



Condensed Interim Financial Statements 31-December-25



Berhan Bank S.C
For the period ended 31 December 2025
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Berhan Bank S.C
Statement of Directors' Responsibilities
For the period ended 31 December 2025

In accordance with the Banking Business Proclamation No. 592/2008, the National Bank of Ethiopia (NBE) may direct the Bank to prepare financial statements in accordance with international financial reporting standards, whether their designation changes or they are replaced, from time to time.

The Bank's Directors are responsible for the preparation and fair presentation of these financial statements in conformity with International Financial Reporting Standards and in the manner required by the Commercial Code of the Federal Democratic Republic of Ethiopia 2021, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Bank is required keep such records as are necessary to:

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

The Bank's Directors accepts responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards, Banking Business Proclamation, Commercial Code of the Federal Democratic Republic of Ethiopia 2021 and the relevant Directives issued by the National Bank of Ethiopia.

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

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

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

Signed on behalf of the Directors by:


Ato Eligo Legesse
Chairman of the Board of Directors

07-May-26




Ato Ermas Tefera
Chief Executive Officer

07-May-26



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Kokeb & Melkamu Audit Service Limited Liability Partnership

Certified Accountants (UK) & Authorized Auditors/ ማረጋገጫ አድራጊዎች (ዩኤ) እና የተፈቀደዋቸው ሶዲተር

**INDEPENDENT AUDITORS' REVIEW REPORT TO THE BOARD OF DIRECTORS OF
BERHAN BANK (S.C.)**

Introduction

We have reviewed the accompanying condensed financial statements of the financial position of Berhan Bank (S.C.) as at December 31, 2025, the statements of profit or loss and other comprehensive income, changes in equity, and cash flows for the six months then ended, and notes to the interim financial statements.

The Bank's management is responsible for the preparation and fair presentation of these interim condensed financial statements in accordance with the International Accounting Standard (IAS) 34 Interim Financial Reporting.

Our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, Review of Interim Condensed Financial Information Performed by the Independent Auditor of the Entity.

A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISAs) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial statements as at and for the six months ended December 31, 2025, are not prepared, in all material respects, in accordance with IAS 34 Interim Financial Reporting.

Kokeb & Melkamu
Kokeb & Melkamu Audit Service LLP

Chartered Certified Accountants (UK)

Authorized Auditors in Ethiopia

Addis Ababa

April 20, 2026



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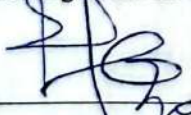


Condensed Interim Statement of Profit or Loss and Other Comprehensive Income For the six months ended 31 December 2025

	Notes	Half-Year to	
		31 Dec 2025 Birr'000	31 Dec 2024 Birr'000
Interest income	7	3,885,919	2,901,083
Interest expense	8	(1,234,943)	(962,728)
Net Interest Income		2,650,976	1,938,355
Fees and commission income	9	1,700,126	732,985
Fees and commission expense	9	(41,132)	(35,787)
Net Fee and Commission Income		1,658,994	697,198
Other operating income	10	1,151,028	1,245,924
Total Operating Income		5,460,998	3,881,477
Loan Impairment Charge	11	(7,201)	3,145
Impairment Loss on other Financial Assets	11	(51,672)	(619)
Net Operating Income		5,402,125	3,884,003
Personnel expenses	14	(1,340,549)	(1,014,684)
Depreciation of property and equipment	20	(68,299)	(46,814)
Amortization of intangible assets	19	(3,077)	(2,180)
Amortisation of right-of-use assets	18	(182,113)	(167,614)
Other operating expenses	15	(1,696,998)	(1,236,563)
Total Operating Expenses		(3,291,036)	(2,467,855)
Profit Before Tax		2,111,089	1,416,148
Income tax expense	14	(422,218)	(283,230)
Profit for the Period		1,688,871	1,132,918
Other Comprehensive Income (OCI) Net of Income Tax			
Items that will not be reclassified to profit or loss:			
Re measurements of Defined Benefit Liability/Asset-Net of Tax	25	-	(27,282)
Movement in fair value reserve (FVOCI equity instruments)-Net of Tax	25	-	253,399
Total Comprehensive Income for the Period, Net of Tax		1,688,871	1,359,035
Profit Attributable to Equity Holders		1,688,871	1,132,918
Earnings per share of Birr 1,000			
Basic Earnings Per Share	27	339.11	327.36

The notes are an integral part of these financial statements.

The Interim financial statements were approved and Authorised for issue by the board of directors and management on 07-May-2026 and were signed on its behalf by:


Ato Eligo Legesse

Chairman of the Board of Directors




Ato Ermias Tefera

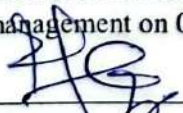


Berhan Bank S.C
Condensed Interim Financial Position
For the six months ended 31 December 2025

	Notes	31 Dec 2025 Birr'000	30 June 2025 Birr'000
ASSETS			
Cash and Balances with Banks	15	7,422,645	7,323,476
Due from Banks & Other Financial Institutions	15	1,272,053	866,669
Loans and Advances to Customers	16	44,102,758	34,527,985
Investment Securities			
Financial Assets at amortized cost:	17	6,877,776	6,348,801
Financial Assets at FVTOCI:	17	658,925	608,049
Other Assets	18	4,875,207	2,897,297
Inventory	18	109,877	116,106
Non-Current Assets Held for Sale	18	237,672	237,671
Right-of-use assets	18	1,114,964	1,202,909
Intangible Assets	19	24,819	26,722
Property and Equipment	20	1,615,936	1,448,274
Restricted Fund Balance	15	3,024,900	3,354,900
Total Assets		71,337,532	58,958,859
LIABILITIES			
Due to Banks & Other Institutions	21	246,959	287,348
Deposits from Customers	21	53,457,566	44,454,019
Current Tax Liabilities	14	422,218	448,597
Margins Held on Letters of Credit	21	2,391,703	1,508,336
Borrowings	21	500,000	-
Other Liabilities	21	2,803,172	3,192,689
Provisions	21	82,857	301,061
Retirement Benefit Obligations	21	191,124	194,200
Deferred Tax Liabilities	14	32,489	32,489
Total Liabilities		60,128,088	50,418,739
EQUITY			
Share Capital	22	6,328,419	4,286,885
Share Premium	25	25,500	18,628
Retained Earnings	23	806,213	1,045,836
Legal Reserve	24	2,099,844	1,677,627
Other Reserve	25	382,940	382,940
Regulatory Risk Reserve	26	1,566,527	1,128,204
Total Equity		11,209,444	8,540,120
Total Liabilities and Equity		71,337,532	58,958,859

The notes are an integral part of these financial statements.

