named in the table above has given its written consent to the inclusion of its name and, where applicable, its reports or opinions in the form and context in which they appear in this Prospectus. As of the date of publication, none of these experts have withdrawn their consent to act in their stated capacity. The Board of Directors and Management of Berhan bank accept full responsibility for ensuring that the information disclosed is in accordance with the facts provided by these professional parties.

The Berhan bank confirms that there are no material conflicts of interest regarding any of the professional parties named in this Prospectus that could compromise their independence or the reliability of the advice and certifications provided. The engagement of the external auditor followed a competitive bidding process in line with internal procurement policies to ensure transparency and accountability.

Furthermore, the fees payable to Transaction Advisor are contractual and are not contingent upon the success of the capital raise in a manner that would impair their objectivity as independent advisors.

SECTION NINE

9 RISK FACTORS

9.1 Company-Specific Risks

9.1.1 Concentration Risk

Concentration risk represents a material exposure for the Bank arising from the high reliance on a limited number of geographic locations, customer segments, and product types across deposits, loans, and physical distribution channels. The Bank's deposit portfolio is heavily concentrated in Addis Ababa (approximately 67.3%), followed by Oromia (~9.4%) with all other regions contributing marginal shares (each generally below 5%). Similarly, loan portfolio distribution reflects a strong urban bias, with Addis Ababa consistently accounting for more than 70–79% of total outstanding loans across reporting periods. Sectorally, lending is concentrated in trade (~41%), retail (~29%), and corporate (~20%), collectively accounting for over 85% of total loan exposure. On the liability side, deposits are dominated by private sector and cooperative customers (over 70–88%), while product concentration is evident in personal savings and checking accounts (over 60%). Additionally, the Bank's physical network shows clustering, with 153 out of 375 branches (over 40%) located in Addis Ababa. This multi-dimensional concentration increases the Bank's vulnerability to localized economic shocks, sector-specific downturns, and competitive pressures within core markets.

The primary drivers of this concentration risk include strategic and structural limitations in portfolio diversification, weak customer segmentation frameworks, and an over-reliance on traditional urban markets. The absence of a clearly defined sectoral and geographic diversification strategy, coupled with limited penetration into emerging regions such as Afar, Somali, and Benishangul, reinforces this imbalance. Furthermore, the Bank's product structure is not strongly differentiated, leading to dependence on a narrow range of deposit and lending products. Weak scenario analysis, insufficient forward-looking risk assessment, and limited use of data-driven market intelligence further exacerbate the issue. Governance and strategic planning gaps particularly in aligning expansion with risk-adjusted returns also contribute to sustained concentration.

The impact of concentration risk on the Bank is significant and multi-faceted. From a financial perspective, the Bank is exposed to heightened credit risk and earnings volatility in the event of downturns in dominant sectors such as trade or urban retail markets. Liquidity pressures may also arise if large depositors or concentrated customer segments withdraw funds simultaneously. From a regulatory standpoint, excessive concentration may attract supervisory scrutiny under prudential guidelines related to large exposures and risk diversification. Reputational risk may emerge if the Bank is perceived as overly exposed or unable to withstand sector-specific shocks. Operationally, concentration limits growth potential by constraining expansion into underserved markets, thereby affecting long-term sustainability and competitiveness.

9.1.2 Liquidity Risk

Liquidity risk for the Bank is closely linked to its concentrated funding structure and limited diversification of deposit sources and investment outlets. The dominance of demand and savings deposits, combined with the high concentration in private sector and urban-based customers, creates a structurally sensitive liquidity profile. A significant portion of deposits is short-term and potentially volatile, while alternative long-term funding instruments and diversified investment channels remain limited. This structural imbalance increases the Bank's exposure to sudden liquidity pressures, particularly in scenarios where depositors shift funds to competing financial institutions or alternative investment opportunities.

The key drivers of liquidity risk include the narrow depositor base, concentration in a few geographic and economic segments, and limited product innovation in long-term or stable funding instruments. The absence of robust asset-liability management (ALM) strategies, inadequate stress testing frameworks, and weak scenario planning further intensify the risk. Additionally, macroeconomic factors, such as inflation, interest rate volatility, and evolving financial market dynamics, may incentivize deposit migration, especially when alternative investment options (e.g., capital market instruments or informal investments) become more attractive. Governance gaps in liquidity risk monitoring and contingency planning also contribute to potential vulnerabilities.

The potential impact of liquidity risk is critical to the Bank's stability. Financially, liquidity shortfalls can constrain the Bank's ability to meet withdrawal demands, fund loan disbursements, and sustain operations, potentially leading to increased reliance on costly emergency funding. From a regulatory perspective, failure to maintain adequate liquidity ratios may result in penalties, restrictions, or heightened supervisory intervention. Reputationally, liquidity stress can erode customer confidence and trigger further withdrawals, creating a negative feedback loop. In extreme cases, prolonged liquidity pressure may threaten the Bank's solvency and overall financial sustainability.

9.1.3 Strategy Execution Risk

Strategy execution risk arises from the Bank's limited clarity and structure in defining and targeting its core customer segments, particularly on the lending side. The Bank operates a generalized loan portfolio without clearly segmented products or well-defined target markets, making it difficult to identify which customer groups, sectors, or value chains drive performance. This lack of strategic focus undermines the Bank's ability to effectively design, implement, and monitor growth initiatives, increasing the likelihood that strategic plans may not deliver the intended outcomes.

The underlying drivers of this risk include weak strategic planning frameworks, insufficient market segmentation and customer analytics, and limited alignment between product design and customer needs. The absence of clearly defined priority sectors or customer profiles results in a "one-size-fits-all" approach to lending, which reduces competitiveness and increases inefficiencies. Additionally, inadequate use of data analytics, weak performance monitoring systems, and limited feedback loops hinder the Bank's ability to refine and adapt its strategy. Governance challenges, including unclear accountability and coordination across business units, further constrain effective execution.

The impact of strategy execution risk is both financial and operational. Ineffective strategy implementation may lead to suboptimal resource allocation, reduced profitability, and missed market opportunities. From a financial risk perspective, poor targeting of customers and sectors can increase credit risk and non-performing loans, as lending decisions may not be aligned with risk-return considerations. Operationally, the Bank may experience inefficiencies, duplication of efforts, and weak competitive positioning. From a reputational standpoint, consistent underperformance relative to strategic objectives can diminish stakeholder confidence, including that of regulators, investors, and customers. Ultimately, failure to execute strategy effectively may hinder the Bank's long-term growth and sustainability.

9.1.4 Capital Adequacy Risk

Capital adequacy risk refers to the possibility that the Bank may not maintain sufficient capital buffers to absorb losses arising from its growing and increasingly concentrated asset base. As the Bank continues to expand its loan portfolio—from approximately ETB 28.9 billion in 2023 to over ETB 45.6 billion by March 2026 (interim)—while maintaining notable exposure to dominant sectors such as trade, retail, and corporate lending, the pressure on regulatory capital intensifies. The presence of a consistent level of non-performing loans (NPL ratio ranging around 4–5%) further underscores the need for strong capital buffers to sustain potential credit losses. Given the Bank's concentration in Addis Ababa (over 70% of loans) and reliance on a

narrow deposit base, any adverse shock could rapidly translate into capital erosion, making capital adequacy a material risk to the Bank's financial stability.

The key drivers of capital adequacy risk include rapid asset growth without proportional capital injection, high sectoral and geographic concentration, and limited diversification of income streams. Weak capital planning frameworks, insufficient stress testing, and inadequate forward-looking scenario analysis further exacerbate the risk. Additionally, the Bank's generalized lending approach, without clear segmentation, may result in suboptimal risk-weighted asset allocation, increasing capital consumption. External factors such as tightening regulatory requirements by the National Bank of Ethiopia, potential increases in minimum capital thresholds, and macroeconomic volatility (inflation, exchange rate pressure) also contribute to capital strain. Governance-related challenges, including weak alignment between growth strategy and capital planning, can further intensify the risk.

The impact of capital adequacy risk is significant across multiple dimensions. From a regulatory perspective, failure to meet minimum capital adequacy ratios may result in supervisory actions, including restrictions on lending, dividend distribution limitations, or mandatory recapitalization. Financially, inadequate capital buffers reduce the Bank's ability to absorb losses, potentially leading to solvency concerns during periods of stress. This may also constrain business expansion, limit risk-taking capacity, and reduce profitability. Reputationally, weak capital adequacy can undermine stakeholder confidence, including that of regulators, investors, and depositors. In severe cases, prolonged capital insufficiency could threaten the Bank's long-term viability and strategic positioning in the market.

9.1.5 Credit Risk

Credit risk represents one of the most material risk exposures for the Bank, arising from the potential inability of borrowers to meet their contractual obligations in a timely manner. The Bank's credit portfolio demonstrates sustained growth across all reporting periods, increasing from ETB 28.89 billion in 2023 to ETB 35.97 billion in 2025, while NPLs also increased from ETB 1.80 billion to ETB 2.29 billion over the same period. This reflects a broadly stable but gradually deteriorating asset quality profile, with the NPL ratio remaining elevated at around 4.8% – 4.9%, indicating persistent credit risk pressure despite portfolio expansion. The risk is materially significant due to the Bank's high exposure to trade, corporate, and retail lending segments, which collectively account for more than 70% of total lending and represent the largest contributors to non-performing loans.

From a structural perspective, credit risk is highly concentrated in a limited number of economic sectors and customer categories. Trade financing consistently represents the largest exposure (around 38%–42% of total portfolio), followed by retail lending (approximately 31%–34%) and corporate lending (around 17%–20%). Importantly, these same segments also dominate NPL formation. For instance, trade-related NPLs increased from approximately ETB 347.5 million in 2023 to ETB 814.4 million in 2025, representing more than 120% growth, while retail NPLs increased from ETB 387.3 million to ETB 447.2 million over the same period. Corporate NPLs remain structurally significant at above ETB 750 million across all years, reflecting persistent exposure to large obligor risk. This indicates that credit risk is not evenly distributed but is instead concentrated in a few high-impact sectors, amplifying systemic vulnerability.

The primary drivers of credit risk include weak sectoral diversification in lending, high dependence on trade-related financing, limited effectiveness of borrower segmentation, and insufficiently responsive credit risk management practices. Although the loan portfolio has expanded significantly, there is limited evidence of proactive portfolio rebalancing or targeted risk mitigation measures, particularly in sectors showing rising default trends. In addition, macroeconomic pressures such as foreign exchange shortages, inflation, supply chain disruptions, and declining real income levels have further exacerbated borrower repayment capacity,

especially in retail and SME segments. Weak early warning systems, limited predictive credit analytics, and concentration in a narrow set of economic sectors further contribute to the buildup of systemic credit risk.

The impact of credit risk on the Bank is multidimensional. Financially, rising NPLs lead to increased impairment provisioning requirements, reduced interest income recognition, and pressure on profitability and capital adequacy ratios. In regulatory terms, sustained deterioration in asset quality may trigger higher supervisory scrutiny, increased capital buffer requirements under Basel III frameworks, and potential restrictions on dividend distribution or growth in risk-weighted assets. From a liquidity perspective, elevated NPLs reduce cash inflows from performing assets, thereby increasing reliance on external funding sources. Reputationally, persistent asset quality challenges may weaken investor confidence, affect credit ratings, and reduce the Bank's competitiveness in both domestic and international financial markets. Overall, credit risk remains a core structural vulnerability requiring strengthened underwriting standards, improved sector diversification, and enhanced credit monitoring and recovery frameworks.

9.2 Offer Related Risks

9.2.1 Under-Subscription Risk

The proposed capital raising exercise may face the risk of under-subscription if existing shareholders and external investors do not subscribe to the offered ordinary shares at the expected level. The Offer targets a capital raise of approximately ETB 3.67 billion, with a minimum subscription threshold of 50% required for successful execution of the Offer. Failure to achieve the minimum subscription level could materially affect the Bank's capital enhancement objectives, planned business expansion, liquidity strengthening initiatives, and regulatory capital adequacy improvement plans. Since the Offer, structure combines both rights issue participation for existing shareholders and access for eligible external investors, investor appetite, market confidence, economic conditions, and liquidity availability within the financial market will significantly influence the final subscription outcome.

The primary drivers of under-subscription risk include weak market sentiment, macroeconomic uncertainty, inflationary pressure, and limited investor liquidity, reduced confidence in the banking sector, weak capital market participation culture, insufficient investor awareness, inadequate marketing and communication strategies, and possible valuation concerns regarding the Offer price. In addition, concentration of the existing shareholder base, limited diversification of institutional investors, and the relatively early-stage development of the Ethiopian capital market ecosystem may reduce broad investor participation. Weak scenario analysis, insufficient investor engagement strategies, and inadequate timing of the Offer relative to market liquidity conditions may further increase subscription uncertainty.

The impact of under-subscription may be significant for the Bank. Failure to mobilize the targeted capital could weaken the Bank's ability to meet future regulatory capital adequacy requirements, including Basel III implementation expectations and prudential directives issued by the National Bank of Ethiopia ("NBE"). It may delay strategic projects, digital transformation initiatives, branch expansion plans, liquidity strengthening measures, and loan portfolio growth objectives. The Bank may also face reputational risk arising from weak investor response, which could negatively affect market confidence, future capital raising capability, strategic partnerships, and stakeholder perception. Financial impacts may include increased reliance on expensive funding sources, reduced balance sheet flexibility, and weakened competitive positioning within the banking industry.

9.2.2 Share Price and Offer Price Mismatch Risk

There is a risk that the Offer price determined for the ordinary shares may materially differ from the perceived intrinsic value or future market valuation of the shares once secondary market trading becomes active. Although the Offer price is expected to be determined based on shareholder approval, independent valuation

results, financial performance, and strategic growth expectations, future market conditions and investor sentiment may result in a divergence between the Offer price and the eventual market price of the shares. This may create valuation uncertainty for both existing and prospective investors.

The drivers of this risk include limited historical market pricing benchmarks within the Ethiopian capital market, absence of long-term secondary market trading data for comparable institutions, changing macroeconomic conditions, inflation, foreign exchange pressure, interest rate movements, banking sector competition, and evolving investor expectations. Additional contributing factors include information asymmetry, speculative market behavior, limited analyst coverage, weak investor education, low market liquidity, and inadequate valuation modeling assumptions. If future financial performance fails to align with investor expectations embedded within the Offer price, market perception of overvaluation may emerge.

The impact of a share price and Offer price mismatch could adversely affect investor confidence and future market performance of the Bank's shares. If the market perceives the Offer price as overpriced, the Bank may experience reduced subscription demand, weakened post-issuance OTC trading performance, and negative investor sentiment. Conversely, if the shares are significantly undervalued, the Bank may fail to maximize capital mobilization potential, resulting in forgone financial capacity. Sustained price volatility or market dissatisfaction may create reputational challenges, increase shareholder disputes, reduce market credibility, and weaken future fundraising opportunities. The Bank may also face strategic execution pressure if market valuation does not support long-term expansion and capital planning objectives.

9.2.3 Dilution Risk

Existing shareholders who fail to fully exercise their rights during the Offer period may experience dilution in their ownership percentage, voting rights, dividend entitlement, and overall influence within the Bank. Since the Offer, structure permits both rights issue participation and external investor participation, shareholders who do not participate proportionately may face a reduction in relative ownership concentration following completion of the Offer.

The drivers of dilution risk include insufficient shareholder liquidity, limited awareness regarding rights participation procedures, weak investor communication, operational inefficiencies during subscription processing, and varying financial capacities among shareholders. Additionally, the entry of external investors may alter the ownership structure and voting dynamics of the Bank if existing shareholders do not fully subscribe to their allocated entitlements.

The impact of dilution may include reduced influence of existing shareholders over strategic decision-making, governance matters, dividend participation, and board representation. Significant ownership restructuring may also create governance sensitivity, shareholder dissatisfaction, and reputational concerns if not properly managed through transparent communication and equitable allocation procedures. From a regulatory and governance perspective, ownership concentration changes may also require enhanced disclosure, monitoring, and compliance oversight.

