Berhan Bank

BERHAN BANK SHARE COMPANY

UPDATED PROSPECTUS FOR PUBLIC OFFERING

OF REGISTERED ORDINARY SHARES

Dated: November 3, 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.

f) IMPORTANT NOTICE ON THE ELECTION OF THE BOARD OF DIRECTORS EARLY IN THE OFFER PERIOD: The entire Board of Directors is to be elected at the Annual General Meeting to be held on 1 December 2026 because the terms of office of all current Directors are expiring (see Table 63), fifteen days after the commencement of the Offer Period (9:00 AM on 16 November 2026 to 5:00 PM on 13 February 2027), so that investors who subscribe before that date will do so while the composition of the new Board is not yet known. In accordance with the directives of the National Bank of Ethiopia, at least one-third of the Directors must be independent directors. The composition of the Board of Directors described in this Prospectus is that at the date of this Prospectus and may change as a result of the election; the outcome is not known at the date of this Prospectus. The terms of office of the current Directors shown in Table 63 end on 18 April 2027; the period from the election on 1 December 2026 until 18 April 2027 is a transition period during which the newly elected Directors will undergo training and induction on their assignments. The terms of the Offer are not affected. Prospective investors should read Section 3.3, Section 4, Section 6 and the risk factor "Board Election and Reconstitution Risk" in Section 9 before deciding to invest.

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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 Offer

The table below sets out the key particulars of 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
Shares Registered	6,328,419 Existing Ordinary Shares with par value of 1000 and 3,671,581 New Ordinary Shares with offer price of 1,065
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
Board of Directors Election early in the Offer Period	The entire Board of Directors is to be elected at the Annual General Meeting on 1 December 2026 because the terms of office of all current Directors are expiring (see Table 63), so that investors who subscribe before that date will do so before the outcome is known; at least one-third of the Directors must be independent directors (see Section 3.3 and Section 9). The terms of the Offer are not affected.



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

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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

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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, which 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.
Know Your Customer (KYC)	Customer due diligence procedures required under applicable laws and regulations to verify customer identity and assess associated risks.

Term	Full Meaning
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 February 13, 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 November 16, 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	November 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.
Regist**ration**	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 ÷ 6,328,419 (approximately 0.5802), 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.
Securities	The Existing Shares and Offer Shares collectively referred to in this Prospectus.
Shareholders	Holders of Ordinary Shares in Berhan Bank.

Term	Full Meaning
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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ብርሃን
Berhan Bank
P.O.Box 367 Code 1110 Addis Ababa Ethiopia

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 (since repealed and replaced by Banking Business Proclamation No. 1360/2025), 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 380 branches located throughout the country in addition to twelve (12) District Offices supervising these branches. The phone numbers for the district offices and the branches are provided in Appendix 1, and the regions, cities and physical addresses of the District Offices are given in Table 13 (Section 2.1.2) and 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 in office at the date of this Prospectus, 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. The entire Board of Directors is to be elected at the Annual General Meeting on 1 December 2026 (see Section 3.3); the Directors named in Table 2 are those in office at the date of this Prospectus.

Table 2: Person Responsible for the Information Disclosed

S.No	Full Name	Role
1	Ato Eligo Legesse Mota	Board Chairperson
2	Ato Ermias Girma Tekle	Board Deputy Chairperson
3	W/ro. Meron Gezahegn Seifu	Director
4	Ato Sibu Ayele Etefa	Director
5	Ato Jaleta Wordoffa Girarra	Director
6	Ato Binyam Bedewi Mohammed	Director
7	Dr. Lemma Degefa Gudeta	Director
8	Dr. Abaydar Kettema Woldeeab	Director
9	Dr. Aynalem Abayneh Mamo	Director
10	Ato Daniel Wondimu Wolderufael	Director
11	Ato Girma Mamo Milky	Director
12	Ato Ermias Tefera Shawel	Chief Executive Officer
13	Ato Tesfaye Maru Abate	Chief Finance Officer

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

Name	Role	Shares Held (Direct; Indirect) at 10 October 2026	% of Issued Capital (Direct and Indirect)	Other Material Interests
Ato Eligo Legesse Mota	Chairperson	343 direct; no indirect	0.005%	General Manager, Gellately Hankey; Managing Director, DCL Trading PLC (see Table 62)
Ato Ermias Girma Tekle	Deputy Chairperson	200 direct; 58,653 indirect (held through Ethiopian Kale Heyewet Church and 56 affiliated local churches and church bodies)	0.930%	Represents Ethiopian Kale Heyewet Church, which together with 56 affiliated local churches and church bodies holds 58,653 shares in the Bank; formerly Director of the Ethiopian Kale Heyewet Church (2012–2023) (see Table 62)
W/ro. Meron Gezahegn Seifu	Director	1,214 direct; no indirect	0.019%	Internal Auditor, Audit and Financial Management and Risk Advisor, Irish Aid Ethiopia (see Table 62)
Ato Sibu Ayele Etefa	Director	156 direct; 63,560 indirect (held through Berhan Insurance S.C.)	1.007%	Represents Berhan Insurance S.C. on the Board. Berhan Insurance S.C. holds 63,560 shares (1.00%) in the Bank (Table 79) and the Bank holds 5.00% of Berhan Insurance S.C. (Section 2.8). Formerly Deputy CEO, Strategy and Corporate Service, Berhan Insurance S.C. (2020–2023) (see Table 62)



Name	Role	Shares Held (Direct; Indirect) at 10 October 2026	% of Issued Capital (Direct and Indirect)	Other Material Interests
Ato Jaleta Wordoffa Girarra	Director	498 direct; no indirect	0.008%	Finance and Operations Manager, Bleu Blac Rouge Foundation (see Table 62)
Ato Binyam Bedewi Mohammed	Director	14,022 direct; 120,000 indirect (110,000 held through Zablon Trading PLC; 10,000 held through Aku Gebretsadik Habtemichael)	2.118%	Chief Executive Officer of Phison Real Estate SC, Zablon Trading PLC, Eva Coffee PLC and Diplomat Real Estate SC (see Table 62). Zablon Trading PLC holds 110,000 shares (1.74%) in the Bank, the second-largest shareholding (Table 79), and a further 10,000 shares are held through Aku Gebretsadik Habtemichael, and has an outstanding facility of ETB 0.30 million from the Bank (Table 77)
Dr. Lemma Degefa Gudeta	Director	3,330 direct; no indirect	0.053%	Country Director, Rescue The Generation (see Table 62)
Dr. Abaydar Ketema Woldeeab	Director	663 direct; no indirect	0.010%	None beyond directorship and shareholding
Dr. Aynalem Abayneh Mamo	Director	1,227 direct; no indirect	0.019%	Founder and Manager, GOLDIE Management Consultancy Service (see Table 62)
Ato Daniel Wondimu Wolderufael	Director	160 direct; no indirect	0.003%	General Manager and co-owner of Messidan International Trading PLC, which has an outstanding facility of ETB 6.12 million from the Bank (Table 77), and of Dima Flower Farm PLC (see Table 62)
Ato Girma Mamo Milky	Director	413 direct; no indirect	0.007%	Chief Executive Officer, Girma Mamo General and Water Works Construction Company (see Table 62)
Ato Ermias Tefera Shawel	CEO	No shares (direct or indirect)	0.000%	Staff personal loan of ETB 2.27 million outstanding at 30 June 2026 (effective interest rate 7%; backed by a personal guarantee)
Ato Tesfaye Maru Abate	CFO	700 direct; no indirect	0.011%	Staff mortgage loan of ETB 6.98 million outstanding at 30 June 2026 (effective interest rate 7%; secured by building collateral)

Direct holdings in Table 3 are registered in the personal name of the Director. Indirect holdings are registered in the names of the entities and person shown in brackets (Ethiopian Kale Heyewet Church and 56 affiliated local churches and church bodies; Berhan Insurance S.C.; Zablon Trading PLC; and Aku Gebretsadik Habtemichael) and are attributed to the Director as indirect interests in Note 29 to the audited financial statements, in the capacity described in the "Other Material Interests" column; they are not held in the personal name of the Director. The Chief Executive Officer and the Chief Finance Officer hold no indirect interests. The holdings agree to Table 76 in Section 6.1. 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/CMSP/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.

Berhan Bank S.C. has formally contracted Ethio Capital Solutions PLC. 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. This consent is dated November 3, 2026, being the date of this Prospectus.

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. The Legal Advisor issued its legal opinion on November 4, 2026 and, by its written consent dated November 4, 2026, consented to the inclusion of its name and that opinion within this Prospectus.

Berhan Bank 42

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, 30 June 2025 and 30 June 2026, on which the External Auditor issued audit reports dated 16 October 2023, 19 September 2024, 6 October 2025 and 6 October 2026 respectively.

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 its written consent, dated October 13, 2026, to the inclusion of its Audit Reports dated 16 October 2023, 19 September 2024, 6 October 2025 and 6 October 2026, and the references to its name in the form and context in which they appear in this Prospectus, and has not, before the publication of this Prospectus, withdrawn that consent.

Re-presented comparative information. The External Auditor confirms that the FY2024/25 amounts presented in this Prospectus as "re-presented" (Tables 7A to 7C in Section 1.5) agree to the comparative information in the financial statements for the year ended 30 June 2026, on which it issued its audit report dated 6 October 2026, and that the amounts presented as "previously reported" agree to the audited financial statements for the year ended 30 June 2025, on which it issued its audit report dated 6 October 2025.

This declaration of responsibility is limited to the financial information specifically stated to have been audited 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

Signed consent letters. The signed consent letters of the Legal Advisor (dated November 4, 2026), the External Auditor (dated October 13, 2026) and the Transaction Advisor (dated November 3, 2026) are filed with this Prospectus.

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., GDP figures from the Ethiopian Statistical Agency, Banking Business Proclamation No. 1360/2025 (which repealed Proclamation No. 592/2008) and Directives SBB/91/2024 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 (including the Global Findex Database 2025), United Nations Development Programme (UNDP), GSMA, McKinsey & Company, the Ministry of Finance, the Ethiopian Securities Exchange and the Ethiopian Capital Market Authority 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.

Berhan Bank 42 P.O.Box 987 Code 1110 Addis Ababa, Ethiopia

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.
- IMF Country Report No. 26/174, The Federal Democratic Republic of Ethiopia: Fifth Review Under the Extended Credit Facility Arrangement, Request for Rephasing of Access, Modification of Indicative Targets, and Financing Assurances Review, International Monetary Fund, July 2026 (Press Release PR26/235).
- NBE Monetary Policy Committee Meeting Statement, National Bank of Ethiopia, February 2026.
- Ministry of Finance, Mid-Year Budget Implementation Review 2025/26 (April 2026) and Monthly Domestic Debt Bulletin No. 2 (September 2025), Federal Democratic Republic of Ethiopia.
- NBE Monetary Policy Committee Meeting No. 7 Statement and Governor's Statement, National Bank of Ethiopia, 13 July 2026; NBE Financial Stability Report (third edition), March 2026; NBE Birritu No. 142, 2025.
- Ethiopian Securities Exchange, Interbank Money Market Milestone Press Release, ESX, September 2025.
- World Bank, Global Financial Development Report and Digital Development Report 2024; Klapper, L. et al., The Global Findex Database 2025: Connectivity and Financial Inclusion in the Digital Economy, World Bank, 2025.
- GSMA, The Mobile Economy Africa 2025 (October 2025) and The State of the Industry Report on Mobile Money 2026.
- Ethiopian Securities Exchange (Listed Companies; Interbank Money Market milestone release, 29 September 2025) and Ethiopian Capital Market Authority (licensing release, 13 July 2026).
- McKinsey & Company, From potential to performance: A snapshot of African banking, 31 March 2026.

1.4 External Auditors

Berhan Bank S.C. has retained the same External Auditor for four 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 Fiscal Year/2026. The Bank complied with the Commercial Code of Ethiopia (Proclamation No. 1243/2021) 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, incorporated on 10 January 2009 under the Commercial Code of Ethiopia then in force (now Proclamation No. 1243/2021), 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, 6,636 founding shareholders founded the Bank. 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 (30 Jun 2023)	FY 2023/24 (30 Jun 2024)	FY 2024/25 (30 Jun 2025)	FY 2025/26 (30 Jun 2026)
Authorized Capital	300,000,000	4,000,000,000	4,000,000,000	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

The paid-up capital reached ETB 6,328,419,000 on 24 November 2025 and was unchanged at 30 June 2026 (audited financial statements, Note 23). 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 25 October 2026, the Bank has 23,580 registered shareholders. The number of shareholders has remained unchanged since 24 November 2025, including at 30 June 2026 and 25 October 2026. 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. There were no subscribed but unpaid shares as at 24 June 2025, and all shares subscribed during FY2025/26 (2,041,534 shares) were fully paid before 24 November 2025. The audited financial statements confirm that the issued and fully paid share capital was 6,328,419 Ordinary Shares of ETB 1,000 each (ETB 6,328,419,000) as at 30 June 2026, unchanged from 24 November 2025.

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 October 2026, Berhan Bank S.C. had grown its branch network to reach 380 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 172 ATM machines, while only 21 POS terminals are actively operating across branches and merchant sites, because the Bank has shifted its strategy on POS terminals after finding its machines slow and outdated compared with those of its competitors (numbers as at October 2026), supporting electronic payment services.

Financially, the Bank has exhibited continuous Growth over recent years. Total operating income increased significantly to ETB 11.29 billion in 2026 from ETB 7.94 billion in 2025, 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 4.34 billion in 2026, compared to ETB 2.51 billion in 2025, ETB 1.51 billion in 2024 and ETB 605 million in 2023, while profit after tax reached ETB 3.27 billion in 2026, reflecting high earnings performance and improved operational efficiency. Total comprehensive income also grew to ETB 3.53 billion in 2026.

As of 30 June 2026, Berhan Bank S.C. reported total assets of ETB 82.47 billion, up from ETB 58.96 billion in 2025, primarily driven by Growth in loans and advances to customers, which reached ETB 46.65 billion, and increased holdings of financial assets. Customer deposits stood at ETB 55.90 billion, demonstrating a major funding base, while total liabilities amounted to ETB 69.58 billion. The Bank's total equity increased to ETB 12.89 billion in 2026 from ETB 8.54 billion in 2025, supported by retained earnings Growth, new share capital contributions 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 (Proclamation No. 1243/2021), 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 currently consists of eleven members with professional experience in banking, finance, accounting, risk management, information technology, business administration, and leadership. The entire Board of Directors is to be elected at the Annual General Meeting to be held on 1 December 2026 because the terms of office of all current Directors are expiring (see Table 4.1), fifteen days after the commencement

of the Offer Period, and in accordance with NBE directives at least one-third of the Directors must be independent directors (see Section 3.3 and Section 4). 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 at the date of this Prospectus; entire Board to be elected at the AGM on 1 December 2026 (fifteen days after the commencement of the Offer Period on 16 November 2026); at least one-third independent directors	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
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. FY 2024/25 figures are presented as in the comparative columns of the audited financial statements for the year ended 30 June 2026, in which certain items differ from the amounts previously reported (including personnel expenses, profit before tax, profit for the year, total comprehensive income and earnings per share in Table 7). The previously reported and re-presented amounts, the difference on each line and the reasons are set out in Tables 7A to 7C below, and the External Auditor's statement on them is in Section 1.2.3.

1.5.3.1 Summary of the Income Statement

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

Particulars	FY 2025/26	FY 2024/25	FY 2023/24	FY 2022/23
(ETB '000)				
Interest Income	8,661,627	6,058,457	5,112,154	4,391,533
Interest Expense	(2,881,943)	(2,107,561)	(1,796,517)	(1,603,668)
Net Interest Income	5,779,684	3,950,896	3,315,637	2,787,865
Net Fee and Commission Income	3,455,175	2,087,842	756,719	435,173
Other Operating Income	2,053,833	1,900,602	438,261	228,166
Total Operating Income	11,288,692	7,939,340	4,510,617	3,451,204
Net impairment (charge)/release on financial assets	(344,565)	7,235	66,916	(311,149)
Personnel Expenses	**(3,166,588)**	**(2,407,302)**	(2,076,281)	(1,616,270)
Other Operating Expenses	(2,933,621)	(2,582,113)	(592,576)	(547,315)
Depreciation & Amortization (including right-of-use assets)	**(507,821)**	**(446,080)**	(400,891)	(371,234)
Total Operating Expenses	**(6,608,029)**	**(5,435,495)**	(3,069,748)	(2,534,820)
Profit Before Tax	**4,336,098**	**2,511,080**	1,507,785	605,235
Tax Charge	(1,068,114)	(415,521)	(319,573)	(96,609)
Profit for the Year	**3,267,983**	**2,095,559**	1,188,212	508,626
Other Comprehensive Income	266,677	268,058	217,056	144,888
Total Comprehensive Income	**3,534,660**	**2,363,617**	1,405,268	653,514
Earnings Per Share (EPS)	576	547	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 77.1%, 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 66.5% from ETB 1.51 billion in 2024 to ETB 2.51 billion in 2025, while profit after tax grew by 76.4% to ETB 2.10 billion.

From 2025 to 2026, the Bank's performance strengthened further. Interest income grew by 43.0% to ETB 8.66 billion, while interest expense increased by 36.7% to ETB 2.88 billion, leading to a 46.3% rise in net interest income. Net fee and commission income increased by 65.5%, and other operating income increased by 8.1%, resulting in total operating income growing by 42.2% to ETB 11.29 billion.

Net impairment charges on financial assets amounted to ETB 344.6 million in 2026 (a loan impairment charge of ETB 93.3 million and an impairment loss on other financial assets of ETB 251.3 million), compared with a net release of ETB 7.2 million in 2025. Total operating expenses rose by 21.6% to ETB 6.61 billion, with personnel costs increasing by 31.5% and other operating expenses by 13.6%. Profit before tax increased by 72.7% from ETB 2.51 billion in 2025 to ETB 4.34 billion in 2026. The tax charge rose by 157.1% to ETB 1.07 billion (an effective tax rate of 24.6%, compared with 16.5% in 2025), so that profit after tax grew by 55.9% to ETB 3.27 billion. Total comprehensive income increased by 49.5% to ETB 3.53 billion, and basic earnings per share rose by 5.3% to ETB 576 (2025: ETB 547), reflecting profit growth partly offset by the increase in the weighted average number of ordinary shares from 3,831,194 to 5,675,562.

1.5.3.2 Summary of the Statement of Financial Position

Table 8: Summary statement of financial position

Particular	FY 2025/26	FY 2024/25	FY 2023/24	FY 2022/23
(ETB '000)				
Total Assets	82,472,868	58,958,859	46,021,506	45,045,221
Total Liabilities	69,583,925	50,418,739	39,808,311	40,015,777
Share Capital	6,328,419	4,286,885	3,447,898	3,350,433
Reserves & Surplus	6,560,524	4,253,235	2,765,297	1,679,011
Total Equity	12,888,943	8,540,120	6,213,195	5,029,444
Total Equity & Liabilities	82,472,868	58,958,859	46,021,506	45,045,221
Key Ratios	30-Jun-26	30-Jun-25	30-Jun-24	30-Jun-23
Capital Adequacy Ratio (CAR)	17%	16%	17%	18%
Equity-to-Asset Ratio	15.63%	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.

From 2025 to 2026, balance sheet expansion continued. Total assets increased by 39.9% to ETB 82.47 billion, largely driven by growth in loans and advances (net loans up 34.6% to ETB 46.65 billion) and in cash and balances with banks (up 104.0% to ETB 14.94 billion). Total liabilities rose by 38.0% to ETB 69.58 billion, primarily supported by increased customer deposits (up 29.7% to ETB 55.90 billion), together with higher margins held on letters of credit (ETB 4.03 billion, from ETB 1.51 billion) and new inter-bank money market

borrowings of ETB 4.21 billion. Total equity grew by 50.9% to ETB 12.89 billion, reflecting profit for the year of ETB 3.27 billion and ETB 2.05 billion of new equity contributions, net of dividends of ETB 1.05 billion.

The Capital Adequacy Ratio (CAR) showed a slight decline from 18% in 2023 to 16% in 2025 and was 17% in 2026 as stated in Note 6.6 of the audited financial statements (16.46% when recalculated from the disclosed capital base of ETB 10.44 billion and risk-weighted assets of ETB 63.42 billion), and it exceeded the 11% regulatory minimum at each date. The capital adequacy ratio reported by the Bank to the National Bank of Ethiopia at 30 June 2026 was 11.73%, on total capital of ETB 9,771 million and common equity tier 1 and tier 1 capital of ETB 8,259 million each; it is 0.73 percentage points above the 11% minimum under Directive No. SBB/95/2025. This ratio and the ratio in Note 6.6 to the audited financial statements are computed on different capital bases and different risk-weighted assets, and the NBE requirements for common equity tier 1 and tier 1 ratios take effect on 31 December 2026. Meanwhile, the equity-to-asset ratio improved consistently from 11.16% in 2023 to 15.63% in 2026, 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 2025/26	FY 2024/25	FY 2023/24	FY 2022/23
(ETB '000)				
Share capital	6,328,419	4,286,885	3,447,898	3,350,433
Share premium	28,504	18,628	16,372	15,847
Retained earnings	1,894,312	1,045,835	681,088	196,394
Regulatory Risk Reserve	1,585,196	1,128,204	604,020	403,104
Other Reserve	557,891	382,940	310,080	206,983
Legal Reserve	2,494,622	1,677,627	1,153,737	856,684
Total	12,888,943	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 2025/26	FY 2024/25	FY 2023/24	FY 2022/23
(ETB '000)				
Net Cash flow from Operating Activities	3,651,198	5,760,276	2,081,462	1,561,288
Net Cash flow from Investing Activities	-1,129,823	-3,356,593	-240,849	-1,425,203
Net Cash flow from Financing Activities	5,092,293	79,956	-733,359	453,226
Changes in Cash and Cash Equivalents	7,613,668	2,483,639	1,107,254	589,311
Cash and Cash Equivalent at the Beginning of the Year	7,323,707	4,840,068	3,732,813	3,143,500
Cash and Cash Equivalent at the end of the Year	14,937,375	7,323,707	4,840,067	3,732,811

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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, cash and cash equivalents 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.

From 2025 to 2026, net cash flows from operating activities decreased by 36.6% to ETB 3.65 billion, reflecting larger outflows on loans and advances (ETB 12.09 billion, compared with ETB 5.16 billion in 2025) and other assets (ETB 3.72 billion, compared with ETB 1.49 billion), partly offset by higher deposit inflows (ETB 11.44 billion, compared with ETB 7.60 billion). Net cash used in investing activities declined by 66.3% to ETB 1.13 billion, as investment in NBE bills and bonds fell from ETB 2.74 billion to ETB 0.30 billion. Financing activities generated a net inflow of ETB 5.09 billion (2025: ETB 80.0 million), comprising proceeds from ordinary share issuance of ETB 2.05 billion (including premium) and an ETB 4.21 billion increase in inter-bank money market borrowings, partly offset by dividends paid of ETB 1.05 billion. As a result, cash and cash equivalents increased by 104.0% from ETB 7.32 billion in 2025 to ETB 14.94 billion in 2026.

1.5.3.5 Reconciliation of Previously Reported and Re-presented FY2024/25 Figures

Previously reported and re-presented amounts. The FY2024/25 amounts shown in this Prospectus are those presented as comparatives in the audited financial statements for the year ended 30 June 2026 ("re-presented"). They differ in certain respects from the amounts reported for FY2024/25 in the Prospectus previously approved by the ECMA ("previously reported"). Tables 7A to 7C reconcile the two sets of amounts, show the difference on each affected line and give the reasons stated in the audited financial statements. The previously reported amounts are superseded by the re-presented amounts; they are disclosed here because investors may have relied on the previously approved Prospectus.

Table 7A: Reconciliation of FY2024/25 Profit or Loss and Other Comprehensive Income (ETB '000)

Line item (FY2024/25)	As previously reported	As re-presented	Difference
Personnel expenses	(2,400,663)	(2,407,302)	(6,639)
Total operating expenses	(5,428,856)	(5,435,495)	(6,639)
Profit before tax	2,517,719	2,511,080	(6,639)
Tax charge	(415,521)	(415,521)	–
Profit for the year	2,102,198	2,095,559	(6,639)
Other comprehensive income	268,058	268,058	–
Total comprehensive income	2,370,256	2,363,617	(6,639)
Earnings per share (ETB)	549	547	(2)
All other lines of Table 7, including total operating income of ETB 7,939,340 thousand	Unchanged	Unchanged	–

Personnel expenses, profit before tax, profit for the year, total comprehensive income and earnings per share. The audited financial statements for the year ended 30 June 2026 present FY2024/25 personnel expenses of

ETB 2,407,302 thousand (Note 12), which is ETB 6,639 thousand (0.28%) more than the ETB 2,400,663 thousand previously reported. Profit before tax, profit for the year and total comprehensive income are lower by the same ETB 6,639 thousand, and earnings per share by ETB 2 (from ETB 549 to ETB 547), as a direct result. The tax charge, other comprehensive income and total operating income are unchanged, and total assets, total liabilities, total equity and net cash flow from operating activities at and for the year ended 30 June 2025 are as previously reported (Table 7B).