The Interim financial statements were approved and Authorised for issue by the board of directors and management on 07-May-2026 and were signed on its behalf by:


Ato Eligo Legesse
Chairman of the Board of Directors




Ato Ermitas Tefera
CEO



Berhan Bank S.C
Statement of Changes in Equity
For the six months ended 31 December 2025

Notes	Share capital Birr'000	Share Premium Birr'000	Retained Earnings Birr'000	Regulatory Risk reserve Birr'000	Other Reserves Birr'000	Legal Reserve Birr'000	Total Birr'000
As at 01 July 2024	3,447,898	16,372	681,088	604,020	310,080	1,153,737	6,213,195
Profit for the Period	-	-	2,095,559	-	-	-	2,095,559
Director's Share of Profit	-	-	(1,650)	-	-	-	-
Other Comprehensive Income:	-	-	-	-	-	-	-
Re-measurement Gains on Defined Benefit Plans	-	-	-	-	(30,528)	-	(30,528)
Movement in fair value reserve-equity instruments	-	-	-	-	103,388	-	103,388
Total Comprehensive Income for the Period	-	-	2,093,909	-	72,860	-	2,166,769
Transaction with owners in their capacity as owners:							
Contribution of equity net of transaction costs	838,987	2,256	-	-	-	-	841,243
Dividend provided for / paid	-	-	(681,088)	-	-	-	(681,088)
Transfer to legal reserve	-	-	(523,890)	-	-	523,890	-
Transfer to Regulatory Risk reserve	-	-	(524,184)	524,184	-	-	-
Transfer from Regulatory Risk reserve	-	-	-	-	-	-	-
Total	838,987	2,256	364,747	524,184	72,860	523,890	2,326,924
As at 30 June 2025	4,286,885	18,628	1,045,835	1,128,204	382,940	1,677,627	8,540,120
As at 01 July 2025	4,286,885	18,628	1,045,835	1,128,204	382,940	1,677,627	8,540,120
Profit for the Period	-	-	1,688,871	-	-	-	1,688,871
Director's Share of Profit	-	-	-	-	-	-	-
Other Comprehensive Income:	-	-	-	-	-	-	-
Re-measurement Gains on Defined Benefit Plans	-	-	-	-	-	-	-
Movement in fair value reserve-equity instruments	-	-	-	-	-	-	-
Total Comprehensive Income for the Period	-	-	1,688,871	-	-	-	1,688,871
Transaction with owners in their capacity as owners:							
Contribution of equity net of transaction costs	2,041,534	6,872	-	-	-	-	2,048,406
Dividend provided for / paid	-	-	(1,045,836)	-	-	-	(1,045,836)
Transfer to legal reserve	-	-	(422,218)	-	-	422,218	-
Transfer to Regulatory Risk reserve	-	-	(438,323)	438,323	-	-	-
Transfer from Regulatory Risk reserve	-	-	-	-	-	-	-
Prior Period Tax	-	-	(22,117)	-	-	-	(22,117)
Total	2,041,534	6,872	(239,622)	438,323	-	422,218	2,669,325
As at 31 December 2025	6,328,419	25,500	806,213	1,566,527	382,940	2,099,844	11,209,444



Ato Eligo Legesse
Chairman of the Board of Directors

Ato Ermias Tefera
CEO

Berhan Bank S.C
Statement of Cash Flows
For the six months ended 31 December 2025

	Notes	31 Dec 2025 Birr'000	31 Dec 2024 Birr'000
Cash flows from operating activities			
Profit before tax		2,111,089	1,416,148
Adjustment for:			
Loan impairment charges	11	7,201	(3,145)
Impairment losses on other assets	15	51,672	619
Amortisation of Right of Use Asset	18	182,113	167,614
Amortisation of intangible assets	19	3,077	2,180
Depreciation and impairment of property, plant and equipment	20	68,301	46,814
Gain on Disposal of Property Plant And Equipment(net)		(1,967)	(10,997)
Interest Expense on Lease Liability	8	19,780	15,810
Payment of Severance Benefit		(3,076)	(1,276)
Gain On Lease Modification		(181)	-
Cash Flow From Operation before Changes in Working Capital		2,438,010	1,633,767
Decrease (Increase) in Loans & Advances excluding provision	16	(9,601,284)	(1,581,004)
Decrease (Increase) in Non current asset held for sale	18c	(1)	(1,200)
Decrease (Increase) in Other Assets	18	(2,010,272)	(1,097,956)
Decrease (Increase) in Restricted Fund Balances	15c	330,000	109,000
Increase (Decrease) in Deposits	21b	9,003,547	(1,257,542)
Increase (Decrease) in Margin Held Account	21b	883,367	735,449
Increase (Decrease) in Other Liabilities	21c	(352,260)	678,175
Decrease (Increase) Inventory	18b	6,229	10,700
Decrease (Increase) Due from Banks & Other Financial Institution.	15b	(405,384)	355,037
Increase (Decrease) in Provision	21	(218,204)	(176,714)
Decrease (Increase) Due to Banks & Other Institutions	21a	(40,389)	(203,700)
Cash Generated From Operation			
Withholding Tax Paid		-	-
Profit tax Paid	14	(448,597)	(286,389)
Prior Period Tax	23	(22,117)	-
Net Cash flow from Operating Activities		(437,355)	(1,082,377)
Cash Flow From Investing Activities			
Purchase of Property and Equipment	20	(236,344)	(61,829)
Purchase of Intangible Assets	19	(1,174)	(10,695)
Acquisition of Right Of Use Asset	18	(94,238)	(219,379)
Investment in NBE Bills	17	(528,975)	(1,001,659)
Investment in Shares	17	(50,876)	(31,621)
Proceeds from sale of property and equipment	20	2,355	14,961
Net Cash flow from Investing Activities		(909,253)	(1,310,221)
Cash Flow From Financing Activities			
Ordinary Shares Issued	22	2,041,534	237,768
Share Premium Received	22	6,872	36
Dividends paid	23	(1,045,836)	(681,088)
Increase (Decrease) Borrowings	21b	500,000	2,650,000
Principal Lease Payment	34	(56,793)	-
Net Cash flow from Financing Activities		1,445,777	2,206,716
Changes in Cash and Cash Equivalents		99,169	(185,883)
Cash and Cash Equivalent at the Beginning of the Year		7,323,707	4,840,068
Cash Balance at end of the Period		7,422,876	4,654,185

The notes are an integral part of these financial statements.