9.2.4 Regulatory Approval and Compliance Risk

The successful execution of the Offer is dependent upon obtaining all necessary regulatory approvals, registrations, disclosures, and compliance clearances from the Ethiopian Capital Market Authority ("ECMA"), National Bank of Ethiopia ("NBE"), and other relevant authorities. Any delay, modification requirement, or non-compliance issue may affect the Offer timetable, issuance process, and capital mobilization objectives.

The main drivers of this risk include evolving capital market regulations, disclosure deficiencies, weak regulatory coordination, incomplete documentation, inaccurate reporting, governance weaknesses, delays in approval processes, and changing prudential requirements. The relatively new and evolving nature of

Ethiopia's capital market regulatory environment may also create implementation uncertainty and procedural interpretation challenges.

The impact of regulatory compliance risk may include delays in capital raising, suspension or cancellation of the Offer process, financial penalties, reputational damage, increased compliance costs, and legal liabilities. Failure to comply with disclosure and regulatory obligations may also weaken investor trust, affect market credibility, and expose the Bank to heightened supervisory scrutiny from regulatory authorities. In severe cases, prolonged regulatory challenges could materially affect the Bank's strategic expansion, liquidity planning, and capital adequacy improvement initiatives.

9.2.5 Regulatory, Supervisory and Enforcement Action Risk

The Bank is subject to ongoing supervision by the Ethiopian Capital Market Authority ("ECMA"), which has the power to impose administrative penalties, require remedial or corrective action, or delay approval of corporate actions, including this Offer, where it identifies regulatory non-compliance.

Of particular relevance, certain of the Bank's historical share issuances were effected prior to the entry into force of the securities registration regime currently administered by ECMA. The regulatory treatment of these historical issuances under the current regime has not yet been definitively confirmed, and ECMA may require the Bank to undertake regularisation measures, impose administrative measures, or delay or condition its approval of the Offer pending resolution of this matter.

If this risk materializes, the Bank may incur regulatory penalties, additional compliance costs, delays to the Offer timetable, and reputational damage.

9.3 Industry Specific Risks

9.3.1 Competition Risk

Competition risk arises from the increasingly aggressive and rapidly evolving Ethiopian banking industry, where both established and newly incorporated banks are competing for deposits, loans, foreign currency generation, digital banking customers, and branch expansion. The Ethiopian banking sector has become highly competitive following rapid market expansion, technological transformation, increasing customer expectations, and gradual financial sector liberalization. As of March 2026, more than 25 private banks were actively competing across deposit mobilization, loan growth, customer acquisition, digital banking, and foreign currency generation.

Berhan Bank S.C. operates within the "small bank" category under the Ethiopian banking landscape, competing against both large and medium-sized banks with significantly stronger capital bases, larger branch networks, broader digital ecosystems, and stronger market visibility. Large banks such as Awash Bank, Dashen Bank, Bank of Abyssinia, Cooperative Bank of Oromia, and Hibret Bank dominate the industry in terms of total assets, deposits, branch network, and foreign currency generation. At the same time, several newly incorporated banks are recording exceptionally rapid growth rates, intensifying competition in areas previously dominated by smaller banks such as Berhan Bank

The key drivers of competition risk include increasing pressure on deposit mobilization, intensified competition for quality borrowers, aggressive branch expansion by competitors, digital banking innovation gaps, and rising customer expectations for faster and technology-driven financial services. The emergence of rapidly growing new banks—such as Siinqee, Hijra, and Zamzam Banks—has further intensified pressure on smaller banks. In addition, the gradual development of the Ethiopian capital market may increase competition for savings and investment resources, potentially diverting liquidity away from traditional banking deposits.

Although Berhan Bank S.C. demonstrated strong growth performance during the reviewed period, several indicators suggest rising competitive pressure. As of March 2026, the Bank accounted for approximately 3.2

percent of total deposits among the 16 established private banks and only about 2.8 percent within the wider 25-bank industry. Similarly, the Bank's loan market share stood at approximately 3.5 percent among the 16 established banks and 3.0 percent across the industry. While the Bank recorded one of the highest deposit growth rates (41.4 percent) and loan growth rates (37.0 percent) among peer banks, its absolute market position remains relatively small compared to dominant market players.

The potential impact of competition risk is substantial. Financially, intensified competition may reduce the Bank's profitability through higher funding costs, compressed lending margins, and increased operating expenses associated with customer acquisition and branch expansion. Strategically, the Bank may face challenges in maintaining market share, retaining high-value customers, and sustaining growth momentum. Operationally, failure to modernize digital banking services and customer experience may weaken competitiveness against larger and technologically advanced banks. Reputationally, weaker market positioning may reduce investor confidence and limit the Bank's ability to attract strategic partnerships and long-term funding sources.

9.3.2 Foreign Exchange Risk

Foreign exchange risk arises from fluctuations in foreign currency availability, exchange rate volatility, and mismatches between foreign currency inflows and obligations. The Ethiopian banking industry remains highly exposed to foreign exchange constraints due to persistent shortages of hard currency, widening import demand, and macroeconomic pressures affecting external balances.

Berhan Bank S.C.'s foreign currency generation capacity remains relatively modest compared to leading banks in the industry. As of March 2026, the Bank generated approximately USD 281 million in foreign currency, representing about 3.8 percent of the total foreign currency generated across the banking industry. While the Bank ranked second among its peer banks, it remains significantly below large banks such as Awash Bank, Dashen Bank, and Bank of Abyssinia, which collectively dominate the foreign exchange market.

The key drivers of foreign exchange risk include chronic foreign currency shortages, exchange rate depreciation, and dependence on import-related economic activities, export market volatility, and increasing demand for foreign currency from customers. The Bank's loan portfolio concentration in import, trade, construction, and manufacturing sectors further increases exposure to foreign exchange pressures, as these sectors are highly dependent on imported inputs and foreign currency availability.

The potential impact of foreign exchange risk includes reduced foreign currency liquidity, customer dissatisfaction due to inability to meet forex demand, deterioration in loan repayment capacity for import-dependent borrowers, and pressure on profitability arising from exchange rate volatility. Prolonged forex shortages may also weaken the Bank's competitiveness in trade finance and international banking services.

9.4 Macroeconomic Risks

9.4.1 Inflation Risk

Inflation risk refers to the adverse impact of persistent inflationary pressures on the Bank's financial performance, operational costs, customer affordability, and overall economic environment. Ethiopia continues to experience elevated inflation levels driven by currency depreciation, supply-side constraints, fiscal pressures, and structural economic imbalances.

The Bank's exposure to inflation risk is heightened by the composition of its loan portfolio, particularly its concentration in trade, construction, manufacturing, and consumer-related lending activities. Rising inflation increases operating costs for borrowers, weakens household purchasing power, and may reduce repayment capacity across several sectors.

The key drivers of inflation risk include monetary expansion, exchange rate depreciation, supply shortages, rising fuel and transportation costs, and global commodity price fluctuations. Inflation also increases pressure on deposit mobilization, as customers seek alternative investment options that offer protection against declining purchasing power.

The potential impact of inflation risk includes deterioration in asset quality, increased non-performing loans, reduced real returns on deposits, compressed profit margins, and rising operating expenses. Inflation may also weaken customer confidence and increase pressure on wage adjustments, branch operating costs, and technology investments.

9.4.2 Regulatory and Policy Change Risk

Regulatory and policy change risk arises from the evolving legal, supervisory, and monetary policy environment governing the Ethiopian banking sector. The Ethiopian financial sector is currently undergoing substantial reform, including financial liberalization, capital market development, monetary policy modernization, and revisions to prudential banking regulations.

The Bank is exposed to risks arising from changes in interest rate policies, reserve requirements, loan growth restrictions, capital adequacy requirements, foreign exchange directives, and liquidity management regulations issued by the National Bank of Ethiopia (NBE). In particular, regulatory measures related to credit caps, compulsory treasury investments, minimum paid-up capital requirements, and monetary tightening policies might directly affect the Bank's profitability and growth capacity.

The key drivers of regulatory risk include ongoing banking sector reforms, transition toward market-based monetary policy frameworks, development of the Ethiopian capital market, and increasing regulatory expectations regarding governance, ESG compliance, cybersecurity, and risk management.

The potential impact includes increased compliance costs, operational adjustments, reduced lending flexibility, capital pressure, and constraints on profitability. Failure to comply with evolving regulations may expose the Bank to penalties, supervisory intervention, reputational damage, and restrictions on future expansion activities.

9.5 Operational Risks

9.5.1 Information Technology and Cybersecurity Risk

Information technology and cybersecurity risk refers to the possibility of financial loss, operational disruption, data breaches, or reputational damage resulting from system failures, cyberattacks, digital fraud, or weaknesses in technology infrastructure.

As the Bank increasingly expands digital banking services, electronic payment systems, mobile banking, and interconnected financial platforms, exposure to cyber threats continues to increase. The Ethiopian banking industry has experienced growing cybersecurity risks associated with phishing attacks, ransomware, unauthorized access attempts, and payment system fraud.

The key drivers of cybersecurity risk include rapid digitalization, increasing dependence on third-party technology providers, limited cybersecurity awareness among customers and employees, inadequate system upgrades, and evolving cyberattack sophistication. In addition, infrastructure limitations, power interruptions, and telecommunications disruptions may affect system reliability and operational continuity.

The potential impact includes financial losses, customer data breaches, service interruptions, regulatory sanctions, reputational damage, and erosion of customer trust. Significant cybersecurity incidents may also disrupt payment systems, digital banking operations, and critical financial services.

9.5.2 Human Resource and Talent Risk

Human resource and talent risk arises from the Bank's potential inability to attract, develop, and retain qualified personnel required to support strategic growth, operational efficiency, digital transformation, and regulatory compliance.

The Ethiopian banking sector is experiencing intense competition for skilled professionals, particularly in areas such as digital banking, cybersecurity, risk management, treasury operations, compliance, and data analytics. Larger banks with stronger financial capacity may attract experienced professionals through higher compensation packages and broader career opportunities.

The key drivers of HR risk include high employee turnover, rising salary competition, limited specialized talent availability, skills gaps in emerging banking technologies, and inadequate succession planning frameworks. Operational expansion and increasing regulatory complexity further intensify the demand for qualified professionals.

The potential impact includes operational inefficiencies, reduced service quality, delayed strategic implementation, weakened risk management capacity, and increased operational errors. High staff turnover may also increase recruitment and training costs while negatively affecting institutional knowledge retention and customer relationships.

9.6 Environmental, Social, and Governance (ESG) Risks

Berhan Bank S.C. is exposed to Environmental, Social, and Governance (ESG) risks through its financing activities, operational practices, governance structures, and stakeholder relationships. ESG risks are becoming increasingly important within the global and domestic financial sector due to growing regulatory expectations, investor scrutiny, and sustainability considerations.

Berhan Bank is exposed to Environmental, Social, and Governance (ESG) risks through its financing activities, operational practices, governance structures, and stakeholder relationships. The Bank's lending portfolio creates indirect environmental and social risks across multiple sectors. As at March 31, 2026, the Bank's aggregate lending exposure to sectors with elevated environmental and social risk profiles including construction and real estate (ETB 10.00 billion, 20.36% of gross loans), trade and retail (ETB 22.02 billion, 44.80%), manufacturing (ETB 7.03 billion, 14.30%), transport (ETB 1.07 billion, 2.17%), and agriculture (ETB 0.17 billion, 0.34%) collectively represents approximately 92% of the gross loan portfolio.

The Bank does not currently maintain a fully integrated ESG assessment framework, formal environmental and social risk management system, or a formal ESG policy approved by the Board of Directors. This absence is assessed to constitute a material risk. Without systematic ESG screening of borrowers and collateral, the Bank is exposed to unquantified environmental and social risks that may adversely affect asset quality, collateral values, regulatory standing, and investor confidence as ECMA's ESG disclosure requirements continue to develop.

9.6.1 Environmental Risk

Environmental risk refers to the possibility that the Bank's lending activities, operational practices, or financed projects contribute to, or are adversely affected by, environmental degradation, climate change, regulatory non-compliance, or sustainability-related disruptions.

The Bank's specific environmental risk exposure is driven primarily by its lending to the construction and real estate sector (ETB 10.00 billion, 20.36% of gross loans, growing 44.98% year-on-year to March 2026), the manufacturing sector (ETB 7.03 billion, 14.30%), and the transport sector (ETB 1.07 billion, 2.17%). Borrowers in these sectors face environmental compliance obligations under Ethiopian Environmental

Protection Authority regulations. Any regulatory enforcement action, project stoppage, or environmental liability event may impair loan repayment capacity and reduce the realisable value of associated collateral.

Agricultural lending (ETB 0.17 billion, 0.34%) carries the most direct climate risk: borrowers are directly exposed to rainfall variability, drought, and seasonal crop failure. Additionally, the Bank's trade finance portfolio (ETB 9.18 billion, 18.67%) carries indirect climate risk, as a significant portion of Ethiopia's export trade is agriculture-dependent; adverse weather events may reduce export volumes and impair trade finance repayment capacity. The Bank does not currently incorporate climate risk into its credit assessment or collateral valuation processes.

Failure to incorporate environmental considerations into lending decisions may increase credit risk exposure, weaken collateral values, and adversely affect long-term asset quality and sustainability performance.

9.6.2 Social Risk

Social risk refers to the possibility of financial loss, reputational harm, or operational disruption arising from labour practices, human rights concerns, community impacts, customer protection failures, digital exclusion, or other social factors associated with the Bank's operations or its financed activities.

The Bank's social risk exposure is most pronounced in its lending to trade and retail borrowers, which collectively represent ETB 22.02 billion or approximately 44.80% of the gross loan portfolio as at March 31, 2026. Borrowers in these sectors operate in environments with variable labour practice standards and customer protection frameworks. The Bank does not currently conduct formal social risk due diligence as part of its credit assessment process, which represents a gap in its risk management framework.

Service quality disparities between urban and rural customers represent an operational social risk given the Bank's geographic concentration 70.39% of total deposits and 80.69% of gross loans are concentrated in Addis Ababa as at March 2026. In addition, intense competition within the Ethiopian banking industry may place pressure on employee retention, compensation structures, workload management, and organizational culture. Failure to maintain strong human capital management practices may affect employee productivity, service quality, and institutional stability. Furthermore, financing activities associated with socially sensitive sectors or projects may create reputational concerns if borrowers are linked to labour disputes, community conflicts, or socially harmful practices.

The potential impact of social risk includes reputational damage, legal disputes, customer dissatisfaction, employee turnover, operational disruptions, and weakened stakeholder confidence. Social-related controversies involving financed customers or the Bank itself may negatively affect public perception, customer loyalty, and investor confidence. In the long term, failure to integrate social risk considerations into lending decisions and operational practices may weaken the Bank's sustainability profile and competitive positioning within an increasingly ESG-focused financial sector

9.6.3 Governance Risk

Governance risk refers to the possibility of financial loss, regulatory sanctions, operational inefficiencies, or reputational damage arising from weaknesses in the Bank's governance structure, internal control systems, decision-making processes, ethical standards, and oversight mechanisms. Strong governance is critical for ensuring prudent risk management, regulatory compliance, strategic accountability, and long-term institutional sustainability within the banking sector.

Berhan Bank S.C. operates within a highly regulated and evolving financial environment where governance expectations continue to increase due to banking sector reforms, capital market development, digital transformation, and heightened regulatory scrutiny. As a growing private bank operating within the small-

bank category, the Bank may face governance challenges associated with balancing rapid expansion, operational complexity, and institutional control effectiveness.

The key drivers of governance risk include weaknesses in board oversight, inadequate segregation of duties, insufficient internal control systems, ineffective risk management frameworks, limited succession planning, and inadequate compliance monitoring mechanisms. Rapid business growth, branch expansion, digital banking transformation, and increasing regulatory requirements may further strain governance and oversight capacity if institutional systems do not evolve proportionately.