Table 7B: Reconciliation of the Statement of Financial Position at 30 June 2025 (ETB '000)

Line item (30 June 2025)	As previously reported	As re-presented	Difference
Staff loans (gross)	2,763,940	2,335,298	(428,642)
Gross loans and advances to customers	35,973,941	35,545,299	(428,642)
Impairment allowance (Stages 1 to 3)	(897,023)	(897,023)	–
Staff loan market interest adjustment	(428,642)	–	428,642
Interest in suspense	(120,292)	–	120,292
Net loans and advances to customers	34,527,984	34,648,277	120,293
Other assets	2,897,297	2,777,005	(120,292)
Total assets	58,958,859	58,958,859	–
Total liabilities	50,418,739	50,418,739	–
Total equity	8,540,120	8,540,120	–
Net cash flow from operating activities (FY2024/25)	5,760,276	5,760,276	–

Loans and advances. Note 16 to the audited financial statements for the year ended 30 June 2026 explains that, to improve the relevance, reliability and transparency of presentation in accordance with IAS 1, suspended interest on Stage 3 loans (ETB 120 million) and staff loan market interest adjustments (ETB 428.6 million), which were previously presented separately from the loan balances, have been re-presented as shown in Table 7B, and that these changes affect presentation only and have no effect on profit or loss, total equity or cash flows. Gross loans and advances are ETB 428.6 million lower because the staff loan market interest adjustment is now part of staff loans, and net loans and advances are ETB 120.3 million higher; the equal reduction in other assets leaves total assets unchanged.

Table 7C: Reconciliation of Key Ratios (previously reported and current basis)

Ratio	As previously reported	As re-presented	Basis of the difference
NPL ratio, FY2024/25	4.78%	6.45%	Stage 3 loans divided by gross loans and advances (Note 6.3.6 to the audited financial statements); the previously reported ratio was not calculated on this basis
NPL ratio, FY2023/24	4.98%	6.49%	Same basis as above
NPL ratio, FY2022/23	5.75%	6.24%	Same basis as above
Cost-to-income ratio, FY2024/25	68.32%	68.40%	Higher personnel expenses (Table 7A)
Return on equity, FY2024/25	24.61%	24.54%	Lower profit for the year (Table 7A)
Return on assets, FY2024/25	3.55%	3.55%	No change at two decimal places
Net interest margin, FY2024/25	9.16%	9.14%	Re-presented net loans and advances (Table 7B)
Capital adequacy ratio, 30 June 2025	16%	16%	No change

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NPL ratio. The previously reported NPL ratios of 4.78% (FY2024/25), 4.98% (FY2023/24) and 5.75% (FY2022/23) were not calculated on the Stage 3 basis. This Prospectus presents the NPL ratio on the single basis disclosed in the audited financial statements, being non-performing (Stage 3) loans as a percentage of gross loans and advances: 6.24%, 6.49% and 6.45% for FY2022/23, FY2023/24 and FY2024/25, and 5.92% for FY2025/26. Wherever a figure in this Prospectus rests on previously reported amounts, it is labelled "as previously reported". The External Auditor's statement on the re-presented comparatives is set out in Section 1.2.3.

Personnel expenses: Table 7D analyses the ETB 6,639 thousand difference in FY2024/25 personnel expenses by the components shown in Note 12 to the audited financial statements for the year ended 30 June 2026. The whole of the difference arises in two components: bonus, which is ETB 215,853 thousand in the audited comparatives against ETB 209,213 thousand previously reported (ETB 6,640 thousand higher), and salaries, which are ETB 1 thousand lower (ETB 1,379,709 thousand against ETB 1,379,710 thousand previously reported). Every other component is the same in both sets of amounts.

Table 7D: Reconciliation of FY2024/25 Personnel Expenses by Component (ETB '000)

Component (Note 12)	As previously reported	As re-presented	Difference
Salaries	(1,379,710)	(1,379,709)	1
Staff allowances	(431,228)	(431,228)	–
Overtime	(23,111)	(23,111)	–
Bonus	(209,213)	(215,853)	(6,640)
Training and education	(43,786)	(43,786)	–
Leave payment	(15,731)	(15,731)	–
Pension costs – defined contribution plan	(150,973)	(150,973)	–
Provident fund – defined contribution plan	(13,727)	(13,727)	–
Other staff expenses	(91,182)	(91,182)	–
Defined benefit plans – severance	(42,002)	(42,002)	–
Total personnel expenses	**(2,400,663)**	**(2,407,302)**	**(6,639)**

Agreement with the statement of financial position and the statement of changes in equity. The bonus payable carried in provisions at 30 June 2025 is ETB 215,853 thousand (Note 22e to the audited financial statements for the year ended 30 June 2026), which equals the re-presented bonus expense for FY2024/25. Total provisions at 30 June 2025 (ETB 301,061 thousand), total liabilities and total equity (Table 7B) are as previously reported, and the statement of changes in equity in the audited financial statements carries the FY2024/25 profit for the year at ETB 2,095,559 thousand, the re-presented amount in Table 7A, with total equity of ETB 8,540,120 thousand at 30 June 2025. The audited financial statements do not state the reason for the change in the FY2024/25 comparative bonus expense, and this Prospectus does not attribute a cause to it. The difference is 0.28% of FY2024/25 personnel expenses and 0.26% of FY2024/25 profit before tax, and it affects no line other than those shown in Tables 7A and 7C.

1.5.3.6 Summary of FY2025/26 Audited Financial Highlights

The audited financial performance of Berhan Bank for the year ended 30 June 2026 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. Net operating cash flow was lower than in FY2024/25, reflecting larger outflows on loans and advances and other assets.

Table 11: Summary of FY2025/26 Audited Financial Highlights (30 June 2026)

Key Financial Indicator	FY 2025/26	FY 2024/25	Growth (%)
Total Assets (ETB Billion)	82.47	58.96	39.88%
Loans and Advances (ETB Billion)	46.65	34.65	34.64%
Customer Deposits (ETB Billion)	55.90	44.45	25.74%
Total Equity (ETB Billion)	12.89	8.54	50.92%
Total Operating Income (ETB Billion)	11.29	7.94	42.19%
Profit Before Tax (ETB Billion)	4.34	2.51	72.68%
Profit After Tax (ETB Billion)	3.27	2.10	55.95%
Earnings Per Share (ETB)	575.80	546.97	5.27%
Net Operating Cash Flow (ETB Billion)	3.65	5.76	-36.61%

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 16 November 2026 to 13 February 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.

Table 12: Key Offer Detail

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 (as at 25 October 2026)
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 November 2026
Gross proceeds (full subscription)	ETB 3,910,233,765
Estimated offer expenses	ETB 26,805,268 (0.69% of gross)
Net proceeds	ETB 3,883,428,497
Minimum subscription	1,835,790 shares = ETB 1,955,116,350 (50%); below this the offer does not proceed
Underwriting	None

Term	Detail
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 March 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 updated prospectus	On or before 5 November 2026
Publication of the prospectus	5 November 2026
Record Date (determines rights entitlement)	10 November 2026
Offer Period opens	16 November 2026, 9:00 AM
Offer Period closes (Offer Closing Date)	13 February 2027, 5:00 PM
Allotment and verification completed	20 February 2027
Board approval of the allotment; submission of the Allotment Report to ECMA	25 February 2027
ECMA approval of the Allotment Report	On or about 2 March 2027
Notification of allotment results; refund of excess subscription monies	Notification: 5 – 12 March 2027. Refunds: within 30 working days after the announcement of the allotment results, without interest and net of bank charges
Issue of the new shares and crediting to subscribers' accounts	On or about 22 March 2027

Rights not exercised or transferred by 5:00 PM on 13 February 2027 lapse without compensation. This is the single deadline for all investors, existing and external. 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.

- If excess demand is within the pool, every applicant gets its full request.
- 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: first come, first served.** Shares remaining go to external investors in the order in which a valid application and full payment reached the broker/dealer or investment bank (date and time stamp).
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 within 30 working days after the announcement of the allotment results, without interest and 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 Nov 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 13 February 2027. For external investors, the receipt time of a complete application sets their queue position.
6. Await allotment results (5 – 12 March 2027); unallotted money is refunded through the broker to the paying account within 30 working days after the announcement of the allotment results.

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 (an increase of 10 branches from the 380 branches in operation in October 2026) 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). Section 8.1.8 states the rates: 15.0% on the gross amount of dividends (Art. 57) and 15.0% on gains on the disposal of shares (Art. 59); independent tax advice is recommended.
- **Transferability:** shares are freely transferable, subject only to law, regulation and the NBE 5% ownership limit.
- **Records:** the Bank's Capital Market and Equity Management department maintain the share register at the Bank's head office; while 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 29 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 30 June 2026 (management information), approximately 63.98% of total deposits and approximately 81.53% of total outstanding loans were concentrated in Addis Ababa. In terms of sectoral distribution, construction and real estate accounted for 21.8% of the loan portfolio (management-information sector classification), followed by domestic trade and services at 18.45% and export financing at 15.28%. Collectively, these sectors represented 55.53% of total loan exposure on the same classification. Additionally, as at October 2026, 150 of 380 branches (40%) were located in Addis Ababa. On the liability side, private sector and cooperative customers who accounted for approximately 70%–88% of total deposits dominate 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 ETB 47.6 billion as at 30 June 2026 (audited gross loans and advances), 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 35.55 billion in FY2025 (as re-presented in the audited FY2026 financial statements) and ETB 47.64 billion as at 30 June 2026 (net of impairment allowance: ETB 34.65 billion and ETB 46.65 billion respectively). Non-performing loans (NPLs) increased from ETB 1.80 billion in FY2023 to ETB 2.29 billion in FY2025 and ETB 2.82 billion as at 30 June 2026, reflecting an NPL ratio (impaired Stage 3 loans as a percentage of gross loans, per the audited financial statements) of 5.92% as at 30 June 2026, above the 5.0% maximum prescribed by the NBE, and 6.45% as at 30 June 2025 on the same basis (4.78% as previously reported). The Bank's credit exposure is highly concentrated in construction and real estate, domestic trade and services, and export sectors, which collectively account for over 55.53% of total lending (management-information sector classification) 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.

F. Retail Lending Growth and NPL Concentration Risk

Description: Retail lending has become the largest and fastest-growing segment of the loan portfolio. Retail loans rose from ETB 11.15 billion at 30 June 2025 to ETB 25.34 billion at 30 June 2026 (an increase of 127.26%; 52.78% of gross loans on the management-information classification), while total gross loans and advances grew by 34.0% (audited). At 30 June 2026 retail non-performing loans were ETB 2.13 billion, or 75.53% of total NPLs of ETB 2.82 billion, and the Bank's NPL ratio of 5.92% was above the 5% ceiling set by the National Bank of Ethiopia (NBE). Retail borrowers are sensitive to income volatility, inflation and cost-of-living pressures.

Impact: Further deterioration in retail repayment performance may require higher impairment provisions (the loan loss allowance was ETB 990.3 million, 2.08% of gross loans, at 30 June 2026), reduce profitability and capital, prolong the period in which the NPL ratio stays above the NBE ceiling and expose the Bank to supervisory measures by the NBE.

G. Interbank Money Market Borrowing Dependence Risk

Description: At 30 June 2026 the Bank had Inter Bank Money Market (IMM) borrowings of ETB 4.21 billion (30 June 2025: nil), equal to 6.0% of total liabilities. The borrowings are short-term unsecured interbank loans at interest rates of 12% to 16% per annum for a maximum of seven days, obtained to support daily liquidity requirements (Note 22c to the audited financial statements). Interest on borrowings from domestic banks rose by 74.5% to ETB 340.3 million in FY2025/26.

Impact: Because the borrowings mature within seven days, they must be repeatedly refinanced. Reduced availability of interbank funds, higher rates or a loss of counterparty confidence may force the Bank to sell assets at a discount, increase funding costs and compress net interest income, and may draw supervisory attention to the Bank's liquidity.

H. Litigation and Tax Assessment Risk

Description: The Bank is a party to numerous legal actions arising from its normal business. As at 30 June 2026 the maximum outflow and inflow of exposure to these cases were ETB 231.9 million and ETB 136 million respectively, with provision held (Note 30a). In addition, the Bank is appealing a dividend tax assessment for which the maximum potential exposure is estimated at ETB 194.5 million. The largest single claim is ETB 151.0 million (Section 7.11).

Impact: Adverse court or tax-appeal outcomes may require cash payments that exceed provisions, reduce profit and capital, and affect the Bank's reputation. The audited financial statements state the maximum exposure on the tax assessment but do not state a provision for it.

I. Dividend Payout and Capital Retention Risk

Description: For FY2025/26 the Board has recommended a dividend of ETB 1,894.3 million, equal to 100% of the retained earnings balance available for distribution at 30 June 2026 (58.0% of profit after tax and 95.0% of profit available after the mandatory reserve transfers), subject to approval at the Annual General Meeting. The opening retained earnings of ETB 1,045.8 million were likewise distributed during the year. Total equity of ETB 12,888.9 million would be ETB 10,994.6 million after the dividend (Table 61A).

Impact: Distributing all retained earnings limits the Bank's internal capital generation at a time of rapid asset growth and while an equity raise is under way. Investors should not assume that dividends of this size will continue; future dividends depend on profit, NBE capital requirements and the Annual General Meeting.

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 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 within 30 working days after the announcement of the cancellation, 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

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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 7.11), 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.

F. Board Election and Reconstitution Risk

Description: The entire Board of Directors is to be elected at the Annual General Meeting to be held on 1 December 2026 because the terms of office of all current Directors are expiring (see Table 63), fifteen days after the commencement of the Offer Period (16 November 2026 to 13 February 2027), so that investors who subscribe before that date will do so while the composition of the new Board is not yet known. At least one-third of the Directors must be independent directors in accordance with NBE directives. The Directors named in this Prospectus are those in office at its date; the composition of the Board, the identity and independence status of its members and the membership of its Board committees may be different after the election, and the outcome is not known at the date of this Prospectus. Offer Shares are expected to be issued on or about 22 March 2027, after the election, and are not expected to carry voting rights at that meeting. All Board seats will be subject to election, and the terms of office of the current Directors (expiring on 18 April 2027) will be superseded by the terms of the Directors elected at that meeting. The outcome will be disclosed by way of a supplementary prospectus.

Impact: The election may change the composition; skills mix and committee structure of the Board and may affect strategy, risk appetite, governance practices and continuity of oversight. Delay or dispute in conducting

the election, or in obtaining NBE approval of newly elected Directors, could affect the Bank's governance and regulatory standing. Such developments may occur after investors have subscribed and could affect investor confidence and the market perception of the Bank and its shares. The terms of the Offer are not affected.

J. Illiquidity of Shares and Over-the-Counter Market Risk

Description: The Bank's Ordinary Shares are not listed on any securities exchange or regulated market and there is no established market price for them. Trading is expected to take place on the over-the-counter (OTC) market through licensed Capital Market Service Providers after registration (Section 10.1). The Ethiopian capital market is at an early stage and OTC trading volumes are uncertain.

Impact: Investors may be unable to sell their shares when they wish, in the quantity they wish or at or near the Offer Price. Wide bid–offer spreads, thin trading and a delay in the start of OTC trading could reduce the value that can be realised.

K. Dematerialisation Risk

Description: Under the Dematerialisation Directive, the Bank must convert the 6,328,419 existing shares held by 23,580 registered shareholders (as at 25 October 2026) from physical certificates into electronic records at the Central Securities Depository. Shares that are not claimed and dematerialised cannot be traded on the OTC market until claimed.

Impact: Delays in cleansing the register or in shareholders completing dematerialisation may keep part of the shareholder base from trading, increase servicing costs and complaints, and give rise to errors or disputes over entitlement.

L. Non-Repatriation of Dividends Risk

Description: Shareholders of Ethiopian origin who reside outside Ethiopia receive dividends in Ethiopian Birr. Those amounts are not repatriable but may be reinvested in newly issued shares of the Bank (Section 5.4.6). This limits the economic return available to non-resident investors, who are also exposed to depreciation of the Birr.

Impact: Non-resident investors cannot convert dividends into foreign currency for transfer abroad, so the return in their home currency may be lower than expected, and reinvestment is possible only in the Bank's own shares.

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

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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 (unaudited management information), 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. As of June 30, 2026, the total foreign currency-denominated assets and liabilities exposed to foreign exchange risk amounted to Birr 709 million, compared with Birr 1.5 billion as of June 30, 2025. In FY2026 the Bank's gain on foreign exchange was ETB 1.79 billion (FY2025: ETB 1.71 billion).

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 21.5% of total operating income in FY2025 and 15.8% in FY2026 (gain on foreign exchange of ETB 1.79 billion), 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 16.0% in FY2024/25, and the IMF projects 11.7% in FY2025/26 and 12.3% in FY2026/27 (Table 42). 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.

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, cost USD 539,000) and new cybersecurity infrastructure deployments (SIEM, PAM, EDR cumulative investment exceeding USD 500,000). System transitions during implementation increase operational vulnerability. As at 30 June 2026 (management information), the Bank had 2,142,527 mobile banking subscribers and processed ETB 183.2 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.

M. Key-Person and Specialist Staff Concentration Risk

Description: The Bank has no material dependency on any single individual, but two areas depend on a small number of specialised staff. Core banking system (CBS) and IT operations depend on a small, specialised IT team that administers the Rubikon CBS, including the CBS-24 upgrade that went live on 25 August 2025. More than 62% of the Bank's organic foreign-currency inflow is originated through a limited number of FX treasury relationship managers. Foreign-exchange gains were ETB 1,785.6 million in FY2025/26, equal to 15.8% of total operating income and 86.9% of other operating income (Sections 2.3.8 and 2.6.3).

Impact: The unplanned departure of several of these specialists within a short period could disrupt system availability and cybersecurity, delay system upgrades, reduce foreign-currency and FX income and weaken correspondent-banking relationships. Competition for such staff is intense, and replacement may take time.

N. Unauthorised Transactions and Digital Channel Intrusion Risk

Description: Customers have brought claims alleging unauthorised withdrawals from their accounts: two pending Federal Court actions with 100 and 34 co-plaintiffs claim ETB 15.09 million and ETB 11.03 million respectively (Section 7.11). The Bank's growing digital and mobile channels are also exposed to unauthorised access and intrusion.

Impact: Unauthorised withdrawals or intrusions may cause direct losses, reimbursement of customers, litigation costs, regulatory sanctions and loss of customer confidence, and may be greater as digital channels and transaction volumes grow.

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 30 June 2026, the Bank's aggregate lending exposure to sectors with elevated ESG risk profiles (construction and real estate ETB 10.47B, domestic trade ETB 8.86B, manufacturing ETB 6.79B, transport ETB 1.07B) totalled ETB 27.19 billion, representing 57.07% of the audited gross loan portfolio of ETB 47.64 billion (audited sector classification, Notes 6.3.5 and 6.3.6).

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 10.47 billion, 21.97% of gross loans, growing 47.51% YoY to 30 June 2026) and manufacturing exposure (ETB 6.79 billion, 14.26%, growing 36.85% 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 154.93 million, 0.33% 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 (as at 30 June 2025), 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 requirements for independent directors and the establishment of specialized Board committees. The entire Board is to be elected at the Annual General Meeting on 1 December 2026, fifteen days after the commencement of the Offer Period, and at least one-third of the Directors must be independent directors under NBE directives (see Board Election and Reconstitution Risk). 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 election of the entire Board on 1 December 2026 may also affect the continuity of Board oversight and the composition of Board committees early in the Offer Period.

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 29 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 was incorporated on 10 January 2009 under the Commercial Code of Ethiopia then in force, and is registered with the Addis Ababa City Administration Trade Bureau under Registration Number BL/AA/2/0002442/2005. The Bank is now governed by the Commercial Code of Ethiopia (Proclamation No. 1243/2021).

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 380 branches across the country. Its branch network is managed through 12 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 twelve District Offices, with their regions, cities and physical addresses, are listed in Table 13 below and in Appendix I.

Table 13: Representative Contacts

No.	District Name	Region	City	Sub-City	Contact	Woreda and Physical Address (House No. / landmark)
1	Central Ethiopia	Central Ethiopia	Hossana	Lich Amba	+251990074874	Woreda Addis Ketema; House No. not applicable
2	Central Hawassa District	Sidama	Hawassa	Menharia	046-2-218585	Woreda Tabor; House No. New
3	East Addis Ababa District	Addis Ababa	Addis Ababa	Bole	0116-354011 / 0116-354795	Woreda 04; House No. New; Terefe Dinberu Building
4	East District	Oromia	Adama	Gada	022-1112239	Woreda Oda; House No. New; Abebaew Sifteraw Building
5	North Addis Ababa District	Addis Ababa	Addis Ababa	Kirkos	0115-578745	Woreda 08; House No. 197

No.	District Name	Region	City	Sub-City	Contact	Woreda and Physical Address (House No. / landmark)
6	North East District	Addis Ababa	Addis Ababa	Kirkos	116592979 / 0994009743	Woreda 08; House No. New
7	North Hawassa District	Sidama	Hawassa	Menharia	046-2-217045	Woreda Tabor; House No. New
8	North District	Amhara	Bahir Dar	Tana	+251998422591	Woreda Bahir Dar; House No. New; Paperes Hotel Building
9	South Addis District	Addis Ababa	Addis Ababa	Lideta	0115-574726	Woreda 08; House No. New; Balcha Hospital, Capstone Building
10	West Addis District	Addis Ababa	Addis Ababa	Lideta	0112301109	Woreda 09; House No. New; Capstone Building
11	West District	Addis Ababa	Addis Ababa	Kirkos	0115-261691	Woreda 09; House No. New; Nicolas Building
12	Wolaita District	South Ethiopia	Sodo	Mehal	046-180-2728	Woreda Mehal; House No. New; Water Development Building

2.1.3 History and Development of the Issuer

At its establishment in June 2009, 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 founded the Bank. The authorized capital was increased from ETB 2,000,000,000 to ETB 4,000,000,000 by the Extraordinary General Meeting held on 2 Tahsas 2012 E.C. (December 2019) and remained ETB 4,000,000,000 until the Extraordinary General Meeting of 17 October 2024 increased it to ETB 10,000,000,000. The capital structure has developed as follows (the issued and paid-up capital remained ETB 6,328,419,000, comprising 6,328,419 ordinary shares of ETB 1,000 each, as at 30 June 2026, per Note 23 to the audited financial statements):

Table 14: Capital Structure of the Bank

Particulars (ETB)	At Establishment (June 2009)	FY 2022/23 (30 Jun 2023)	FY 2023/24 (30 Jun 2024)	FY 2024/25 (30 Jun 2025)	FY 2025/26 (30 Jun 2026)
Authorized Capital	300,000,000	4,000,000,000	4,000,000,000	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	16,912	20,752	23,580
Shares Issued in the Year (Number)	95,000	3,255,433	97,465	838,987	2,041,534

Berhan Bank S.C. P.O.Box 387 Code 1110 Addis Ababa, Ethiopia 42

Particulars (ETB)	At Establishment (June 2009)	FY 2022/23 (30 Jun 2023)	FY 2023/24 (30 Jun 2024)	FY 2024/25 (30 Jun 2025)	FY 2025/26 (30 Jun 2026)
Share Premium Received in the Year (ETB '000)	n/a	2,215	525	2,256	9,876
Share Premium Balance at Year-end (ETB '000)	n/a	15,847	16,372	18,628	28,504

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:
  - 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 a digital lending platform developed with Kacha Digital Financial Services, which has completed user-acceptance testing and was deployed in the live environment on 31 October 2026 (Contract 14, Section 2.10; see 2026/27 below).

➢ **2024/25 – 2025/26** – Expansion of infrastructure resilience and governance capabilities through:

- Major upgrade of the Bank's Core Banking System to Rubikon CBS version 24 (CBS-24), a multi-version migration implemented over FY2024/25 and FY2025/26. The original contractual completion date of 31 May 2025 was missed and the system went live on 25 August 2025 (FY2025/26); the contract price of USD 539,000 has been paid in full and post-go-live support continues under the contract (Contract 5, Section 2.10);
- 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), which went live on 27 January 2026 (Contract 4, Section 2.10), and Endpoint Detection and Response (EDR) systems; USD 202,838 of the USD 278,166 contract value has been paid and the balance of USD 75,328 remains outstanding pending completion of the implementation under the project plan;
- Formalization of Information Technology Governance and IT Service Management (ITSM) frameworks to strengthen operational governance, service delivery, and regulatory compliance.

➢ **2026/27 – Launch of digital lending through a controlled release:**

- The digital lending platform developed with Kacha Digital Financial Services (Contract 14, Section 2.10) was deployed in the live environment on 31 October 2026 and is ready for production. Approximately 31 whitelisted customers and staff are accessing the platform, which allows the Bank to assess the system before it is opened to the market. General release to the market remains subject to NBE approval of the digital lending product.