Ato Eligo Legesse
Chairman of the Board of Directors



1 Reporting Entity

Berhan Bank SC ("Berhan" or the "Bank") is a private commercial Bank domicile in Ethiopia. The Bank was registered and licensed by the National Bank of Ethiopia on 27 June 2009 in accordance with Article 304 of the Commercial Code of Ethiopia. The Bank is primarily involved in providing corporate and retail banking services in the country.

2 Basis of Accounting

These consolidated financial statements have been prepared in accordance with 'in accordance with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board ("IASB")

3 Significant accounting estimates and judgements

Judgements

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

4 Accounting Policies

New accounting standards in issue but not yet effective

A number of new standards and amendments to standards are effective for annual periods in 2025 and beyond and earlier application is permitted; however, the Bank has not early adopted the new and amended standards in preparing these consolidated financial statements.

The bank shall apply the amendments when it is due. However, the new and amended standards are not expected to have a significant impact on the Bank's consolidated financial statements.

Amendments to existing standards

New IFRS Accounting Standards requirements

Lack of Exchangeability (Amendment to IAS 21, The Effects of Changes in Foreign Exchange Rates) applies when one currency cannot be exchanged into another. This may occur, for example, because of government-imposed controls on capital imports and exports, or a limitation on the volume of foreign currency transactions that can be undertaken at an official exchange rate. The amendments clarify when a currency is considered exchangeable into another currency, and how an entity estimates a spot rate for currencies that lack exchangeability. The amendments introduce new disclosures to help financial statement users assess the impact of using an estimated exchange rate.



New IFRS Accounting Standards requirements

IFRS 18, Presentation and Disclosure in Financial Statements

IFRS 18 replaces IAS 1, which sets out presentation and base disclosure requirements for financial statements. The changes, which mostly affect the income statement, include the requirement to classify income and expenses into three new categories – operating, investing and financing – and present subtotals for operating profit or loss and profit or loss before financing and income taxes.

5 Going Concern

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

6 Financial Risk Management

6.1 Credit quality analysis

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

For loan commitments and financial guarantee contracts, the amounts in the table represent the amounts committed or guaranteed, respectively

<i>In Birr'000</i>	<i>Dec-2025</i>			
Loans and advances to customers at amortised cost	Stage 1	Stage 2	Stage 3	Total
Stage 1 – Pass	42,067,055	-	-	42,067,055
Stage 2 – Special mention	-	1,100,284	-	1,100,284
Stage 3 - Non performing	-	-	2,407,878	2,407,878
Total gross exposure	42,067,055	1,100,284	2,407,878	45,575,218
Loss allowance	(205,144)	(2,337)	(696,743)	(904,223)
Interest in suspense	-	-	(139,602)	(139,602)
Staff Loan Market Interest Adjustment	(428,642)	-	-	(428,642)
Net carrying amount	41,433,269	1,097,948	1,571,533	44,102,750

<i>In Birr'000</i>	<i>Dec-25</i>			
Other financial assets (debt instruments)		Gross exposure	Loss allowance	Net carrying amount
Cash and balances with banks	12 Month ECL	5,284,366	(231)	5,284,135
Investment securities (debt instruments)	12 Month ECL	6,878,093	(317)	6,877,776
Other receivables and financial assets	Lifetime ECL	4,537,689	(340,256)	4,197,433
Totals		16,700,148	(340,804)	16,359,344



Berhan Bank S.C
For the six months ended 31 December 2025
Notes to the financial statements

<i>In Birr'000</i>	<i>June 2025</i>			
Loans and advances to customers at amortised cost	Stage 1	Stage 2	Stage 3	Total
Stage 1 – Pass	33,229,348	-	-	33,229,348
Stage 2 – Special mention	-	452,345	-	452,345
Stage 3 - Non performing	-	-	2,292,248	2,292,248
Total gross exposure	33,229,348	452,345	2,292,248	35,973,941
Loss allowance	(200,841)	(1,140)	(695,042)	(897,022)
Interest in suspense	-	-	(120,292)	(120,292)
Staff Loan Market Interest Adjustment	(428,642)	-	-	(428,642)
Net carrying amount	32,599,865	451,205	1,476,914	34,527,985

<i>In Birr'000</i>	<i>Jun-25</i>			
Other financial assets (debt instruments)		Gross exposure	Loss allowance	Net carrying amount
Cash and balances with banks	12 Month ECL	4,412,192	(231)	4,411,961
Investment securities (debt instruments)	12 Month ECL	6,349,118	(317)	6,348,801
Other receivables and financial assets	Lifetime ECL	2,523,877	(288,584)	2,235,293
Totals		13,285,187	(289,132)	12,996,055

	31 Dec 2025 Birr'000	30 June 2025 Birr'000
Pass	42,067,055	33,229,348
Special mention	1,100,284	452,345
Substandard	335,509	281,936
Doubtful	226,675	397,553
Loss	1,845,695	1,612,758
	45,575,218	35,973,940

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

	31 Dec 2025 Birr'000	30 June 2025 Birr'000
Agriculture	167,639	130,128
Transport	839,920	458,255
Hotel and Tourism	517,903	463,718
Health and Education Service	1,213,198	837,151
Import	5,357,820	4,505,287
Export	6,368,632	3,949,405
Manufacturing	7,067,596	4,964,293
Domestic trade and services	8,697,350	7,159,306
Building and construction	8,842,235	7,095,054
Personal loan	3,718,388	3,647,405
Staff loan	2,785,536	2,763,941
	45,575,958	35,973,940



Berhan Bank S.C
For the six months ended 31 December 2025
Notes to the financial statements

Credit Quality Analysis

a) Credit quality of cash and cash equivalents

The credit quality of cash and cash equivalents and short-term investments that were neither past due nor impaired as at 31 Dec 2025 and 30 June 2025 have been classified as non-rated as there are no credit rating agencies in Ethiopia.

(b) Credit quality of loans and advances

The nonperforming (NPL) ratio of the bank is 5% as of December 31, 2025, by considering both principal and interest, which is reduced from 6% as of June 30, 2025. But the NPL ratio of the bank as of December 2025 is 4.21% when considering the total portfolio against the principal amount.