The Bank's governance risk exposure in the context of ESG is further characterised by the absence of a Board-level ESG committee and a formal Board-approved ESG policy. This absence limits the Bank's ability to systematically monitor, report, and mitigate ESG risks as regulatory and investor expectations in the Ethiopian capital market continue to develop.

In addition, concentrated decision-making structures, potential conflicts of interest, weaknesses in corporate governance culture, and limited integration of ESG governance practices may expose the Bank to operational and reputational vulnerabilities. The increasing complexity of banking operations, cybersecurity risks, anti-money laundering (AML) obligations, and capital market-related regulatory expectations also require stronger governance and compliance systems.

The potential impact of governance risk includes regulatory penalties, financial losses, operational failures, fraud exposure, reputational damage, weakened investor confidence, and strategic execution challenges. Governance failures may also lead to deterioration in asset quality, ineffective risk management, non-compliance with National Bank of Ethiopia (NBE) directives, and reduced stakeholder trust. In severe cases, prolonged governance weaknesses could negatively affect the Bank's financial stability, sustainability, and ability to compete effectively within the evolving Ethiopian banking sector.

SECTION TEN

10 OTHER RELATED MATTERS

10.1 Trading Arrangements

Upon registration of its shares and receipt of the Registration Statement Certificate from the Ethiopian Capital Market Authority, the trading in the Bank's shares shall be conducted on the over-the-counter market through a licensed Capital Market Service Providers.

10.2 Documents Made Available to the Public

This Prospectus, along with any related Accompanying documents of Berhan Bank S.C., will be available for inspection in electronic form on the Company's website at <https://berhanbanksc.com/> on the Media/News Investor Relations Section. Ongoing disclosures required under applicable ECMA regulations will be made available on the Issuer's website where the Prospectus and accompanying documents will be published at www.berhanbanksc.com.

SECTION ELEVEN

11 APPROVAL OF THE PROSPECTUS

This Prospectus has been Certified and Adopted by the Board of Directors of Berhan Bank S.C. , the Chief Executive Officer and the Chief Financial Officer to accept full responsibility for the information contained in the Prospectus and, to the best of their knowledge and belief, have taken all reasonable care to ensure that the information in the Prospectus is in accordance with facts and does not omit anything likely to affect the importance of such information or make the expression of such information or opinion misleading or untrue. The responsible parties can be reached at Berhan Bank S.C. registered address as listed in Section 1.1.

Table 131: Approval of the Prospectus

No.	Name	Position	Signature
1	Ato Eligo Legesse	Board Chairperson	
2	Ato Ermias Girma	Board Vice Chairperson	
3	W/ro. Meron Gezahegn	Director	
4	Ato Sibu Ayele	Director	
5	Ato Jaleta Wordoffa	Director	
6	Ato Binyam Bedewi	Director	
7	Lemma Degefa (PhD)	Director	
8	Abaydar Kettema (PhD)	Director	
9	Aynalem Abayneh (PhD)	Director	
10	Ato Daniel Wondimu	Director	
11	Ato Girma Mamo	Director	
12	Ato Ermias Tefera	Chief Executive Officer	
13	Ato Tesfaye Maru	Chief Finance Officer	

APPENDICES SECTION

APPENDIX I: Branches by Region and District

Branch by District

No	District Name	Region	City	City (Sub City)	District Office Number
1	Central Ethiopia	Hossana	Hossana	Lich Amba	+251990074874
2	Central Hawassa District	Sidama	Hawassa	Menharia	046-2-218585
3	East Addis District	Addis Ababa	Addis Ababa	Bole	0116-35-40-11/0116-354795/0116-35-48-04
4	East District	Oromia	Adama	Gada	022-1112239
5	North Addis Ababa District	Addis Ababa	Addis Ababa	Kerkos Sub city	0115-578745
6	North District	Addis Ababa	Addis Ababa	Kirkos	116592979/0994009743
7	North Hawassa District	Sidama	Hawassa	Menhariya	046-2-217045
8	South Addis District	Addis Ababa	Addis Ababa	Lideta	0115-574726/0115-574794
9	WEST ADDIS DISTRICT	Addis Abeba	Addis Abeba	LIDETA SUBCITY	0112301109/0112301038
10	West District	Addis Ababa	Addis Ababa	Kirkos	0115-261691 (0115-260167)
11	Wolaita District	South Ethiopia	Sodo	Mehal	251 46-180-2728

Branches by Region

Addis Ababa

No.	Branch Name	City	Location	Branch Phone number
1	Bole	Addis Ababa	Tenna Kebede Building (Bole Dildeye)	011-6-676767/09-10-54-39-97
2	Hayahulet Mazoria	Addis Ababa	Infront of Bata Complex Building	011-6-189790/09-10-37-24-55
3	Amedegebeya	Addis Ababa	Infront of Amedy Gabay	011-2-781949/09-11-86-55-37
4	Kaliti	Addis Ababa	Kafdem Building, infront of Total	011-4-352222/09-11-46-87-80
5	Genet	Addis Ababa	Seid Yassin PLC Building, infront of Ex-Genet Hotel	011-5-541594/09-11-03-25-61
6	Legehar	Addis Ababa	TEWLDE BULDING, BESIDE TO ANTI CORRUPTION BULDING	011-5-506643
7	Megenagna	Addis Ababa	Haudai (Marathon) Building	011-6-589731/09-23-67-67-71
8	Dirtera	Addis Ababa	Dir Tera Bulding Addis Ketema Kifele Keteama	011-2-133977/09-11-01-85-80
9	Meshualekia	Addis Ababa	Yabesera Building	011-4-671586/09-26-45-75-52
10	Teklehaimanot	Addis Ababa	In front of Leila Building, beside OilLibya Gas Station	011-2-765299/09-48-78-70-52
11	Kera	Addis Ababa	Ayalewe Building	011- 4-672524/09-11-67-30-37
12	Saris Gumruk	Addis Ababa	Infront of Saris Gumruk office	011-4-707181/09-11-67-53-25
13	Wollo Sefer	Addis Ababa	Wolosefer Adebabay, Elsa Building	011-5-579186/09-10-71-16-38
14	Meri	Addis Ababa	Infront of School of Tomorrow	011-6-678215/09-23-21-23-21
15	Flamingo	Addis Ababa	Besides Oromia Astedader, Amasco Building	011-5-574548/09-11-141652
16	Mesalemia	Addis Ababa	Negadewoch Andinet Axson Mehabet Building	011-2-775801/09-11-79-83-46
17	Jemo	Addis Ababa	Jemo 1, to the side Lebu Mark International Academy Building	011-4-712234/09-12-16-32-82
18	Gerji Mebrat Hail	Addis Ababa	Mebrat hail at Ahadu Complex Building	011-6-293335/09-21-60-04-59
19	Lafto	Addis Ababa	A.Y.B. Academy Buil.	011-4-191100/09-11-33-13-29
20	Bole Medhanialem	Addis Ababa	Morning Star Building behind Ednamol recreation center	011-6-672608/0913-27-76-27
21	Bethel	Addis Ababa	Infront of Bethel Hospital	011-3- 493199/09-11-96-91-13
22	Kotebe	Addis Ababa	Kotebe 02, Tena Tabiya Rahel Building	011-6-675447/09-10-31-20-18
23	Adeyabeba	Addis Ababa	Saris Adey Ababa Akababi	011-4-707648/09-37-06-97-84
24	Ayertena Girar	Addis Ababa	Infront of Ayer Tena Condomnium	011-3-694706/09-23-92-99-80

No.	Branch Name	City	Location	Branch Phone number
25	Meskel Flower	Addis Ababa	Hily Buliding around Meskel Flower	011-4-701453/09-11-75-30-10
26	Gulelle	Addis Ababa	In front of Federal Police Office	011-2-732429/09-10-66-05-92
27	Kidestmariam	Addis Ababa	5 kilo Science Faculty, Radical Academy building	011-1-544134/09-13-85-45-95
28	Lideta	Addis Ababa	Soliana Commercial Center Building	011-5-576961/09-12-07-91-52
29	Piassa	Addis Ababa	Piassa Mole Building	011-1-267445/09-13-15-31-24
30	Sidest Kilo	Addis Ababa	ILI(INTERNATIONAL Building	011-1-540528/09-11-89-25-15
31	Balderas	Addis Ababa	Balderas Condominium Building	011-6-674163/09-13-53-53-03
32	Autobis Tera	Addis Ababa	Autobis tera Abenem Building	011-2-734448/09-11-48-13-42
33	Gerji	Addis Ababa	Gerji in front of Taxey Tera	011-6-394047/09-12-23-65-22
34	Bole Micheal	Addis Ababa	Next to Natie Hotel	011-6-392311/09-11-93-98-14
35	Kirkos	Addis Ababa	In front of KIRKOS CHURCH	011-4-703421/09-13-09-85-98
36	Mehal Wollosefer	Addis Ababa	Medco Byo Medical Building, on the road from Wolo sefer to Gotera	09-10-71-16-38/09-12-23-65-22
37	Akaki	Addis Ababa	Beside Akaki Meberat Hail, at the center of the market	011-4-715102/09-11-99-18-36
38	Gotera	Addis Ababa	Infront of Gotera Akababi, near St. Yared church	011-4 -700146/09-11-75-30-10
39	Kebena	Addis Ababa	Infront of Kebena Square	011-1-260942/09-10-59-92-16
40	Yererber	Addis Ababa	Near to Jakros Square	011-6-675906/09-22-34-43-15
41	Enkulal Fabrica	Addis Ababa	Enkulal Fabrica Around Embilta Hotel	011-2-732406/09-13-22-13-44
42	Hanna Mariam	Addis Ababa	Infront of Hanna Mariam Church	011-4-710661/09-11-87-14-48
43	Gurd Shola	Addis Ababa	Ten Sister's Non-Governmental Organization Network Building	09-10-97-29-02
44	Shiromeda	Addis Ababa	Infront of USA Embassy	011-1-260980
45	Lebu	Addis Ababa	Sabh Spring Building Infront of Varnero Real State	011-4-713142/09-10-99-46-22
46	Semit Condominium	Addis Ababa	Semit Condominium Building	011-6-688104/09-12-99-38-75
47	Airport	Addis Ababa	Adjacent Brace Hospital, Bole Bridge	011-6-392472/09-28-11-81-00
48	Addisu Gebeya	Addis Ababa	Sheger Recreational Area ... BEAEKA Building.	011-1-727010/09-11-74-21-72
49	Bole Bulbula	Addis Ababa	INFRONT OF LEUL BUILDING	011-4-714478/09-12-99-02-23
50	Sefere Selam	Addis Ababa	Kegnazmach Wolde Ayenew and W/ro Mulunesh Wolkera Building, Kolfe	011-2-733318/09-13-42-19-86
51	Old Airport	Addis Ababa	Ander Zelale Building	011-3-847026/09-13-76-74-35
52	Furry	Addis Ababa	FURRY KENA MALL AROUND GELAN FURRY NOC	011-3-805146/09-11-80-70-91
53	Wossen	Addis Ababa	New Kotebe Kara Road around Wossen Grocery	011-6-678837/09-37-44-95-89
54	SIM	Addis Ababa	In front of Blake Line Hospital	011-5-576998/ 09-13-72-17-98
55	World Vision	Addis Ababa	World Vision Office	09-12-08-19-60
56	Hiwot	Addis Ababa	Near Africa Hibret, Kal Hiwot Church Head Office Building	011-5-573754/0910-931624
57	Ayat	Addis Ababa	Ayat Real State	011-6-390502/09-12-92-63-77
58	Hayahulet Gebriel	Addis Ababa	Around Kidus Gebriel General Hospital	011-6-672368/09-11-73-46-17
59	Sarbet	Addis Ababa	EGST Building (Sarbet Akababi)	011-3-692030/0913-05-87-46
60	Habtegiorgis	Addis Ababa	Seka Business Center Next to Kelifa Business Center	011-1-706125/09-21-61-06-48
61	Lem megenagna	Addis Ababa	Lem Megenagan Zelke Ena Welansa Building ዘለቀ እና ቀለልኝ ሀገግ	011-6-591169/09-21-46-38-19
62	Wuhalimat	Addis Ababa	HAYMI BUILDING NEAR TO HADDIS ALEMAYEHU SECONDARY SCHOOL.	011-6- 896036/09-10-71-18-19
63	Urael	Addis Ababa	In front of St. Urael church, Betewin Ahailealem Building	011-5- 584075/09-11-68-04-99
64	Summit Medhanalem	Addis Ababa	Ander Flint Stone Homes Real State	011-6-726800/09-11-56-69-76
65	Beklo Bet	Addis Ababa	In front of Global Hotel	011-4-704162/09-11-73-02-68
66	Mekanissa	Addis Ababa	Infront of Mekanisa Taxi Tera or My Pic Building	011-3-698335/09-13-00-86-70
67	Kara-allo	Addis Ababa	Yeka Abdo Mewucha Near to Bacha Segal Bet	011-6-680099/09-21-32-01-43

No.	Branch Name	City	Location	Branch Phone number
68	Cinema Ras	Addis Ababa	Hajie Legesse Building around Cinema Ras Akababie	011-2-733074/09-42-14-43-41
69	Beshale	Addis Ababa	Infront of GT Building around figa rood	011-6-677659/09-11-46-84-36
70	CMC Michael	Addis Ababa	Infront of CMC Michael Church	011-6-468507/09-13-57-83-89
71	Yeka Abado	Addis Ababa	Yeka Abdo Condominium Block 367	011-8-720780/09-23-77-37-07
72	Imperial	Addis Ababa	Infront of Chachew Hotel , ex Imperial hotel	011-6-674813/09-13-97-08-21
73	Tulu Dimtu	Addis Ababa	Tulu Dimitu Condominium Block 33/1-3 Infront of Square	011-4-627037/09-12-16-53-43
74	Olompiya	Addis Ababa	Infront of Denbel City Center	011-5-580782/09-11-141652
75	Mehal Summit	Addis Ababa	Near to Africa Hotel	011-6-682338/09 12 746047
76	ENDERASSIE	Addis Ababa	Near to Kokob Building	011-5-577397/09-12-10-65-48
77	MIERAB MERKATO	Addis Ababa	In front of Hordofa Building	011-2-733627/09-11-69-55-27
78	Geja Sefer	Addis Ababa	In front of Commercial Bank of Ethiopia Damboya Branch	011-2-735006/09-12-47-12-33
79	MERKATO HUNGNAW MERA	Addis Ababa	Arbaminch Secha Square Near to Ajip Oil Station	011-2-734838/09-13-58-36-57
80	BULBULA-MARIAM MAZORIA	Addis Ababa	Mena Bina building.	011-4-62-24-06/09-12-99-02-23
81	NIFAS SILK	Addis Ababa	Around Menaheria in front of Commercial Bank of Ethiopia Sire Branch	011-4-709138/09-12-67-14-45
82	Ayat Zone -3	Addis Ababa	Mexico, Commerce (Nigd Beauru Gibi)	011-6-390397/09-13-59-94-06
83	Lamberet	Addis Ababa	In front of Tabor Oda Hotel	011-6-675203/09-10-97-29-02
84	Atlas	Addis Ababa	Fiyel Bet Akababi	011-6-393527/09-11-02-39-72
85	Ferensay Gurara	Addis Ababa	In front of Nohe Oil Mobil Hotel building	011-1-549702/09-10-17-24-34
86	Signal	Addis Ababa	Near to Feltie Stone Homes Building, around Lideta Fird Bet	011-6-663245/09-11-72-73-75
87	Bole Arabssa	Addis Ababa	Around Akaki Alem Bank, beside Alem Bank Mosque	011-6-125679/09-12-14-39-38
88	Bisrate Gebriel	Addis Ababa	GERJI AREA, from Kadiso Hospital Road or Gerji Roba Dabo 300M at the right side near Gerji Mebrathail	011-3-690736/09-11-57-63-51
89	Kasanchis	Addis Ababa	Michael Square on Gezahegn Building	011-5-586940/09-12-72-47-88
90	Mekanissa Kore	Addis Ababa	In front Aduya Hotel on Agunta Kuter 2 Building	011-3-698856/09-24-40-65-70
91	Ayer Tena Adebabay	Addis Ababa	Building Yerga Building In front of Maru Engineering	011-3-693585/09-10976492
92	Ayat -72	Addis Ababa	Tesfaye W/giorgies Building in front of Hawasa Atote Traffic light	011-6-391272/09-11-64-35-52
93	Merkato Shera Tera	Addis Ababa	In front of Country Club Developers (CCD)	011-2-735335/09-13-61-82-28
94	Haile Garment Akababi	Addis Ababa	In front of COMERTIOL BANK	011-4-625802/09-11-85-61-92
95	Lebu Meberat Hail	Addis Ababa	Around 24 Next to Sidra Hotel	011-4-711132
96	Kolfe Atena Tera	Addis Ababa	From Gofa Gebriel to Mebrathaile Road at Gofa 12 Building	011-2-739508/09-20-27-96-82
97	Yeshi Debele	Addis Ababa	From Nigeria Embassy Road in front of Semien Hotel	011-3-697498/09-13-38-25-44
98	Alem Bank	Addis Ababa	In front of entrance to the new Adey Abeba Stadium	011-3-695551/09-10976492
99	HAILE GEBRE SELASSIE HIGHWAY	Addis Ababa	Bishoftu Town Near Kilole Hotel	011-2-362156/09-13-97-11-93
100	Gelan Condominium	Addis Ababa		011-4-715888
101	GORO	Addis Ababa	In front of D/Berhun Hotel, Teklu Building	011-6-683736/09-13-44-18-62
102	Summit Safari	Addis Ababa	Abera Building	011-6-683032/09-11-00-15-14
103	Lideta Fird Bet	South West Ethiopia	In front of Mizan Teppi University Teaching Hospital	0115-303122/09-12-07-91-52
104	Mekanisa Abo		At Ambo around new bus station or near Zonal high court	011-3-698579/09-13-00-86-70
105	Bulbula 93 Mazorya BRANCH	Addis Ababa	In front of Oil Libya gas station	011-4-621238/09-12-74-16-26
106	Jemmo Michael	Addis Ababa	In front of Gutie Hotel	011-3-698342/09-11-01-37-47