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 and the date of this Prospectus, the following events occurred which are materially relevant to an evaluation of the Bank's solvency. The most recent audited financial statements of the Bank are those for the year ended 30 June 2026. 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, and remained at ETB 6.33 billion at 30 June 2026 (audited). 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. Total equity increased from ETB 8.54 billion at 30 June 2025 to ETB 12.89 billion at 30 June 2026, and the Bank's capital adequacy ratio was 17% at 30 June 2026 (16% at 30 June 2025), as reported in Note 6.6 to the audited financial statements (16.46% on the capital base of ETB 10.44 billion and total risk-weighted assets of ETB 63.42 billion disclosed in that note). The capital adequacy ratio reported by the Bank to the NBE at 30 June 2026 was 11.73% (total capital ETB 9,771 million; common equity tier 1 and tier 1 capital ETB 8,259 million each), against the 11% minimum under Directive No. SBB/95/2025; it differs from the Note 6.6 ratio because it is computed on a different capital base and risk-weighted assets. 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.
- Non-performing loans above the NBE ceiling. On the audited Stage 3 basis the Bank's non-performing loan ratio was 5.92% at 30 June 2026 (Stage 3 loans of ETB 2,822.4 million on gross loans and advances of ETB 47,639.96 million) and 6.45% at 30 June 2025 (4.78% as previously reported on a different basis), against the NBE maximum of 5.0% under Directive No. SBB/90/2024. The loan impairment allowance was ETB 990.3 million, equal to 35.1% of Stage 3 loans. The regulatory engagement and status of the Bank, the supervisory powers of the NBE and the measures by which the Bank manages its NPL ratio are set out below. See also Section 2.3.2, Section 2.5.13 and Section 7.2.5.
- Regulatory engagement and status. The Bank has received no correspondence from the NBE on its NPL ratio, and no corrective measure, remedial plan, restriction or sanction has been imposed on the Bank, or agreed between the Bank and the NBE, in relation to it. The Legal Advisor's opinion dated November 4, 2026 states that the Bank holds a renewed banking licence, is in good standing with the NBE and has no known pending administrative, licensing or regulatory action, and that the Bank has obtained the NBE's no-objection letter for the Offer and the registration of its shares; the opinion does not address the Bank's compliance with prudential ratios. The NPL ratio of 5.92% at 30 June 2026 is 92 basis points above the 5.0% maximum under Directive No. SBB/90/2024 and 53 basis points below the 6.45% at 30 June 2025.
- Supervisory powers. Under the prompt corrective action provisions of the Banking Business Proclamation No. 1360/2025 (Article 32), the NBE may intervene early in a bank that does not meet prudential requirements, including by removing managers, requiring a capital restoration plan, suspending dividends, arranging a purchase-and-assumption transaction or placing the bank in temporary administration (Section 2.5). No such action has been notified to the Bank. Whether, and in what circumstances, the NBE would apply those powers in respect of the NPL ceiling is a matter for the NBE and cannot be predicted by the Bank. If the NBE were to take such action, the consequences could include suspension of the proposed dividend for FY2025/26 (Section 5.4) and changes in the Bank's management or capital, which could affect the Bank's earnings, its capital adequacy ratio (11.73% at 30 June 2026 against the 11% minimum) and the value of the Offer Shares.
- Measures addressing the NPL ratio. The Bank's objective, set in its Board-approved Strategic Plan, is an NPL ratio below 5% in each of FY2026/27, FY2027/28 and FY2028/29 (Strategic Objective 4 and Table 26 in Section 2.2.2); it is an objective and not a forecast (Section 3.2). The Bank manages asset quality through loan monitoring, restructuring and recovery across its corporate, SME and retail portfolios (Section 2.3.2), through a Deputy Chief – Loan Recovery and Documentation Officer appointed on 4 November 2025 (Section 4), and through provisioning: the impairment allowance on Stage 3 loans was

ETB 794.6 million at 30 June 2026, within a total allowance of ETB 990.3 million (35.1% of Stage 3 loans), and the Regulatory Risk Reserve was ETB 1,585.2 million. During FY2025/26 Stage 3 loans increased by 23.1% while gross loans and advances increased by 34.0%, and the ratio fell from 6.45% to 5.92%. To bring the ratio to 5.0% on the 30 June 2026 loan book, Stage 3 loans would have to be ETB 2,382.0 million, which is ETB 440.4 million (15.6%) lower than the ETB 2,822.4 million reported (illustrative arithmetic on audited balances; not a forecast). Growth in gross loans and advances, recoveries, cures and write-offs reduce the ratio, and new Stage 3 classifications increase it.

- Interbank money market borrowing. At 30 June 2026 the Bank had interbank money market borrowings of ETB 4,206.3 million from four lenders (nil at 30 June 2025), at interest rates of 12% to 16% per annum and maturing between 2 and 7 July 2026. The Bank therefore relies on short-term wholesale funding for part of its liabilities. See Section 2.7.
- Tax assessment and litigation. The Bank is appealing a dividend tax assessment, with maximum potential exposure of ETB 194.5 million, and the maximum potential outflow from legal actions against the Bank was ETB 231.9 million at 30 June 2026 (Note 30a to the audited financial statements). See Section 7.4 and Section 7.11.
- Historical share issuances and ECMA. Certain historical share issuances were effected before the current securities registration regime took effect; they constitute a potential infraction, and ECMA may require regularization, impose administrative measures, or delay or condition its approval of the Offer. No monetary amount has been disclosed in respect of this matter. See Section 7.11 and Section 9.
- Proposed dividend. On 6 October 2026 the Board of Directors recommended a dividend of ETB 1,894.3 million in respect of FY2025/26, equal to 100% of the retained earnings of ETB 1,894.3 million at 30 June 2026, subject to approval by the shareholders at the Annual General Meeting on 1 December 2026. If approved, the distribution will reduce retained earnings, and therefore total equity, by that amount. See Section 5.4.
- Developments after 30 June 2026. On 13 July 2026 the NBE removed the credit growth cap in full, replaced it with targeted additional reserve requirements for individual banks based on their loan-to-deposit ratios, and raised its policy rate to 16%. The Board approved the audited financial statements on 6 October 2026. The Annual General Meeting of 1 December 2026 will consider the dividend and elect the entire Board of Directors (Section 3.3). This Prospectus contains no financial information for periods after 30 June 2026.

Save as set out above, no event has occurred between 30 June 2025 and the date of this Prospectus that is materially relevant to an evaluation of the Bank's solvency. In the opinion of the Directors, none of the events described above has had, or is expected to have, a materially adverse effect on the Bank's solvency, the Bank's capital adequacy ratio remaining above the minimum (17% against 8% in Note 6.6 to the audited financial statements; 11.73% as reported to the NBE against 11%). As disclosed in Note 31 to the audited financial statements for the year ended 30 June 2026, there were no significant post balance sheet events requiring adjustment or disclosure in those financial statements.

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.

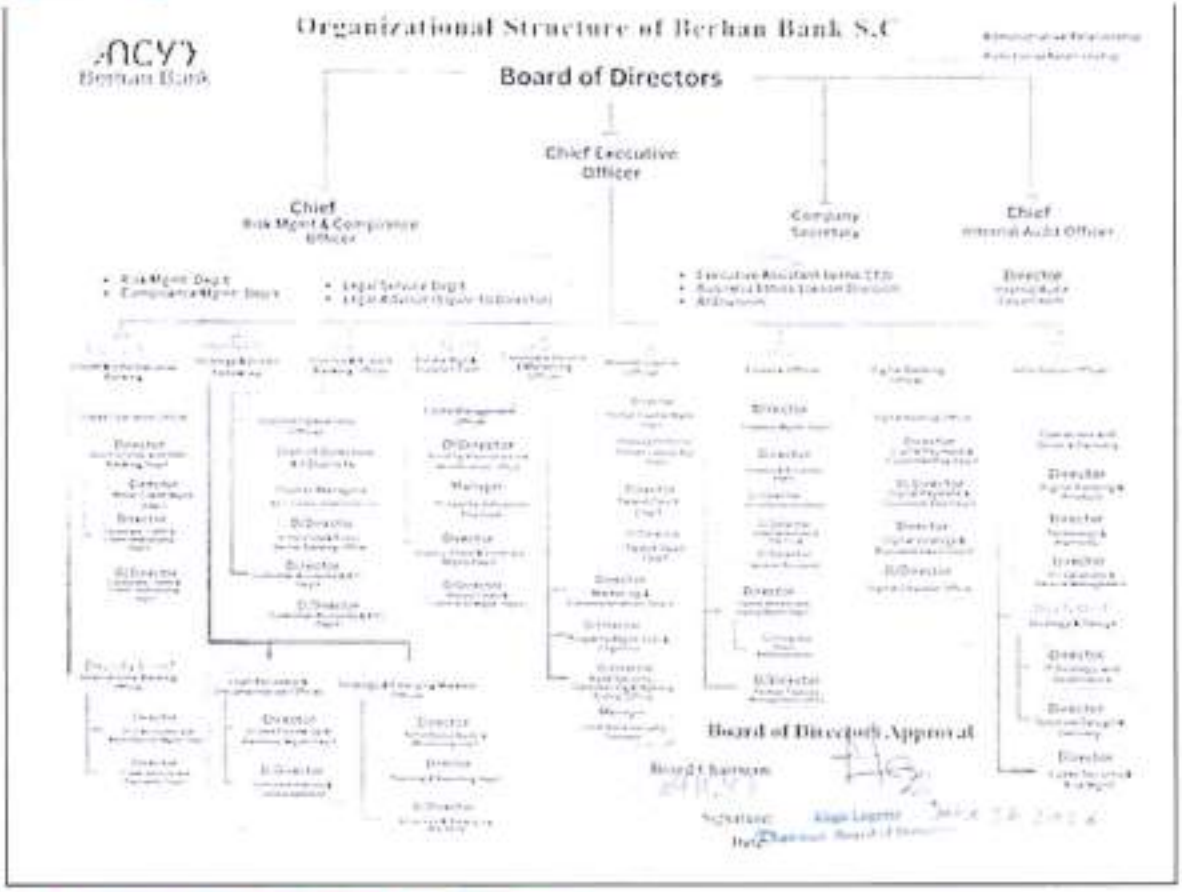
The Bank's Board of Directors holds the ultimate authority over governance, risk management, and compliance, supported by specialized committees such as the Risk Management and Compliance Committee. This committee is responsible for overseeing the Bank's risk appetite, monitoring exposures, ensuring 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.

Revised organizational structure. The Bank's organizational structure has been revised and is presented in Figure 1 below, which bears the approval of the Board of Directors. As depicted in Figure 1, the Board of Directors oversees the Chief Executive Officer, the Company Secretary, the Chief Risk Management and Compliance Officer and the Chief Internal Audit Officer, the latter three having a functional relationship to the Board and an administrative relationship to the Chief Executive Officer. The Deputy CEO, Credit and International Banking; the Deputy CEO, Strategy and Credit Follow-up; the Deputy CEO, Estate Management and Supply Chain; the Chief District and Branch Banking Officer; the Chief Corporate Service and Marketing Officer; the Chief Human Capital Officer; the Chief Finance Officer; the Chief Digital Banking Officer; and the Chief Information Officer report to the Chief Executive Officer, together with the Legal Service Department (headed by the Legal Advisor, equivalent to a Director), the Executive Assistant to the CEO, the Business Ethics Liaison Division and the AI Division.

The revised organizational structure was accompanied by appointments and re-designations of executive officers between 13 July 2024 and 23 January 2026, all of which are listed in Table 65A in Section 4; the titles of the executive officers and the dates of their appointment in Section 4 are those stated in the Bank's Annual Report. The Board of Directors shown at the top of Figure 1 is the Board in office at the date of this Prospectus; the entire Board is to be elected at the Annual General Meeting on 1 December 2026, as described in Section 3.3 and Section 4.

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 or joint ventures as at the date of this Prospectus. It holds minority equity investments of 5.00% in EthSwitch S.C. and 5.00% in Berhan Insurance S.C., and smaller holdings in two other companies (Section 2.8). The Bank has designated these holdings as equity investments at fair value through other comprehensive income under IFRS 9 (Note 17 to the audited financial statements) and does not account for them as associates under IAS 28; a holding of 5.00% is below the 20% level at which significant influence is presumed under IAS 28. Berhan Insurance S.C. holds 63,560 shares of the Bank (1.00%) and is represented on the Bank's Board by a Director (Section 5.2). The Bank conducts all of its operations directly and does not exercise control over any other entity. The financial statements are those of the Bank alone; the word "consolidated" used in some notes to the audited financial statements does not mean that any entity is consolidated, and no consolidated financial statements are required.

IAS 28 assessment of the holding in Berhan Insurance S.C. IAS 28 presumes significant influence where an entity holds, directly or indirectly, 20% or more of the voting power of an investee, and also requires the entity to consider whether it has the power to participate in the financial and operating policy decisions of the investee, as evidenced in particular by (a) representation on the board of directors or equivalent governing body of the investee, (b) participation in policy-making processes, including decisions about dividends or other distributions, (c) material transactions between the entity and the investee, (d) interchange of managerial personnel and (e) provision of essential technical information. The Bank has assessed each indicator in respect

of its 5.00% holding in Berhan Insurance S.C. (carrying amount ETB 31.0 million at 30 June 2026, less than 0.04% of total assets):

(a) Board representation. The Bank has no representative on the Board of Berhan Insurance S.C. Berhan Insurance S.C. holds 63,560 shares of the Bank (1.00%) and is represented on the Bank's Board by one of its eleven Directors (Ato Sibu Ayele Etefa; Section 5.2 and Table 62). That is representation of the investee on the Bank's Board, not representation of the Bank on the governing body of the investee, and it does not give the Bank the right to appoint or remove directors of Berhan Insurance S.C.

(b) Participation in policy-making. The Bank does not participate in the policy-making processes of Berhan Insurance S.C., including decisions on dividends or other distributions, and its 5.00% voting interest does not allow it to determine or block any such decision.

(c) Material transactions. The only recurring transactions between the Bank and Berhan Insurance S.C. are the Bank's purchases of motor insurance cover for its vehicle fleet, with annual premiums paid in full of ETB 12,630,231 (Section 2.10), equal to 0.43% of the Bank's other operating expenses and 0.11% of its total operating income for FY2025/26. These purchases are not material to the Bank and are not of a nature or size that would give the Bank influence over Berhan Insurance S.C.

(d) Interchange of managerial personnel. No executive officer of the Bank serves as a manager or director of Berhan Insurance S.C., and no manager of Berhan Insurance S.C. serves as an executive officer of the Bank. One Director of the Bank, who represents Berhan Insurance S.C. as a shareholder, was Deputy CEO, Strategy and Corporate Service, of Berhan Insurance S.C. from 2020 to 2023 (Table 62); this is a past role of a non-executive Director and not an interchange of managerial personnel between the two entities.

(e) Technical information. The Bank neither provides essential technical information to, nor receives it from, Berhan Insurance S.C.

Conclusion. Having considered the 5.00% holding together with these indicators, the Bank has concluded that it does not have the power to participate in the financial and operating policy decisions of Berhan Insurance S.C. and does not have significant influence over it. The holding is therefore accounted for as an equity investment at fair value through other comprehensive income under IFRS 9 (Note 17 to the audited financial statements), and not as an associate under IAS 28.

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 June 2026, the Bank's total deposits reached ETB 55.90 billion. Savings deposits accounted for the largest share of the deposit portfolio at 61.49%, followed by demand deposits at 26.49% and time deposits at 12.02%.

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 15: Deposit Distribution by structure (As at 30 June 2026)

Deposit Type	Amount	Share (%)
(ETB '000)		
Savings Deposit	34,369,164	61.49%
Demand Deposit	14,809,506	26.49%
Time Deposit	6,718,736	12.02%
Total	**55,897,406**	**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 30 June 2026, total deposits amounted to ETB 55.90 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 36.02% of total deposits as at 30 June 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 16: Deposit Distribution by Region (As at 30 June 2026)

Region	Deposit	Share (%)
(ETB '000)		
Addis Ababa	35,762,571	63.98%
Oromia	8,142,583	14.57%
Central Ethiopia	2,777,893	4.97%
South Ethiopia	2,655,588	4.75%
Amhara	2,652,294	4.74%
Others	3,906,478	6.99%
Total	**55,897,407**	**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 30 June 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 Ayat 72, Bole Medhanialem, 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 17: Top Ten Deposit Mobilizing Branches (As at 30 June 2026)

S.No	Branch Name	Amount	Share of Total Deposit
(ETB '000)			
1	Bole Branch	5,026,620	8.99%
2	Ayat 72 Branch	2,144,204	3.83%
3	Bole Medhaneyalem Branch	1,833,020	3.27%
4	Wolosefer Branch	990,676	1.77%
5	Megenagna Branch	964,897	1.72%
6	Ayer Tena Adebabay Branch	879,715	1.57%
7	Legahar Branch	720,075	1.28%
8	Kebena Branch	706,125	1.26%

S.No	Branch Name	Amount	Share of Total Deposit
9	Dir Tera Branch	669,314	1.19%
10	Lebu Branch	645,332	1.15%
	Total (Top 10 Branches)	**14,579,978**	**26.08%**

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 30 June 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 23.59 billion, reflecting the Bank's retail customer base and ongoing deposit mobilization activities among individual customers. Checking Accounts accounted for ETB 7.39 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 6.72 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 4.88 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 18: Deposit Products Distribution (As at 30 June 2026)

Deposit Product	Amount
(ETB '000)	
Personal Saving Account	23,593,551
Checking Accounts	7,385,831
Premium Savings Account	6,319,670
Fixed Term Deposit	6,718,736
Other Specialized Accounts	4,881,481
Business & Corporate Accounts	6,998,138
Total Deposits	**55,897,407**

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 19: Branch Distribution (As at October 2026)

Region	Branches
Addis Ababa	150
Oromia	88
Amhara	40
Central Ethiopia	31
South Ethiopia	21
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 construction and real estate, domestic trade and services, export, manufacturing, import, transport and communication, 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.

According to management information as at 30 June 2026, the Bank's gross outstanding loan portfolio amounted to ETB 48.01 billion. Construction and Real Estate constituted the largest sector exposure, accounting for ETB 10.47 billion or 21.80% of the total portfolio. The concentration in the construction and real estate sector reflects financing demand associated with commercial buildings, real estate development, infrastructure-related activities, and construction projects.

Domestic Trade and Services lending represented ETB 8.86 billion or 18.45% of the total portfolio, indicating the Bank's participation in financing wholesalers, retailers, service providers, and other commercial operators. Export financing accounted for ETB 7.34 billion or 15.28% and Manufacturing for ETB 6.79 billion or 14.15% of the portfolio, and these sectors include financing provided to exporters, industrial operators, and other business entities operating across different sectors of the economy.

The Bank also extended financing to import, transport and communication, and agricultural businesses, and to other sectors. Import financing amounted to ETB 5.26 billion or 10.95%, Transport and Communication ETB 1.07 billion or 2.22%, and Agriculture ETB 154.93 million or 0.32%, while Other Sectors accounted for ETB 8.07 billion or 16.81% of the portfolio. 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.

As at 30 June 2026, audited gross loans and advances to customers amounted to ETB 47.64 billion (30 June 2025: ETB 35.55 billion, as re-presented), as analysed by economic sector in Table 29. The segment, regional and top-borrower analyses presented in this section (Tables 20 to 22) are based on management information as at 30 June 2026 and do not form part of the audited financial statements. The management-information portfolio total of ETB 48,009.39 million in Tables 20 and 21 exceeds audited gross loans by ETB 369.43 million; this difference, which equals the amount by which staff loans in management information exceed their audited carrying amount (staff loan market interest adjustments; Section 2.6.2, Table 49 note (a)), arises in the line "Other Sectors" of Table 20 (ETB 8,070.70 million, compared with ETB 7,701.26 million in the audited sector analysis), while the other sector lines agree with the audited sector analysis to within ETB 0.01 million. Table 29 is on the audited basis: its FY2025/26 "Other sectors" line (ETB 7,701.26 million) and total (ETB 47,639.96 million) are the audited amounts and the shares of total are calculated on that total. The audited financial statements do not present revenue by operating segment; total revenue by nature of income is analysed in Section 7.3.1 and total revenue by region is given in Table 91A.

Table 20: Loan Portfolio by Segment (As of 30 June 2026)

Segment	Outstanding	Share (%)
(ETB Million)		
Construction & Real Estate	10,466.25	21.80%
Domestic Trade & Services	8,859.08	18.45%
Export	7,337.99	15.28%
Manufacturing	6,793.63	14.15%
Import	5,258.81	10.95%
Transport & Communication	1,067.99	2.22%
Agriculture	154.93	0.32%
Other Sectors	8,070.70	16.81%
Total	**48,009.39**	**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 30 June 2026, the Bank's gross outstanding loan portfolio amounted to ETB 48.01 billion (management information). Addis Ababa accounted for the largest share of the portfolio with outstanding loans of ETB 39.14 billion, representing 81.53% 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 3.26 billion or 6.79% of the total portfolio, followed by Amhara with ETB 1.82 billion or 3.79%. Central Ethiopia, South Ethiopia, and other regional categories collectively accounted for the remaining ETB 3.79 billion or 7.89% 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 21: Loan Distribution by Region (As of 30 June 2026)

Region	Outstanding	Share (%)
(ETB Million)		
Addis Ababa	39,142.78	81.53%
Oromia	3,260.54	6.79%
Amhara	1,818.30	3.79%
Others (incl. Central Ethiopia and South Ethiopia)	3,787.77	7.89%
Total	**48,009.39**	**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.

According to management information as at 30 June 2026, the aggregate outstanding balance of the top ten borrowers amounted to ETB 6.61 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. One exposure, Borrower 4 (ETB 637.88 million), is classified as "Loss". The Bank has recognised an expected credit loss allowance of ETB 542.02 million against this exposure (85.0% of the exposure) in accordance with IFRS 9 and, considering that recovery is remote, has written off the loan.

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 22: Top Ten Borrowers (As of 30 June 2026)

Borrowers	Outstanding	Loan Status
(ETB Million)		
Borrower 1	1,269.47	Pass
Borrower 2	727.04	Pass
Borrower 3	701.50	Pass

Borrowers	Outstanding	Loan Status
Borrower 4	637.88	**Loss**
Borrower 5	636.62	Pass
Borrower 6	623.03	Pass
Borrower 7	584.92	Pass
Borrower 8	490.79	Pass
Borrower 9	469.30	Pass
Borrower 10	466.51	Pass
Total	**6,607.06**	

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 30 June 2026 (management information), the Bank had 2,142,527 mobile banking subscribers, 567,536 debit card subscribers, 13,727 internet banking subscribers and 2,178 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 172 ATMs and 21 actively operating POS terminals as at October 2026 (one at a branch and twenty at merchants). Branch, ATM and POS numbers change continually and are stated as at October 2026. The Bank's POS register recorded 226 terminals at 30 June 2025 (145 at branches and 81 at merchants, all active; see Appendix I). During FY2025/26 the Bank terminated 205 terminals because they were outdated and difficult to handle, having shifted its strategy on POS terminals; 21 terminals therefore remain in operation, a decrease of 90.7% (226 to 21). POS transactions processed in FY2025/26 amounted to ETB 423.7 million (Table 25), equal to about 0.2% of the value processed through the four

digital channels in that table (mobile banking ETB 183.2 billion, internet banking ETB 0.6 billion, ATM ETB 22.4 billion and POS ETB 0.4 billion). The audited financial statements do not report POS income as a separate line. The Bank reports that the effect of the reduction in terminals on its revenue is insignificant. For this purpose an active POS terminal is a device that is switched on, connected to a payment processing network and actively used to process transactions.

Merchant concentration and related-party status. Of the 21 POS terminals in operation as at October 2026, seven are deployed at Droga Pharma PLC and one at Alema Farms, so that eight of the 21 terminals are held by two merchants. Droga Pharma PLC is a shareholder of the Bank, holding 57,224 shares (0.904%) and ranked ninth in Table 79. The Bank has confirmed that neither Droga Pharma PLC nor Alema Farms is a related party of the Bank or of any of its Directors, and the POS arrangements with them are not related-party transactions for the purposes of Section 6. The principal terms of the merchant agreement with Droga Pharma PLC are summarised in Section 2.10.

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 (30 June 2026)

Table 23: Customer Access

Indicator	Number
Debit card subscribers	567,536
Prepaid Card Subscribers	2,178
Mobile Banking Subscribers	2,142,527
Internet Banking Subscribers	13,727

Subscribers: refers to registered customers

Table 24: Infrastructure (As at October 2026)

Indicator	Number
ATMs	172
POS Terminals	21

Table 25: Transaction Volumes

Indicator	Value
(ETB)	
Mobile banking transactions	183,229,317,200.98

Indicator	Value
Internet banking transactions	581,867,383.71
ATM transactions	22,411,315,345.37
POS transactions	423,713,075.32

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 52.0% in FY2026/27, 67.6% in FY2027/28 and 87.9% in FY2028/29 (Table 26A)
- 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 52.0% of total in FY2026/27, rising to 67.6% in FY2027/28 and 87.9% in FY2028/29; active mobile subscribers reach 1.82 million; digital account openings ≥ 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 Q3 FY2026/27; develop investment banking capabilities. Target ROE: ≥ 50%.

• SO 3 Enhance Resource Mobilization and Market Positioning: Grow total deposits to ETB 72.8 billion (+29.3% YoY). Deposit mix targets: savings ≥ 63% (ETB 46.3B), demand ≥ 27% (ETB 20.3B), fixed <9% (ETB 6.3B). FCY mobilization: USD 450.1 million (+10.1%). Industry deposit market share: ≥ 3.1%.