31 December 2025	Stage 1 Birr'000	Stage 2 Birr'000	Stage 3 Birr'000	Total Birr'000
Agriculture	148,755.12	8,278.60	10,605.48	167,639
Transport	694,858.94	56,467.52	88,593.87	839,920
Hotel and tourism	497,350.18	13,562.50	6,990.48	517,903
Health and Education Service	1,192,916.82	12,185.92	8,095.23	1,213,198
Import	5,146,736.16	148,106.56	62,977.71	5,357,820
Export	6,080,554.94	-	287,817.50	6,368,372
Manufacturing	6,896,538.09	125,093.06	45,964.53	7,067,596
Domestic trade and services	7,742,575.94	331,284.55	623,489.34	8,697,350
Building and construction	7,410,975.41	307,085.51	1,124,174.02	8,842,235
Personal loans	3,583,520.64	61,344.34	73,522.89	3,718,388
Staff loan	2,672,272.73	36,875.05	76,388.64	2,785,536
Gross	42,067,055	1,100,284	2,408,620	45,575,958
Less:				
Impairment allowance (note 18a)	(205,144)	(2,337)	(696,743)	(904,223)
Interest in suspense	-	-	(139,602)	(139,602)
Staff Loan Market Interest Adjustment	(428,642)	-	-	(428,642)
Net Loans and Advance	41,433,269	1,097,947	1,572,275	44,103,491

30 June 2025	Stage 1 Birr'000	Stage 2 Birr'000	Stage 3 Birr'000	Total Birr'000
Agriculture	118,271	-	11,856	130,128
Transport	385,296	1,428	71,531	458,255
Hotel and tourism	435,017	3,464	25,236	463,718
Health and Education Service	822,503	12,991	1,658	837,151
Import	4,433,050	36,968	35,269	4,505,287
Export	3,740,019	5,188	204,197	3,949,405
Manufacturing	4,902,785	18,564	42,943	4,964,293
Domestic trade and services	6,072,137	257,118	830,051	7,159,306
Building and construction	6,098,407	17,085	979,561	7,095,054



Berhan Bank S.C
For the six months ended 31 December 2025
Notes to the financial statements

Personal loans	3,560,973	45,410	41,022	3,647,405
Staff loan	2,660,889	54,130	48,922	2,763,941
Gross	33,229,348	452,345	2,292,248	35,973,941
Less:				
Impairment allowance (note 18a)	(200,841)	(1,140)	(695,042)	(897,022)
Interest in suspense	-	-	(120,292)	(120,292)
Staff Loan Market Interest Adjustment	(428,642)	-	-	(428,642)
Net Loans and Advance	32,599,865	451,205	1,476,914	34,527,985

(i) Loans and advances - neither past due nor impaired

The credit quality of the portfolio of loans and advances that were neither past due nor impaired can be assessed by reference to the customer's ability to pay based on loss experience. Loans and advances in this category are loans past due for less than 30 (thirty) days.

(ii) Loans and advances - past due but not impaired

	31 Dec 2025 Birr'000	30 June 2025 Birr'000
Neither past due nor impaired	42,067,055	33,229,348
Collective impairment	(205,144)	(200,841)
Loan and advances (net)	41,861,911	33,028,507

(iii) Loans and advances - Impaired loans

	31 Dec 2025 Birr'000	30 June 2025 Birr'000
Past due up to 30 days	1,100,284	452,345
Collective impairment	(2,337)	(1,140)
	1,097,947	451,205
Loan and advances (net)	1,097,947	451,205

(iv) Allowance for loan impairment

	31 Dec 2025 Birr'000	30 June 2025 Birr'000
Impaired loans	2,408,620	2,292,248
Individual impairment	(696,743)	(695,042)
Net Carrying Amount	1,711,877	1,597,206



6.2 Statement of Prudential Adjustments

Provisions under prudential guidelines are determined using the time based provisioning prescribed by the National Bank of Ethiopia (NBE) Directives. This is at variance with the expected credit loss model required by IFRS 9. As a result of the differences in the methodology/provision, there will be variances in the impairments allowances required under the two methodologies.

The proclamation 'Financial Reporting Proclamation No.847/2014 stipulates that Banks would be required to make provisions for loans as prescribed in the relevant IFRS Standards when IFRS is adopted.

However, Banks would be required to comply with the following:

(a) Provisions for loans recognised in the income statement should be determined based on the requirements of IFRS. However, the IFRS provision should be compared with provisions determined under the NBE directives and the expected impact/changes in Regulatory Risk Reserve should be treated as follows:

>If prudential provisions is greater than IFRS provisions; the excess provisions resulting should be transferred from Retained Earnings account to Regulatory Risk Reserve Account.

>If prudential provisions is less than IFRS provisions; the excess provision is charged to the statement of profit or loss. The cumulative balance in the regulatory risk reserve is thereafter reversed to the Retained Earnings account.

(b) The non-distributable reserve should be classified under Tier 1 as part of the core capital.

	31 Dec 2025 Birr'000	30 June 2025 Birr'000
IFRS Loan impairment charge	904,223	897,022
Total allowance for impairment	904,223	897,022

6.3 Capital Adequacy Ratio

According to the Licensing & Supervision of Banking Business Directive No SBB/50/2011 of the National Bank of Ethiopia, the Bank has to maintain capital to risk weighted assets ratio of 8% at all times, the risk weighted assets being calculated as per the provisions of Directive No SBB/9/95 issued on August 18, 1995.

The capital adequacy ratio is the quotient of the capital base of the Bank and the Bank's risk weighted asset base.

Capital includes capital contribution, legal reserve and other reserves to be approved by the National Bank of Ethiopia.



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	31 Dec 2025 Birr'000	30 June 2025 Birr'000
Capital		
Capital contribution	6,328,419	4,286,885
Share Premium	25,500	18,628
Legal reserve	2,099,844	1,677,627
Regulatory Risk Reserve	1,566,527	1,128,204
	10,020,291	7,111,344
Risk weighted assets		
Risk weighted balance for on-balance sheet items	43,885,076	36,045,302
Credit equivalents for off-balance Sheet Items	9,532,394	8,002,363
Total risk weighted assets	53,417,470	44,047,665
 Risk-weighted Capital Adequacy Ratio (CAR)	19%	16%
Minimum required capital	8%	8%
Excess	11%	8%

	31 Dec 2025 Birr'000	31 Dec 2024 Birr'000	Increase/ decrease	Growth rate
7 Interest Income				
Interest on loans and advances	3,418,021	2,588,533	829,488	32%
Interest on investment securities	283,221	183,446	99,775	54%
Interest on deposits due from banks	167,688	125,652	42,036	33%
Interest on short term Securities	16,989	3,452	13,537	392%
	3,885,919	2,901,083	984,836	34%

	31 Dec 2025 Birr'000	31 Dec 2024 Birr'000	Increase/ decrease	Growth rate
8 Interest Expense				
Interest on Demand deposits	(11,706)	(2,834)	(8,872.00)	313%
Interest on Saving deposits	(784,503)	(612,200)	(172,303.00)	28%
Interest on Time deposits	(356,968)	(273,456)	(83,512.00)	31%
Interest on borrowings from domestic banks	(61,986)	(58,428)	(3,558.00)	6%
Interest expense – Lease	(19,780)	(15,810)	(3,970.00)	25%
	(1,234,943)	(962,728)	(272,215.00)	28%