No.	Branch Name	City	Location	Branch Phone number
107	ARAT KILO	Addis Ababa	Near Homecho Primary Hospital	011-1-264329/09-13-85-45-95
108	Akaki Alem Bank	Addis Ababa	In Front of Ethiopia Hotel	011-4-710985/09-13-56-42-50
109	Sebategna	Addis Ababa	Dara Kebado Square in front of Behailu Hotel	011-2-734912/09-11-48-13-42
110	KERA GOFA MAZORYA	Addis Ababa	Melaku sefer Dr Mesfin building near to Lovely Café & Restaurant	011 -4-705388/09-11-94-94-38
111	Gerji Unity	Addis Ababa	Nifas Silk Lafto Woreda 01 in front of Mirror Factory	011-6-395072/09-13-10-05-67
112	HAYAHULET ADDIS HIWOT	Addis Ababa	In front of Desalegn Hotel, Beside European Union office	011-6-663891/09-13-19-40-71
113	Alfa	Addis Ababa	Sululta city - Coca area	011-3-694986 /09-10-69-81-76
114	Bole 24	Addis Ababa	Around 24 Next to Sidra Hotel	011-6-592910/09-41-22-56-17
115	Summit 72	Addis Ababa	SUMMIT 72 BRANCH	011-6-132741
116	Gofa Adebabay	Addis Ababa	Ato Abera Dagima Ture Building adjacent to Seran Mall	011-4-706104/09-13-74-95-50
117	Semien Hotel	Addis Ababa	Near to Sidama Bahil Adarash at Ker-Aud international Hotel building.	011-1-723187/09-11-02-99-94
118	Adey Abeba Stadium	Addis Ababa	Hawassa town, Dato - Kebele, Yantara Building	011-6-358728/09-11-24-26-88
119	Kotebe College	Addis Ababa	MERON Building	011-6-675447/09-10-31-20-18
120	Sebara Babur	Addis Ababa	Arrowed ZENEBEWORK-TABOTMADERIA	011-1-267515/09-13-01-03-62
121	Sholla Gebeya	Addis Ababa	On Marsa Hotel Building in front of Total Gas Station	011-6-586002/09-12-08-93-06
122	Garment Sefera	Addis Ababa	Around Lafto Mebrat	011-4-165038/09-61-88-91-99
123	Ayat 49	Addis Ababa	In front of Bale-Egziabher Church	011-6-390694/09-13-53-08-18
124	Abakoran	Addis Ababa	Danema Town beside CBE Danema branch	011-1-588995/09-12-35-58-35
125	Saris 58	Addis Ababa	In front of Mudula Adebabay	011-4-626742/09-11-87-14-48
126	European Union	Addis Ababa	Meneharia Sefer beside Bethesida Specialty Pediatric Clinic	011-6-66-2840/09-13-36-28-38
127	Goro Sefera	Addis Ababa		011-6-661951/09-94-37-33-72
128	Africa Hibret	Addis Ababa	At Gerji 40/60 condominium, in front of Gerji Mariam Church	011-5-577988/09-11-15-67-16
129	Summit	Addis Ababa	MERON Building	011-6-680558/09-11-00-15-14
130	Kara Kore	Addis Ababa	Bright College Kara Kore Campus Building	011-3-693904/09-23-92-99-80
131	Gofa Camp	Addis Ababa	Gofa Gebril round about to Gofa Camp	011-4-705359/09-11-37-99-31
132	18 Mazoria	Addis Ababa	Around 18 Mazoriya Near to NOCK Station Mekane Yesus Building	011-2-738386/09-12-15-27-09
133	Saris Abo	Addis Ababa	In front of Saris Abo Church Shewaye Building	011-4-707013/09-11-67-53-25
134	Abuware	Addis Ababa	Abuware square-in front of CBE Abuware branch	011-5-577992/09-11-33-71-49
135	Zenebework-Tabotmaderia	Addis Ababa	Arrowed ZENEBEWORK-TABOTMADERIA	011-3-696917/09-13-76-74-35
136	Washington Adebabay Branch	Addis Ababa	Around Washington Adebabay	011-4-629496/09-13-67-56-42
137	Figa Branch	Addis Ababa	Around Figa Traffic Lithe	011-6-597905/09-12-74-60-47
138	Ertu Lebu Branch	Addis Ababa	Lebu Musika Sefar	011-4-377586
139	Jacros Branch	Addis Ababa	JACROS on former Meta Breweries Building, next to Hadero coffee	011-6-668738/09-11-46-84-36
140	Arada	Addis Ababa	In front of Cinema Empire FAL Building	011-1-266768/09-13-15-31-24
141	Meri Loke	Addis Ababa	Lemi Kura	09-11-69-40-27
142	Sea'Lite Mihret	Addis Ababa	AROUND MAEDEN ENA ENERGY MINISTER AREA	011-6-675032/09-13-13-49-75
143	Lafto Mebrat	Addis Ababa	Around Lafto Mebrat	011-4-626940
144	Commerce	Addis Ababa	TEWLDE BUILDING, BESIDE ANTI CORRUPTION BUILDING	011-5-587458/09-13-74-31-56
145	Arada Giorgis	Addis Ababa	Dejache webe	011-1-267566/09-16-30-80-50
146	Goter Pepsi	Addis Ababa	In front of Gotera Pepsi Company inside Guava Addis Tower Bldg	011-4-709863
147	Paster	Addis Ababa	Pastor Square road to Kuasemeda	011-2-737134/09-10-18-28-38

No.	Branch Name	City	Location	Branch Phone number
148	Asko	Addis Ababa	On the way to Sansusi and to the right side of the road when going to Sansusi	011-2-740249/09-19-89-28-88
149	American Gibi	Addis Ababa	In front of Anwar Mosque	011-2-740114/09-48-78-70-52
150	Gerji Roba	Addis Ababa	Gerji Sunshine Apartment	011-6-395867/09-12-23-65-22
151	Kilinto	Addis Ababa	Beside Helina BKA Apartment and Commercial Center	011-4-513934/09-12-03-94-11
152	Sengatera	Addis Ababa	Around Back of health minister & in front of 40/60 Sengatera Condominium-Building name FEDENGOA MELSO MALMAT YEGBEYA MAHKEL	09-11-74-28-81
153	Gerji Mariam	Addis Ababa	At Gerji 40/60 condominium, in front of Gerji Mariam Church	011-6-395342/09-11-65-45-80

Afar

No.	Branch Name	City	Location	Branch Phone number
1	Logia Semera	Logia	Near to Medahnealem Church	033-5-501449/09-13-62-11-45
2	Awash Sebat Kilo	Awash Sebat Kilo	In front Guchiy Belwe Total Gas Station Mustefa Husime Building	022-2-240745/09-28-04-54-58

Amhara

No.	Branch Name	City	Location	Branch Phone number
1	Bahirdar	Bahir Dar	Infront of Tana commercial Bank	058-2-221119/09-13-74-48-42
2	Gonder	Gondar	INFRONT OF HULEGEB GEBEYA MAEKEL	058-1-112322/09-18-73-56-43
3	Dessie	Dessie Zuria	Salayish Akababi, Assfa Kassa Building	033-1-124578/09-22-54-83-77
4	D/Markos	Debre markos	Infront of NigusTeklehaimanot Square	058-7-712262/09-13-03-40-07
5	Emperor Tewodros	Gondar	Next to Gondar Cinema (Piassa)	058-2-110060/09-24-23-46-80
6	Belay Zeleke	Deberemarkos	Kodae Tera	058-1-780128/09-11-75-81-76
7	Gish Abay	Bahir Dar	Side by side of Millenium Cafe (bus-stop)	058-2-209568/09-11-01-55-21
8	Debre Berhan	Debre	Next to Bernos Hotel	011-6-375137/09-10-70-30-24
9	Woldia	Woldiya	In front of Lale Hotel	033-4-319457/09-10-03-53-85
10	Tossa	Dessie	Near to Dessie Bus station	033-3-122539/09-20-18-28-16
11	Kombolcha	Komblocha	In front of Shalome Clinic	033-3-51-16-67/09-14-75-23-02
12	Tana	Bahir Dar	Aziwa Building, near St. Giorgis Square	058-3-208075/09-10-16-38-28
13	Abay Mado	Bahir Dar	Hulgebe Akababi, around Abay Mado Gebeya	058-3-212473/09-18-06-37-42
14	Kobo	Kobo	Sebategna Near Abaziyo Hotel	033-3-341795/09-09-85-25-25
15	Shoa Robit	Shoa Robit	Besides Golaqol Building 1st Floor	033-6-642172/09-13-05-01-55
16	Debre Tabor	Debre Tabor	Besides Debabe Hotel and Loge	058-1-418970
17	Wereta	Woreta	At jiru road In front of Alem Hotel	058-4-461949/09-18-00-22-30
18	Mersa	Mersa	Around Menaharia	033-3-331178/09-14-15-64-70
19	Injibara	Injibara	In front of Dodola Square- Batiy Building	058-2-270001/09-04-92-91-81
20	DANGLA	Dangla	Ayat 49 condominium First Floor 40/60	058-2-212021/09-86-99-90-19
21	ARERTI	Arerti	Nifas Silk Lafto Woreda 01, Near Oromia condominium, Gara 72 area	022-2-230632/09-15-10-65-57
22	Dagmawi Menelik	Debre Brehan	At Wolaita Sodo town Wadu Area, Tefera building beside CBE Wadu branch	011-6-375482/09-28-36-85-30
23	Finote Selam	Finot Selam	Gurage Betekinet Building or in front of CBE	058-7-753261/09-53-45-36-90
24	Chagni	Chagni	At Koche Feche Condominium Beside to Woreda 09	058-2-252667/09-18-37-76-27
25	Burie	Burie	In front of Kola Shele Bus Station	058-7-741538/09-18-05-07-11
26	Gondar Maraki	Amhara	Around SHASH GARAJ	058-2-111435/09-18-04-65-85
27	Bichena	Bichena	Esmael H/Sano Building	058-6-650575/09-13-11-90-25
28	Atse Zerayakob	Debre Berhan	In front of Cinema Empire FAL Building	011-6-375541/09-10-70-30-24
38	Tulefa	Tulefa	Ato Gethune Building	09-12-47-39-17

No.	Branch Name	City	Location	Branch Phone number
39	Dansha	Dansha	In front of Dansha Kebele 01 Aba Mengestu Building	0991-244772
40	Mekane Selam	Mekane Selam	Ato, Solomon , Ato Bantalem and Ato Asmamaw Building	033-240-5369/5426

Benishangul

No.	Branch Name	City	Location	Branch Phone number
1	Assosa	Assosa	In front of Assosa Menhariya at Bamboo Hotel	057-7-751014/09-17-85-65-33

Central Ethiopia

No.	Branch Name	City	Location	Branch Phone number
1	Hossana	Hossana	Infront of Menhariya Ayale Earkano Building	046-5-552550/09-13-74-71-01
2	Shinshicho	Shinshicho	Infront of Shinshicho Hospital	046- 3-390719/09-16-28-34-14
3	Durame	Durame	Next to Wubet Hotel	046-5-541414/09-11-26-27-31
4	Halaba Kulito	Halaba	Girma Negatu Building in front of Warka Hotel	046-5-561885/09-26-12-81-69
5	Shone	Shone	In front of Firehiwot Hotel	046-5-530597/09-16-55-46-40
6	Butajira	Butajira	In front of Southern Sun Hotel, Tsegaye Building	046-1-455581/09-16-18-52-36
7	Gimbichu	Gimbichu	In front of Beasu Fekad Hotel, Tamen Building ታሙን ህተ	046-7-720611/09-28-69-96-81
8	Gombora	Hossana	Samuel Building In front of Gombora Taxi Mazoriya	046- 1-782470/09-16-72-91-15
9	Wolkite	Wolkite	Tariku Building Infront of Total Gas Station	011-3-659920/09-13-45-04-25
10	Hadero	Hadero	Infront of Hadero Ketema Astedader Police T/B	046-4-320758/09-30-75-63-47
11	Colonel Bezabih Petros Adebabay	Hossana	Besides Unity University, Building Excel Plastic	046-1-783720/09-12-38-96-55
12	Damboya	Damboya	Debre Berhan Town North Shewa zone Ajeb Sefer	046-2-450418/09-11-73-13-62
13	Arbaminch Secha	Arba Minch	In front of Shanto Marketing	046-1-819228/09-12-00-88-84
14	Gidole	Gidole	In front of Dimtu Health Center	046-7-740609/09-10-90-53-12
15	BUIE		In front of Beklo Segno Administration Office	046-8-830731
16	Professer Beyenne Petros		In front of Burie Mazegaja, Ato Nigussie Building	046-1-787882/09-12-36-61-29
17	Sodo Menaharia		GONDAR CITY MARAKI AREA/SUB CITY/ KEBELE 18 BETWEEN TANA HOTEL AND FLORIDA HOTEL	046-1-808547/09-12-35-36-44
18	Yirgalem	Yirgalem	Near Ejigayehu Hotel	046-2-252851
19	DOYOGENA	Doyogena	ATO AHIMED ALIYI BUILDING-INFRONT OF UNITED BANK	046-2-440460/09-26-43-40-08
20	Shanto	Shanto	Yekitie Hotel or Near to Abyssinia Bank	046-5-591556/09-10-99-46-61
21	Dimtu	Dimtu	HAWI BUILDING IN FRONT OF COMMERCIAL BANK OF	09-26-40-22-00
22	Gununo	Gununo	Around Gununo Addisu Marketing Area	046-2-720421/09-13-76-12-59
23	Gesuba	Gesuba	Meskelegna	025-5-521460/09-15-93-21-35
24	Homecho	Homecho	Lemi Kura	046-2-510505/09-16-74-96-35
25	Angecha	Bishoftu	In front of Agemaf Menafesha	046-3-400722/09-26-32-45-27
26	Agenna	Agenna	Ato Gethune Building	011-3-290401/09-16-38-44-02
27	Bonosha	Bonosha	In front of Sky fuel Station	046-4-530552
28	Kella	Kella	Fungu Building or in front of Tele office	046-3-229191/09-31-46-64-74
29	Danema	Sike Danema	Danema Town beside CBE Danema branch	046-5-530690/09-26-20-72-72
30	Mudula	Mudula	In front of Mudula Adebabay	046-2-35-0660/09-16-69-88-88
31	Nigist Eleni	Hossana	Assefa Eareberto Building	0461-787477 (0913-769202)
32	Shurmo	Shurmo		
33	Fonko	Fonko	In front of Fonko Kebele 01 -Maleas Tesema Building	0916-459366