- SO 4 Sustain Strong and Profitable Financial Growth: Total income ETB 15.0 billion (+23.2%); NIM ≥7.5%; ROE ≥50%; ROA ≥4%; Cost-to-Income Ratio 61.8%; Net Profit Before Tax ETB 5.74 billion (+21.9%); NPL ratio <5%; CAR ≥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 of 61.8% in FY2026/27 (FY2025/26 audited: 60.38%; FY2024/25: 68.40%, re-presented); 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.

The targets stated in this Section 2.2.2, including those in Table 26, are objectives set in the Bank's Board-approved Strategic Plan. They are not forecasts or estimates of the Bank's future results (see Section 3.2), and the Bank's actual results may differ from them. The audited results for FY2025/26 are shown in Table 26 and in Section 7.3.

2.2.2.4 Initiatives

Initiative 1: Capital Market Participation 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 Q3 FY2026/27. This represents the single most material driver of the ROE target of ≥50%, as the expanded equity base will support loan portfolio growth substantially above the level achievable under the capital structure before the Offer. Ethio Capital Solutions PLC as Transaction Advisor (Contract 16 in Section 2.10) is managing the transaction. Estimated total cost of the Offer: ETB 26.81 million, including the Transaction Advisor fee of ETB 11.83 million (Table 130 in Section 8.9).

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 380 branches (October 2026) 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 ≥63% (ETB 46.3 billion), demand ≥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 raise the digital share of total transactions to 52.0% in FY2026/27, 67.6% in FY2027/28 and 87.9% in FY2028/29. Core investments include: the Rubikon CBS-24

upgrade (USD 539,000, Contract 5 in Section 2.10), which went live on 25 August 2025; the Micro Digital Lending Platform in partnership with Kacha FinTech (revenue-sharing, Contract 14), deployed in the live environment on 31 October 2026 for whitelisted users ahead of general release; completion of the SIEM and cybersecurity infrastructure (USD 278,166, of which USD 75,328 remains outstanding, 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 for FY2026/27 is 61.8%. The audited ratio improved from 68.40% in FY2024/25 (re-presented; 68.32% as previously reported) to 60.38% in FY2025/26, so the target is 1.4 percentage points above the FY2025/26 outcome: the Strategic Plan allows for additional expenditure on technology, customer service, infrastructure and growth (Table 26A), and holding the ratio at or below 61.8% requires that income growth is at least in line with expense growth. 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 Financial Targets for FY2026/27 with Audited Comparatives

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, together with the audited actual results for FY2025/26 (year ended 30 June 2026). The FY2024/25 column shows the audited actuals as re-presented in the FY2025/26 audited financial statements (Tables 7A to 7C), and the percentage changes in the FY2026/27 target column are those stated in the Plan, measured against the FY2024/25 actuals available when the Plan was approved. The targets are objectives of the Strategic Plan and not forecasts (Section 2.2.2.3), and actual results may differ from them:



Table 26: Financial Target

Financial Indicator	FY2024/25 (Audited Actual, as re-presented)	FY2025/26 (Audited Actual)	FY2026/27 (Target)
Total Deposits (ETB Billion)	44.45	55.90	72.8 +63.8% over FY2024/25
Total Assets (ETB Billion)	58.96	82.47	102.75 +74.3% over FY2024/25
Gross Loans (ETB Billion)	35.55	47.64	net growth 14.8%
Total Income (ETB Billion)	7.94	11.29	(+88.9% over FY2024/25)
Net Interest Income (ETB Billion)	3.95	5.78	+76.5% over FY2024/25
Net Profit Before Tax (ETB Billion)	2.51	4.34	(+127.8% over FY2024/25)
Paid-up Capital (ETB Billion)	4.29	6.33	(+133.1% over FY2024/25; Rights Issue target)
Total Capital (ETB Billion)	8.54	12.89	(+138.5% over FY2024/25; 19.8% of projected total assets)
NIM	9.14%	-	≥7.5%
ROE	-	25.35%	≥50%
ROA	3.55%	3.96%	≥4%
Cost-to-Income Ratio	68.40%	60.38%	61.8%
NPL Ratio	6.45% (Stage 3 basis)	5.92% (Stage 3 basis)	<5%, declining
CAR	16%	17%	≥NBE minimum +2pp
FCY Mobilisation (USD Million)	-	-	450.1 (+10.1%)
Active Mobile Banking Subscribers	-	-	1.82 million

Note to Table 26: the FY2024/25 amounts are those re-presented in the FY2025/26 audited financial statements. The corresponding amounts previously reported, where different, were gross loans ETB 35.97 billion, profit before tax ETB 2.52 billion, net interest margin 9.16%, cost-to-income ratio 68.32% and NPL ratio 4.78% (Tables 7A to 7C).

Table 26A sets out the Strategic Plan targets for FY2026/27 to FY2028/29 and the assumptions on which each is based. Like the targets in Table 26, they are objectives of the Strategic Plan and not forecasts (Section 2.2.2.3).

Table 26A: Strategic Plan Targets, FY2026/27 to FY2028/29

Measure	FY2026/27	FY2027/28	FY2028/29	Basis / assumptions
Return on equity	50.0%	49.5%	48.5%	Assumes a gradual normalisation of exceptionally high returns as the Bank expands its capital base, while profitability remains strong.

Measure	FY2026/27	FY2027/28	FY2028/29	Basis / assumptions
Profit before tax	ETB 5.7 billion	ETB 5.8 billion	ETB 6.5 billion	Assumes continued growth in income from deposits, lending, foreign currency, digital transactions and non-interest income, tempered by funding costs, staff expenses and technology investment.
Cost-to-income ratio	61.8%	< 66%	62.0%	Assumes continued cost discipline and process automation, while allowing for additional expenditure on technology, customer service, infrastructure and growth.
Digital transaction share	52.0%	67.6%	87.9%	Assumes continued adoption of mobile banking, QR payments, digital lending, School Pay, Barkot Pay and other digital channels.
NPL ratio	< 5%	< 5%	< 5%	Assumes continued prudent underwriting, monitoring, collection and recovery, with sufficient control to keep the ratio below the NBE 5% threshold.

I. Basis of Projections

The 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 a shareholder in the future. The External Investor Offering in this Prospectus is open only to the eligible investor categories in Section 8.2 and is subject to the NBE 5% ownership limit (5% of post-offer paid-up capital without prior NBE approval); no anchor investor is identified in this Prospectus.
- 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, The Mobile Economy Africa 2025; GSMA, State of the Industry Report on Mobile Money 2026).[1] Telebirr reached 60.6 million customers in the year to 30 June 2026.[2]

D. Capital Market Development and Revenue Diversification

[1] GSMA (2025). The Mobile Economy Africa 2025. London: GSMA, 14 October 2025. https://www.gsma.com/about-us/regions/africa/gsma_resources/the-mobile-economy-africa-report-2025/ ; GSMA (2026). The State of the Industry Report on Mobile Money 2026. London: GSMA (Figure 32, Ethiopia: mobile money account ownership of 29% of men and 13% of women, 2025 GSMA consumer survey). https://www.gsma.com/solutions-and-impact/connectivity-for-good/mobile-for-development/gsma_resources/the-state-of-the-industry-report-on-mobile-money-2026/

[2] Benamara, A. (23 July 2026). "Ethio Telecom Reports Record Revenue Growth, Tops 90 Million Customers", TechAfrica News (Telebirr: 60.6 million customers, year to 30 June 2026): https://techafricanews.com/2026/07/23/ethio-telecom-reports-record-revenue-growth-tops-90-million-customers/

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 2025, 49% of Ethiopian adults had an account in 2024 (46% in 2021), compared with 58% across Sub-Saharan Africa, and increasing mobile adoption has been identified as a key driver of financial inclusion.[3] Ethiopia therefore reflects significant untapped demand for accessible financial services (World Bank, Global Findex Database 2025).

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



[3] Klapper, L., Singer, D., Starita, L., & Norris, A. (2025). The Global Findex Database 2025: Connectivity and Financial Inclusion in the Digital Economy. Washington, DC: World Bank. https://doi.org/10.1596/978-1-4648-2204-9. Sub-Saharan Africa average (58%): World Bank press release, 16 July 2025, https://www.worldbank.org/en/news/press-release/2025/07/16/mobile-phone-technology-powers-saving-surge-in-developing-economies. Ethiopia country values (49% in 2024; 46% in 2021; 57% of men and 42% of women) as reported in Awol, E. (23 July 2025), "Findex 2025 and Ethiopia's Digital Financial Leap: Momentum Without Maturity?", Shega, https://shega.co/news/findex-2025-and-ethiopias-digital-financial-leap-momentum-without-maturity, and Seyoum, Y. (16 July 2025), Birr Metrics, https://birrmetrics.com/49-of-ethiopians-are-banked-as-findex-2025-highlights-the-next-inclusion-challenge/.

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 on boarding 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 commercial bank in the small-bank segment 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 27: 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.

Year	Key Milestone
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	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 Management (PAM), Disaster Recovery (DR) infrastructure, and IT Governance and IT Service Management (ITSM) frameworks.
2025/26	Go-live of the Rubikon CBS version 24 core banking upgrade on 25 August 2025, following a multi-version migration implemented over FY2024/25 and FY2025/26; the original contractual completion date of 31 May 2025 was missed.
2025/26	Continued expansion of branch network, digital banking channels, and technology-enabled service delivery platforms supporting customer accessibility and operational scalability.
2026/27	Deployment of the digital lending platform developed with Kacha Digital Financial Services in the live environment on 31 October 2026, accessed by approximately 31 whitelisted customers and staff ahead of general release to the market.

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 2026, the Bank's total outstanding loan portfolio stood at ETB 47.64 billion (audited gross loans and advances), increasing from ETB 35.55 billion in 2025, ETB 30.82 billion in 2024 and ETB 28.89 billion in 2023, reflecting steady portfolio expansion over the review period.

The 2025 balance is stated as re-presented in the audited financial statements for the year ended 30 June 2026 (ETB 35.97 billion as previously reported). The difference of ETB 428.6 million relates to staff loan market interest adjustments, previously presented separately, which are now included in staff loans and advances (Note 16a to the audited financial statements).

Table 28: Loan Portfolio

Year	Total Loan Portfolio
(ETB Million)	
2023	28,888.06
2024	30,815.27
2025	35,545.30
2026	48,009.39

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 35.55 billion in 2025, representing annual growth of 15.35%. As at June 2026, the gross loan portfolio reached ETB 47.64 billion (audited) compared to ETB 35.55 billion in June 2025, reflecting year-on-year growth of 34.03%.

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 10.47 billion as at June 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 7.16 billion in June 2025 to ETB 8.86 billion in June 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 6.79 billion as at June 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 7.34 billion as at June 2026. Import financing similarly increased from ETB 2.98 billion in 2023 to ETB 5.26 billion as at June 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 FY2025/26, increasing from ETB 458.26 million in June 2025 to ETB 1.07 billion in June 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 154.93 million as at June 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 29: Loan Portfolio by Economic Sector (audited gross loans and advances)

Sector	FY 2022/23	FY 2023/24	Growth (%)	FY 2024/25	Growth (%)	FY 2025/26	Growth (%)	Share of Total (%)
				(ETB Million)				
Agriculture	102.13	152.53	49.35	130.13	-14.69	154.93	19.06	0.33
Construction & Real Estate	5,836.21	6,060.53	3.84	7,095.05	17.07	10,466.25	47.51	21.97
Transport & Communication	426.76	457.44	7.19	458.26	0.18	1,067.99	133.06	2.24

Sector	FY 2022/23	FY 2023/24	Growth (%)	FY 2024/25	Growth (%)	FY 2025/26	Growth (%)	Share of Total (%)
Domestic Trade & Services	8,285.60	7,126.10	-13.99	7,159.31	0.47	8,859.08	23.74	18.60
Manufacturing	3,435.17	3,708.95	7.97	4,964.29	33.85	6,793.64	36.85	14.26
Export	2,340.56	2,543.95	8.69	3,949.40	55.24	7,338.00	85.80	15.40
Import	2,983.82	3,285.48	10.11	4,505.29	37.13	5,258.81	16.73	11.04
Other sectors (balance to total)	5,477.81	7,480.29	36.56	**7,283.57**	**-2.63**	**7,701.26**	5.74	**16.17**
Total	28,888.06	30,815.27	6.67	35,545.30	15.35	47,639.96	34.03	100.00

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 June 2026, total NPLs (Stage 3 loans) increased to ETB 2.82 billion compared to ETB 2.29 billion in June 2025, representing a growth rate of 23.13%. NPLs in sectors other than those shown separately in Table 30 amounted to ETB 233.97 million (8.29% of total NPLs) at June 2026, against ETB 188.37 million at June 2025 (+24.21%). 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 979.56 million in June 2025 to ETB 1.07 billion in June 2026, reflecting continued exposure to project-related repayment delays and cash flow constraints within the sector. Trade and Services NPLs also increased from ETB 830.05 million to ETB 1.05 billion during the same period, indicating repayment pressures among commercial and service-based borrowers.

Export-related NPLs increased to ETB 351.90 million in June 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 65.17 million and ETB 36.51 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 9.54 million as at June 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 30: Non-Performing Loan (NPL) Portfolio by Economic Sector (ETB Million)

Particulars	(ETB Million)		Growth (%)	(ETB Million)	Growth (%)	(ETB (Million		Share (%)
Sector	**FY 2022/23**	**FY 2023/24**	-	**FY 2024/25**		**FY 2025/26**	**Growth (%)**	of total
Agriculture	6.97	8.12	16.50	11.86	46.06	9.54	-19.53	0.34

Particulars	(ETB Million)		Growth (%)	(ETB Million)	Growth (%)	(ETB Million		Share (%)
Construction & Real Estate	1,223.01	909.65	-25.62	979.56	7.69	1,072.63	9.50	38.00
Trade & Services	365.11	676.16	85.20	830.05	22.76	1,052.71	26.82	37.30
Manufacturing	27.30	70.79	159.30	42.94	-39.34	65.17	51.75	2.31
Import	29.51	58.01	96.58	35.27	-39.20	36.51	3.51	1.29
Export	93.83	105.08	11.99	204.20	94.33	351.90	72.33	12.47
Other	55.98	171.09	205.63	188.37	10.10	233.97	24.21	8.29
Total	1,801.71	1,998.90	10.95	2,292.25	14.67	2,822.43	23.13	100.00

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 35.55 billion in 2025 and ETB 47.64 billion in 2026 (audited, as shown in Table 29), representing sustained portfolio expansion over the reporting periods. The regional analysis presented below is based on management information, in which the 2025 total is stated as previously reported (ETB 35.97 billion). According to that information, as at June 2026, total outstanding loans reached ETB 48.01 billion, compared to ETB 35.97 billion in June 2025, reflecting a year-on-year growth rate of 33.46%.

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 28.08 billion in June 2025 to ETB 39.14 billion in June 2026, representing a growth rate of 39.39%. 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 2.75 billion in June 2025 to ETB 3.26 billion in June 2026, representing a growth rate of 18.73%. Similarly, the Amhara region increased from ETB 1.48 billion to ETB 1.82 billion over the same period, representing a growth rate of 23.27%, 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 31: Loan Portfolio Distribution by Region – Outstanding Loans – as of June 30, 2026

Particulars	ETB Million)		Growth (%)	(ETB Million)	Growth (%)	(ETB Million)	Growth (%)
Region	**2022/23**	**2023/24**		**2024/25**		**2025/26**	-
Addis Ababa	19,988.81	22,163.26	10.88%	28,080.55	26.70%	39,142.78	39.39%

Particulars	ETB Million)		Growth (%)	(ETB Million)	Growth (%)	(ETB Million)	Growth (%)
Oromia	3,072.62	3,090.80	0.59%	2,746.15	-11.15%	3,260.54	18.73%
Amhara	1,692.50	1,582.12	-6.52%	1,475.06	-6.77%	1,818.30	23.27%
Others	4,134.13	3,979.09	-3.75%	3,672.21	-7.71%	3,787.77	3.15%
Total	28,888.06	30,815.27	6.67%	35,973.97	16.74%	48,009.39	33.46%

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 30 June 2026, total non-performing loans (Stage 3 loans) amounted to ETB 2.82 billion, compared to ETB 2.29 billion at 30 June 2025, representing a growth rate of 23.13%. The regional analysis below is based on management information as at 30 June 2026, which agrees in total to the audited Stage 3 loans. 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 2.06 billion as at June 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.

Amhara and Oromia regions also contributed to the Bank's NPL portfolio, with outstanding balances of ETB 226.57 million and ETB 153.57 million, respectively, as at June 2026. Amhara recorded an increase of 26.35% in NPL levels compared to June 2025 (ETB 179.32 million), while Oromia recorded a decrease of 3.60% (ETB 159.30 million), and other regions collectively recorded ETB 382.94 million (an increase of 35.17%), 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 32: Non-Performing Loan (NPL) Distribution by Region –June 2026

Particulars	(ETB Million)		Growth %	(ETB Million)	Growth %	ETB (Million)	Growth (%)
Region	**June 2023**	**June 2024**	-	**June 2025**	-	June 2026	
Addis Ababa	1,685.60	1,527.47	-9.38	1,670.32	9.35	2,059.35	23.29%
Oromia	28.62	137.59	380.75	159.30	15.78	153.57	-3.60%
Amhara	11.32	104.38	822.26	179.32	71.80	226.57	26.35%
Others	76.17	229.49	201.28	283.31	23.45	382.94	35.17%
Total	1,801.71	1,998.93	10.95	2,292.25	14.67	2,822.43	23.13%

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 (as previously reported; ETB 35.55 billion as re-presented in the audited financial statements), reflecting sustained credit growth over the three-year review period. Audited gross loans and advances were ETB 47.64 billion at 30 June 2026. The customer category analysis below is based on management information as at 30 June 2026, in which total gross loans amounted to ETB 48.01 billion, compared to ETB 35.97 billion at 30 June 2025 (as previously reported), a growth rate of 33.46%.

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 **8.62** billion in 2023 to ETB **15.59** billion in 2025, and to ETB **17.80** billion as at **June** 2026 **(a growth rate of 14.14% over 2025)**, reflecting increased financing of medium and large-scale business enterprises engaged in trade, manufacturing, construction, and other commercial activities.

Retail lending constitutes the largest share of the Bank's portfolio, reflecting active engagement with individual customers and household-level financing needs. Retail loans increased from ETB 9.23 billion in 2023 to ETB 11.15 billion in 2025, and to ETB 25.34 billion as at June 2026 (52.78% of total gross loans), a growth rate of 127.26% over 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 **declining by a further 47.22%** to ETB **4.87** billion as at **June** 2026, **while continuing to support** 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, at 30 June 2026 the customer category distribution is concentrated in retail lending, which accounts for 52.78% of gross loans (31.0% at 30 June 2025) and 75.53% of NPLs, followed by corporate lending (37.07%) and SME lending (10.15%). During FY2025/26 retail loans increased by 127.26% and SME loans decreased by 47.22%. The portfolio structure supports income generation, with corporate and retail portfolios forming the core of the Bank's credit exposure.

Table 33: Loan Portfolio by Customer Category – Outstanding and Growth

Customer Category	2022/23	2023/24	Growth %	2024/25	Growth %	2025/26	Growth %
Corporate	8,620.85	10,767.55	24.90%	15,590.45	44.79%	17,795.66	14.14%
SME	11,039.1	9,589.1	-13.14%	9,233.1	-3.71%	4,872.80	-47.22%
Retail	9,228.15	10,458.55	13.33%	11,150.45	6.62%	25,340.94	127.26%
Total Gross Loans	**28,888.1**	**30,815.3**	**6.67%**	**35,974.0**	**16.74%**	**48,009.39**	**33.46%**

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 30 June 2026, total NPLs (Stage 3 loans) amounted to ETB 2.82 billion, compared to ETB 1.80 billion in 2023, ETB 1.999 billion in 2024, and ETB 2.29 billion in 2025. The customer category analysis below is based on management information as at 30 June 2026, which agrees in total to the audited Stage 3 loans. For June 2023 to June 2025 the category figures in Table 34 do not cover the whole of total NPLs; the balance not allocated to a customer category is shown in a separate row. The overall increase in NPLs reflects portfolio expansion alongside evolving repayment performance across customer segments, particularly within retail and SME lending portfolios.

Corporate NPLs declined significantly over the period under review, from ETB 758.12 million in June 2025 to ETB 263.15 million in June 2026, representing a decrease of 65.29%. This indicates a lower level of non-performing exposure within the corporate segment, supported by ongoing credit monitoring and structured lending arrangements.

SME-related NPLs increased from ETB 177.63 million in June 2025 to ETB 427.47 million in June 2026, representing a growth rate of 140.65%. The increase reflects the inherent vulnerability of SME borrowers to liquidity constraints, market fluctuations, and operational pressures.

Retail NPLs recorded the most pronounced increase, rising 376.71% from ETB 447.20 million in June 2025 to ETB 2.13 billion in June 2026 and accounting for 75.53% of total NPLs. 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 is concentrated in retail lending, which represents 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 34: Non-Performing Loans (NPLs) by Customer Category

	(ETB Million)		Growth %	(ETB Million)	Growth %	(ETB Million)	Growth (%)
Category	**June 2023**	**June 2024**	-	**June 2025**	-	**June 2026**	-
Corporate	896.90	760.95	-15.16%	758.12	-0.37	263.15	-65.29%
SME	135.77	166.10	22.34	177.63	6.94	427.47	140.65%
Retail	387.30	326.33	-15.74%	447.20	37.0	2,131.81	376.71%
Not allocated to a customer category (balance to total)	381.74	745.55	95.30	909.30	21.96	-	-100.00%
Total	**1,801.71**	**1,998.93**	10.95	**2,292.25**	14.68	**2,822.43**	**23.13%**

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 30 June 2026, total deposits amounted to ETB 55.90 billion, compared to ETB 33.78 billion in 2023 and ETB 44.45 billion in 2025, reflecting sustained expansion over the period. In FY2025/26 deposits grew across all three deposit types, with time deposits recording the fastest growth (76.53%), followed by savings deposits (25.44%) and demand deposits (11.78%).

Savings deposits represent the largest component of the deposit base, standing at ETB 34.37 billion (61.49% of total deposits) as at 30 June 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 14.81 billion (26.49%) as at 30 June 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 6.72 billion (12.02%) as at 30 June 2026, 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 35: Deposit Structure by Product Type

Deposit Type	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	Share of Total FY 2025/26	2024/23	2025/24	2026/25
			(ETB'000)					
Demand Deposits	8,949,876	12,078,453	13,248,870	14,809,506	26.49%	34.96%	9.69%	11.78%
Savings Deposits	21,770,027	20,979,921	27,399,146	34,369,164	61.49%	-3.63%	30.60%	25.44%
Time Deposits	3,062,391	3,793,819	3,806,003	6,718,736	12.02%	23.88%	0.32%	76.53%
Total Deposits	33,782,294	36,852,193	44,454,019	55,897,406	100.00%	9.09%	20.63%	25.74%

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 and ETB 55.90 billion in 2026 (audited), 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, and by a further 25.74% in 2026. The analysis by customer category below relates to the years 2023 to 2026; the 2026 split is based on management information and agrees in total to audited deposits.

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 and ETB 48.43 billion in 2026. The segment recorded year-on-year growth of 29.85% in 2024, 31.82% in 2025 and 30.56% in 2026, 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 in 2025, before a partial recovery to ETB 5.30 billion in 2026, an increase of 4.45%.

Regional Government deposits continued to grow from a relatively small base, rising from ETB 12 million in 2023 to ETB 25 million in 2025 and ETB 28 million in 2026. The segment recorded a strong 83.33% increase in 2024, followed by further increases of 13.64% in 2025 and 12.00% in 2026, 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 and 2026. Deposits declined slightly by 3.06% in 2024 before recovering by 3.24% in 2025 and remaining unchanged (0.00%) in 2026, 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 and ETB 996 million in 2026. The category decreased by 73.67% in 2024, a further 18.60% in 2025 and a further 10.72% in 2026, 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 36: Deposit Portfolio by Customer Category

Customer Category	FY 2022/23	FY 2023/24	Growth %	FY 2024/25	Growth %	FY 2025/26	Growth %
(ETB Million)							
Private Sector & Cooperatives	21,670	28,139	29.85%	37,093	31.82%	48,427	30.56%
Public Enterprises	5,749	6,210	8.02%	5,074	-18.29%	5,300	4.45%
Regional Governments	12	22	83.33%	25	13.64%	28	12.00%
Banks	1,145	1,110	-3.06%	1,146	3.24%	1,146	0.00%
Others	5,206	1,371	-73.67%	1,116	-18.60%	996	-10.72%
Total Deposits	**33,782**	**36,852**	**9.09%**	**44,454**	**20.63%**	**55,897**	**25.74%**

Table 37: 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).	7% – 7.5% p.a.	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		7.25% – 8% p.a. (effective from February 2024), depending on the threshold deposit balance applied	interest shall be always calculated based on the minimum monthly balance of the account;
Executive Deposit Account	Executive deposit product		8% – 11% p.a. (effective from June 2024)	
Fixed Term Deposit	Fixed maturity deposit with contracted interest rate	ETB 10,000	Negotiable; no specific rate is set for a specific time period and the rate depends on the Bank's liquidity position and may vary from time to time	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 30 June 2026, total deposits amounted to ETB 55.90 billion (ETB 55,897,407 thousand per management information; ETB 55,897,406 thousand per the audited financial statements), 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 23.59 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, with balances of ETB 7.39 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 6.32 billion, reflecting the Bank's ability to attract higher-value retail customers through differentiated deposit products. The contribution of this segment indicates increasing customer segmentation and enhanced product structuring within the retail deposit portfolio.