	31 Dec 2025 Birr'000	31 Dec 2024 Birr'000	Increase/ decrease	Growth rate
9 Fees and Commission Income				
Commission on letters of credit	21	73,196	(73,175)	-100%
Commission on CPOs, Cheques and FTs	941	764	177	23%
Commission on guarantees	435,604	243,213	192,391	79%
Fees Income	1,263,557	358,848	904,709	252%
Commission on PO issuance	3	56,964	(56,961)	-100%
	1,700,126	732,985	967,141	132%



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Fee and commission expense :

Fee and commission Expense

(41,132)	(35,787)	(5,345)	15%
(41,132)	(35,787)	(5,345)	15%
1,658,994	697,198	972,486	139%

Net fees and commission income

10 Other Operating Income

Other income

Gain on foreign exchange

31 Dec 2025 Birr'000	31 Dec 2024 Birr'000	Increase/ decrease	Growth rate
104,774	73,938	30,836	42%
1,046,254	1,171,986	(125,732)	-11%
1,151,028	1,245,924	(94,896)	-8%

11 Impairment losses on Financial Instruments

Loan Impairment Charge

Impairment Loss-Other Financial Assets

31 Dec 2025 Birr'000	31 Dec 2024 Birr'000	Increase/ decrease	Growth rate
(7,201)	3,145	(10,346)	-329%
(51,672)	(619)	(51,053)	8248%
(58,873)	2,526	(61,399)	-2431%

12 Personnel Expenses

Short term employee benefits :

Salaries

Staff allowances

Overtime

Bonus

Training and Education

Leave Payment

Pension costs – Defined contribution plan

Provident Fund – Defined contribution plan

Other staff expenses

31 Dec 2025 Birr'000	31 Dec 2024 Birr'000	Increase/ decrease	Growth rate
(891,039)	(688,413)	(202,626)	29%
(244,356)	(195,775)	(48,581)	25%
(7,431)	(6,005)	(1,426)	24%
(25)	-	(25)	0%
(31,489)	(10,690)	(20,799)	195%
-	-	-	0%
(97,585)	(75,448)	(22,137)	29%
(8,874)	(6,860)	(2,014)	29%
(59,750)	(31,493)	(28,257)	90%
(1,340,549)	(1,014,684)	(325,865)	32%
Long term employee benefits :			
Defined benefit plans-Severance			
-	-	-	-
(1,340,549)	(1,014,684)	(325,865)	32%



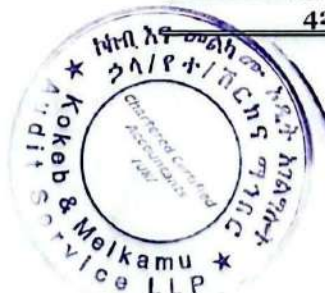
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13 Other Operating Expenses

	31 Dec 2025 Birr'000	31 Dec 2024 Birr'000	Increase/ decrease	Growth rate
Utilities	(10,028)	(6,058)	(3,970)	66%
Advertisement and promotions	(22,037)	(14,130)	(7,907)	56%
Software Maintenance Fee	(48,137)	(25,449)	(22,688)	89%
Sponsorship expenses	(4,771)	(549)	(4,222)	769%
Communication expense	(22,838)	(13,066)	(9,772)	75%
Postage and stamps	(314)	(231)	(83)	36%
Stationery and office expenses	(21,625)	(23,247)	1,622	-7%
Legal and professional fees	(4,341)	(953)	(3,388)	356%
Repairs and maintenance	(13,790)	(26,916)	13,126	-49%
Travelling expenses	(5,793)	(5,813)	20	0%
Insurance	(61,006)	(59,277)	(1,729)	3%
Entertainment	(4,339)	(2,452)	(1,887)	77%
Fuel and lubricant	(1,527)	(1,184)	(343)	29%
Miscellaneous expenses	(32,310)	(21,059)	(11,251)	53%
License fees	(750)	(295)	(455)	154%
Director fees	(660)	(540)	(120)	22%
Fines and penalty	(109)	(112)	3	-3%
Loss on foreign exchange	(1,406,026)	(1,019,064)	(386,962)	38%
Outsource Service expense	(36,595)	(15,280)	(21,315)	139%
Loss on Revaluation or Disposal	(2)	(888)	886	-100%
	(1,696,998)	(1,236,563)	(460,435)	37%

14 Current income tax liability

	31 Dec 2025 Birr'000	30 June 2025 Birr'000
Balance at the beginning of the year	448,597	286,389
Charge for the Period	422,218	450,327
Capital gains tax	-	-
Income tax expense	-	-
Prior year (over)/ under provision	-	-
WHT Notes utilised	-	(1,730)
Payment during the year	(448,597)	(286,389)
Balance at the end of the Period	422,218	448,597



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15	Cash and Cash Equivalents	31 Dec 2025 Birr'000	30 June 2025 Birr'000
15a	Cash and balances with banks		
	Cash in hand local currency	1,837,704	1,690,665
	Cash in hand foreign currency	300,806	215,097
	Placement with other Institutions	2,088,338	1,644,421
	Deposits with foreign banks	3,021,111	2,382,651
	Balance held with National Bank of Ethiopia	174,917	385,120
	Money Market Operations	-	1,005,753
	Gross amount	7,422,876	7,323,707
	Less :		
	Allowance for Impairment- Bank Balances	(231)	(231)
		7,422,645	7,323,476
		31 Dec 2025 Birr'000	30 June 2025 Birr'000
15b	Due from Banks & Other Financial Institutions :		
	ATM Settlement-Off Us	39,042	33,735
	Cheque Clearance-Outward	16,924	6,449
	Foreign Currency Receivable	1,088,891	709,999
	Mobile Fund Transfer-Off Us	127,196	116,486
		1,272,053	866,669
		31 Dec 2025 Birr'000	30 June 2025 Birr'000
15c	Restricted Fund Balance	3,024,900	3,354,900

The restricted fund balance represents 7% of deposit balance maintained with National Bank of Ethiopia.