Dire Dawa

No.	Branch Name	City	Location	Branch Phone number
1	Dire Dawa	Dire Dawa	Around Megala	025-4-113292/09-13-99-23-89

No.	Branch Name	City	Location	Branch Phone number
2	Dire Dawa Sabian	Dire Dawa	Near Circle hotel (9MM Hotel)	025-4-113292/09-13-99-23-89
3	Dire Dawa Meskelegna	Dire Dawa	In front of Adet City Administration Office	025-2-110999/09-12-16-62-17

Gambella

No.	Branch Name	City	Location	Branch Phone number
1	Gambella	Gambelia	In front of Kera Yegbya Makele	047-5-510379/09-10-66-83-86
2	Metti	Metti	Around Gofa zone Melokoza Woreda Laha Town in front of AratBer Adebabay	047-3-390536 /0912-43-80-51
3	Dima	Dima	Around Gambella region - Dima Town	0921-631298

Harar

No.	Branch Name	City	Location	Branch Phone number
1	Harar	Harere	Infront of Mebrat Hilile ya Gebey Makel Jusepy Building	025-4-66-1847/09-10-51-22-03
2	Hirena	Hirena	Hayahulet Gatahun Besha building	025-4-411642/09-25-29-15-09
3	Harar Hakim Branch	Harar	Around SHASH GARAJ	025-4-664808/09-10-51-22-03

Oromia

No.	Branch Name	City	Location	Branch Phone number
1	Adama	Adama	TEATAS International Hotel	022-1-125105/09-10-78-73-09
2	Shashemene	Shashemene	Hibret Leselam Real estate Building 1st Floor	046-1-100039/09-10-86-07-92
3	Bishoftu	Bishoftu	Infront of Bishoftu Technic College	011-4-330114/09-16-60-72-25
4	Alemgena	Alem Gena	Near Alemgena police station (at the left) & near High way office(at the right)	011-3-662191/09-10-43-88-62
5	Jimma	Jimma	Infront of Kemale Abedela Building	047-1-120292
6	Nekemte	Nekemte	In front of Desalegn Hotel	057-6-611702/09-13-51-94-06
7	Dukem	Dukm	YINA GRAND BUILDING	011-4-320324/09-11-96-84-78
8	Ambo	Ambo	Dawiye Metaferiy Metasebya Building	011-2-36-2667/09-12-14-74-61
9	Shashemene Arada	Arada	Rian ZDF Building	046-2-113141/09-16-48-00-84
10	Wolete	Wolete	Next to Tele Communication Building	011-4-628774/09-12-21-40-15
11	Welisso	Wolisso	Next to S/W/SH/Zone Police Office	011-3-664113/09-29-30-31-61
12	Adama Arada	Adama	In front of Hirna Addis Bar and Siqa Bet	022-2-111272/09-17-03-75-19
13	Torban Gerba	Bisofu Ketema	Torben Gerbe Markete Center Building	011-4-300480/09-13-51-46-29
14	Sebeta	Sebeta	Next to Tel Communication Building	011-3-662141/09-12-04-58-27
15	Dembi Dollo	Dembidollo	Nebyu Building	057-5-550251/09-13-34-47-66
16	Assela	Assela	City Mole Building	022- 2-380291/09-83-31-36-56
17	Gefersa Nono	Burayou	Burayu Ashewa Meda Akabaiy	011-2-601087/09-12-20-31-16
18	Mehal Adama	Adama	Around Mebrat Hail	022-2-110341/42
19	Jimma Aba Jifaar	Jimma	Next to SROM SIS Clinice	047-2-114334/09-17-27-48-86
20	Berecha Adama	Adama	Next to Mekonnen Zeit Bet	022-2-121248/09-11-34-19-77
21	Modjo	Modjo	In front of Meskely road	022-2-365453/09-12-23-71-03
22	Meki	Meki	Ander Tesfa Building	022-1-181872/09-13-58-85-20
23	Sululta	Sululta	Mulugeta Gebeywe Building around Kajima Akababie ሙሉጌታ ገበየሁ ህንፃ	011-1-617920/09-09-84-08-07
24	Batu	Batu	Near to Batu Mebrathaile Akababie	046-1- 410098/09-11-95-86-75
25	Holeta	Holeta	Jalela Building around 44 Akababie ጃሊላ ህንፃ	011-2-610601
26	Fitche	Fitche	Infront of Teferi SuperMarket (Beuftu Sellay Union) ቢፋቲ ስላላሌ የገበሬ ማህበር	011-1-609952/09-10-58-58-05
27	Burayu	Burayu	Infront of Burayu Mezeqaja	011-2-604986/09-21-99-99-56
28	Gebreguracha	Gebre Guracha	Under Park Hotel Building	011-1-311984/09-12-76-56-12
29	Bekoji	Bekoji	Huji Umer Ibrahim Building Near Ebsa Hotel	022-3-321419/09-21-85-40-06
30	Gimbi	Gibie	03 Kebele Akababie around ኦርጌ ባንክ	057-7- 712750/09-17-20-89-75

No.	Branch Name	City	Location	Branch Phone number
31	Nedjo	Nedjo	(የኅዳር) Yarosan Hotel Akababie Ato Deme Melashe Building	057-7-741601/09-12-25-22-40
32	Bedele	Bedele	Megebe Letena Building Infront of Menhuriya	047-4-452006/09-10-19-24-19
33	Metu	Mettu	Near to Darsan Hotel Tewodros Tades Hadgo Building	047-1-416855/09-17-04-77-87
34	Arsi Negele	Arsi Negele	In front of Shell Gas Station	046-1-163021/09-54-81-10-52
35	Bule Hora	Bule Hora	Near to Maida Clinic	046-4-431452/09-11-08-67-75
36	Chiro	Chiro	Around Kolfe Police Station	025-5-513107/09-23-94-46-13
37	Bale Robe	Bale Robe	Near To Axum Hotel	022-2-448545/09-10-06-78-80
38	Ginir	Ginir	Around Gambo Moyale Adebaye	022-6-641540/09-21-25-33-65
39	METEHAHA	Metehara	Adama Ras Hotel building	022-2-261297/09-10-40-45-48
40	Mendi	Mendi	Chenchu Square, Yimegn Building	057-7-760372/09-21-82-43-46
41	Shakiso	Shakiso	Dahilak Guest house around Selam building	046-3-341909/09-11-80-91-67
42	Adama Bole	Adama	In front of Goro school	022-2-122580/09-11-01-49-72
43	Chanco	Chanco	In front of Zebider International Hotel	011-8-811055/09-10-11-21-47
44	Anger Gute	Anger Gute	Birhanu Building In front of Haney Cake and Café	057-6-340647/09-17-03-86-58
45	Bako	Bako	TEBEJE MARKET CENTER BUILDING	057-6-651485/09-10-75-68-47
46	Negele	Negele	Around Gununo Addisu Marketing Area	046-4-452879/09-25-55-17-29
47	Sibu- Sire	Misrak Wolega Zone	In front of Gesuba Menhariya	057-6-6-80871/09-10-06-39-80
48	Shambu	Shambu	Finoteselam town near Damot Hotel	057-6-661785/09-12-07-10-72
49	Adama Ras	Adama	Around Kotebe College Fermata 1	022-2-115601/09-10-78-73-09
50	ANFO		Beside Agaro Police Station, Abedela Husaen Building	011-3-847515/09-11-02-77-34
51	Guder		Around Yohannes Church, Dera Commercial Center Building	011-2-820848/09-63-35-45-52
52	Bishoftu Tourist	Bishoftu	On Royal market center Building	011-4-304391/09-10-99-73-82
53	Adama Boku	Adama	Behind Fikir Sport	022-2-122579/09-10-41-64-87
54	GINCHI	Ginchi	Near Leku Primary Hospital	011-2-581048/09-12-03-12-05
55	ADAMA BOSSET	Adama	Near Angecha Menaharia	022-2-122615/09-54-70-13-16
56	LEGETAFO	Legetafo	Next to Amin General Hospital on Kidus Amanuel Building	011-6-688028/09-12-26-35-26
57	Jemo 2	Jemo 2	ADDIS ABABA, GORO SEFERA NEAR GORO SEFERA MARKET AREA	011-3-802078
58	Chukala	Bishoftu	In front of Zelalem Building	
59	Babille	Babille	Around 18 Mazoriya Near to NOCK Station Mekane Yesus Building	025-6-590639/09-23-33-03-33
60	Agaro	Agaro	Beside Agaro Police station, Abedela Husaen Building	047-2-210600/09-17-83-14-82
61	Qetteerro	Ambo	Around Washington Adebabay	011-2-609469/09-94-80-72-77
62	Sheno	Sheno	Tebassie	011-6-871989/09-10-21-74-31
63	Sagure	Sagure	Lebu Musika Sefar	022-3-380948/09-11-04-07-14
64	Iteya	Iteya	Around CBE Shashemene	022-3-350944/09-12-26-17-14
65	Gefersa Guje	Burayu	In front of Alamura Secondary & Primary School	011-2-615666/09-11-52-22-92
66	Leka	Nekemt	AROUND MAEDEN ENA ENERGY MINISTER AREA	057-6-600709/09-11-91-79-57
67	Dodola	Mede Wabe	Mitigogo Hotel Near bY	022-2-400946
68	Bale Goba	Oromia	TEWLDE BUILDING, BESIDE ANTI CORRUPTION BUILDING	022-2-465612/09-20-07-34-07
59	Babille	Babille	Around 18 Mazoriya Near to NOCK Station Mekane Yesus Building	025-6-590639/09-23-33-03-33
60	Agaro	Agaro	Beside Agaro Police station, Abedela Husaen Building	047-2-210600/09-17-83-14-82
61	Qetteerro	Ambo	Around Washington Adebabay	011-2-609469/09-94-80-72-77
62	Sheno	Sheno	Tebassie	011-6-871989/09-10-21-74-31

No.	Branch Name	City	Location	Branch Phone number
63	Sagure	Sagure	Lebu Musika Sefar	022-3-380948/09-11-04-07-14
64	Iteya	Iteya	Around CBE Shashemene	022-3-350944/09-12-26-17-14
65	Gefersa Guje	Burayu	In front of Alamura Secondary & Primary School	011-2-615666/09-11-52-22-92
66	Leka	Nekemt	AROUND MAEDEN ENA ENERGY MINISTER AREA	057-6-600709/09-11-91-79-57
67	Dodola	Mede Wabe	Mitigogo Hotel Near bY	022-2-400946
68	Bale Goba	Oromia	TEWLDE BUILDING, BESIDE ANTI CORRUPTION BUILDING	022-2-465612/09-20-07-34-07
69	Shufune	Sululta	-	011-1-86-73-43/09-15-58-07-37
70	Ketta	Burayu	In front of Gotera Pepsi Company inside Guava Addis Tower Bldg	011-2-625496/09-10-16-34-05
71	Ejere	Addisalem	Pastor Square road to Kuasemeda	011-2- 830714/09-20-58-43-02
72	Muke-Turi	Muke Turi	On the way to Sansusi and to the right side of the road when going to Sansusi	011-1-3-41084/09-21-62-51-10
73	Tulu Bolo	Oromia	Wolaita Sodo town around of Arada Adebabay	011-3-422198/09-31-68-82-18
74	Shenen Gibe	Jimma	Around Yeteberu, Galib building, in front of al-hadi building	0472-113947/09-13-90-67-96
75	Koye Feche	Oromia	At Koche Feche Condominium Beside to Woreda 09	011-4-356481/09-17-47-84-89
76	Adama Dembela	Adama	Esmael H/Sano Building	022-2-111083/09-11-14-12-89
77	Shashemene Mobil	Shashemene	Around CBE Shashemene	046-2-111898/09-20-44-22-43
78	Arsirobe	Arsirobe	In front of Robe Secondary School 2nd	022-2-42-53-44/09-10-80-25-70
79	Ada'a	Bishoftu	In front of Agemaf Menafesha	011-4-30-38-30/09-13-09-62-80
80	Melka Gefersa	Burayu	In front of Melka Gefersa	09-12-15-27-09
81	Adola Woyu	Oromia	-	046-3-351776/09-16-18-45-81
82	Adaba	Adaba	Besides Adaba Gas station	022-6-631350/09-25-52-06-14
83	Uke	Uke	Around Guto- Gida Woreda Office	0922-194591
84	Sedecha	Jimma	In front of Sojat Dabo	0912-389687
85	Bedesa	Bedesa	In front of Cooperative Bank of Oromia	0913-837414
86	Mizan	Sheger	Beside Abotey Yagbeya Makel	2519-67-80-30-90

Sidama

No.	Branch Name	City	Location	Branch Phone number
1	Wondo Genet	Wondo Genet	Lebu Mebrat Adebabay	046-1-140551/09-10-11-99-47
2	HAWASSA ATOTE	Hawassa	In front of Bale Goba Police Station	046-2-121520/09-16-04-47-47
3	Aleta Chuko	Chuko	Kidane Mihret Tsebel Area	046-2-270943/09-26-14-85-01
4	Shaffeta	Hawassa	JACROS on former Meta Breweries Building, next to Hadero coffee	046-2-129625/09-16-16-28-78
5	Leku	Leku	In front of Robe Secondary School 2nd	046-2-260232/09-37-28-80-18
6	Dara Kebado	Kebado	In front of Tenaw Eneyew Building	046-6-600366/09-16-81-20-31
7	Dato	Hawassa	Gerji Sunshine Apartment	046-2-128791/09-16-06-91-65
8	Hawassa Referral	Hawassa	Around Hawassa Referral Hospital	09-51-73-72-70/09-16-85-14-19
9	Hawassa	Hawassa	Infront of St. Gebrial Church	046-2-209620/09-11-74-60-61
10	Arab Sefer	Hawassa	In front of Woliso Hotel Beside Misrak hotel	046-2-125205/09-28-68-19-86
11	Hawassa Menaheria	Hawassa	In front of Wanza Adbabay	046-2-205706/09-12-40-21-88
12	Bensa Daye	Hawassa	Almitu Building	046-3-370531/09-16-64-78-93
13	Aletawondo	Alete Wendo	In front of Menhariya Ayale Earkano Building	046- 2-241313/09-12-98-62-08
14	Hawassa Alamura	Hawassa	In front of Alamura Secondary & Primary School	046-2-219418/09-11-53-79-89

Somali

No.	Branch Name	City	Location	Branch Phone number
1	Jiqiqa	Jiqiqa	Hussen Eseyd Bulding	025-2-780505/09-11-03-44-67

No.	Branch Name	City	Location	Branch Phone number
2	Moyale		Gara Godo town in front of Gara-Godo local market	046-4-441726/09-48-61-03-32