Fixed Term Deposits amount to ETB 6.72 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 7.00 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 4.88 billion, represent the smallest portion of the deposit base. This category includes targeted products designed for specific customer groups and financial inclusion initiatives. These products support 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 contributions from term deposits, premium savings, business and corporate accounts, 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 38: Deposit Product Distribution (June 2026 Detailed Composition)

Deposit Product	Amount
(ETB '000)	
Personal Saving Account	23,593,551
Checking Accounts	7,385,831
Fixed Term Deposit	6,718,736
Premium Savings Account	6,319,670
Business & Corporate Accounts	6,998,138
Other Specialized Accounts	4,881,481
Total Deposits	**55,897,138**

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. According to management information as at 30 June 2026, total deposits amounted to approximately ETB 55.90 billion.

Addis Ababa represents the largest source of deposits, contributing ETB 35.76 billion, equivalent to 63.98% 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 8.14 billion or 14.57% 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 2.78 billion (4.97%) and ETB 2.66 billion (4.75%), 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 2.65 billion, representing 4.74% 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 3.91 billion or 6.99% 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 39: Geographic Distribution of Deposits (June 2026)

Region	Deposit	Share (%)
(ETB '000)		
Addis Ababa	35,762,571	63.98%
Oromia	8,142,583	14.57%
Central Ethiopia	2,777,893	4.97%
South Ethiopia	2,655,588	4.75%
Amhara	2,652,294	4.74%
Others	3,906,474	6.99%
Total	**55,897,407**	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.

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Table 40: Correspondent Banking Relationships (as at June 30, 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 October 2026, the Bank operates 3**80** 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 41: Branch Network Distribution by Region (as of October 2026)

Region	Number of Branches
Addis Ababa	150
Oromia	88
Amhara	40
Central Ethiopia	31
South Ethiopia	21
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 (150 branches) accounts for the largest share of the network, reflecting its role as the financial and commercial hub of the country.
- Oromia (88 branches) represents the second-largest concentration, driven by its large population size and broad economic base.
- Amhara (40 branches) and Central Ethiopia (31 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.

In the twelve months from October 2025 to October 2026, the principal matters that affected the Bank's operations and financial performance were the following. First, the National Bank of Ethiopia's annual cap on the growth of outstanding credit (24% with effect from January 2025) remained in force until the NBE removed it in full on 13 July 2026, and the NBE raised the cash reserve requirement from 7% to 10% between December 2025 and March 2026, which reduced the share of deposits available for lending. The Bank's gross loans and advances nevertheless grew by 34.0% in FY2025/26 (from ETB 35.55 billion to ETB 47.64 billion, audited). Second, the branch network was broadly stable during FY2025/26: the Bank had 376 branches at 30 June 2025, 375 branches at 30 June 2026 and 380 branches in October 2026. The branch rationalisation of FY2024/25 (eighteen under-performing outlets consolidated and eleven new branches opened, taking the

network from 383 to 376 branches, with affected customers migrated to nearby branches) is described in Section 7.2.4. Third, intermittent civil unrest in parts of the Oromia and Amhara regions, which required temporary branch closures and restrictions on cash-in-transit operations in FY2023–FY2025, remains a risk to branch operations in those regions. Fourth, the Bank is a defendant in claims by groups of account holders alleging unauthorised withdrawals from their accounts, with potential liabilities of ETB 15.1 million and ETB 11.0 million respectively, and in other litigation described in Section 7.11 and Appendix II; the maximum potential outflow from legal actions against the Bank was ETB 231.9 million at 30 June 2026 (Note 30a to the audited financial statements).

Service continuity. The Bank reports that no interruption of its banking services occurred in the period from October 2025 to October 2026.

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 Financial Software Ltd), 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 and Ethio Telecom under a tripartite agreement (Table 61, Contract 15); 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 operations are not dependent on any single individual, but they depend on small groups of specialised personnel in two areas: (i) core banking system (CBS) and IT operations, which depend on a small, specialised IT team that administers the Rubikon CBS; and (ii) foreign-currency generation, more than 62% of the Bank's organic FCY being originated through a limited number of FX treasury relationship managers (see Employee Dependency in Section 2.6). The Bank manages these concentrations through succession planning and capacity development, and teams working under defined policies and delegated authorities perform other critical functions. The Bank's operations also depend on its core banking system, supplied by Neptune Financial Software Ltd (Rubikon CBS), and on its network connectivity, provided by Ethio Telecom. A prolonged failure or interruption of either service could disrupt branch, digital and payment operations; the Bank manages this risk through service level agreements, disaster recovery and business continuity arrangements, and continuous system monitoring. In addition, eight of the 21 POS terminals in operation are held by two merchants (Droga Pharma PLC seven, Alema Farms one); POS transactions account for about 0.2% of the value processed through the Bank's four digital channels (Section 2.3.5), and Droga Pharma PLC is a shareholder of the Bank but not a related party.

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 in total for 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 (ETB 3,220,000 for 2 years), Cisco infrastructure support SLA (USD 191,435 over 3 years), and Active Directory and Exchange support (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, trademarks, 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, the status of the Bank's technology and product initiatives is as follows:

Rubikon CBS-24 core banking upgrade (Contract 5, USD 539,000, Section 2.10): live since 25 August 2025 (FY2025/26), after the original contractual completion date of 31 May 2025 was missed. The contract price has been paid in full and post-go-live support is included in the contract scope.

Security Information and Event Management (SIEM) platform (Contract 4, USD 278,166, Section 2.10): live since 27 January 2026 (FY2025/26); implementation under the contract continues in accordance with the project plan, and USD 75,328 of the USD 278,166 contract value remains outstanding (Table 61).

Micro digital lending platform with Kacha Digital Financial Services (Contract 14, Section 2.10): development and user-acceptance testing are complete and the platform was deployed in the live environment on 31 October 2026 and is ready for production. Approximately 31 whitelisted customers and staff are accessing it,

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which allows the Bank to assess the system before it is opened to the market. The arrangement is on a revenue-sharing basis (70% to the Bank and 30% to Kacha under Addendum OA/01/2026 of 23 September 2026) with no capital commitment outstanding from the Bank, and general release to the market remains subject to NBE approval of the digital lending product. Digital lending is also part of the digital banking investment programme for which the Offer proceeds are intended (Section 8.7).

AI Division: an internal organisational unit reporting to the Chief Executive Officer (Section 2.1.5); it is not a customer-facing product or service.

Other than the initiatives above, the Bank does not have any significant new product or service in a formal development or launch pipeline that requires disclosure under Article 87(3) and (4) of the Directive. 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 2026, 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 4.37 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 because 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 participation in the capital market 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 was 8.1% in 2023/24 and 9.2% in 2024/25 and is projected by the IMF at 9.2% for 2025/26, before moderating to 7.8% in 2026/27 and ranging

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between 7.7% and 8.2% over the medium term to 2030/31 (about 8.0% on average over 2026/27–2030/31).[4] The Government's own estimate of growth for 2025/26 is higher, at 10.2%.[5]

Inflation has followed a disinflation trend following tight monetary policy measures, exchange rate reforms, and improved supply conditions, although year-on-year inflation rose during 2026. Average inflation declined from 33.9% in 2021/22 and 32.5% in 2022/23 to 26.6% in 2023/24 and 16.0% in 2024/25, and the IMF projects 11.7% for 2025/26.[6] Year-on-year inflation was 9.7% in December 2025, rose to 13.4% in May 2026 and 13.9% in June 2026, and was 14.9% in September 2026.[7] The IMF projects average inflation of 12.3% in 2026/27, falling to single digits from 2027/28 (9.2%) and to 6.7% by 2030/31.[8]

Fiscal performance shows consolidation from a low revenue base. Government revenue was 7.3% of GDP in 2023/24 and 9.2% in 2024/25 and is projected at 10.8% in 2025/26, rising to 12.3% by 2030/31, while expenditure rose from 9.5% of GDP in 2023/24 to 12.0% in 2024/25 and a projected 14.1% in 2025/26. The overall fiscal deficit including grants was 2.0% of GDP in 2023/24, 1.2% in 2024/25 and a projected 2.0% in 2025/26, and is projected to narrow to 1.2% in 2026/27 before settling at 1.4%–1.6% of GDP over the medium term.[9] In the first half of 2025/26, revenue and grants were ETB 704.7 billion (48.1% of the annual target) against expenditure of ETB 798.2 billion, an overall deficit of ETB 93.6 billion.[10]

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[4] International Monetary Fund (2026). The Federal Democratic Republic of Ethiopia: Fifth Review Under the Extended Credit Facility Arrangement, Request for Rephasing of Access, Modification of Indicative Targets, and Financing Assurances Review—Press Release (PR26/235); Staff Report; Debt Sustainability Analysis; and Statement by the Executive Director. IMF Country Report No. 26/174, July 2026. Washington, DC: International Monetary Fund. Table 1 (Selected Economic Indicators, 2023/24–2030/31). https://doi.org/10.5089/9798229053396.002

[5] Ministry of Finance, Federal Democratic Republic of Ethiopia (2026). Mid-Year Budget Implementation Review 2025/26, April 2026, Section 2. Addis Ababa. https://www.mofed.gov.et/media/filer_public/ee/f5/eef50cc8-4871-425e-b738-33fe9ed649e0/mid_year_review_2025_26_final_2.pdf ; National Bank of Ethiopia (2026). Monetary Policy Committee Meeting No. 7: press statement and Governor's Statement, 13 July 2026. Addis Ababa: National Bank of Ethiopia. https://nbe.gov.et/mpc7/ and https://nbe.gov.et/wp-content/uploads/2026/07/Governors-Statement-MPC071326_English.pdf

[6] International Monetary Fund (2026). The Federal Democratic Republic of Ethiopia: Fifth Review Under the Extended Credit Facility Arrangement, Request for Rephasing of Access, Modification of Indicative Targets, and Financing Assurances Review—Press Release (PR26/235); Staff Report; Debt Sustainability Analysis; and Statement by the Executive Director. IMF Country Report No. 26/174, July 2026. Washington, DC: International Monetary Fund. Table 1 (Selected Economic Indicators, 2023/24–2030/31). https://doi.org/10.5089/9798229053396.002 ; 2021/22 and 2022/23: International Monetary Fund (2025). IMF Country Report No. 25/188 (2025 Article IV consultation and third review under the extended credit facility arrangement). Washington, DC: International Monetary Fund.

[7] National Bank of Ethiopia (2026). Monetary Policy Committee Meeting No. 7: press statement and Governor's Statement, 13 July 2026. Addis Ababa: National Bank of Ethiopia. https://nbe.gov.et/mpc7/ and https://nbe.gov.et/wp-content/uploads/2026/07/Governors-Statement-MPC071326_English.pdf ; Ethiopian Statistics Service consumer price index for June and July 2026, as reported by Addis Standard, 26 August 2026 (via allAfrica): https://allafrica.com/stories/202608270035.html ; Ethiopian Statistics Service consumer price index for September 2026, as reported by StockMarket.et, "Ethiopia's inflation hits 14.9% in September, up 1.7 percentage points year on year", October 2026: https://www.stockmarket.et/ethiopias-inflation-hits-14-9-in-september-up-1-7-percentage-points-year-on-year/

[8] International Monetary Fund (2026). The Federal Democratic Republic of Ethiopia: Fifth Review Under the Extended Credit Facility Arrangement, Request for Rephasing of Access, Modification of Indicative Targets, and Financing Assurances Review—Press Release (PR26/235); Staff Report; Debt Sustainability Analysis; and Statement by the Executive Director. IMF Country Report No. 26/174, July 2026. Washington, DC: International Monetary Fund. Table 1 (Selected Economic Indicators, 2023/24–2030/31). https://doi.org/10.5089/9798229053396.002

[9] International Monetary Fund (2026). The Federal Democratic Republic of Ethiopia: Fifth Review Under the Extended Credit Facility Arrangement, Request for Rephasing of Access, Modification of Indicative Targets, and Financing Assurances Review—Press Release (PR26/235); Staff Report; Debt Sustainability Analysis; and Statement by the Executive Director. IMF Country Report No. 26/174, July 2026. Washington, DC: International Monetary Fund. Table 1 (Selected Economic Indicators, 2023/24–2030/31). https://doi.org/10.5089/9798229053396.002

[10] Ministry of Finance, Federal Democratic Republic of Ethiopia (2026). Mid-Year Budget Implementation Review 2025/26, April 2026, Section 2. Addis Ababa. https://www.mofed.gov.et/media/filer_public/ee/f5/eef50cc8-4871-425e-b738-33fe9ed649e0/mid_year_review_2025_26_final_2.pdf

Public debt dynamics reflect structural adjustments and exchange rate effects. Public debt rose from 35.5% of GDP in 2023/24 to 50.5% in 2024/25, mainly because of valuation changes following the foreign exchange market reform, and is projected by the IMF to decline to 45.3% in 2025/26 and to 28.6% by 2030/31. External debt (including IMF) was 15.8%, 31.8% and a projected 29.9% of GDP in those three years, and domestic debt was 19.7%, 18.7% and a projected 15.4%.[11] Total domestic debt was ETB 2.56 trillion at 30 September 2025.[12]

Monetary developments indicate liquidity expansion following the reforms. Broad money growth was 14.1% in 2023/24 and 35.2% in 2024/25 and is projected at 30.3% in 2025/26, while growth in credit to the private sector and state-owned enterprises was 9.3%, -9.7% and a projected 55.9% (the series includes the impact of the recapitalization of the Commercial Bank of Ethiopia).[13] The National Bank of Ethiopia kept its policy rate at 15% throughout 2025/26 and raised the reserve requirement from 7% to 10% between December 2025 and March 2026.[14] After the year-end, on 13 July 2026, it raised the policy rate to 16% and removed the credit growth cap in full.[15]

The external sector improved. Exports of goods and services grew by 42.0% in 2024/25 and are projected to grow by 17.2% in 2025/26, while imports grew by 3.2% and are projected to grow by 21.0%. The external current account deficit including official transfers narrowed from 2.9% of GDP in 2023/24 to 1.1% in 2024/25 and is projected at 2.5% in 2025/26, and foreign direct investment was 1.9%, 3.2% and a projected 3.2% of GDP. Gross official reserves rose from US$1.4 billion (0.7 months of imports) at end-June 2024 to US$4.4 billion (1.7 months) at end-June 2025 and are projected at about US$5.9 billion (2.1 months) at end-June 2026.[16]

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, FX constraints and the adverse external shock from the conflict in the Middle East (higher fuel

[11] International Monetary Fund (2026). The Federal Democratic Republic of Ethiopia: Fifth Review Under the Extended Credit Facility Arrangement, Request for Rephasing of Access, Modification of Indicative Targets, and Financing Assurances Review—Press Release (PR26/235); Staff Report; Debt Sustainability Analysis; and Statement by the Executive Director. IMF Country Report No. 26/174, July 2026. Washington, DC: International Monetary Fund. Table 1 (Selected Economic Indicators, 2023/24–2030/31). https://doi.org/10.5089/9798229053396.002

[12] Ministry of Finance, Debt Management Division (2025). Monthly Domestic Debt Bulletin No. 2, September 2025. Addis Ababa. https://www.mofed.gov.et/media/filer_public/ba/87/ba87a59e-9bd8-4e88-a552-322f616c76d4/monthly_domestic_debt_bulletin_2_-_september_2025_-_final.pdf

[13] International Monetary Fund (2026). The Federal Democratic Republic of Ethiopia: Fifth Review Under the Extended Credit Facility Arrangement, Request for Rephasing of Access, Modification of Indicative Targets, and Financing Assurances Review—Press Release (PR26/235); Staff Report; Debt Sustainability Analysis; and Statement by the Executive Director. IMF Country Report No. 26/174, July 2026. Washington, DC: International Monetary Fund. Table 1 (Selected Economic Indicators, 2023/24–2030/31). https://doi.org/10.5089/9798229053396.002

[14] International Monetary Fund (2026). IMF Country Report No. 26/174 (Fifth Review Under the Extended Credit Facility Arrangement, July 2026), paragraph 12. Washington, DC: International Monetary Fund. https://www.imf.org/en/publications/cr/issues/2026/07/13/the-federal-democratic-republic-of-ethiopia-fifth-review-under-the-extended-credit-577662

[15] National Bank of Ethiopia (2026). Monetary Policy Committee Meeting No. 7: press statement and Governor's Statement, 13 July 2026. Addis Ababa: National Bank of Ethiopia. https://nbe.gov.et/mpc7/ and https://nbe.gov.et/wp-content/uploads/2026/07/Governors-Statement-MPC071326_English.pdf

[16] International Monetary Fund (2026). The Federal Democratic Republic of Ethiopia: Fifth Review Under the Extended Credit Facility Arrangement, Request for Rephasing of Access, Modification of Indicative Targets, and Financing Assurances Review—Press Release (PR26/235); Staff Report; Debt Sustainability Analysis; and Statement by the Executive Director. IMF Country Report No. 26/174, July 2026. Washington, DC: International Monetary Fund. Table 1 (Selected Economic Indicators, 2023/24–2030/31). https://doi.org/10.5089/9798229053396.002

and fertilizer prices)—the reform momentum is strengthening macroeconomic stability and improving medium-term resilience.[17]

Table 42: Key Economic Indicators

Indicator	2023/24 Act.	2024/25 Act.	2025/26 Proj.	2026/27 Proj.	2027/28 Proj.	2028/29 Proj.	2029/30 Proj.	2030/31 Proj.
Real GDP Growth (%)	8.1	9.2	9.2	7.8	8.2	8.2	8.0	7.7
Inflation - average (%)	26.6	16.0	11.7	12.3	9.2	7.8	6.8	6.7
General government finances								
Revenue (% GDP)	7.3	9.2	10.8	11.4	11.8	12.1	12.2	12.3
Expenditure (% GDP)	9.5	12.0	14.1	13.5	13.5	14.0	14.0	14.0
Fiscal balance, incl. grants (% GDP)	-2.0	-1.2	-2.0	-1.2	-1.4	-1.6	-1.6	-1.6
Public debt (% of GDP) and reserves								
Public debt	35.5	50.5	45.3	40.8	37.2	34.0	31.2	28.6
Domestic debt	19.7	18.7	15.4	13.7	12.6	12.6	12.5	11.9
External debt (incl. IMF)	15.8	31.8	29.9	27.1	24.5	21.4	18.7	16.7
Money and Credit								
Broad money (% change)	14.1	35.2	30.3	25.3	23.9	19.2	18.4	19.9
Credit to private sector & SOEs (% change)[2]	9.3	-9.7	55.9	24.8	23.6	24.1	23.2	19.1
External sector								
Exports of goods & services (US$, f.o.b.; % change)	8.1	42.0	17.2	14.9	8.5	12.9	12.3	12.3
Imports of goods & services (US$, c.i.f.; % change)	7.8	3.2	21.0	7.3	8.3	13.6	12.0	13.4
External current account balance, incl. official transfers (% GDP)	-2.9	-1.1	-2.5	-1.3	-1.5	-2.0	-2.0	-2.7
FDI (% GDP)	1.9	3.2	3.2	2.9	3.0	3.0	3.1	3.1
Reserves (months of imports)	0.7	1.7	2.1	2.7	3.5	3.7	3.8	3.8

Source: IMF Country Report No. 26/174 (July 2026). Table 1. 2023/24 and 2024/25 are actual; 2025/26 and later years are IMF projections. Public debt is public and publicly guaranteed debt; credit growth includes the impact of the recapitalization of the Commercial Bank of Ethiopia; figures may not sum due to rounding.[18]

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 the NBE actively reforming its monetary policy framework. As can be observed in Table 42, real GDP growth stood at a strong 8.1% in 2023/24 (7.2% in 2022/23) and 9.2% in 2024/25. Looking further ahead, the IMF projects growth of 9.2% in 2025/26 and an average of about 8.0% over 2026/27–2030/31, indicating a sustained expansionary trend.[19]

[17] International Monetary Fund (2026). IMF Country Report No. 26/174 (Fifth Review Under the Extended Credit Facility Arrangement, July 2026), Summary and paragraphs 7–10. Washington, DC: International Monetary Fund. https://www.imf.org/en/publications/cr/issues/2026/07/13/the-federal-democratic-republic-of-ethiopia-fifth-review-under-the-extended-credit-577662

[18] International Monetary Fund (2026). The Federal Democratic Republic of Ethiopia: Fifth Review Under the Extended Credit Facility Arrangement, Request for Rephasing of Access, Modification of Indicative Targets, and Financing Assurances Review—Press Release (PR26/235); Staff Report; Debt Sustainability Analysis; and Statement by the Executive Director. IMF Country Report No. 26/174, July 2026. Washington, DC: International Monetary Fund. Table 1 (Selected Economic Indicators, 2023/24–2030/31). https://doi.org/10.5089/9798229053396.002

[19] International Monetary Fund (2026). The Federal Democratic Republic of Ethiopia: Fifth Review Under the Extended Credit Facility Arrangement, Request for Rephasing of Access, Modification of Indicative Targets, and Financing Assurances Review—Press Release (PR26/235); Staff Report; Debt Sustainability Analysis; and Statement by the Executive Director. IMF Country Report No. 26/174, July 2026. Washington, DC: International Monetary Fund. Table 1 (Selected Economic Indicators, 2023/24–2030/31). https://doi.org/10.5089/9798229053396.002

Figure 2: Ethiopian Inflation Rate (Average Annual %)

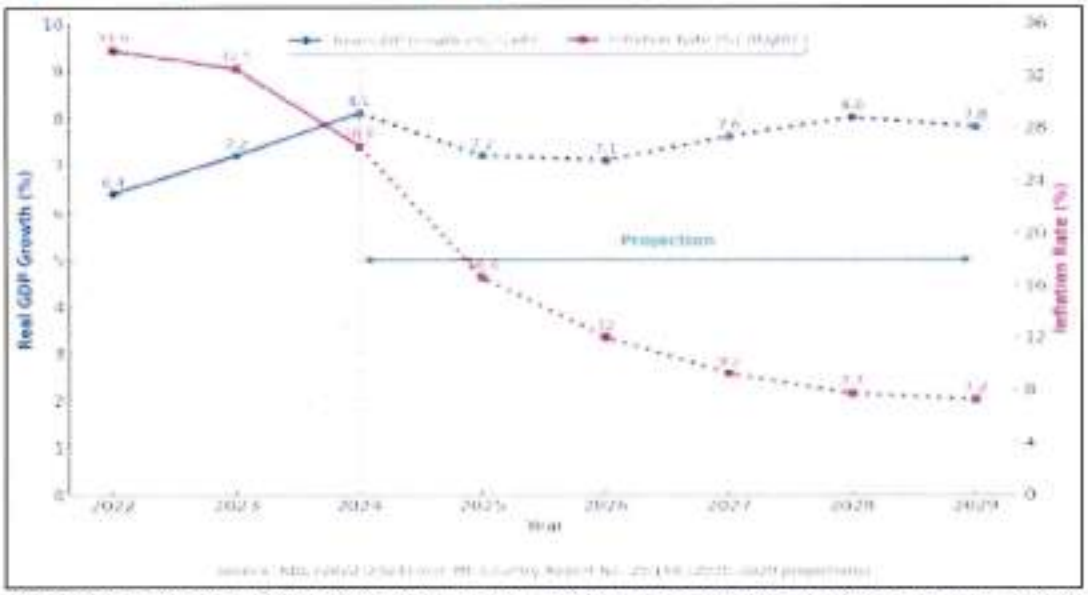


Figure Note: *Ethiopia's real GDP growth accelerated from 6.4% in 2021/22 to 8.1% in 2023/24 and 9.2% in 2024/25, supported by strong performances in agriculture, industry, and services. Average annual CPI inflation eased from 33.9% in 2021/22 to 16.0% in 2024/25, reflecting tighter macroeconomic management, improved foreign exchange availability, and targeted policy interventions. The projections for 2025/26 to 2028/29 are those of the IMF (Country Report No. 26/174, Table 1), as shown in Table 42: real GDP growth of 9.2%, 7.8%, 8.2% and 8.2%, and average inflation of 11.7%, 12.3%, 9.2% and 7.8%, with inflation returning to single digits in 2027/28.*

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 33.9% in 2021/22, and a notable increase from 20.2% in 2020/21. Food inflation (28.1%) and non-food inflation (24.4%) remained substantial in 2023/24. More recently, inflation moderated from 20.8% in 2024 to an average of 16.0% in 2024/25 and, on the IMF's projection, 11.7% in 2025/26, although year-on-year inflation rose from 9.7% in December 2025 to 13.9% in June 2026 and 14.9% in September 2026 (Section 2.4.4). Furthermore, the medium-term outlook anticipates a decline in average inflation to 12.3% in 2026/27, single digits from 2027/28 (9.2%) and 6.7% by 2030/31, contingent on prudent monetary and fiscal policies (IMF 2026[20]). 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 2025[21]). The NBE policy rate of 15% was held throughout 2025/26 and stood above year-on-year inflation in each month cited above; the NBE raised it to 16% on 13 July 2026 as inflation rose.[22] For disinflation to be sustainable, real interest rates need to remain positive to incentivize savings and curb demand-side inflationary pressure.