	31 Dec 2025 Birr'000	30 June 2025 Birr'000
16	Loans and Advances	
16a	Loans and advances to customers	
Agriculture	167,155	130,128
Building and construction	7,684,729	6,303,311
Domestic trade and services	7,427,111	6,213,821
Export	1,166,251	1,195,655
Hotel and Tourism	455,657	398,571



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Health and Education Service	1,046,836	672,637
Import	3,608,426	3,095,892
Manufacturing	6,130,734	4,237,549
Merchandise Loans	188,756	11,007
Overdrafts	5,410,571	4,176,372
Personal loan	3,715,997	3,647,405
Pre-Shipment	5,026,475	2,686,914
Staff loan	2,784,105	2,763,940
Transport	762,422	440,739
Gross amount	45,575,225	35,973,941
Less: Impairment allowance (note 16b)		
Collective impairment		
Stage 1	(205,144)	(200,841)
Stage 2	(2,337)	(1,140)
Stage 3	(696,743)	(695,042)
	44,670,995	35,076,919
Less :		
Interest in suspense	(139,602)	(120,292)
Staff Loan Market Interest Adjustment	(428,642)	(428,642)
Net Loan Balance	44,102,758	34,527,985

16b Impairment Allowance for Loans and Advances

IFRS 9 key guidance on segmentation

(IFRS 9 B5.5.5) For the purpose of determining significant increases in credit risk and recognizing a loss allowance on a collective basis, an entity can group financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

In addition, common considerations that a Bank may consider before selection of a segmentation criteria include, but are not limited to:

- Customer grading methodologies and whether this is reflective of the proposed segmentation criteria;
- How a Bank sets portfolio credit concentration limits;
- Management's experience with regards to historical default trends;
- Regulatory guidance on credit reporting; and
- Financial statement disclosures and current credit reporting structures

Based on the above facts the bank recognize the loss allowance by segmenting its portfolios into the following clusters:

1. Agriculture



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2. Construction and Building (Including Hotel and Tourism)
3. Domestic Trade and Services (Including Transport and Communication, Health & Education Service)
4. Export and Imports
5. Manufacturing
6. Personal Loans (Including Staff Loans and Diaspora Loans)

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

<i>Collective allowance for impairment</i>	As at 30 June 2025 Birr'000	Charge for the Period Birr'000	31 Dec 2025 Birr'000
Allowance For Impairment - Agriculture	(1,118)	(19)	(1,137)
Allowance For Loan Impairment - Building And Construction	(542,971)	(15,508)	(558,479)
Allowance For Loan Impairment - DTS	(142,967)	7,330	(135,637)
Allowance For Loan Impairment - Export and Imports	(27,665)	17,543	(10,122)
Allowance For Loan Impairment - Manufacturing	(6,575)	1,845	(4,730)
Allowance For Loan Impairment - Personal	(16,440)	(5,047)	(21,487)
Allowance For Loan Impairment - merchandise loans	(67)	(1,431)	(1,498)
Allowance For Loan Impairment - Pre-shipment loans	(65,276)	(1,493)	(66,769)
Allowance For Loan Impairment - Overdrafts	(93,943)	(10,420)	(104,363)
Total - Collective Impairment	(897,022)	(7,200)	(904,222)

<i>Collective allowance for impairment</i>	As at 30 June 2024 Birr'000	Charge for the year Birr'000	30 June 2025 Birr'000
Allowance For Impairment - Agriculture	(320)	(798)	(1,118)
Allowance For Loan Impairment - Building And Construction	(353,875)	(189,096)	(542,971)
Allowance For Loan Impairment - DTS	(61,765)	(81,202)	(142,967)
Allowance For Loan Impairment - Export and Imports	(40,889)	13,224	(27,665)
Allowance For Loan Impairment - Manufacturing	(3,126)	(3,449)	(6,575)
Allowance For Loan Impairment - Personal	(4,305)	(12,135)	(16,440)
Allowance For Loan Impairment - merchandise loans	(96)	29	(67)
Allowance For Loan Impairment - Pre-shipment loans	(17,178)	(48,098)	(65,276)
Allowance For Loan Impairment - Overdrafts	(37,469)	(56,474)	(93,943)
Allowance For Loan Impairment - Emergency staff loans	(9)	9	-
Total - Collective Impairment	(519,032)	(377,990)	(897,022)



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17 Investment Securities

	31 Dec 2025 Birr'000	30 June 2025 Birr'000
17a Financial Assets at amortized cost:		
Bonds and Bills	6,878,093	6,349,118
Less:		
Allowance for impairment - Bills & Bonds	(317)	(317)
Net Bond and Bills	6,877,776	6,348,801
17b Financial Assets at FVTOCI:		
Equity Investments	193,539	142,663
Fair Value Adjustment – Equity Investments	465,386	465,386
Net Equity Investments	658,925	608,049

The Bank holds equity investments in Ethio Switch S.C., Berhan Insurance S.C., Premier Switch Solution S.C and Debo Micro Finance S.C. The percentage shareholding for each equity investments is summarized as follows:

31 December 2025 Birr'000	Number of shares	% owned as per the Bank	Amount invested in '000	Fair Value as per IFRS 9
Ethswitch S.C.	100,000	5.03%	150,876	576,145
Berhan Insurance S.C.	26,449	4.82%	26,449	44,081
Premier Switch Solution S.C	11,531	4.56%	11,531	31,304
Debo Micro Finance S.C.	4,683	2.87%	4,683	7,395
Total Equity Investments				658,925

30 June 2025 Birr'000	Number of shares	% owned as per the Bank	Amount invested in '000	Fair Value as per IFRS 9
Ethswitch S.C.	100,000	3.90%	100,000	525,268.71
Berhan Insurance S.C.	26,449	5.00%	26,449	44,081.46
Premier Switch Solution S.C	11,531	3.28%	11,531	31,303.60
Debo Micro Finance S.C.	4,683	4.68%	4,683	7,395.30
Total Equity Investments				608,049

Due to the short interval between the previous reporting date and 31 December 2025, management did not perform a new full valuation of the unquoted equity investments. Management believes that no events or changes in circumstances occurred during the interim period that would indicate a material change in fair value. Accordingly, the Bank has continued to use the valuation of 30 June 2025, and no significant fair value adjustments were recognized during the interim period.