South Ethiopia

No.	Branch Name	City	Location	Branch Phone number
1	Wolaita Sodo	Wolaita	Infront of Bekele Molae or Mulu-Organo Building	046-1-800035/09-26-40-50-60
2	Arbaminch	Arbaminch	Infront of Maleda Megbe Bet	046-8-814854/09-16-30-18-37
3	Boditi	Boditi	In front of CBE	046-5-590970/09-17-28-16-78
4	Sawula	Beycha	Near to Selame Hotel Megenagna Kebele	046-7- 770742/09-16-45-18-66
5	Jinka	Jinka	Jinka Square Infront of CBE Gesh Branch	046-7-751871/09-10-17-18-85
6	Areka	Areka	Abebe Building Near to Yeshe Bar and Restaurant	046-5-52-13-26/09-13-76-12-59
7	Dilla	Bedecha	Near to Meden Building under Ya Dilla Wbet Building	046-1-315467/09-16-51-97-68
8	CHENCH	Chencha	Humbo town 02 Gebeya Sefer	046-7-760718/09-16-57-97-90
9	Gara Godo	Gara Godo	In front of Sky fuel Station	09-26-66-21-12
10	Humbo	Tebela	Bright College Kara Kore Campus Building	046-4-610880
11	Birbir	Birbir	Gofa Gebriel round about to Gofa Camp	046-4-520452/09-10-57-93-32
12	Beklo Segno	Wolayita	Around Yetebaberu, Galib building, in front of al-hadi building	011-4-704162
13	Bele Awassa	Bele	Fungu Building or in front of Tele office	046-4-500305/09-12-24-46-77
14	Melokoza	Gamo Gofa	In Front of Tseday Bank	046-7-779553/09-23-85-94-43
15	Wadu	Sodo	Beside Helina BKA Apartment and Commercial Center	046-1-801392/09-12-70-66-13
16	Kola- Shele	Kola shele	In front of Kola Shele Bus Station	09-12-02-48-02
17	Deraro Branch	Dilla	On Marsa Hotel Building in front of Total Gas Station	046-1-310625/09-28-86-84-63
18	Sodo Arada	Sodo	Wolaita Sodo town around of Arada Adebabay	046-1-806615/09-12-24-21-11
19	Mizan Teferi	Mizan Teferi	Mekanyesus bethel building	047-1-350000/09-17-87-77-19
20	Dawro	Dawuro	Infront of Menhariya (Dawuro Limate Mahuber)	047-3-450536/09-16-55-80-43
21	Bonga	Bonga	Infront of Greenview Hotel (Gezhuiy Gudy Building)	047-3-312425/09-17-75-87-38
22	Teppi	Teppi	Around Sheka Zone Akababi	047-5-563021/09-16-31-29-31
23	Mizan Aman	Mizan Aman	Abuware square-in front of CBE Abuware branch	047-3-360787
24	Yirga cheffe	Yirga Cheffe	Meneharia Sefer beside Bethesida Specialty Pediatric Clinic	046-3-321639/09-16-33-47-02

Tigray

No.	Branch Name	City	Location	Branch Phone number
1	Mekelle	Mekele	Romante Akababiy Infront of Lucy Hotel	034-4-402470/09-14-77-63-86
2	Shire	Shire Endeselassie	Nearest to market or behind The bus station Shire Bushina and Feeweyni H/SH/ Mahber Bulding	034-4-443667/09-14-78-19-84
3	Humera	Humera	Huftome Amare Building	034-2-480070/09-10-20-14-71
4	Adi Haki	Mekel	Woreda Tabya-Hawltiy	033-4-407100/09-02-53-14-94
5	Adigrat	Adigrat	Near Alemu Teklu Hotel	034-2-451731
6	Adwa	Adwa	Next to Smhule Hotel	034-2-710432/09-74-59-06-05
7	Axum	Axum	TSHAY BERKI AMBASADER HOTEL	034-2-753924/09-14-77-78-01
8	Wukro	Wukro	In front of Capital Hotel Wukro	034- 4434210/09-12-36-85-31

No.	Branch Name	City	Location	Branch Phone number
9	Alamata	Alamata	At the main road to mohoni-mekelle street, behind to the local market	034-7-741306/09-20-86-11-22
10	Adi Hawsi	Mekelle	Infront of Adi Hawsi Ya Gebeye Makel	034-2-412511/09-14-76-92-59
11	Mekelle Hawzen Adebabay	Mekelle	In front of Pila Square	034-2-415614/09-14-01-13-11

Branches POS by Region

Branch POS List

Note: The list below is the Bank's register of branch POS terminals and shows the status recorded when the register was compiled. Following a change in the Bank's POS strategy, 21 POS terminals were active as at 31 March 2026 (Section 2.2.1.10). The Bank had 301 POS terminals at 30 June 2024 and 241 at 30 June 2025 (Section 7.5).

S/N	Branch POS Name	Owning Branch	District	Cluster	Status
1	BOLE BRANCH POS	BOLE Branch	East Addis District	Bole Cluster	Active
2	BOLE BULBULA BRANCH POS	BOLE BULBULA Branch	East Addis District	Bole Cluster	Active
3	BULBULA-MARIAM-MAZORIA BRANCH POS	BULBULA-MARIAM-MAZORIA Branch	East Addis District	Bole Cluster	Active
4	GELANE CONDOMINIUM BRANCH POS	GELANE CONDOMINIUM Branch	East Addis District	Bole Cluster	Active
5	HANA MARIAM BRANCH POS	HANA MARIAM Branch	East Addis District	Bole Cluster	Active
6	KALITY BRANCH POS	KALITY Branch	East Addis District	Bole Cluster	Active
7	SARIS ABO BRANCH POS	SARIS ABO Branch	East Addis District	Bole Cluster	Active
8	GERJI MEBRAT HAIL BRANCH POS	GERJI MEBRAT HAIL Branch	East Addis District	Goro Cluster	Active
9	GORO SEFERA BRANCH POS	GORO SEFERA Branch	East Addis District	Goro Cluster	Active
10	Autobus Tera BRANCH POS	Autobus Terra Branch	West Addis District	Merkato Cluster	Active
11	KOYE FECHE BRANCH POS	KOYE FECHE Branch	East Addis District	Goro Cluster	Active
12	MEHAL SUMMIT BRANCH POS	MEHAL SUMMIT Branch	East Addis District	Goro Cluster	Active
13	SUMMIT MEDHANIYALEM BRANCH POS	SUMMIT MEDHANIYALEM Branch	East Addis District	Goro Cluster	Active
14	ADAMA BERECHA BRANCH POS	ADAMA BERECHA Branch	East District	Adama Cluster	Active
15	ADAMA BOKU BRANCH POS	ADAMA BOKU Branch	East District	Adama Cluster	Active
16	BEKOJI BRANCH POS	BEKOJI Branch	East District	Adama Cluster	Active
17	METEHARA BRANCH POS	METEHARA Branch	East District	Adama Cluster	Active
18	ARERTI BRANCH POS	ARERTI Branch	East District	Bishoftu Adama Cluster	Active
19	BISHOFTU BRANCH POS	BISHOFTU Branch	East District	Bishoftu Adama Cluster	Active
20	BISHOFTU TOURIST BRANCH POS	BISHOFTU TOURIST Branch	East District	Bishoftu Adama Cluster	Active
21	DUKEM BRANCH POS	DUKEM Branch	East District	Bishoftu Adama Cluster	Active
22	MEHAL ADAMA BRANCH POS	MEHAL ADAMA Branch	East District	Bishoftu Adama Cluster	Active
23	MEKI BRANCH POS	MEKI Branch	East District	Bishoftu Adama Cluster	Active
24	TORBEN GERBE BRANCH POS	TORBEN GERBE Branch	East District	Bishoftu Adama Cluster	Active
25	CHIRO BRANCH POS	CHIRO Branch	East District	Diredawa Cluster	Active
26	DIRE DAWA BRANCH POS	DIRE DAWA Branch	East District	Diredawa Cluster	Active
27	DIRE DAWA BRANCH POS	DIRE DAWA Branch	East District	Diredawa Cluster	Active
28	DIRE DAWA MESKELEGNA BRANCH POS	DIRE DAWA MESKELEGNA Branch	East District	Diredawa Cluster	Active
29	GELEMSO BRANCH POS	GELEMSO Branch	East District	Diredawa Cluster	Active
30	HARAR BRANCH POS	HARAR Branch	East District	Diredawa Cluster	Active
31	BOLE 24 BRANCH POS	BOLE 24 Branch	North Addis District	Kazanchis Cluster	Active
32	EUROPEAN UNION BRANCH POS	EUROPEAN UNION Branch	North Addis District	Kazanchis Cluster	Active
33	FERENSAY GURARA BRANCH POS	FERENSAY GURARA Branch	North Addis District	Kazanchis Cluster	Active
34	GURD SHOLA BRANCH POS	GURD SHOLA Branch	North Addis District	Kazanchis Cluster	Active
35	HAYAHULET MAZORIA BRANCH POS	HAYAHULET MAZORIA Branch	North Addis District	Kazanchis Cluster	Active
36	IMPERIAL BRANCH POS	IMPERIAL Branch	North Addis District	Kazanchis Cluster	Active
37	MEHAL HAYAHULET BRANCH POS	MEHAL HAYAHULET Branch	North Addis District	Kazanchis Cluster	Active
38	SIDIST KILO BRANCH POS	SIDIST KILO Branch	North Addis District	Kazanchis Cluster	Active

S/N	Branch POS Name	Owning Branch	District	Cluster	Status
39	AYAT 72 BRANCH POS	AYAT 72 Branch	North Addis District	Yekabado Cluster	Active
40	DEBRE BERHAN BRANCH POS	DEBRE BERHAN Branch	North Addis District	Yekabado Cluster	Active
41	ENDERASE BRANCH POS	ENDERASE Branch	North Addis District	Yekabado Cluster	Active
42	KOTEBE COLLEGE BRANCH POS	KOTEBE COLLEGE Branch	North Addis District	Yekabado Cluster	Active
43	LAMBERET BRANCH POS	LAMBERET Branch	North Addis District	Yekabado Cluster	Active
44	SHENO BRANCH POS	Sheno Branch	North Addis District	Yekabado Cluster	Active
45	WOSSEN BRANCH POS	WOSSEN Branch	North Addis District	Yekabado Cluster	Active
46	ABAY MADO BRANCH POS	ABAY MADO Branch	North District	Bahirdar Cluster	Active
47	BAHRDAR BRANCH POS	BAHRDAR Branch	North District	Bahirdar Cluster	Active
48	GISHABAY BRANCH POS	GISHABAY Branch	North District	Bahirdar Cluster	Active
49	GONDER BRANCH POS	GONDER Branch	North District	Bahirdar Cluster	Active
50	KOBO BRANCH POS	KOBO Branch	North District	Bahirdar Cluster	Active
51	ADIGRAT BRANCH POS	ADIGRAT Branch	North District	Mekelle Cluster	Active
52	ADIHAKI MEKELE BRANCH POS	ADIHAKI MEKELE BRANCH	North District	Mekelle Cluster	Active
53	ALULA ABANEGA BRANCH POS	ALULA ABANEGA Branch	North District	Mekelle Cluster	Active
54	MEKELLE HAWZEN ADEBABAYE BRANCH POS	MEKELLE HAWZEN ADEBABAYE Branch	North District	North Mekelle Cluster	Active
55	ALFA BRANCH POS	ALFA Branch	South Addis District	Ayertena Cluster	Active
56	AYERTENA GIRAR BRANCH POS	AYERTENA GIRAR Branch	South Addis District	Ayertena Cluster	Active
57	LEBU MEBRATHAIL BRANCH POS	LEBU MEBRATHAIL Branch	South Addis District	Ayertena Cluster	Active
58	MEKANISA ABO BRANCH POS	MEKANISA ABO Branch	South Addis District	Ayertena Cluster	Active
59	MEKANISSA KORE BRANCH POS	MEKANISSA KORE Branch	South Addis District	Ayertena Cluster	Active
60	WOLETE BRANCH POS	WOLETE Branch	South Addis District	Ayertena Cluster	Active
61	ZENEBEWORK-TABOTMADERIA BRANCH POS	ZENEBEWORK-TABOTMADERIA Branch	South Addis District	Ayertena Cluster	Active
62	AFRICA HIBRET BRANCH BRANCH POS	AFRICA HIBRET	South Addis District	Kera Cluster	Active
63	BEKELOBET BRANCH POS	BEKELOBET BRANCH Branch	South Addis District	Kera Cluster	Active
64	GENET (Saromaria) BRANCH POS	GENET Branch	South Addis District	Kera Cluster	Active
65	GOTERA BRANCH POS	GOTERA Branch	South Addis District	Kera Cluster	Active
66	LIDETA FIRED BET BRANCH POS	LIDETA FIRED BET Branch	South Addis District	Kera Cluster	Active
67	ALETA CHUKO BRANCH POS	ALETA CHUKO Branch	South District	Hawasa Cluster	Active
68	ALETA WENDO BRANCH POS	ALETA WENDO Branch	South District	Hawasa Cluster	Active
69	ARSI NEGELE BRANCH POS	ARSI NEGELE Branch	South District	Hawasa Cluster	Active
70	BAHIL ADARASH BRANCH POS	BAHIL ADARASH Branch	South District	Hawasa Cluster	Active
71	BALE GOBA BRANCH POS	BALE GOBA Branch	South District	Hawasa Cluster	Active
72	BALE ROBE BRANCH POS	BALE ROBE Branch	South District	Hawasa Cluster	Active
73	BENSADAYE BRANCH POS	BENSADAYE Branch	South District	Hawasa Cluster	Active
74	BULE HORA BRANCH POS	BULE HORA Branch	South District	Hawasa Cluster	Active
75	DERARO BRANCH POS	DERARO Branch	South District	Hawasa Cluster	Active
76	DODOLA BRANCH POS	DODOLA Branch	South District	Hawasa Cluster	Active
77	GINIR BRANCH POS	GINIR Branch	South District	Hawasa Cluster	Active
78	LEKU BRANCH POS	LEKU Branch	South District	Hawasa Cluster	Active
79	NEGELE BRANCH POS	NEGELE Branch	South District	Hawasa Cluster	Active
80	SHAKISO BRANCH POS	SHAKISO Branch	South District	Hawasa Cluster	Active
81	SHASHEMENE AWASHO BRANCH POS	SHASHEMENE AWASHO Branch	South District	Hawasa Cluster	Active
82	WONDO GENET BRANCH POS	WONDO GENET Branch	South District	Hawasa Cluster	Active
83	YIRGALEM BRANCH POS	YIRGALEM Branch	South District	Hawasa Cluster	Active
84	ANGECHA BRANCH POS	ANGECHA Branch	Central Ethiopia District	Hosaina Cluster	Active
85	BUTAJIRA BRANCH POS	BUTAJIRA Branch	Central Ethiopia District	Hosaina Cluster	Active
86	DAMBOYA BRANCH POS	DAMBOYA Branch	Central Ethiopia District	Hosaina Cluster	Active
87	DARAKEBADO BRANCH POS	DARAKEBADO Branch	South District	Hawasa Cluster	Active
88	DOYEGENA BRANCH POS	DOYEGENA Branch	Central Ethiopia District	Hosaina Cluster	Active
89	GIMBICHO BRANCH POS	GIMBICHO Branch	Central Ethiopia District	Hosaina Cluster	Active