[20] 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 See also: International Monetary Fund (2026). The Federal Democratic Republic of Ethiopia: Fifth Review Under the Extended Credit Facility Arrangement, Request for Rephasing of Access, Modification of Indicative Targets, and Financing Assurances Review—Press Release (PR26/235); Staff Report; Debt Sustainability Analysis; and Statement by the Executive Director. IMF Country Report No. 26/174, July 2026. Washington, DC: International Monetary Fund. Table 1 (Selected Economic Indicators, 2023/24–2030/31). https://doi.org/10.5089/9798229053396.002

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

[22] National Bank of Ethiopia (2026). Monetary Policy Committee Meeting No. 7: press statement and Governor's Statement, 13 July 2026. Addis Ababa: National Bank of Ethiopia. https://nbe.gov.et/mpc7/ and https://nbe.gov.et/wp-content/uploads/2026/07/Governors-Statement-MPC071326_English.pdf

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 on 29 July 2024 led to an immediate and sharp depreciation of the Ethiopian Birr, with the official rate moving from ETB 57.5 per US dollar on 26 July 2024 to ETB 107.9 at the first NBE foreign exchange auction on 7 August 2024[23] and to ETB 135.4 at the end of June 2025.[24] Depreciation continued during FY2025/26, at about 1.3% a month since October 2025: the rate was ETB 148.1 on 14 October 2025, ETB 154.5 on 27 December 2025 and ETB 159.6 at the auction of 19 May 2026.[25] The rate was about ETB 157 at the auction of 24 June 2026, close to the year-end,[26] so that the birr lost a further 14% of its value against the US dollar during the year, and the weighted average auction rate was ETB 160.1 on 13 October 2026.[27] This realignment was instrumental in narrowing the premium on the parallel foreign exchange market from an average of about 101% (August 2023–July 2024) to about 12% (August 2024–June 2025);[28] since October 2025 the premium has fluctuated between 10% and 20% and was about 11% in late May 2026.[29]

Monetary policy and credit conditions. The NBE policy rate was 15% from the introduction of the interest-rate-based framework in July 2024 until 30 June 2026. During December 2025–March 2026 the reserve requirement was raised from 7% to 10% and the 7% minimum savings deposit rate was removed.[30] At its seventh regular meeting on 13 July 2026, the Monetary Policy Committee raised the policy rate by one percentage point to 16% (the ±3 percentage point corridor was unchanged), removed the credit growth cap in full and replaced it with targeted additional reserve requirements for individual banks based on their loan-to-deposit ratios, reduced the commission on bank foreign exchange transactions from 2.5% to 1.5%, and reduced the foreign exchange surrender requirement for goods exporters from 50% to 30%.[31] These

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[23] Daba Finance (29 July 2024). "Ethiopian birr dips 30% as central bank floats the currency to secure IMF loan" (rate of ETB 57.48 per US$ on 26 July 2024): https://dabafinance.com/en/news/le-birr--thiopien-chute-de-30--alors-que-la-banque-centrale-fait-flotter-la-monnaie-pour-obtenir-un-pr-t-du-fmi ; International Monetary Fund (2026). The Federal Democratic Republic of Ethiopia: Fourth Review Under the Extended Credit Facility Arrangement. IMF Country Report No. 26/20, January 2026 (Press Release PR26/009, 16 January 2026). Washington, DC: International Monetary Fund. Text Figure 1

[24] National Bank of Ethiopia (2025). Birritu, Issue No. 142, "Navigating Change: NBE's Year of Reform and the Journey Ahead", p. 8 (official rate ETB 135.37 per US$ at end-June 2025). Addis Ababa: National Bank of Ethiopia. https://nbe.gov.et/wp-content/uploads/2025/12/BIRRITU_142_Final.pdf

[25] International Monetary Fund (2026). IMF Country Report No. 26/174 (Fifth Review Under the Extended Credit Facility Arrangement, July 2026), paragraph 10 and Box 2. Washington, DC: International Monetary Fund. https://www.imf.org/en/publications/cr/issues/2026/07/13/the-federal-democratic-republic-of-ethiopia-fifth-review-under-the-extended-credit-577662

[26] The Reporter Ethiopia, report on the NBE foreign exchange auction of 24 June 2026, 25 June 2026 (via allAfrica): https://allafrica.com/stories/202606250234.html

[27] Capital Newspaper (14 October 2026). Report on the 13 October 2026 NBE foreign exchange auction (weighted average ETB 160.1072 per US$), Addis Ababa: https://capitalethiopia.com/?p=83290

[28] Ministry of Finance, Federal Democratic Republic of Ethiopia (2026). Mid-Year Budget Implementation Review 2025/26, April 2026, Section 2. Addis Ababa. https://www.mofed.gov.et/media/filer_public/ee/f5/eef50cc8-4871-425e-b738-33fe9ed649e0/mid_year_review_2025_26_final_2.pdf

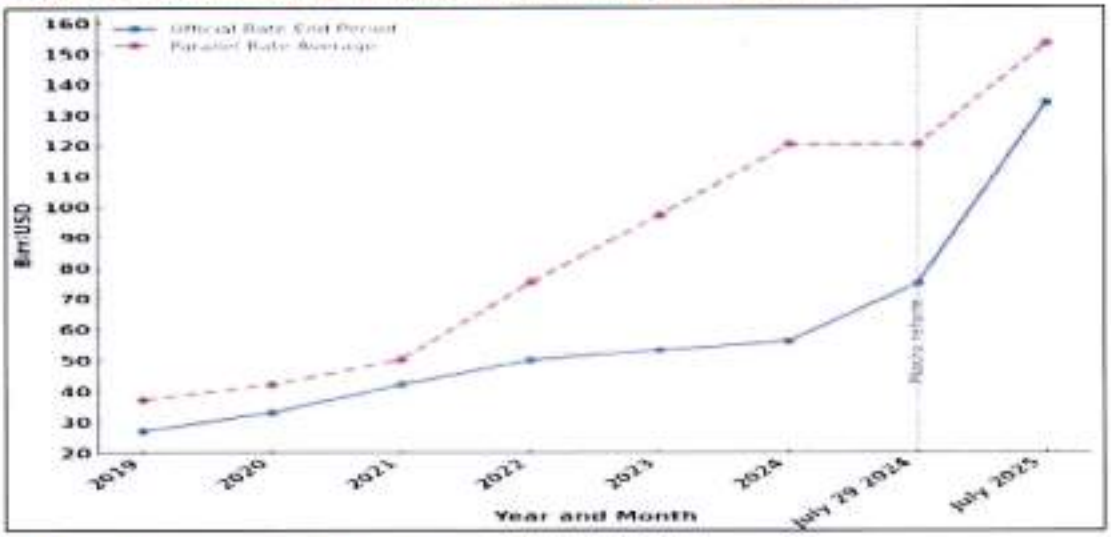
[29] International Monetary Fund (2026). IMF Country Report No. 26/174 (Fifth Review Under the Extended Credit Facility Arrangement, July 2026), paragraph 10. Washington, DC: International Monetary Fund. https://www.imf.org/en/publications/cr/issues/2026/07/13/the-federal-democratic-republic-of-ethiopia-fifth-review-under-the-extended-credit-577662

[30] International Monetary Fund (2026). IMF Country Report No. 26/174 (Fifth Review Under the Extended Credit Facility Arrangement, July 2026), paragraph 12. Washington, D.C.: International Monetary Fund. https://www.imf.org/en/publications/cr/issues/2026/07/13/the-federal-democratic-republic-of-ethiopia-fifth-review-under-the-extended-credit-577662

[31] National Bank of Ethiopia (2026). Monetary Policy Committee Meeting No. 7: Press Statement and Governor's Statement, 13 July 2026. Addis Ababa: National Bank of Ethiopia. https://nbe.gov.et/mpc7/ and https://nbe.gov.et/wp-

measures took effect after the year-end and are not reflected in the audited financial statements for the year ended 30 June 2026.

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, whose fifth review the IMF Executive Board completed on 1 July 2026 (bringing cumulative disbursements to about US$2.65 billion),[32] 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 the Banking Business Proclamation No. 1360/2025, approved by Parliament on 17 December 2024, which formally permits foreign banks to operate in Ethiopia (NBE 2025). As at September 2026 no foreign bank was yet operating in Ethiopia and the NBE was processing two foreign applications for greenfield licences.[33] 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

content/uploads/2026/07/Governors-Statement-MPC071326_English.pdf

[32] International Monetary Fund (2026). IMF Country Report No. 26/174 (Fifth Review Under the Extended Credit Facility Arrangement, July 2026), Press Release PR26/235 and staff report. Washington, DC: International Monetary Fund. https://www.imf.org/en/publications/cr/issues/2026/07/13/the-federal-democratic-republic-of-ethiopia-fifth-review-under-the-extended-credit-577662

[33] Capital Newspaper (4 October 2026). "Two foreign banks apply to enter Ethiopia through greenfield investments", Addis Ababa: https://capitalethiopia.com/?p=83002

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.

Financial sector depth and inclusion. At 30 June 2025 Ethiopia had 32 banks (31 commercial banks and one development bank) with 13,120 commercial bank branches; commercial banks' total assets were ETB 4.7 trillion (up 44.5%), deposits ETB 3.5 trillion (up 40.7%) and loans and bonds ETB 3.0 trillion (up 38.6%), the banking system's non-performing loan ratio was 3.1% and its capital adequacy ratio 19.1%.[34] According to the World Bank Global Findex Database 2025, 49% of Ethiopian adults had an account in 2024, up from 46% in 2021, compared with 58% across Sub-Saharan Africa and below the National Financial Inclusion Strategy II target of 70% by 2025; 57% of men and 42% of women had an account.[35] GSMA describes the Ethiopian mobile money market as still nascent, with account ownership of 29% of men and 13% of women in its 2025 survey,[36] while Ethio telecom reported 60.6 million Telebirr customers for the year to 30 June 2026.[37] McKinsey estimates African banking revenues at about US$107 billion in 2025 and the return on equity of African banks at 19% in 2024 and 17% in 2025, against a global average of about 10%; its analysis does not address Ethiopia.[38]

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. The current IMF forecast anticipates real GDP growth of 9.2% for FY2025/26 and 7.8% for FY2026/27 (the Government's target for FY2026/27 is 10.1%), with the medium-term outlook projecting

[34] National Bank of Ethiopia (2026). Financial Stability Report, third edition, March 2026 (data to 30 June 2025, provisional), pp. 14–18. Addis Ababa: National Bank of Ethiopia. https://nbe.gov.et/wp-content/uploads/2026/03/FInancial-Stability-Report_MARCH_2026.pdf

[35] Klapper, L., Singer, D., Starita, L., & Norris, A. (2025). The Global Findex Database 2025: Connectivity and Financial Inclusion in the Digital Economy. Washington, DC: World Bank. https://doi.org/10.1596/978-1-4648-2204-9. Sub-Saharan Africa average (58%): World Bank press release, 16 July 2025, https://www.worldbank.org/en/news/press-release/2025/07/16/mobile-phone-technology-powers-saving-surge-in-developing-economies. Ethiopia country values (49% in 2024; 46% in 2021; 57% of men and 42% of women) as reported in Awol, E. (23 July 2025), "Findex 2025 and Ethiopia's Digital Financial Leap: Momentum Without Maturity?", Shega, https://shega.co/news/findex-2025-and-ethiopias-digital-financial-leap-momentum-without-maturity, and Seyoum, Y. (16 July 2025), Birr Metrics, https://birrmetrics.com/49-of-ethiopians-are-banked-as-findex-2025-highlights-the-next-inclusion-challenge/. ; National Bank of Ethiopia (2021). National Financial Inclusion Strategy II (2021–2025), September 2021, Section 5.1, p. xix. Addis Ababa: National Bank of Ethiopia.

[36] GSMA (2026). The State of the Industry Report on Mobile Money 2026. London: GSMA (Figure 32, Ethiopia: mobile money account ownership of 29% of men and 13% of women, 2025 GSMA consumer survey). https://www.gsma.com/solutions-and-impact/connectivity-for-good/mobile-for-development/gsma_resources/the-state-of-the-industry-report-on-mobile-money-2026/

[37] Benamara, A. (23 July 2026). "Ethio Telecom Reports Record Revenue Growth, Tops 90 Million Customers", TechAfrica News (Telebirr: 60.6 million customers, year to 30 June 2026): https://techafricanews.com/2026/07/23/ethio-telecom-reports-record-revenue-growth-tops-90-million-customers/

[38] Gathinji, C., Kuyoro, M., Sambandan, M., & Bagus, U. (2026). From potential to performance: A snapshot of African banking. McKinsey & Company, Financial Services Practice, 31 March 2026. https://www.mckinsey.com/industries/financial-services/our-insights/from-potential-to-performance-a-snapshot-of-african-banking

annual growth of 7.7% to 8.2% through FY2030/31.[39]

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. Average inflation is forecast at 12.3% in FY2026/27, falling into single digits in FY2027/28 (9.2%) and reaching 6.7% in FY2030/31, 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 including official transfers is forecast at 1.3% of GDP in FY2026/27 and 1.5% in FY2027/28, widening to 2.7% by FY2030/31 as imports expand, while gross official reserves are expected to reach US$8.2 billion (2.7 months of import cover) at the end of FY2026/27 and US$11.9 billion (3.5 months) at the end of FY2027/28.[40] This marked improvement in the reserve position enhances the economy's resilience to external shocks and bolsters investor confidence, although the IMF identifies the conflict in the Middle East (through fuel and fertilizer prices) and foreign exchange market pressures as risks to the outlook.[41]

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, whose cumulative transactions passed ETB 1 trillion in September 2025, reached ETB 1.96 trillion by 27 February 2026, were about ETB 3.3 trillion by mid-June 2026 and exceeded ETB 4 trillion by October 2026,[42] significantly improving liquidity management and monetary policy

[39] International Monetary Fund (2026). The Federal Democratic Republic of Ethiopia: Fifth Review Under the Extended Credit Facility Arrangement, Request for Rephasing of Access, Modification of Indicative Targets, and Financing Assurances Review—Press Release (PR26/235); Staff Report; Debt Sustainability Analysis; and Statement by the Executive Director. IMF Country Report No. 26/174, July 2026. Washington, DC: International Monetary Fund. Table 1 (Selected Economic Indicators, 2023/24–2030/31). https://doi.org/10.5089/9798229053396.002 ; FurtherAfrica (15 June 2026). "Ethiopia aims for 10.1% growth in 2026/27 fiscal year", reporting the Finance Minister's 2026/27 budget speech: https://furtherafrica.com/2026/06/15/ethiopia-aims-for-10-1-growth-in-2026-27-fiscal-year/

[40] International Monetary Fund (2026). The Federal Democratic Republic of Ethiopia: Fifth Review Under the Extended Credit Facility Arrangement, Request for Rephasing of Access, Modification of Indicative Targets, and Financing Assurances Review—Press Release (PR26/235); Staff Report; Debt Sustainability Analysis; and Statement by the Executive Director. IMF Country Report No. 26/174, July 2026. Washington, DC: International Monetary Fund. Table 1 (Selected Economic Indicators, 2023/24–2030/31). https://doi.org/10.5089/9798229053396.002

[41] International Monetary Fund (2026). IMF Country Report No. 26/174 (Fifth Review Under the Extended Credit Facility Arrangement, July 2026), paragraphs 6–10. Washington, DC: International Monetary Fund. https://www.imf.org/en/publications/cr/issues/2026/07/13/the-federal-democratic-republic-of-ethiopia-fifth-review-under-the-extended-credit-577662

[42] Ethiopian Securities Exchange (29 September 2025). "Ethiopian Securities Exchange marks historic milestone as Interbank Money Market surpasses 1 trillion Ethiopian Birr in cumulative transactions". https://esx.et/ethiopian-securities-exchange-marks-historic-milestone-as-interbank-money-market-surpasses-1-trillion-ethiopian-birr-in-cumulative-transactions/. Capital

transmission.

As at 25 October 2026, seven companies were listed on the ESX (Wegagen Bank, Gadaa Bank, Awash Bank, Ethio Telecom, Abay Bank, Bank of Abyssinia and Sidama Bank), of which five were listed by 30 June 2026; the ESX had eight trading members following the admission of Prime Capital S.C. on 2 July 2026, and ECMA had licensed 21 capital market service providers by 13 July 2026.[43]

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 reached about 18% in June 2025,[44] reflecting the transition toward market-determined interest rates and alignment with inflation expectations. Yields then eased in 2025/26: the weighted average rate on new issues fell from 16.7% in December 2025 to 14.4% in April 2026, auction volumes nearly doubled in the six months to April 2026 to ETB 694 billion, and the share of 182-day bills rose from 29% to 46%.[45] Outstanding T-bills fell from ETB 447.8 billion to ETB 272.2 billion during 2024/25,[46] and total domestic debt was ETB 2.56 trillion at 30 September 2025.[47] 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

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Newspaper (27 February 2026 and 19 June 2026), weekly ESX market reports: https://capitalethiopia.com/2026/06/19/esx-equity-market-surpasses-1billion-birr-a-new-company-is-set-to-join-the-market-next-week/. StockMarket.et (21 October 2026). "Ethiopia's interbank money market crosses ETB 4 trillion in cumulative transactions": https://www.stockmarket.et/ethiopias-interbank-money-market-crosses-etb-4-trillion-in-cumulative-transactions/

[43] Ethiopian Securities Exchange. Listed Companies (accessed 25 October 2026): https://esx.et/equity-market/listed-companies/. Ethiopian Securities Exchange (2 July 2026). "Ethiopian Securities Exchange Admits Prime Capital S.C. as a New Trading Member": https://esx.et/?p=10701. Ethiopian Capital Market Authority (13 July 2026). "ECMA grants licenses to three new capital market service providers": https://ecma.gov.et/2026/07/ethiopian-capital-market-authority-ecma-grants-licenses-to-three-new-capital-market-service-providers/

[44] International Monetary Fund (2026). The Federal Democratic Republic of Ethiopia: Fourth Review Under the Extended Credit Facility Arrangement. IMF Country Report No. 26/20, January 2026 (Press Release PR26/009, 16 January 2026). Washington, DC: International Monetary Fund., paragraph 14

[45] International Monetary Fund (2026). IMF Country Report No. 26/174 (Fifth Review Under the Extended Credit Facility Arrangement, July 2026), paragraph 13. Washington, DC: International Monetary Fund. https://www.imf.org/en/publications/cr/issues/2026/07/13/the-federal-democratic-republic-of-ethiopia-fifth-review-under-the-extended-credit-577662

[46] International Monetary Fund (2026). The Federal Democratic Republic of Ethiopia: Fourth Review Under the Extended Credit Facility Arrangement. IMF Country Report No. 26/20, January 2026 (Press Release PR26/009, 16 January 2026). Washington, DC: International Monetary Fund., paragraph 20

[47] Ministry of Finance, Debt Management Division (2025). Monthly Domestic Debt Bulletin No. 2, September 2025. Addis Ababa. https://www.mofed.gov.et/media/filer_public/ba/87/ba87a59e-9bd8-4e88-b552-322f616c76d4/monthly_domestic_debt_bulletin_2_-_september_2025_-_final.pdf

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 43: 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	272,200.0
Banks	650.0	5,604.0	52,040	195,432.3	146,568.1	162,259.3	n/a
Non-Banks	137,404.4	18,120.0	64,520	121,737.3	195,301.5	285,543.6	n/a

Source: *National Bank of Ethiopia, Financial Stability Report, ESX Market; 2024/25 outstanding T-bills: IMF Country Report No. 26/20, paragraph 20.*[48]

Table 43A summarizes money market and capital market indicators for the year ended 30 June 2026 and for the period since the year-end.[49]

[48] International Monetary Fund (2026). The Federal Democratic Republic of Ethiopia: Fourth Review Under the Extended Credit Facility Arrangement. IMF Country Report No. 26/20, January 2026 (Press Release PR26/009, 16 January 2026). Washington, DC: International Monetary Fund., paragraph 20

[49] International Monetary Fund (2026). The Federal Democratic Republic of Ethiopia: Fifth Review Under the Extended Credit Facility Arrangement, Request for Rephasing of Access, Modification of Indicative Targets, and Financing Assurances Review—Press Release (PR26/235); Staff Report; Debt Sustainability Analysis; and Statement by the Executive Director. IMF Country Report No. 26/174, July 2026. Washington, DC: International Monetary Fund. Table 1 (Selected Economic Indicators, 2023/24–2030/31). https://doi.org/10.5089/9798229053396.002 ; National Bank of Ethiopia (2026). Monetary Policy Committee Meeting No. 7: press statement and Governor's Statement, 13 July 2026. Addis Ababa: National Bank of Ethiopia. https://nbe.gov.et/mpc7/ and https://nbe.gov.et/wp-content/uploads/2026/07/Governors-Statement-MPC071326_English.pdf ; Ethiopian Securities Exchange. Listed Companies (accessed 25 October 2026): https://esx.et/equity-market/listed-companies/. Ethiopian Securities Exchange (2 July 2026). "Ethiopian Securities Exchange Admits Prime Capital S.C. as a New Trading Member": https://esx.et/?p=10701. Ethiopian Capital Market Authority (13 July 2026). "ECMA grants licenses to three new capital market service providers": https://ecma.gov.et/2026/07/ethiopian-capital-market-authority-ecma-grants-licenses-to-three-new-capital-market-service-providers/ ; Ethiopian Securities Exchange (29 September 2025). "Ethiopian Securities Exchange marks historic milestone as Interbank Money Market surpasses 1 trillion Ethiopian Birr in cumulative transactions": https://esx.et/ethiopian-securities-exchange-marks-historic-milestone-as-interbank-money-market-surpasses-1-trillion-ethiopian-birr-in-cumulative-transactions/. Capital Newspaper (27 February 2026 and 19 June 2026), weekly ESX market reports: https://capitalethiopia.com/2026/06/19/esx-equity-market-surpasses-1billion-birr-a-new-company-is-set-to-join-the-market-next-week/. StockMarket.et (21 October 2026). "Ethiopia's interbank money market crosses ETB 4 trillion in cumulative transactions":https://www.stockmarket.et/ethiopias-interbank-money-market-crosses-etb-4-trillion-in-cumulative-transactions/

Table 43A: Money Market and Capital Market Indicators (FY2024/25 to October 2026)

NBE policy rate	15%	15%	16% (from 13 July 2026)
Official exchange rate (ETB per US$)	135.37	about 157 (24 June 2026 auction)	160.11 (13 October 2026 auction)
CPI inflation, year-on-year	13.9% (IMF end-period)	13.9%	14.9% (September 2026)
Gross official reserves, IMF definition (US$ million)	4,418 (1.7 months of imports)	5,863 (2.1 months; IMF projection)	–
Weighted average T-bill rate on new issues	about 18% (June 2025)	14.4% (April 2026)	–
Cumulative IMM transactions (ETB)	about 834 billion (4 July 2025)	about 3.3 trillion (mid-June 2026)	above 4 trillion (October 2026)
Companies listed on the ESX	2	5	7
ESX trading members	–	7	8 (from 2 July 2026)

Source: IMF Country Reports No. 26/174 and 26/20; NBE Monetary Policy Committee Meeting No. 7 statement; NBE Birritu No. 142; Ethiopian Securities Exchange and ECMA publications, as cited above. The 2024/25 and 2025/26 reserves, exchange-rate and inflation entries are as stated in Section 2.4.4 and Section 2.4.5. A dash indicates that no figure is shown.

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 private commercial bank in the small-bank segment 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 44: 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

Category	Characteristics	Representative Banks
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.

2.4.9.1.1 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.

2.4.9.1.2 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.

2.4.9.1.3 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.

2.4.9.1.4 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.

2.4.9.1.5 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.

2.4.9.1.6 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.

2.4.9.1.7 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 83.46% at 30 June 2026 (net loans and advances to customers of ETB 46.65 billion to customer deposits of ETB 55.90 billion, per the audited financial statements) 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.

2.4.9.1.8 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 reported a capital adequacy ratio of 17% at 30 June 2026 (16% at 30 June 2025 and 18% at 30 June 2023), 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, the Bank maintained its capital adequacy ratio above the NBE minimum. Its non-performing loan ratio, however, exceeded the NBE maximum of 5.0% on the audited Stage 3 basis at 30 June 2025 (6.45%) and at 30 June 2026 (5.92%), as described in Section 2.3.2 and Section 7.2.5.

2.5.1 Banking Business Proclamation No. 1360/2025

Enacted on December 17, 2024, this landmark legislation repealed legacy laws, including Banking Business 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 ±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. Berhan Bank S.C. confirms full compliance: the Board includes female directors meeting the minimum requirement. The Nomination and Remuneration Committee is constituted in accordance with this directive.