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	31 Dec 2025 Birr'000	30 June 2025 Birr'000
18 Other assets		
Financial assets		
Other Receivables	4,537,689	2,523,877
	4,537,689	2,523,877
Non-financial assets		
Prepayments	118,952	103,182
Prepaid Staff Benefits	558,822	558,822
	677,774	662,004
Gross amount	5,215,463	3,185,881
Less :		
Impairment allowance for Other assets	340,256	288,584
Net amount	4,875,207	2,897,297

18a Impairment Allowance on Other Assets

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

	31 Dec 2025 Birr'000	30 June 2025 Birr'000
Balance at the beginning of the year	288,584	113,928
(Reversal)/charge for the Period	51,672	-
Balance at the end of the Period	340,256	113,928

18b Inventory

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

	31 Dec 2025 Birr'000	30 June 2025 Birr'000
Sundry materials	32,850	31,011
Check books	7,496	8,220
Stationary	15,553	15,594
Printed materials	53,141	60,438
Draft and CPO	1,098	1,107
Revenue stamp	83	80
Gross amount	110,221	116,450
Less:		
Allowance for Inventory Write-Down	(344)	(344)
	109,877	116,106



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18c Non-Current Assets Held for Sale

	31 Dec 2025 Birr'000	30 June 2025 Birr'000
Assets Held for Sale	238,382	238,381
Less:		
Allowance for Impairment Assets Held for Sale	(710)	(710)
	237,672	237,671

18d IFRS 16 - Leases

The Bank leases a number of branch and office premises. The leases typically run for a period of 5 to 10 years, with an option to renew the lease after that date. For some leases, payments are renegotiated every five years to reflect market rentals. Some leases provide for additional rent payments that are based on changes in local price indices.

For short-term and/or leases of low-value items, the Bank has elected not to recognise right-of-use assets and lease liabilities for these leases.

Most leases of office premises contain extension options exercisable by the Bank before the end of the non-cancellable contract period. Where practicable, the Bank seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Bank and not by the lessors. The Bank assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Bank reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

i) Right-of-use asset

	Land Birr'000	Buildings Birr'000	Total Birr'000
Cost:			
As at 01 July 2024	153,379	2,036,557	2,189,936
Additions	65,987	344,904	410,890
Disposals	(2,488)	(67,216)	(69,704)
As at 30 June 2025	216,878	2,314,244	2,531,122
 As at 01 July 2025	216,878	2,314,244	2,531,122
Additions	-	94,238	94,238
Disposals	(3,286)	(35,755)	(39,040)
As at 31 Dec 2025	213,593	2,372,728	2,586,321
 Accumulated amortisation			
As at 01 July 2024	11,573	1,013,343	1,024,916
Charge for the year	6,504	337,423	343,927
Disposals	(401)	(40,228)	(40,629)
As at 30 June 2025	17,676	1,310,537	1,328,213
 Accumulated amortisation			
As at 01 July 2025	17,676	1,310,537	1,328,213
Charge for the Period	2,966	179,148	182,113
Disposals	(321)	(38,649)	(38,970)
As at 31 Dec 2025	20,320	1,451,036	1,471,356



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ii) Lease Liabilities

	Land Birr'000	Buildings Birr'000	Total Birr'000
As at 01 July 2024	92,553	416,292	508,846
Additions	-	126,854	126,854
Interest Expense	10,300	35,480	45,780
Payment	(3,326)	(75,222)	(78,549)
Adjustment	-	(29,899)	(29,899)
As at 30 June 2025	99,527	473,505	573,032
As at 30 June 2025	99,527	473,505	573,032
Additions	-	31,939	31,939
Interest Expense	-	19,780	19,780
Payment	(4,972)	(51,821)	(56,793)
Adjustment	-	(10,506)	(10,506)
As at 31 Dec 2025	94,555	462,898	557,452

19 Intangible Assets

	Computer software Birr'000
Cost:	
As at 1 July 2024	25,098
Acquisitions	25,835
Disposal	-
As at 30 June 2025	50,933
As at 1 July 2025	50,933
Acquisitions	1,174
Disposal	-
As at 31 Dec 2025	52,107
Accumulated amortisation and impairment losses	
As at 1 July 2024	20,046
Amortisation for the year	4,165
Impairment losses	-
As at 30 June 2025	24,211
As at 1 July 2025	24,211
Amortisation for the Period	3,077
Impairment losses	-
As at 31 Dec 2025	27,288
Net book value	
As at 30 June 2025	26,722
As at 31 Dec 2025	24,819



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20 Property and equipment

	Construction in Progress Birr'000	Buildings Birr'000	Motor vehicles Birr'000	Office and other equipment Birr'000	Furniture and fittings Birr'000	Computer and accessories Birr'000	Total Birr'000
Cost:							
As at 01 July 2024	-	57,664	450,466	592,809	366,096	345,311	1,812,346
Additions	-	28,214	61,023	21,633	13,765	107,239	231,874
Disposals	-	-	(33,531)	(4,975)	(3,014)	(5,397)	(46,917)
As at 30 June 2025	-	85,878	477,959	609,467	376,847	447,153	1,997,303
Accumulated amortisation and impairment losses							
As at 01 July 2024	-	3,925	76,905	192,804	88,715	109,621	471,970
Charge for the year	-	794	21,753	36,451	12,787	26,204	97,988
Impairment Loss	-	-	-	2	74	123	200
Disposals	-	-	(12,603)	(3,040)	(1,312)	(4,175)	(21,130)
As at 30 June 2025	-	4,719	86,055	226,217	100,265	131,773	549,029
Cost:							
As at 01 July 2025	-	85,878	477,959	609,467	376,847	447,153	1,997,303
Additions	2,213	-	173,423	6,783	11,604	42,322	236,344
Disposals	-	-	(912)	(93)	(3)	(38)	(1,046)
As at 31 December 2025	2,213	85,878	650,469	616,157	388,448	489,436	2,232,601
Accumulated amortisation and impairment losses							
As at 01 July 2025	-	4,719	86,055	226,217	100,265	131,773	549,029
Charge for the Period	-	421	12,109	20,919	12,819	22,029	68,298
Impairment Loss	-	-	-	-	-	-	-
Disposals	-	-	(593)	(41)	(2)	(23)	(658)
As at 31 Dec 2025	-	5,140	97,572	247,096	113,082	153,780	616,670
Net book value							
As at 30 June 2025	-	81,160	391,903	383,250	276,582	315,380	1,448,274
As at 31 Dec 2025	2,213	80,739	552,897	369,061	275,366	335,657	1,615,936



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21 Liabilities

	31 Dec 2025 Birr'000	30 June 2025 Birr'000
21a Due to Banks & Other Institutions		
Cheque Clearance-Inward	16,390	7,067
ATM Settlement-On Us	151,206	177,375
Mobile Fund Transfer-On Us	79,363	102,906
	246,959	287,348

21b Deposits from Customers

	31 Dec 2025 Birr'000	30 June 2025 Birr'000	Increase/ decrease	Growth rate
Demand deposits	16,193,867	13,248,870	2,944,997	22%
Savings deposits	31,690,846	27,399,146	4,291,700	16%
Time deposits	5,572,853	3,806,003	1,766,850	46%
	53,457,566	44,454,019	9,003,547	20%