S/N	Branch POS Name	Owning Branch	District	Cluster	Status
90	HADERO BRANCH POS	HADERO Branch	Central Ethiopia District	Hosaina Cluster	Active
91	HOSAENA ADEBABAYE/COLENEL BEZABIH BRANCH POS	HOSAENA ADEBABAYE/COLENEL BEZABIH Branch	Central Ethiopia District	Hosaina Cluster	Active
92	HOSSAENA MOBILE/PR BEYENE PETROS BRANCH POS	HOSSAENA MOBILE/PR BEYENE PETROS Branch	Central Ethiopia District	Hosaina Cluster	Active
93	WOLKITE BRANCH POS	WOLKITE Branch	South District	Hosaina Cluster	Active
94	BEKLOSEGNO BRANCH POS	BEKLOSEGNO Branch	South District	Wolita Cluster	Active
95	BIRBIR BRANCH POS	BIRBIR Branch	South District	Wolita Cluster	Active
96	DIMTU BRANCH POS	DIMTU Branch	South District	Wolita Cluster	Active
97	GARAGODO BRANCH POS	GARAGODO Branch	South District	Wolita Cluster	Active
98	GIDOLE BRANCH POS	GIDOLE Branch	South District	Wolita Cluster	Active
99	GUNUNO BRANCH POS	GUNUNO Branch	South District	Wolita Cluster	Active
100	HUMBO BRANCH POS	HUMBO Branch	South District	Wolita Cluster	Active
101	JINKA BRANCH POS	JINKA Branch	South District	Wolita Cluster	Active
102	SAWELA BRANCH POS	SAWELA Branch	South District	Wolita Cluster	Active
103	SHANTO BRANCH POS	SHANTO Branch	South District	Wolita Cluster	Active
104	AMEDE GEBEYA BRANCH POS	AMEDE GEBEYA Branch	West Addis District	Merkato Cluster	Active
105	CINEMA RAS BRANCH POS	CINEMA RAS Branch	West Addis District	Merkato Cluster	Active
106	DIR TERA BRANCH POS	DIR TERA Branch	West Addis District	Merkato Cluster	Active
107	MERKATO SHERA TERA BRANCH POS	MERKATO SHERA TERA Branch	West Addis District	Merkato Cluster	Active
108	MESALEMIA BRANCH POS	MESALEMIA Branch	West Addis District	Merkato Cluster	Active
109	MIRAB MERKATO BRANCH POS	MIRAB MERKATO Branch	West Addis District	Merkato Cluster	Active
110	ABAKORAN BRANCH POS	ABAKORAN Branch	West Addis District	Piassa Cluster	Active
111	ASKO BRANCH POS	ASKO Branch	West Addis District	Piassa Cluster	Active
112	PIASSA BRANCH POS	PIASSA Branch	West Addis District	Piassa Cluster	Active
113	SEMEN HOTEL BRANCH POS	SEMEN HOTEL Branch	West Addis District	Piassa Cluster	Active
114	AGARO BRANCH POS	AGARO BRANCH	West District	Jimma Cluster	Active
115	BEDELE BRANCH POS	BEDELE Branch	West District	Jimma Cluster	Active
116	BONGA BRANCH POS	BONGA Branch	West District	Jimma Cluster	Active
117	METTI BRANCH POS	METTI Branch	West District	Jimma Cluster	Active
118	METTU BRANCH POS	METTU Branch	West District	Jimma Cluster	Active
119	MIZAN TEFERI BRANCH POS	MIZAN TEFERI Branch	West District	Jimma Cluster	Active
120	SEKORU BRANCH POS	SEKORU Branch	West District	Jimma Cluster	Active
121	SHENEN GIBE BRANCH POS	SHENEN GIBE Branch	West District	Jimma Cluster	Active
122	TEPPI BRANCH POS	TEPPI Branch	West District	Jimma Cluster	Active
123	DEMBIDOLO BRANCH POS	DEMBIDOLO Branch	West District	Nekemte Cluster	Active
124	GIMBI BRANCH POS	GIMBI Branch	West District	Nekemte Cluster	Active
125	LEKA BRANCH POS	LEKA Branch	West District	Nekemte Cluster	Active
126	NEDJO BRANCH POS	NEDJO Branch	West District	Nekemte Cluster	Active
127	SHAMBU BRANCH POS	SHAMBU Branch	West District	Nekemte Cluster	Active
128	SIBU-SIRE BRANCH POS	SIBU-SIRE Branch	West District	Nekemte Cluster	Active
129	BUIE BRANCH POS	Buie Branch	West District	Sheger Cluster	Active
130	BURAYU BRANCH POS	BURAYU Branch	West District	Sheger Cluster	Active
131	CHANCHO BRANCH POS	CHANCHO Branch	West District	Sheger Cluster	Active
132	FITCHE BRANCH POS	FITCHE Branch	West District	Sheger Cluster	Active
133	GEBRE GURACHA BRANCH POS	GEBRE GURACHA Branch	West District	Sheger Cluster	Active
134	GEFERSA NONO BRANCH POS	GEFERSA NONO Branch	West District	Sheger Cluster	Active
135	GINCHI BRANCH POS	GINCHI Branch	West District	Sheger Cluster	Active
136	GUDER BRANCH POS	GUDER Branch	West District	Sheger Cluster	Active
137	SHUFUNE BRANCH POS	SHUFUNE Branch	West District	Sheger Cluster	Active
138	SULULTA BRANCH POS	SULULTA Branch	West District	Sheger Cluster	Active
139	WOLISO BRANCH POS	WOLISO Branch	West District	Sheger Cluster	Active
140	Alamata BRANCH POS	Alamata Branch	North District	Mekelle Cluster	Active

S/N	Branch POS Name	Owning Branch	District	Cluster	Status
141	Chencha Branch BRANCH POS	Chencha Branch	South District	Wolita Cluster	Active
142	Dessie BRANCH POS	Dessie Branch	North District	Bahirdar Cluster	Active
143	Mehal Adama BRANCH POS	Mehal Adama Branch	East District	Adama Cluster	Active
144	MERKATO HUNGNAW MERA BRANCH POS	Merkato Hunegnaw Mera Branch	West Addis District	Merkato Cluster	Active
145	tekelhaymanot BRANCH POS	tekelhaymanot branch	West Addis District	Merkato Cluster	Active

Merchant POS List

S/N	Merchant POS	Owning Branch	District	Cluster	Deployed Location	Status
1	Rosmary trading POS	Airport Branch	East Addis District	Bole Cluster	Rosmary trading POS	Active
2	Bentark Hotel POS	Airport Branch	East Addis District	Bole Cluster	Bole Brass inside Bentark Hote	Active
3	YIDRESU GEZU ALEMU POS	Gerji Branch	East Addis District	Bole Cluster	Sar Bet inside Kebede G/ Wold Butchery	Active
4	Samuel Masresha POS	Summit Medhaniyalem Branch	East Addis District	Goro Cluster	Summit 72 inside Samuel Beauty Salon & Spa	Active
5	Natani cafe and restaurant pos 1	Bole Branch	East Addis District	Bole Cluster	Bole millineum inside Natani cafe and restaurant	Active
6	Natani cafe and restaurant pos 2	Bole Branch	East Addis District	Bole Cluster	Atalas inside Natani cafe and restaurant	Active
7	ROBEL KELATI TEKESTE POS	Hanna Mariam Branch	East Addis District	Bole Cluster	Hanna Mariam inside ROBEL KELATI TEKEST	Active
8	Spanish Cafe and Restaurant POS	Airport Branch	East Addis District	Bole Cluster	Bole brass inside Spanish Cafe and Restaurant	Active
9	TIRI CATERING P.L.C POS	Bulbula 93 Mazorya	East Addis District	Bole Cluster	Bole Bulbula inside Angla \burger	Active
10	Velvet Lounge POS	Bole Branch	East Addis District	Bole Cluster	Bole Tk Building inside Velvet Lounge POS	Active
11	Central Supermarket Plc_POS	Wolosefer Branch	East Addis District	Bole Cluster	Wolosefer inside Central Supermarket	Active
12	RANK FAMILY PLC POS	Wolosefer Branch	East Addis District	Bole Cluster	Wolosefer inside RANK Clinic	Active
13	Lanset Health Service	Airport Branch	East Addis District	Bole Cluster	Bole inside Lanset Health Service	Active
14	Yerer Hospital POS	Goro Branch	East Addis District	Goro Cluster	Yerer inside Yerer Hospital	Active
15	Oda Kitfo POS	Airport Branch	East Addis District	Bole Cluster	Bole brass inside Oda Kitfo POS	Active
16	ICMC Hospital POS	Bole Branch	East Addis District	Bole Cluster	Kotebe kidanemehiret inside ICMC hospital	Active
17	Eyuel Mulugeta Girma POS	Lideta Branch	South Addis District	Ayertena Cluster	Around Saris Kadisko inside Eyuel Mulugeta Building Maretials shop	Active
18	Kategna Restaurant POS	Meskel Flower	South Addis District	Kera Cluster	Gotera inside Kategna Restaurant POS	Active
19	Lebu-Soul Fitness and Wellness PLC POS	Lebu Branch	South Addis District	Ayertena Cluster	Lebu Gara Mart inside Soul Fitness and Wellness	Active
20	Mussie Birhanu Teshale POS	Genet Branch	South Addis District	Kera Cluster	Bulgaria Mazoria inside Mussie Birhanu Building Matreial	Active
21	Sabeh World POS	Gofa Camp Branch	South Addis District	Kera Cluster	Mexico Around AU inside Sabeh World Cafeteria	Active
22	Saromaria Hotel pos	Genet Branch	South Addis District	Kera Cluster	Bole Medhanialalem inside Saromaria hotel	Active
23	SEEDS OF GOGOTHER TRADING POS	Gofa Camp Branch	South Addis District	Kera Cluster	Around Gazebo Square inside Yenad Coffee	Active
24	SEEDS OF GOGOTHER TRADING POS 2	Gofa Camp Branch	South Addis District	Kera Cluster	Mexico Around AU inside inside Yenad Coffee	Active
25	United Vision Medical Services POS	Africa Hibiret Branch	South Addis District	Kera Cluster	Around AU inside I inside United Vision Medical Services	Active
26	sabeh World POS (Tulu dimtu)	Gofa Camp Branch	South Addis District	Kera Cluster	Tulu dimtu inside Sabeh World Cafeteria	Active
27	Burkitu Hotel (Lagese Lamiso) POS	Shafetta Branch	South District	Hawassa Cluster	Hawassa Town Inside Burkitu Hotel	Active
28	DUKAMO COFFEE PLC POS	Hawassa Branch	South District	Hawassa Cluster	Hawassa Town infront of Sumuda inside Burkitu Hotel	Active
29	Feya general Hospital POS	Shashemene Awasho Branch	South District	Hawassa Cluster	Shashemene Town inside Feya general Hospital	Active
30	Hawasa Lake view Hotel POS	Hawassa Branch	South District	Hawassa Cluster	Hawasa Town inside Lake view Hotel	Active
31	HAWASSA_ALETA LAND COFFEE PLC_POS	Hawassa Branch	South District	Hawassa Cluster	Hawasa Town inside Rori Hotel	Active
32	HAWASSA_LIYANA HEALTH CARE PLC_POS 1	Hawassa Branch	South District	Hawassa Cluster	Hawasa Town inside yanet Hospital	Active

S/N	Merchant POS	Owning Branch	District	Cluster	Deployed Location	Status
33	HAWASSA_LIYANA HEALTH CARE PLC_POS 2	Hawassa Branch	South District	Hawassa Cluster	Hawasa Town inside yanet Hospital	Active
34	HAWASSA_LIYANA HEALTH CARE PLC_POS 3	Hawassa Branch	South District	Hawassa Cluster	Hawasa Town inside yanet Hospital	Active
35	HAWASSA_LIYANA HEALTH CARE PLC_POS 4	Hawassa Branch	South District	Hawassa Cluster	Hawasa Town inside yanet Hospital	Active
36	HAWASSA_SAFEWAY SUPERMARKET_POS	Hawassa Branch	South District	Hawassa Cluster	Hawasa Town inside Safe way Supermarket	Active
37	Jinka Resort and travel Agency POS	Arbaminch Secha Branch	South District	Wolaita Cluster	Arbaminch Town inside Jinka Resort	Active
38	Burje Yohannes - Zoe Pharmacy POS	Hawassa Menahria Branch	South District	Hawassa Cluster	Hawasa Town inside Zoe Pharmac	Active
39	Victoria Tadesse / Victoria Liquor Store/	Balderas Branch	North Addis District	Kazanchis Cluster	Around Balderas Condominum inside Victoria Liquor Store	Active
40	Yemimi supermarket POS	Hawassa Branch	South District	Hawassa Cluster	Hawasa Town inside Yemimi supermarket	Active
41	Yodae lounge Hibret sira mahiber POS	Hawassa Branch	South District	Hawassa Cluster	Yirgalem Town inside Yodae lounge Hibret sira mahiber	Active
42	Tantostina Hotel P.L.C. POS	Shashemene Branch	South District	Hawassa Cluster	Shashemene Town inside Tantostina Hotel	Active
43	Bere YeharLimat POS	Arbaminch Branch	South District	Wolaita Cluster	Atbaminch town inside Bere YeharLimat	Active
44	DROGA PHARMA PLC POS (Bethel)	Autobis Terra Branch	West Addis District	Merkato Cluster	Bethel inside Droga Pharmacy, Bethel branch	Active
45	DROGA PHARMA PLC POS (Lebu)	Autobis Terra Branch	West Addis District	Merkato Cluster	Lebu inside Droga Pharmacy, Lebu branch	Active
46	Droga Pharma POS (Paulos)	Autobis Terra Branch	West Addis District	Merkato Cluster	Paulos inside Droga Pharmacy, Paulos branch	Active
47	DROGA PHARMA PLC POS Figa	Autobis Terra Branch	West Addis District	Merkato Cluster	Figa inside Droga Pharmacy, Figa branch	Active
48	DROGA PHARMA PLC POS Sarbet	Autobis Terra Branch	West Addis District	Merkato Cluster	Sarbet inside Droga Pharmacy, Sarbet branch	Active
49	DROGA PHARMA PLC POS Hayat	Autobis Terra Branch	West Addis District	Merkato Cluster	Ayat inside Droga Pharmacy, Ayat branch	Active
50	Droga Pharma POS Semene Hotel POS	Autobis Terra Branch	West Addis District	Merkato Cluster	Semen Hotel inside Droga Pharmacy, Semen Hotel branch	Active
51	Ethio-Sudan Tebib Hospital POS	Sefere Selam Branch	West Addis District	Merkato Cluster	Asko inside Droga Pharmacy, Tebib Hospital	Active
52	Geza Hotel POS	Kolfe Atena-Tera Branch	West Addis District	Merkato Cluster	Kolfe Atena-Tera inside Geza Hotel	Active
53	Bingham Academy POS	Kolfe Atena-Tera Branch	West Addis District	Merkato Cluster	Kolfe Atena-Tera inside Bingham Academy	Active
54	KUSHI HOTEL POS	West Addis District	Merkato Cluster	KUSHI HOTEL POS	Active	
55	Abraham Electronics POS	Bishoftu Branch	East District	Bishoftu Adama cluster	Bishoftu Town inside Abraham Electronics	Active
56	Alema Farms POS	Torban Gerba Branch	East District	Bishoftu Adama cluster	Bishoftu Town inside Alema Farms	Active
57	Jimawork Eticha Supermarket POS	Adama Branch	East District	Adama cluster	Adama Town inside Jimawork Eticha Supermarket	Active
58	Kilole Hotel POS	Kurkura Branch	East District	Bishoftu Adama cluster	Bishoftu Town inside Kilole Hotel	Active
59	Kuriftu Resort and Spa POS 1	Torban Gerba Branch	East District	Bishoftu Adama cluster	Bishoftu Town inside Kuriftu Resort	Active
60	Kuriftu Resort and Spa POS 2	Torban Gerba Branch	East District	Bishoftu Adama cluster	Bishoftu Town inside Kuriftu Resort	Active
61	Nardos Building Material POS	Torban Gerba Branch	East District	Bishoftu Adama cluster	Bishoftu Town inside Nardos Building	Active
62	NORA RESORT POS	Ada'a Branch	East District	Bishoftu Adama cluster	Adama inside NORA RESORT	Active
63	TK Resort POS 1 Reception	Bishoftu Branch	East District	Bishoftu Adama cluster	Bishoftu Town inside TK Resort	Active
64	Lisak Resort POS 1	Bishoftu Branch	East District	Bishoftu Adama cluster	Bishoftu Town inside Lisak Resort POS 1	Active
65	Kasanchis-Ker Ezhi Ethiopia Leather POS	Kazanchis Branch	North Addis District	Yeka Abado Cluster	Kasanchis inside Ker Ezhi Ethiopia Leather	Active
66	NIGIST GEBREMICHAEL POS	Bole-24 Branch	North Addis District	Kazanchis Cluster	NIGIST GEBREMICHAEL POS	Active