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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 was 5.92% as at 30 June 2026, measured on the audited Stage 3 (credit-impaired) basis (Stage 3 loans of ETB 2.82 billion on gross loans and advances of ETB 47.64 billion), which is above the NBE's 5% ceiling (30 June 2025: 6.45% on the same basis; 4.78% as previously reported for FY2025; 5.75% for FY2023). 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). The Bank's NPL objective is set in Strategic Objective 4 (NPL ratio below 5%; Table 26), and Strategic Objective 6 seeks to maintain zero major regulatory sanctions. The Bank's regulatory engagement and status in respect of the 5% ceiling, the prompt corrective action powers of the NBE under the Banking Business Proclamation No. 1360/2025 and the measures through which the Bank manages its NPL ratio are set out in Section 2.1.4.

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, as at June 30, 2026 (audited) 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 Q3 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. Once its shares are registered with ECMA, it will also be 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 (as at 25 October 2026) 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. EDIF/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. Under Article 6.1 of the directive, the annual premium is calculated on the member institution's average total deposits over the four quarters reported to the National Bank of Ethiopia in the previous financial year.

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.

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2.6 Employees

2.6.1 Information on Employees of the Issuer

Table 45: 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 46: 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 coincided with the FY2024/25 branch network rationalization (eighteen branches consolidated and eleven opened, taking the network from 383 to 376 branches) and ongoing efficiency measures; the network moved only from 376 to 375 branches during FY2025/26, so the reduction in that year is not attributable to branch rationalization. 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 (1,106 as at 30 June 2026) 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 47: Employee Compensation and Benefits Total Cost (ETB '000)

Item (ETB '000)	FY 2025/26	FY 2024/25	FY 2023/24	FY 2022/23
Salaries	(1,790,146)	(1,379,709)	(1,220,871)	(1,061,522)
Staff Allowances	(518,503)	(431,228)	(357,324)	(226,354)
Overtime	(29,381)	(23,111)	(23,033)	(20,386)
Bonus	**(259,396)**	**(215,853)**	(174,152)	—
Training and Education	(97,964)	(43,786)	(21,295)	(49,123)
Leave Payment	(27,044)	(15,731)	(15,751)	(21,313)
Pension Costs – Defined Contribution Plan	(195,970)	(150,973)	(133,539)	(115,039)
Provident Fund – Defined Contribution Plan	(17,821)	(13,727)	(12,140)	(11,105)
Other Staff Expenses	(178,233)	(91,182)	(83,404)	(82,558)
Total Short-term Employee Benefits	**(3,114,458)**	**(2,365,300)**	(2,041,509)	(1,587,400)
Defined Benefit Plans – Severance	(52,130)	(42,002)	(34,772)	(28,870)
Total Personnel Expenses	**(3,166,588)**	**(2,407,302)**	(2,076,281)	(1,616,270)
Severance Liability (Statement of Financial Position)	230,117	194,200	136,485	101,795

The Bank's total personnel expenses increased from ETB 1.62 billion in FY2023 to ETB 3.17 billion in FY2026 (+**95.9%** over three 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 230.1 million as at June 30, 2026 (2025: ETB 194.2 million; 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.

In FY2026, total personnel expenses increased by 31.5% (ETB 759.3 million) to ETB 3.17 billion from ETB 2.41 billion in FY2025. Salaries rose by 29.7% (ETB 410.4 million) to ETB 1.79 billion, staff allowances by 20.2% to ETB 518.5 million, bonus by 20.2% to ETB 259.4 million, training and education by 123.7% to ETB 98.0 million and other staff expenses by 95.5% to ETB 178.2 million, while the defined benefit (severance) charge rose by 24.1% to ETB 52.1 million. These increases occurred while the number of permanent staff declined by 3.0% from 5,796 to 5,624. Personnel expenses represented 47.9% of total operating expenses in FY2026 (FY2025: 44.3%).

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, and no shares have been allotted to employees under any participation or incentive arrangement. 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 48: Pension Cost

Period	Pension Cost
(ETB '000)	
June 2024	133,539
June 2025	150,973
June 2026	195,970

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 195.97 million in June 2026 (+29.8% on June 2025), in line with the 29.7% increase in salaries over the same period. 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 49: Staff Loans

Staff Loans	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26
(ETB million)				
Emergency Staff Loans	366.51	464.28	-	N/A
Personal Loans	150.89	220.62	309.13	465.48
Automobile Loans	156.08	179.69	162.90	166.16
Mortgage Loans	1,562.89	2,331.71	2,291.92	2,160.25
Total	2,236.38	3,196.30	2,763.94	2,791.89

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 FY2022/23 to ETB 465.48 million as at 30 June 2026, indicating increasing utilization of employee credit facilities.

Total staff loans remained relatively stable between June 2025 and June 2026, amounting to ETB 2.76 billion and ETB 2.79 billion, respectively. The overall portfolio reflects the Bank's continued commitment to employee support while maintaining internal lending controls and policy-based eligibility requirements.

(a) Carrying amount of staff loans in the audited statement of financial position at June 30, 2026 (ETB 2,422.46 million), which is stated net of staff loan market interest adjustments that were previously presented separately; on the same basis the June 30, 2025 comparative is ETB 2,335.30 million (the FY 2024/25 total in Table 49 of ETB 2,763.94 million is before staff loan market interest adjustments of approximately ETB 428.6 million; the FY 2025/26 total in Table 49 of ETB 2,791.89 million is management information as at June 30, 2026 and exceeds the audited carrying amount by ETB 369.43 million). (b) The FY 2025/26 split by loan type in Table 49 is management information as at June 30, 2026 and is not disclosed in the audited financial statements. Audited staff loans increased by 3.7% in FY2025/26 and represented 5.1% of gross loans and advances of ETB 47.64 billion at June 30, 2026 (June 30, 2025: 6.6%).

Working hours:

Table 50: 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 four years:

Table 51: Debt position

Lender Name	FY 2025/26	FY 2024/25	FY 2023/24	FY 2022/23	Interest Rate
(ETB)					
National Bank of Ethiopia	—	—	—	ETB 559,028,000	16%
Interbank Money Market (unsecured short-term interbank loans, max. seven days)	ETB 4,206,312,000	—	—	—	12%–16% p.a.

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 55.9 billion as of June 30, 2026, demonstrating continued growth in the Bank's deposit mobilization capacity and supporting its liquidity position. Compared to the previous financial year, there have been material changes in the Bank's borrowing structure and funding composition, principally the recognition of ETB 4.21 billion of short-term unsecured Interbank Money Market borrowings as of June 30, 2026 (June 30, 2025: nil), as described below. Customer deposits represented 80.3% of total liabilities as of June 30, 2026 (June 30, 2025: 88.2%) and Interbank Money Market borrowings 6.0%. The temporary National Bank of Ethiopia borrowing facility had been settled in a prior year.

As of June 30, 2026, the Bank had outstanding Interbank Money Market (IMM) borrowings of ETB 4,206,312 thousand, comprising ETB 4,200,000 thousand of short-term unsecured interbank loans from financial institutions (interest rate ranging from 12% to 16% per annum for a maximum of seven days) and ETB 6,312 thousand of accrued interest. The audited statement of financial position shows no other borrowings (lease liabilities of ETB 530.1 million are reported within other liabilities), and the Bank had no outstanding borrowings from external lenders as of June 30, 2025. 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 ETB 4,200,000 thousand of IMM principal at 30 June 2026 comprised four placements from financial institutions in Addis Ababa, identified in the Bank's records by lender code (the codes are the SWIFT/BIC identifiers of Abay Bank S.C. (ABAYETAA), Awash Bank S.C. (AWINETAA) and Addis International Bank S.C. (ABSCETAA)): ABAYETAA, ETB 1,000,000 thousand at 12%, maturing 3 July 2026; AWINETAA, ETB 1,200,000 thousand at 12%, maturing 7 July 2026; ABAYETAA, ETB 1,000,000 thousand at 16%, maturing 2 July 2026; and ABSCETAA, ETB 1,000,000 thousand at 12%, maturing 3 July 2026. All four placements matured within seven days after the year-end. The ETB 379,889 thousand of financial liabilities (due to banks and other institutions) at 30 June 2026 comprises interbank settlement balances arising from inward cheque clearing, on-us ATM settlement and on-us mobile fund transfers.

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 55.90 billion as at 30 June 2026, representing a three-year compound growth rate of approximately 18%. This sustained deposit growth has been the Bank's primary source of funding for asset growth over the period.

Other than guarantees issued on behalf of customers in the ordinary course of business (ETB 16,535.3 million at June 30, 2026; see Table 116), the Bank confirms that it is not acting as a guarantor for any material debt obligations of third parties as of June 30, 2026

Credit rating: no credit rating of the Bank or of any of its debt instruments has been conducted, and the Bank has not been rated by any credit rating agency.

2.7.1 Off - balance sheet Items

Table 52: Contingent Liabilities and Commitments (ETB '000)

Item (ETB '000)	FY 2025/26	FY 2024/25	FY 2023/24	FY 2022/23
Guarantees Issued and Outstanding	16,535,252	13,223,743	6,644,301	3,068,344
Commitments on Letters of Credit (net of margin paid)	5,388,513	1,939,037	100,495	46,749
Loans Approved but Not Disbursed	389,895	310,000	250,000	1,642,612
Total Contingent Liabilities	22,313,660	15,472,780	6,994,796	4,757,705
Capital Expenditure Commitments (not provided for)	93,500	115,000	78,500	—

Total contingent liabilities grew from ETB 4.76 billion in FY2023 to ETB 22.31 billion in FY2026 (+369.0%), driven primarily by a more than fivefold increase in guarantees issued (ETB 3.07 billion to ETB 16.54 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 5.39 billion in FY2026, 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 389.9 million in FY2026 (FY2025: ETB 310 million), reflecting improved disbursement execution. In addition, the Bank had capital expenditure commitments of ETB 93.5 million as at June 30, 2026 (2025: ETB 115 million) for purchase of various capital items not yet provided for in the financial statements.

Between FY2025 and FY2026, total contingent liabilities increased by 44.2% (ETB 6.84 billion) from ETB 15.47 billion to ETB 22.31 billion. Guarantees issued rose by 25.0% to ETB 16.54 billion, letters of credit commitments (net of margin paid) by 177.9% to ETB 5.39 billion and loans approved but not disbursed by 25.8% to ETB 389.9 million. The increases are consistent with the higher service charges on letters of credit (+62.0% to ETB 1.07 billion) and commission on guarantees (+45.6% to ETB 915.2 million) recognised in FY2026.

Litigation and tax assessment. Details of legal actions against and by the Bank (maximum outflow ETB 231.9 million and inflow ETB 136 million at 30 June 2026, with provision held) and of the dividend tax assessment under appeal (maximum potential exposure ETB 194.5 million) are disclosed in Note 30a of the audited financial statements and in Section 7.11.

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 29, 2025, reflecting additional

shareholder subscriptions of ETB 2,041,534,000 (2,041,534 new shares) in the period, and remained ETB 6,328,419,000 as at June 30, 2026.

- Deposit growth: Total customer deposits increased from ETB 44.45 billion as at June 30, 2025 to ETB 55.90 billion as at June 30, 2026, a growth of ETB 11.44 billion (+25.7% in twelve 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. As at June 30, 2026, the Bank had IMM borrowings of ETB 4,206,312 thousand (June 30, 2025: nil), being short-term unsecured interbank loans with interest rates of 12% to 16% per annum for a maximum of seven days, used to support the Bank's daily liquidity requirements and equivalent to 6.0% of total liabilities. Interest expense on borrowings from domestic banks was ETB 340.3 million in FY2025/26 (FY2024/25: ETB 194.9 million).

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 53: Investment in government securities as at 30 June 2025 (instrument level)

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.

Audited position as at June 30, 2026: investment securities measured at amortised cost (bonds and bills) amounted to ETB 6,652.5 million, net of an impairment allowance of ETB 0.3 million (gross ETB 6,652.9 million), compared with ETB 6,348.8 million at June 30, 2025 (+4.8%), reflecting net purchases of NBE bills and bonds of ETB 303.7 million during FY2025/26. Interest on investment securities increased by 37.5% to ETB 571.0 million (FY2024/25: ETB 415.1 million). The instrument-by-instrument schedule in Table 53 is presented as at June 30, 2025; the audited financial statements for the year ended 30 June 2026 present the portfolio in total, which is shown in Table 53A.

The audited position of the Bank's investment securities at 30 June 2026 and 30 June 2025 is summarised in Table 53A (Note 17 to the audited financial statements).

Table 53A: Investment securities at 30 June 2026 and 30 June 2025 (ETB '000)

Bonds and bills at amortised cost (gross)	6,652,866	6,349,118	+4.8%
Allowance for impairment	(333)	(317)	+5.0%
Net bonds and bills at amortised cost	6,652,533	6,348,801	+4.8%
Equity investments at fair value through OCI (Table 54)	1,041,125	608,049	+71.2%
Total investment securities	7,693,658	6,956,850	+10.6%
Interest on investment securities	570,953	415,149	+37.5%

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 196.0 million in 2026, while the total fair value increased from ETB 306.6 million to ETB 1,041.1 million over the same period. The growth reflects additional investments and fair value appreciation, including additional investments of ETB 53.3 million (EthSwitch S.C. ETB 50.9 million; Debo Microfinance S.C. ETB 2.4 million) and a fair value gain of ETB 379.8 million in FY2025/26.

EthSwitch S.C. represents the Bank's largest strategic investment, with a fair value of ETB 958.9 million and a 5.00% ownership stake as of June 30, 2026. The fair values of the other investments at 30 June 2026 were ETB 31.0 million (Berhan Insurance S.C.), ETB 40.4 million (Premier Switch Solution S.C.) and ETB 10.8 million (Debo Microfinance S.C.). The Bank also held equity interests of 5.00% in Berhan Insurance S.C., 2.30% in Premier Switch Solution S.C., and 4.40% 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; additional investments in existing investees during FY2025/26 totalled ETB 53.3 million (EthSwitch S.C. ETB 50.9 million; Debo Microfinance S.C. ETB 2.4 million). 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. The Bank classifies these equity investments as Level 2 within the fair value hierarchy at 30 June 2025 and 30 June 2026, on the basis that the significant inputs to their valuation are directly or indirectly observable. The fair values at 30 June 2026 are supported by valuation reports dated 10 September 2026.

PricewaterhouseCoopers (PwC), an independent internationally recognized valuation firm, determined the fair value of the Bank's equity securities on the Bank's first-time adoption of IFRS. 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 54: Equity Investments by Value

Description	2023 Invested	2023 Fair Value	2023 %	2024 Invested	2024 Fair Value	2024 %	2025 Invested	2025 Fair Value	2025 %	2026 Invested	2026 Fair Value	2026 %
	(ETB'000)			(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	26,449	31,002	5.00
Ethswitch S.C.	40,877	277,492	8.59	68,379	388,980	3.88	100,000	525,268.71	3.90	150,876	958,877	5.00
Premier Switch Solution S.C.	4,800	8,591	1.22	9,849	43,620	4.08	11,531	31,303.60	3.28	11,531	40,424	2.30
Debo Micro Finance S.C.	1,667	1,473	3.09	1,667	1,518	2.19	4,683	7,395.30	4.68	7,113	10,822	4.40
Total	60,657	306,614	-	98,154	460,152	-	142,663	608,049.07	-	195,969	1,041,125	-

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

2.8.2 Income from investments

A 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.

For 2026, the audited financial statements report interest on investment securities of ETB 570.95 million (+37.5% on ETB 415.15 million in 2025) and interest on short-term securities, which comprises Open Market Operations and Interbank Money Market placements, of ETB 17.65 million (2025: ETB 20.07 million), a combined ETB 588.60 million (+35.2% on ETB 435.22 million in 2025). (a) Interest on investment securities is reported in aggregate for Treasury Bonds, Government Bond, T-Bill, and DBE Bonds; the split by instrument is not disclosed. (b) Dividends by investee for 2026 are management information provided by the Bank; their total of ETB 42.72 million agrees to dividend income taxed at source in the tax reconciliation of the audited financial statements (Note 14a: ETB 42,717 thousand). Total equity investment income for 2026 is the sum of the lines shown above.

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 55: Income Generated from Investments

Investment	2023 Dividend / Fair Value Gain	2024 Dividend / Fair Value Gain	2025 Dividend / Fair Value Gain	2026 Dividend / Fair Value Gain
(ETB)				
Treasury Bonds	43,155,586.85	178,029,906.62	343,456,757.69	570,953,000 (a)
Government Bond & T Bill	186,290,472.85	57,363,552.72	1,972,472.23	incl. in (a)
Open Market Operations (OMO) & IMM	—	—	20,069,862.96	17,647,000
DBE Bonds	22,000,698.48	48,694,866.74	69,719,355.66	incl. in (a)
Berhan Insurance S.C.	3,258,147.61	5,234,296.12	7,537,934.61	7,537,934.61
EthSwitch S.C.	13,075,995.25	29,038,330.69	30,655,152.37	30,655,152.37
Premier Switch Solution S.C.	1,062,702.75	3,226,129.71	2,600,000.00	2,093,537.18
Debo Microfinance S.C.	973,780.56	1,154,000.00	2,430,000.00	2,430,000.00
Subtotal: dividend income from equity investments	18,370,626.17	38,652,756.52	43,223,086.98	42,716,624.16
Total Investment Income (bonds, bills, OMO/IMM and equity dividends)	269,817,384.35	322,741,082.60	478,441,535.52	631,316,624.16

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, investment property 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.

As at June 30, 2026, property and equipment had a net book value of ETB 1,755.96 million (cost ETB 2,414.77 million less accumulated depreciation and impairment of ETB 658.81 million), including furniture and fittings of ETB 281.17 million, compared with ETB 1,448.27 million as at June 30, 2025 (+21.2%). Additions during FY2025/26 were ETB 473.4 million, comprising motor vehicles ETB 211.5 million, computer and accessories ETB 182.5 million, furniture and fittings ETB 37.0 million, office and other equipment ETB 11.9 million and construction in progress ETB 30.5 million, the latter relating to the transitional headquarters at Goma Kuteba,

Addis Ababa, which is not depreciated until available for use. The depreciation charge for FY2025/26 was ETB 136.8 million (FY2024/25: ETB 98.0 million).

Table 56: Property, Plant and Equipment as at 30 June 2026

Description	Cost	Acc. Depreciation	Book Value	Book Value at 30 June 2025 (comparative)
(ETB '000)				
Buildings	85,250	5,475	79,775	81,160
Motor Vehicles	671,981	106,514	565,467	391,903
Office Equipment & Other Operational Equipment	605,810	261,550	344,260	383,250
Furniture & Fittings	394,092	112,926	281,166	276,582
Computer & IT Equipment	627,147	172,340	454,807	315,380
Construction in Progress (transitional head office)	30,486	-	30,486	-
Total PPE	2,414,767	658,806	1,755,961	1,448,274

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 57: Leasehold Land Parcels

Description	Use	Location	Certificate / Ref.	Legal Characteristics	Valuation Method
Leasehold land 1,782.37 m²	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; stated lease period 55 years	Lease cost (ETB 1,188,098 on books); not depreciated per IFRS
Leasehold land 5,427.9 m²	Headquarters building site (new HQ construction planned)	Mexico area, Addis Ababa (financial district)	AA0000308000251	Government leasehold (stated lease period 60 years); site of planned new Head Office construction; title deed secured under unique parcel identification number AA0000308000251	Lease cost (ETB 107,792,178 on books); not depreciated per IFRS
Leasehold land 1,600 m²	Store / warehouse operations (Table 58, item 7)	Akaki-Kaliti, Addis Ababa	AA000070700979	Government leasehold; stated lease period 60 years	Right-of-use asset (IFRS 16)
Leasehold land 294 m²	—	Yeka, Addis Ababa	AA000051400729	Government leasehold; stated lease period 99 years	Right-of-use asset (IFRS 16)

Description	Use	Location	Certificate / Ref.	Legal Characteristics	Valuation Method
Leasehold land 3,786.56 m²	—	Mekelle (Semen / Melese)	B34/39253	Government leasehold; stated lease period has expired	Right-of-use asset (IFRS 16)
Leasehold land 500 m²	—	Dilla	u/e/h/h/1032	Government leasehold; stated lease period 99 years	Right-of-use asset (IFRS 16)
Leasehold land 494 m²	—	Jacross area, Addis Ababa	AA000060709224	Government leasehold; stated lease period 85 years	Right-of-use asset (IFRS 16)
Leasehold land 10,000 m²	—	Shegere city / Gelan	Title / ownership transfer in process	Government leasehold; title transfer in process	Right-of-use asset (IFRS 16)
Leasehold land 240 m²	—	Shegere city / Sendafa Beke 02 kebele	Title being received (in process)	Title in process	Right-of-use asset (IFRS 16)

The Bank holds nine leasehold land parcels (Table 57). Land held under government lease is not owned in freehold; the Bank holds the right to use the land for the lease term. The Goma Kuteba parcel is the site of the transitional Head Office building and the Mexico site is the planned location of the new Head Office building; the Mexico site is held under a 60-year leasehold interest, recognised as a right-of-use asset with a corresponding lease liability discounted at 11.5%, under which all lease payments fall due within the first 30 years (Note 19 to the audited financial statements). The title deed for the Mexico site has been secured under unique parcel identification number AA0000308000251; the title documentation for the Shegere (Gelan and Sendafa) parcels is in process. The stated lease periods of the parcels in Table 57 are between 55 and 99 years, except that the stated lease period of the Mekelle (Semen/Melese) parcel has expired. The carrying amounts shown in Table 57 for the Goma Kuteba and Mexico parcels (ETB 1.19 million and ETB 107.79 million, ETB 109.0 million in total) are as at June 30, 2025, and no private encumbrance is reported over the Goma Kuteba parcel, whose lease right is registered with the Addis Ababa City Administration.

In the audited financial statements for FY2025/26, land held under lease is recognised within right-of-use assets. Land right-of-use assets had a cost of ETB 213.6 million and accumulated amortisation of ETB 19.5 million (net ETB 194.1 million) as at June 30, 2026, compared with a net ETB 199.2 million as at June 30, 2025 (cost ETB 216.9 million; accumulated amortisation ETB 17.7 million), with land lease liabilities of ETB 101.9 million (June 30, 2025: ETB 96.5 million). The cost of ETB 213.6 million relates to all of the Bank's leasehold land; the two parcels for which carrying amounts are shown in Table 57 account for ETB 109.0 million of it, and the remainder is not allocated to individual parcels. The parcel-level carrying amounts shown in Table 57 are as at June 30, 2025.

B. Owned Properties (Branch Premises Condominium Shops)

Table 58: Owned Properties

No.	Description	Use	Location	Acquisition Value (ETB)	Ownership Certificate(s)	Legal Characteristics	Valuation Method
1	Condominium shop (2 units, 103.93 m)	Gerji Branch banking operations	Gerji Mariam, Addis Ababa	28,214,325	ro/14/[illegible] and ro/14/[illegible]	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
2	Condominium shop (2 units, 113.26 m)	Bulbula Mariam Branch banking operations	Bulbula Mariam Mazoriya, Addis Ababa	16,487,915	ሰ/12/72/5/19/255627/00 and ሰ/12/72/5/13/255626/00	Freehold ownership; no encumbrance or third-party claim	Historical cost less accumulated depreciation (cost model, IFRS)
3	Condominium shop (1 unit, 80.88 m)	Bole Arabisa Branch banking operations	Bole Arabisa, Addis Ababa	4,890,552	ሰ/አ/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, 122.46 m)	Ayat 49 Branch banking operations	Bole Ayat, Addis Ababa	11,876,318	ሰ/10/176/1/25/58561/00; ሰ/10/176/1/13/58562/00; ሰ/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, 105.88 m)	Yeka Abado Branch banking operations	Yeka Abado, Addis Ababa	5,797,340	ካ12/35060033/09 and ካ12/35060037/09	Freehold ownership; no encumbrance or third-party claim	Historical cost less accumulated depreciation (cost model, IFRS)
6	Condominium shop (3 units, 155.16 m)	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	AA000070700979	Store building owned by the Bank on government leasehold land of 1,600 m² (Table 57; no encumbrance or third-party claimm	Historical cost less accumulated depreciation (cost model, IFRS)

The condominium shop premises in items 1 to 6 above (13 units; 681.57 m² in totall are freehold properties with ownership certificates registered with the Addis Ababa City Administration; the store in item 7 stands on leasehold land (Table 577. None of the above properties is subject to any mortgage, encumbrance, leaseback arrangement, or third-party claim as at June 30, 2025.

The aggregate acquisition value of the owned properties listed above (ETB 85,249,876) corresponds to the cost of buildings of ETB 85.25 million reported in the audited financial statements as at June 30, 2026, which had accumulated depreciation of ETB 5.48 million and a net book value of ETB 79.78 million (June 30, 2025: cost ETB 85.88 million; net book value ETB 81.16 million).

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. The asset-by-asset listings in Table 59 and Table 60 below are as presented at June 30, 2025; the audited position as at June 30, 2026 is summarised after Table 60.

Table 59: 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)
3	Store building	Available for own use under processing for branch/storage use	Golan	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 60: Non-Current Assets Held for Sale Repossessed Motor Vehicles

No.	Description	Use	Location	Cost (ETB)	Fair Value (ETB)	Impairment (ETB)
1	Dump truck Plate ET-03-46268	Available for sale	Addis Ababa	500,000	250,000	250,000
2	Toyota pickup Plate ET-03-62802	Available for sale	Addis Ababa	450,000	130,000	320,000
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.