	31 Dec 2025 Birr'000	30 June 2025 Birr'000
Borrowings	500,000	-

	31 Dec 2025 Birr'000	30 June 2025 Birr'000
Margins held on letters of credit	2,391,703	1,508,336

21c Other Liabilities	31 Dec 2025 Birr'000	30 June 2025 Birr'000
Financial Liabilities		
Banking instruments payables	146,956	98,059
Unearned Income	76,321	96,525
Lease liability	557,453	573,032
Total Financial Liabilities	780,730	767,616
Non-Financial Liabilities		
Tax and Other Obligations	146,854	98,225
Sundry payables	1,875,588	2,326,848
Total Non-Financial Liabilities	2,022,442	2,425,073
Total Financial and Non-Financial Liabilities	2,803,172	3,192,689



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21d Provisions

	31 Dec 2025 Birr'000	30 June 2025 Birr'000
Leave Pay	82,857	85,208
Bonus Payable	-	215,853
	82,857	301,061

21e Retirement Benefit Obligations

	31 Dec 2025 Birr'000	30 June 2025 Birr'000
Defined benefits liabilities:		
Severance pay	191,124	194,200
Liability in the statement of financial position	193,749	194,200
Income statement charge included in personnel expenses:		
Severance costs	28,870	17,915
Total defined benefit expenses	28,870	17,915
Remeasurements for:		
Remeasurement gains/(losses)	(16,151)	(2,571)
	(16,151)	(2,571)

Maturity analysis

	31 Dec 2025 Birr'000	30 June 2025 Birr'000
Current	13,093	10,541
Non-Current	180,656	183,659
	193,749	194,200

22 Ordinary Share Capital

	31 Dec 2025 Birr'000	30 June 2025 Birr'000
Authorised:		
Ordinary shares of Birr 1,000 each	6,328,419	4,286,885
Issued and fully paid:		
Ordinary shares of Birr 1,000 each	6,328,419	4,286,885
Share Premium	25,500	18,628



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23 Retained Earnings

	31 Dec 2025 Birr'000	30 June 2025 Birr'000
At the beginning of the year	1,045,836	681,088
Profit / (loss) for the Period	1,688,871	2,095,559
Transfer to legal reserve	(422,218)	(523,890)
Dividend provided for / paid	(1,045,836)	(681,088)
Director's Share of Profit	-	(1,650)
Prior Period Tax Expense	(22,117)	-
Transfer to Regulatory Risk Reserve	(438,323)	(524,184)
Transfer from Regulatory Risk Reserve	-	-
At the end of the Period	806,213	1,045,836

24 Legal Reserve

	31 Dec 2025 Birr'000	30 June 2025 Birr'000
At the beginning of the year	1,677,627	1,153,737
Transfer from profit or loss	422,218	523,890
At the end of the Period	2,099,844	1,677,627

25 Other Reserves:

	31 Dec 2025 Birr'000	30 June 2024 Birr'000
Other comprehensive income :		
Remeasurement Gain or Loss on Defined Benefit Plans	(82,446)	(82,446)
Movement in fair value reserve-equity instruments	465,386	465,386
	382,940	382,940
Income tax relating to Other comprehensive income :		
Remeasurement Gain or Loss on Defined Benefit Plans	-	(24,734)
	-	-24,734
Net Other comprehensive income :		
Remeasurement Gain or Loss on Defined Benefit Plans	-	(57,712)
	-	(57,712)
Income tax relating to Other comprehensive income :		
Movement in fair value reserve-equity instruments	-	139,616
	-	139,616
Net Other comprehensive income :		
Movement in fair value reserve (equity instruments)	-	325,770
	-	325,770



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	-	139,616
Net Other comprehensive income :		
Movement in fair value reserve (equity instruments)	-	325,770
	-	325,770

26 Regulatory Risk Reserves:

	31 Dec 2025	30 June 2025
	Birr'000	Birr'000
At the beginning of the Year	1,128,204	604,020
Regulatory Risk Reserve - Loans	190,140	106,129
Regulatory Risk Reserve - Receivables	133,230	15,935
Net regulatory risk reserve-Suspended Interest	8,082	41,749
Regulatory Risk Reserve -off balance sheet	106,871	360,371
At the end of the Period	1,566,527	1,128,204

The Regulatory risk reserve is a non-distributable reserves required by the regulations of the National Bank of Ethiopia to be kept for impairment losses on loans and receivables in excess of IFRS charge as derived using the Expected Credit Loss Model.

Where the loan loss impairment determined using the National Bank of Ethiopia guidelines is higher than the loan loss impairment determined using the Expected Credit Loss Model under IFRS, the difference is transferred to regulatory risk reserve and it is non-distributable to the owners of the Bank.

Where the loan loss impairment determined using the National Bank of Ethiopia guidelines is lower than the loan loss impairment determined using the Expected Credit Loss Model under IFRS, the difference is transferred from regulatory risk reserve to retained earnings to the extent of the non-distributable reserve previously recognized.

In addition the suspended interest from non-performing loans which is recognized as income under IFRS is transferred to regulatory risk reserve and it is non-distributable to the owners of the Bank.

According to Asset Classification and Provisioning Directive No. SBB/90/2024, banks shall be maintained at a level adequate to absorb potential losses from off-balance sheet exposures, including letters of credit (such as sight letters or acceptance letters of credit), guarantees (such as performance bonds or bid bond guarantees), and commitments to loans or advances.

27 Earnings Per Share

	Notes	31 Dec 2025	31 Dec 2024
		Birr'000	Birr'000
Net profit attributable to ordinary equity holders		1,688,871	1,132,918
Weighted average number of ordinary shares		4,980,357	3,460,767
Basic Earnings per share of Birr 1,000		339.11	327.36



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Retained earnings balance available for distribution to ordinary equity holders	23	806,213	578,467
Weighted average number of ordinary shares		4,980,357	3,460,767
Net Basic Earnings per share of Birr 1,000		161.88	167.15

28 Related Party transactions.

During the interim period ended 31 Dec 2025, there have been no material changes in the nature, volume, or terms of related party transactions and balances as disclosed in the Bank's annual financial statements for the year ended 30 June 2025.

Accordingly, the disclosures presented in those annual financial statements remain applicable

29 Contingent Liabilities

The Bank conducts business involving performance bonds and guarantees. These instruments are given as a security to support the performance of a customer to third parties. As the Bank will only be required to meet these obligations in the event of the customer's default, the cash requirements of these instruments are expected to be considerably below their nominal amounts.

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

	31 Dec 2025 Birr'000	30 June 2024 Birr'000
Guarantees issued and outstanding	13,599,847	13,223,743
Commitments on letters of credit net of margin paid	8,129,498	1,939,037
Loans approved but not disbursed	905,836	310,000
	22,635,208	15,472,780

30 Events after reporting period

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