S/N	Merchant POS	Owning Branch	District	Cluster	Deployed Location	Status
67	BZAYNU TRADING PLC POS	European Union Branch	North Addis District	Kazanchis Cluster	Bole around desalegn Hotel inside Bzaynu Trading	Active
68	HAYAHULET_SIMEON GUEST HOUSE_POS	Hayahulet Addis Hiwot Branch	North Addis District	Kazanchis Cluster	Megenagna 22 Mazoriya inside SIMEON GUEST HOUSE	Active
69	ELSA KOLO & HOME-MADE PRODUCTS POS 1	Lem Megenagna Branch	North Addis District	Kazanchis Cluster	Megenagna 22 Mazoriya inside ELSA KOLO	Active
70	ELSA KOLO & HOME-MADE PRODUCTS POS 2	Lem Megenagna Branch	North Addis District	Kazanchis Cluster	Lem Megenagna inside ELSA KOLO	Active
71	Fikremariam Gudeta Temitme POS	Cmc Michael Branch	North Addis District	Yeka Abado Cluster	Fikremariam Gudeta Temitme POS	Active
72	ADDIS HIWOT HEALTH SERVICES PLC POS	Hayahulet Addis Hiwot Branch	North Addis District	Kazanchis Cluster	22 Mazoriya inside Addis Hiwot Hospital	Active
73	Wanza Furniture POS	Summit Medhanialalem	East Addis District	Goro Cluster	Summit Medhanialalem inside Wanza Furniture	Active
74	AFI COSMETICS POS	Haile Gebreselassie Highway Branch	North Addis District	Kazanchis Cluster	Haile Gebreselassie Highway inside AFI COSMETICS	Active
75	Paragon Inrenational Plc	Semien Hotel Branch	West Addis District	Piassa Cluster	Semien Hotel inside Paragon Inrenational Hotel and Spa	Active
76	Gize Psychatric Speciality Clinic	Signal Branch	North Addis District	Kazanchis Cluster	Kotebe kidanemehiret inside Gize Psychatric Speciality Clinic	Active
77	Unicare Medical Service PLC POS	Hawassa Branch	South District	Hawassa Cluster	Hawassa Town inside Unicare Medical Service	Active
78	KB resort	Gefersa Nono Branch	West District	Sheger Cluster	Gefersa Nono Branch/ Ashewa meda inside KB resort	Active
79	Safari MII Hyper Market	Bahir Dar Branch	North District	Bahir Dar Cluster	Bahirdar Town inside Safari MII Hyper Market	Active
80	Victory Hotel POS	hossroeana mobile	Central Ethiopia District	Hossaena Cluster	Hossaena Town inside Victory Hotel POS	Active
81	Negasa Gudisa pos	Gerji Branch	East Addis District	Bole brass inside Kebede Butchery	Active	

APPENDIX II: Details of Berhan Bank S.C. Outstanding Litigation Cases

S. N	Court cases on which the Bank is plaintiff/Appellant	Branch where the case emanates	case Type	Outstanding amount	Status of the case at the court process(If not decided)	Probability of Winning	Name of court and File no.
1	Berhan Bank Vs Getent Mengest	Injebara	Auction cancellation	15,000,000.00	We have instituted appeal for the High court and it is adjourned for hearing.	90%	AMRC High court
2	Berhan Bank vs Yisakor construction	22 Mazoria	Guarantee	2,700,000.00	Adjourned for investigation/ decision	80%	Federal supremecourt
3	Berhan Bank Vs At Plastic plc	Jemo	Claimed Guarantee	80,000,000.00	Adjourned for investigation	70%	Federal supreme court 2nd bench
4	Berhan Bank Vs ene Abenezer Lechebo , Benyam Lechebo	Hossahina	Guarantee	5,000,000.00	Execution	100%	Supreme court
5	Berhan Bank vs Yiabzer Isayas Construction	Bole Medhanialem	Pre-shipment and term loan	8,850,000.00	Adjourned for investigation	90%	Federal High court Lideta Bench
6	Berhan Bank vs Nigisti Girmay	Bole Medhanialem Branch	Guarantee and Term loan	12,000,000.00	Adjourned for investigation	80%	Federal High court Lideta Bench
7	Berhan Bank VS Bekalu Adane	Jemo	T/L	2,654,200.31	Adjourned for serving summon.	90%	Federal First instance court.
8	Berhan Bank Vs Isayas Alemu	Tulu Dimetu	Term Loan	6,058,030.26	Adjourned for investigation	80%	Piassa FFIC
9	Berhan Bank vs Pan Africa Real state	Bole Bulbula	Rental payment	3,859,200.00	Ajourned for hearing	90%	Bole FFIC
10	Berhan Bank Vs Ethiopian Revenue Authority and Purpose Black real estate	Welosefer	Injunction	Undefined	Ajourned for hearing	90%	Federal Supreme court cassation bench
11	Berhan Bank vs Meseganaw Andualeam	Bole Bulbula	ESL	94,573.00	Ajourned for investigation	100%	Piassa FFIC
12	Berhan bankK vs Kidus Dawit	Lideta	ESL	69,002.20	Ajourned for receiving the statement of defense of the defendant	100%	Bole FFIC
13	Berhan Bank vs 1,Mesert Legese, 2, Adane Haile	European Union	Possessory action	undefined	Ajourned for receiving the statement of defense of the defendant	90%	Bole FFIC

S. N	Court cases on which the Bank is plaintiff/Appellant	Branch where the case emanates	case Type	Outstanding amount	Status of the case at the court process(If not decided)	Probability of Winning	Name of court and File no.
14	Berhan Bank vs Labor union (5 individuals)	HR	Representation	undefined	Ajourned for investigation	100%	Bole FHC
15	Berhan Bank vs Mekuanent Tadesse	HR	Representation	undefined	Ajourned for investigation	100%	Bole FHC
16	Berhan Bank vs Gezachew Esheta	HR	Judicial jurisdiction of court to entertain a manager	undefined	Ajourned for investigation	80%	Bole FHC
17	Berhan Bank vs Eyosiyas Bezabeh	Metti	ESL	284,000.00	Ajourned for receiving the statement of defense of the defendant	100%	Gambela High Court
18	Berhan Bank vs Gashaw Wereta	Gerji Roba	ESL	52,554.06	Ajourned for receiving the statement of defense of the defendant	100%	Bole FFIC
19	Yenenesh Duga Vs Berhan Bank	Shashemene	Unlawful withdrawal	1,060,000.00	Adjourned for investigation	80%	Federal First Instance court Kirkos bench
20	Beshir Mohammed Vs Berhan Bank s.c	urael	Collateral contract cancellation	8,891,601.00	Adjourned for investigation	80%	Federal First Instance court Kirkos bench
21	Misganaw Tadesse vs Amedemicael Temesegen Berhan Bank	Bahirdar	Mortgage was sold by auction, Thus, the bank intervened for cancellation of the auction	750,000.00	Adjourned for investigation.	70%	Federation
22	Aprerose Trading VS Berhan Bank			#####		70%	Federal High court Lideta Court
23	Yuliya Tadesse (100) vs 1) Miracle yegna real state 2) Berhan Bank	Haile G/Silasse	Issuance of promise letter by the bank that the account opened by the real state is closed and the money deposited by	18,261,749.00	It has been adjourned to summon the 2nd and 3rd defendants	70%	Federal High court Lideta Court

S. N	Court cases on which the Bank is plaintiff/Appellant	Branch where the case emanates	case Type	Outstanding amount	Status of the case at the court process(If not decided)	Probability of Winning	Name of court and File no.
			the buyers will not accessed.				
24	1) Elias Beshae 2. Bereke alemu Vs merical yega real state 2) mahelt Mamo 3 Berhan Bank	Haile G/Silasse	Issuance of promise letter by the bank that the account opened by the real state is closed and the money deposited by the buyers will not accessed.	11,103,000.00	It has been adjourned to summon the 2nd and 3rd defendants .	70%	Federal High court Lideta Bench
25	Solomon and Friends PartenerShip Vs Berhan Bank	Desse Tosa	Municipality Sanitation services charge	13,500.00	Adjourned for investigation.	70%	
26	Ayalwe defersha VS Berhan bank	Bahir dar	Request for	undefind	Adjourned for submission of statement of defense	70%	Baihrdar city werdea court
27	Alemtehay Chane(A.B.KI,M.Tena biro) VS Berhan Bank	D/Berhan	Guarantee	3,729,492.00	We have received statement of claim. We are preparing statement of defense.	100%	ABKM High court D/Berhan
28	Tsehay Insurance Vs Berhan Bank	Gerji Mebrat	Loan payment from the defaulter insurance money	4,062,898.50	Adjourned for submission of statement of defense	70%	Federal High Court
29	Nuri Aman Vs Berhan Bank	HR	Termination of employment contract and disciplinary measures.	552,250.09	Adjourned for receiving legal opinion from the defendant.	70%	Federal First instance court.
30	Nile Petroleum Limited vs Berhan Bank	Debre markos	Guarantee	14,000,000.00	Ajourned for submission of statement of defense	70%	Federal High court lideta bench.
31	Mekuanent Tadesse vs Berhan Bank	HR	Increment	21,000.00	Adjourned for submission of statement of defense	100%	Federal First instance court.
32	Labor Union(5 individuals) Vs Berhan Bank	HR	Disciplinary measures	Undefined	Adjourned for statement of defense	100%	Federal First

S. N	Court cases on which the Bank is plaintiff/Appellant	Branch where the case emanates	case Type	Outstanding amount	Status of the case at the court process(If not decided)	Probability of Winning	Name of court and File no.
							instance court.
33	Zayid Assefaw vs Berhan Bnak	Mekele	Collateral release	1,218,839.50	Adjourned for submission of statement of defense.	90%	Mekele High Court
34	Nuri Aman Vs Berhan Bank	HR	Unlawful act of employer	Undefined	We have submitted statement of defense	80%	Federal First Instance court bole bench
35	Teweldeberhan vs Berhan Bank	Mekele	Unlawful withdrawal	1,400,000.00	We have submitted statement of defense	70%	Mekele High Court
36	Nib international vs Bank vs Berhan Bank	Adama	Rental Payment	2,592,000.00	We have submitted statement of defense	70%	Adama High Court
37	Eyosiyas Bezabeh vs Berhan Bank	Mizan Aman	Unlawful termination of employment contract	1,700,000.00	We have submitted statement of defense	70%	Mizan aman High court
38	Gezachewe Esheta vs Berhan Bank	HR	Unlawful termination of employment contract	905,825.00	Ajourned for witness hearing	70%	Bole FFIC
39	Kumela Furisa vs Berhan Bank	Bishoftu	Unlawful Injunction of the customer account	undefined	We have initiated appeal at the regional supreme court	70%	Oromoiya Supreme court
40	Alemezewed Firew vs Berhan Bank	Areka	Auction cancelation and damage	1,545,000.00	Adjourned for passing decree	70%	Woliyeta zone High court
41	Tabor Ceramic vs Berhan Bank	IBD	LC	61,160\$	We have submitted statement of defense	100%	Kerkos FFIC
42	Oromoya irregation and pastorilasid development office vs Abraham Tesfaye , Berhan Bank	Lafto	Guarantee	10,057,694.54	Adjourned for submission of statement of defense	70%	Lideta FHC
43	Berhan Bank Vs labour Union	Head Office	Back payment	Undefined	Adjourned for submission of statement of defense.	70%	Labour Bord
44	ANRG water irrigation office vs 1) Jone Hidero (3), 2) Berhan Bank	Bole	Guarantee	230,000.00	Adjourned for serving summon	90%	Bahir Dar High court.

S. N	Court cases on which the Bank is plaintiff/Appellant	Branch where the case emanates	case Type	Outstanding amount	Status of the case at the court process(If not decided)	Probability of Winning	Name of court and File no.
					for the 1st defendant.		

Complaints under Special Follow-Up

Amounts in Ethiopian Birr (ETB), unless otherwise stated

No.	Name of Suspect(s)	Branch	Investigating Police Office	Date Instituted	Subject Matter	Amount Involved (ETB)	Current Status	Proposed Future Action
1	Gosaye Kebede; Aster Petros; Tesfahun Desse; and Mitiku Mekonin	Shafeta & Dato	Hawassa City Police Department	14/11/2014	Unlawful withdrawals (aggravated breach of trust)	630,000.00	Under investigation. The police are searching for individual suspect Gossaye Kebede. Other suspects paid Birr 293,000.00, and a civil suit has been prepared to recover the remaining balance.	Follow up
2	Birhanu Hailu	Dolo Ado	Federal Police Criminal Investigation Bureau, Dire Dawa Division	04/09/2015	Aggravated breach of trust	19,421,920.63	The accused was found guilty and sentenced to 9 years of rigorous imprisonment and a fine of Birr 20,000.	Decided
3	Haymanot Yalew and 6 other persons	Bahir Dar (related to Amdemichael loan collateral)	Federal Police Investigation Bureau, Ethics and Anti-Corruption	11/12/2015	Corruption	2,800,000.00	Under investigation.	Follow up
4	Hailemariam and 11 others	Mekele Branch (employees of the Bank)	Mekele Town Police Department	22/02/2016	Unlawful withdrawal from customer accounts	8,200,000.00	Hailemariam was found guilty and sentenced to 9 years of rigorous imprisonment. Accused Melay was sentenced to 3 years of rigorous imprisonment. Fine amounts were not stated in the source table.	Decided
5	Ermias Mekonnen	Mehal Semit (security guard)	Addis Ababa City Police Commission, Lemi Kura Sub-City Police Department	08/12/2015	Aggravated breach of trust	24,262.66 (firearm price)	Under investigation. The police are searching for the individual suspect.	Follow up
6	Worku Dinka and 3 others	Figa (security guard)	Not stated	07/02/2016	Aggravated breach of trust and destruction of properties	846,456.70	Under investigation. The police are searching for the individual suspect.	Follow up
7	Abraham	Head Office	Federal Police Criminal Investigation Bureau	23/02/2016	Attempt to attack the Bank's data system	-	The investigation was temporarily suspended because the suspect was not found.	Temporarily suspended
8	Melese Mengiste and 18 suspects	Head Office (security guard)	Addis Ababa City Police Commission, Aday Abeba Police Office	23/11/2023 E.C.	Mismanagement of private interest or failure to perform duties properly	39,500.97	Under investigation.	Follow up
9	Tamirat Tadesse	Head Office	Federal Police Criminal Investigation Bureau	10/12/2016	Illegally entering into the Bank's system using the mobile banking application	2,693,505.00	Under investigation.	Follow up
10	Birbir	The Dagim Melese	Birbir City Administration Police Office	25/12/2016	Damage to property through violence and threats	2,000.00	The case was closed because the suspect repaired the damaged property.	Decided
11	Usaman Umar; Mariam Hamusa; and Dessalegn Fantaye	Chencha	Arbamech City Police Department	18/04/2017	Sale of property subject to pledge	1,267,395.42	Under investigation.	Follow up
12	Marta Awake Tafese	Dawro	Dawro Zone Police Office	19/06/2025	Forged educational document	-	Under investigation.	Follow up
13	Enmekbib Getahun	Head Office	Federal Police Criminal Investigation Bureau	27/05/2025	Illicit enrichment	29,191,792.07	Under investigation.	Follow up

No.	Name of Suspect(s)	Branch	Investigating Police Office	Date Instituted	Subject Matter	Amount Involved (ETB)	Current Status	Proposed Future Action
14	Demeke Beyazeln Mehret	South District	Hawassa City Police Department	20/06/2025	Aggravated breach of trust	-	Not stated in the source table.	Follow up
15	Mr. Enock and 15 other persons	Head Office	Federal Police Criminal Investigation Bureau	24/06/2025	Illegally entering into the Bank's system using the mobile banking application	12,375,470.00	Under investigation.	Follow up