Audited position as at June 30, 2026. The audited statement of financial position carries non-current assets held for sale of ETB 28.55 million (gross ETB 28.72 million less an impairment allowance of ETB 0.17 million), compared with ETB 237.67 million as at June 30, 2025. During FY2025/26, (i) an asset with a carrying amount of ETB 205.07 million, in respect of which legal proceedings on ownership had not been finalised so that its sale was no longer considered highly probable, was reclassified to other assets (repossessed collateral, Note 18 to the audited financial statements; the proceedings on ownership are described in Section 7.11); and (ii) the property in Addis Ababa (Wossen area) of ETB 11.24 million (Table 59, item 2) was reclassified to investment property because management ceased its active marketing plan and intends to hold it long-term to earn rental income and for capital appreciation. Asset-by-asset detail as at June 30, 2026 is not disclosed in the audited financial statements, and Table 59 and Table 60 therefore remain as presented at June 30, 2025.

E. Investment Property

The Bank holds investment property (building) accounted for under the fair value model (IAS 40) with a carrying amount of ETB 39.31 million as at June 30, 2026 (June 30, 2025: nil), comprising the ETB 11.24 million transferred from non-current assets held for sale and a fair value gain of ETB 28.07 million recognised in profit or loss in FY2025/26. The fair value was determined by Dahab Valuation Engineering Works by reference to market prices of similar properties in the area (Level 2), and rental income of ETB 2.26 million was earned from investment property in FY2025/26. The ETB 237.67 million balance at June 30, 2025 referred to elsewhere in this Section is the balance of non-current assets held for sale, not investment property; the investment property balance was nil at that date.

Leased premises. The Bank leases branch and office premises under leases that typically run for 5 to 10 years with extension options that only the Bank can exercise; for some leases the rent is renegotiated every five years to reflect market rentals, and some provide for additional rent based on changes in local price indices (Note 19 to the audited financial statements). At 30 June 2026 right-of-use assets had a cost of ETB 2,714.0 million (buildings ETB 2,500.4 million; land ETB 213.6 million) and accumulated amortisation of ETB 1,519.9 million, and lease liabilities were ETB 530.1 million, of which ETB 385.1 million is non-current. According to the Bank's lease register, 404 lease contracts were in force at 30 June 2026, 23 for head-office premises and 381 for branches, district offices and other premises. Contract terms range from one month to 120 months; 381 of the 404 contracts have terms of 12, 24, 36 or 60 months, and 211 of them expire by 30 June 2027. The Bank has confirmed that it has no related-party contracts (Section 2.10), and the audited financial statements do not identify the lessors individually.

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 61: 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 90,902,918 (paid in full)	Nil	Fully paid; contractual deadline of 23 March 2026 has passed	Bank must provide timely site access; penalty clause for delays by vendor. The contract price has been paid in full.	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 33,245,179 (paid in full)	Nil	Fully paid; contractual delivery period of 60 days after LC opening	Contract price paid in full. 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	USD 202,838	USD 75,328	Live since 27 January 2026; implementation 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 539,000	USD 539,000 (paid in full)	Nil	Live since 25 August 2025 (FY2025/26; original deadline of 31 May 2025 was missed); post-go-live support ongoing	The balance was released once the CBS went live and the contract price has been paid in full. Downtime risk during cutover was a material operational condition. Post-go-live support included in contract scope.	Berhan Bank S.C. and Neptune Financial Software Ltd
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 105,173	USD 10,109	Completed 30 January 2025; third-year vendor software maintenance and support (USD 10,109) not yet paid	Post-implementation warranty and support obligations. System must be maintained for cybersecurity compliance under the NBE's information-technology and cyber-risk requirements.	Berhan Bank S.C. and IE Network Solution PLC JV with Silco Networks FZE

No.	Description and Key Terms	Total Contract Value	Amount Paid to Date	Amount Outstanding	Completion Status / End Date	Material Obligations / Conditions	Parties
8	IT Governance, ITSM, and Security Compliance Consulting and implementation of IT governance framework.	ETB 4,398,750	ETB 3,519,000	ETB 879,750	Ongoing; contractual deadline of 5 November 2025 has passed	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)	ETB 17,279,808	ETB 25,919,712 (three years 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 33,299,820 (5-year)	Nil	ETB 33,299,820 (total remaining; five years unpaid)	Ongoing 30 June 2025 to 29 June 2030	Annual service fee payment. Critical dependency for real-time transaction processing across 380 branches (see Section 2.3.8.1).	Berhan Bank S.C. and Ethio Telecom
11	Electric Vehicles 47 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 4 units.	ETB 27,956,984	ETB 27,956,984 (paid in full)	Nil Completed	Completed 20 October 2024	As above.	Berhan Bank S.C. and AAG Africa Import & Export
13	Electric Vehicles 11 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: 70% to the Bank and 30% to Kacha	N/A (revenue share)	N/A (ongoing revenue share)	Deployed in the live environment on 31 October 2026 and ready for production; approximately 31 whitelisted customers and staff are using it; general release to the market subject to NBE approval	Under Addendum OA/01/2026 of 23 September 2026 (signed on 24 September 2026) to the Revised Outsourcing Agreement on Digital Saving and Credit Services Provisioning, revenue from the digital credit service is shared 70% to the Bank and 30% to Kacha, with no deductions before sharing other than as agreed in writing; the 30% share is Kacha's full compensation for platform licensing, integration, maintenance and support. Non-performing loan amounts are borne 70% by Kacha and 30% by the Bank, and	Berhan Bank S.C. and Kacha Digital Financial Service S.C.

No.	Description and Key Terms	Total Contract Value	Amount Paid to Date	Amount Outstanding	Completion Status / End Date	Material Obligations / Conditions	Parties
						Kacha's share is first offset against the revenue otherwise payable to it. The platform is deployed on infrastructure owned or allocated by the Bank and the Bank's own white-label application is the sole service channel. The agreement is non-exclusive; either party may terminate it on six months' written notice, followed by a 180-day recovery period. General release to the market is conditional on NBE approval of the digital lending product. No capital commitment outstanding from the Bank.	
15	Fuel Aggregator System Nationwide fuel payment platform (public-private partnership).	Facilitation fee of 0.25% of each fuel payment, payable to Ethio Telecom; no fixed contract value	N/A	N/A	Ongoing; five-year term from the effective date	Tripartite agreement for provisioning of the fuel aggregator system and telebirr service. The Bank pays Ethio Telecom a facilitation fee of 0.25% of each fuel payment, as decided by the Fuel Steering Committee on 26 September 2024, and must keep the telebirr account funded to cover that fee and onboard and train fuel stations. The Ministry may suspend the Bank's access in the circumstances stated in the agreement. Any party may terminate on 30 days' written notice; disputes go to the Federal Court after one month of negotiation. No capital expenditure obligation on the Bank.	Berhan Bank S.C., Ministry of Transport and Logistics and Ethio Telecom
16	ECMA Securities Registration — Transaction Advisor fee for share registration and public offer.	ETB 11,825,275	ETB 4,301,000	ETB 7,524,275	Ongoing until registration of the Offer is completed	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

Related-party contracts. The Bank has confirmed that none of the contracts in Table 61, including the purchases of electric vehicles from Nasew Trading PLC, AAG Africa Import & Export and MOENCO under Contracts 11 to 13 (ETB 265.8 million in total), is with a related party, a company linked to a Director, or any other Interested Person, and that no benefit in kind arises from them to any Director. The Bank is not party to any other arrangement with an Interested Person within the meaning of Article 94(3) of the Directive.

Merchant agreement with Droga Pharma PLC. The Bank's Autobis Tera Branch has a Merchants Agreement (card payment service) with Droga Pharma PLC, a shareholder of the Bank holding 57,224 shares (0.904%), under which the Bank provides point-of-sale (POS) card acceptance services at the merchant's outlets. The Bank has confirmed that Droga Pharma PLC is not a related party of the Bank or of any Director. The agreement is disclosed here because of the shareholding and the concentration of POS terminals described in Section 2.3.5. Its principal terms are as follows. (i) Subject matter and equipment: the merchant accepts card payments for goods and services through POS terminals that remain the property of the Bank, which supplies, installs and maintains them and trains the merchant's staff; seven 4G (V400) terminals were confirmed in good working order on 28 October 2024 at the merchant's Sarbet, Lebu, Betheal, Paulos, Figa, Semen Hotel and Ayat outlets. (ii) Merchant commission: the merchant pays the Bank 1% of the value of transactions made with local cards and 2% of the value of transactions made with international cards, calculated on the gross transaction amount and collected from the merchant's settlements. (iii) Settlement: the Bank credits the transaction value, less commission, to the merchant's account with the Bank. (iv) Chargebacks: the Bank may debit the merchant's account for chargebacks, including for disputed, unauthorised or invalid transactions, and for clerical errors. (v) Term and termination: the agreement has no fixed term and takes effect from signature; either party may terminate it without cause on at least 48 hours' written notice, and the Bank may terminate it immediately in the circumstances listed in the agreement, including breach, insolvency or change of the merchant's business. (vi) Disputes: the parties are to settle disputes amicably, failing which either may bring the matter before the competent federal court in Ethiopia. Commission income from POS merchants is not reported as a separate line in the audited financial statements.

Insurance on the Bank's vehicle fleet. The Bank has paid the following annual insurance premiums in full: (i) ETB 6,274,459 for own-damage and third-party cover on 58 electric vehicles for the period 21 March 2026 to 20 March 2027; (ii) ETB 2,070,606 for own-damage and third-party cover on 30 Hyundai Grand i10 vehicles for 9 May 2026 to 8 May 2027; (iii) ETB 4,229,945 for political violence and terrorism cover on 54 electric vehicles for 25 September 2026 to 24 September 2027; and (iv) ETB 55,221 for political violence and terrorism cover on 5 Hyundai Grand i10 vehicles for 30 September 2026 to 29 September 2027, a total of ETB 12,630,231. The insurer is Berhan Insurance S.C., in which the Bank holds 5.00% and which holds 1.00% of the Bank and is represented on the Bank's Board by one Director (Section 2.1.6). The premiums equal 0.43% of the Bank's other operating expenses for FY2025/26 and are considered in the IAS 28 assessment in Section 2.1.6.

SECTION THREE

3 FINANCIAL STATEMENTS AND INFORMATION

3.1 Financial Information

The Bank's audited financial statements for financial years ended 30 June 2026 (FY2026), 30 June 2025 (FY2025), 30 June 2024 (FY2024) and 30 June 2023 (FY2023) 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. The Bank has no subsidiaries, so the financial statements are those of the Bank alone; the word "consolidated" used in some notes to the audited financial statements does not mean that any entity is consolidated. The External Auditor issued its audit report on the FY2026 financial statements on 6 October 2026 with an unqualified opinion and no key audit matters. The audit reports on the FY2025 financial statements (dated 6 October 2025) and the FY2024 financial statements (dated 19 September 2024) were likewise unqualified and contained no key audit matters. Financial figures presented in this Prospectus are taken from the audited financial statements; certain totals, percentages, growth rates and ratios have been recomputed from those figures, FY2025 comparative figures are as re-presented in the audited FY2026 financial statements, and where this Prospectus presents operating or customer data for which no audited equivalent exists, that data is identified as unaudited management information as at its stated date.

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's paid-up capital was ETB 3.35 billion at June 30, 2023 and ETB 3.45 billion at June 30, 2024 (an increase of ETB 97.5 million, or 2.9%, from additional share subscriptions). It was ETB 4.29 billion at June 30, 2025 (an increase of ETB 839.0 million, or 24.3%) and ETB 6.33 billion as of November 24, 2025 (an increase of ETB 2,041.5 million, or 47.6%, from June 30, 2025), a figure that remained unchanged through June 30, 2026 (audited financial statements, Note 23), with both the number of shares outstanding (6,328,419) and the par value (ETB 1,000 per share) unchanged between the two dates, so that no new shares were issued and no capital transactions occurred during that period. The Bank's authorized share capital is ETB 10 billion, as approved by the Extraordinary General Meeting of 17 October 2024 and unchanged since that date (Section 5.1).

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 30 June 2026, the date of the most recent audited balance sheet:

1. Gross loans and advances increased from ETB 35.55 billion at 30 June 2025 to ETB 47.64 billion at 30 June 2026 (+34.0%). Loans and advances to customers (net) were ETB 46.65 billion at 30 June 2026, compared with ETB 34.65 billion at 30 June 2025 (+34.6%).
2. Customer deposits increased from ETB 44.45 billion at 30 June 2025 to ETB 55.90 billion at 30 June 2026 (+25.7%).
3. Total assets increased from ETB 58.96 billion at 30 June 2025 to ETB 82.47 billion at 30 June 2026 (+39.9%), and total equity from ETB 8.54 billion to ETB 12.89 billion (+50.9%), reflecting profit for the year and the increase in paid-up capital.

4. Loan growth of 34.0% over twelve months, with an increase in paid-up capital of ETB 2.04 billion since 30 June 2025, increased risk-weighted assets (from ETB 44.05 billion to ETB 63.42 billion, +44.0%) and is one of the factors behind the capital raising described in this Prospectus. The reasons for the Offer are set out in Section 8.7.2: to maintain a capital adequacy ratio target of the NBE minimum plus 2 percentage points notwithstanding planned asset growth of 28%, to fund the Bank's branch expansion to 386 branches and its digital banking investment programme, to position the Bank for a strategic foreign bank partner, and to comply with any future increase in the NBE minimum capital requirement.
5. The Bank's capital adequacy ratio was 17% at 30 June 2026 as stated in the audited financial statements (16.46% when recalculated from the disclosed capital base and risk-weighted assets) and 16.00% at 30 June 2025, against the 11% minimum under Directive No. SBB/95/2025. The capital adequacy ratio reported by the Bank to the National Bank of Ethiopia at 30 June 2026 was 11.73%, on total capital of ETB 9,771 million and common equity tier 1 and tier 1 capital of ETB 8,259 million each; it is 0.73 percentage points above the 11% minimum under Directive No. SBB/95/2025. This ratio and the ratio in Note 6.6 to the audited financial statements are computed on different capital bases and different risk-weighted assets, and the NBE requirements for common equity tier 1 and tier 1 ratios take effect on 31 December 2026.
6. Table 61A illustrates the effect of the Offer on the capital adequacy ratio and total equity at 30 June 2026. It is an illustration based on the audited financial statements and the ratios reported to the NBE, not a forecast.

Table 61A: Illustrative capital adequacy and equity before and after the Offer

Gross Offer proceeds	–	1,955.1	3,910.2
Offer expenses (ETB 26.8 million)	–	(26.8)	(26.8)
Net Offer proceeds	–	1,928.3	3,883.4
Total capital reported to NBE	9,771.0	11,699.3	13,654.4
Risk-weighted assets implied by the 11.73% ratio	83,299.2	83,299.2	83,299.2
Capital adequacy ratio, NBE return	11.73%	14.04%	16.39%
Capital base in Note 6.6	10,436.7	12,365.1	14,320.2
Risk-weighted assets in Note 6.6	63,421.2	63,421.2	63,421.2
Capital adequacy ratio, Note 6.6 data	16.46%	19.50%	22.58%
Total equity (audited)	12,888.9	14,817.3	16,772.4
Total equity after the recommended dividend of ETB 1,894.3 million	10,994.6	12,922.9	14,878.1

7. Assumptions: the Offer proceeds are received in full at 30 June 2026 and held in assets that carry no risk weight, so risk-weighted assets are unchanged; the Offer expenses of ETB 26,805,268 are deducted in both cases; the whole of the net proceeds is added to the capital base; no change in the Bank's other assets, liabilities or profits after 30 June 2026 is assumed; the risk-weighted assets under the NBE return are derived from the reported ratio (total capital divided by 11.73%). The recommended dividend does not change the capital base in Note 6.6, which excludes retained earnings. Actual results will differ as the proceeds are deployed and the Bank's balance sheet changes.
8. Other matters. The Board of Directors has recommended the distribution of ETB 1,894,311,676 as dividend in respect of FY2025/26, subject to approval by the shareholders at the Annual General Meeting

on 1 December 2026. Events since 30 June 2026 (the last financial period for which audited financial statements are available): on 13 July 2026 the NBE removed the credit growth cap in full, replaced it with targeted additional reserve requirements for individual banks based on their loan-to-deposit ratios, and raised its policy rate to 16%; the cash reserve requirement had been raised from 7% to 10% between December 2025 and March 2026; the interbank money market borrowings of ETB 4,206.3 million at 30 June 2026 were due for repayment between 2 and 7 July 2026; on 6 October 2026 the Board recommended the dividend and approved the audited financial statements; and the Annual General Meeting will be held on 1 December 2026. This Prospectus contains no financial information for periods after 30 June 2026. Note 31 to the audited financial statements states that there were no significant post balance sheet events requiring adjustment or disclosure in those financial statements.

9. Election of the Board of Directors early in the Offer Period (significant change). The entire Board of Directors is to be elected at the Annual General Meeting to be held on 1 December 2026 because the terms of office of all current Directors are expiring (see Table 63). In accordance with the directives of the National Bank of Ethiopia, at least one-third of the Directors must be independent directors. The election will take place fifteen days after the commencement of the Offer Period (9:00 AM on 16 November 2026 to 5:00 PM on 13 February 2027), so that investors who subscribe before that date will do so while the composition of the new Board is not yet known. The terms of office of the current Directors shown in Table 63 end on 18 April 2027; the period from the election on 1 December 2026 until 18 April 2027 is a transition period during which the newly elected Directors will undergo training and induction on their assignments.
10. The Directors named in this Prospectus are those in office at its date; subject to the election, the composition of the Board, the number and identity of its independent directors and the membership of its Board committees may change. The outcome of the election is not known at the date of this Prospectus. The Bank will disclose the outcome of the election, and any resulting changes to the information in this Prospectus, by way of a supplementary prospectus in accordance with ECMA requirements. The terms of the Offer are not affected.
11. Organizational structure. The Bank's organizational structure has also been revised (see Section 2.1.5); the revision does not result in any significant change in the Executive Management Team.

3.4 Pro Forma Financial Information

The Bank does not have a subsidiary company, nor does it plan to have a collaborative engagement with other entities in the form of acquisitions or other forms. It holds minority equity investments, including 5.00% of Ethswitch S.C. and 5.00% of Berhan Insurance S.C. as at June 30, 2026 (see Section 2.8); these are not subsidiaries and do not give the Bank control of those entities.



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 (Proclamation No. 1243/2021).

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 currently consists of eleven members. The entire Board is to be elected at the Annual General Meeting on 1 December 2026, as described below. 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.

In accordance with the National Bank of Ethiopia Corporate Governance Directive No. SBB/91/2024 and other applicable NBE directives, at least one-third of the Directors must be independent directors; this requirement will apply to the Board to be elected at the Annual General Meeting on 1 December 2026. 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 as at the date of this Prospectus 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 (Proclamation No. 1243/2021).

Election of the Board of Directors early in the Offer Period. The entire Board of Directors is to be elected at the Annual General Meeting to be held on 1 December 2026 because the terms of office of all current Directors are expiring (see Table 63). The election will take place fifteen days after the commencement of the Offer Period (9:00 AM on 16 November 2026 to 5:00 PM on 13 February 2027), so that investors who subscribe before that date will do so while the composition of the new Board is not yet known. All Board seats will be subject to election, and the terms of office of the current Directors shown in Table 63 end on 18 April 2027. The period from the election on 1 December 2026 until 18 April 2027 is a transition period during which the newly elected Directors will undergo training and induction on their assignments. The Directors named in Table 62 and Table 63 are those in office at the date of this Prospectus.

In accordance with the directives of the National Bank of Ethiopia (see also Section 2.5 regarding Proclamation No. 1360/2025), at least one-third of the Directors must be independent directors. If the Board remains at eleven members, this means not fewer than four independent directors. Newly elected Directors remain subject to the approval requirements of the National Bank of Ethiopia applicable to directors.

The outcome of the election, including the names, profiles, independence status and committee assignments of the Directors elected, is not known at the date of this Prospectus. The Bank will disclose the outcome and any resulting changes to the information in this Prospectus promptly by way of a supplementary prospectus, in accordance with applicable NBE and ECMA requirements. The election does not change the terms of the Offer.

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 (ESS 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.

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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, and reports that no item remains outstanding under the Directive. The Board of Directors currently meets regulatory requirements on gender diversity, including the minimum two-seat representation of female directors. The composition of the Board elected on 1 December 2026, including its gender diversity and the number of independent directors, will be disclosed following the election.

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.

The entire Board is to be elected at the Annual General Meeting on 1 December 2026, which may change the composition of the Board and of its committees (see Section 3.3). In addition, 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 currently 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. The profiles below relate to the Directors in office at the date of this Prospectus; the entire Board is to be elected at the Annual General Meeting on 1 December 2026 (see Section 3.3).

Table 62: 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: Wolso 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)
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)

Name	Position	Nationality	Tenure	Qualifications	Principal Functions & Specific Skills	Business Interests & Directorships (Last 5 Years)
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
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 Wondmu 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 Mulutila International PLC (1994-2013)

Name	Position	Nationality	Tenure	Qualifications	Principal Functions & Specific Skills	Business Interests & Directorships (Last 5 Years)
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. These terms are those of the Directors in office at the date of this Prospectus. Because the entire Board is to be elected at the Annual General Meeting on 1 December 2026 (see Section 3.3), the terms of office shown below all expire on 18 April 2027, and the period from the election until that date is a transition period during which the newly elected Directors will undergo training and induction on their assignments.

Table 63: 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 Wordofa 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 64 below are Ethiopian nationals.

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Table 64: Profiles of Senior Management

 Chief Executive Officer (CEO)	**Ermias Tefera Shawel**. Appointed 8 January 2024. He 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.
 Deputy CEO – Enterprise Services	**Solomon Assefa Haile**. Appointed Deputy CEO – Enterprise Services on 13 July 2024 (previously Vice President – Operations); with the Bank since 13 April 2015. He 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 – Credit and International Banking	**Dagmawi Kasahun Mengesha.** Appointed Deputy CEO – Business and Digital Banking on 13 July 2024 (previously Director, Trade Service Department) and Deputy CEO – Credit and International Banking on 7 October 2025; with the Bank since 8 May 2013. He 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 – Strategy and Retail Banking	**Masresha Hailemickael Gonfa.** Appointed Deputy CEO – Strategy and Retail Banking on 13 July 2024 (previously Director, Corporate Customer and Relationship Department); with the Bank since 14 January 2015. He 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.

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 Chief – Digital Banking and Estate Management Officer	**Bethlehem Getachew Metaferia.** Appointed Chief – Enterprise Resource Management on 22 July 2024 (previously Vice President – Corporate Service) and Chief – Digital Banking and Estate Management Officer on 7 October 2025; with the Bank since 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 and Compliance Officer	**Desta Bekalo Sapa.** Appointed Chief – Risk and Compliance Officer on 13 July 2024 (previously Vice President – Strategy and Marketing); with the Bank since 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 and Branch Banking Officer	**Amanuel Tadese W/Gebriel.** Appointed Chief – District and Branch Banking Officer on 13 July 2024 (previously Vice President – Customer Accounts and Digital Banking); with the Bank since 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 **Chief – Internal Audit Officer on 13 July 2024 (previously Director, Internal Audit Department); with the Bank since 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.

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 Chief – Human Capital Officer	**Sirak Amare Shiferaw.** Appointed Chief – Human Capital Officer on 13 July 2024 (previously Director, Talent Management Department); with the Bank since 12 August 2013. He 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 – Finance Officer	**Tesfaye Maru Abate.** Appointed Chief – Finance Officer on 13 July 2024 (previously Director, Treasury and Investment Department); with the Bank since 13 April 2015. He 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 – Enterprise Resource and Marketing Officer	**Binyam Mesfin Demeke.** Appointed Chief – Estate Management and Marketing Officer on 13 July 2024 (previously Director, Facility Management Department) and Chief – Enterprise Resource and Marketing Officer on 7 October 2025; with the Bank since 3 September 2013. He 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.
	Wossen Alemeye Liyew Appointed Chief – Information Technology Officer on 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 Technology Officer	
 Deputy Chief – Loan Recovery and Documentation Officer	**Assefa Taye Ketema.** Appointed Deputy Chief – Loan Recovery and Documentation Officer on 4 November 2025 (previously Director, Legal Service Department); with the Bank since 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.
 Deputy Chief – Strategy and Emerging Markets	**Thomas Desalegn Beyene.** Appointed Deputy Chief – Strategy and Emerging Markets on 22 July 2024 (previously Director, Transformation and Change Management Office); with the Bank since 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 Deputy Chief – Estate Management Officer on 22 July 2024 (previously Director, Engineering and Valuation Department); with the Bank since 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.

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Deputy Chief – Estate Management Officer	
 Deputy Chief – District **Operation** Officer	**Solomon Tadesse Degu.** Appointed Deputy Chief – District Operation Officer on 19 August 2025 (previously Director, North Addis District); with the Bank since 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 – **International Banking Officer**	**Nebyou Moges Mekonen.** Appointed Deputy Chief – IBD Operations Officer on 15 October 2025 (previously Director, Trade Service and Foreign Guarantee Department) and re-designated Deputy Chief – International Banking Officer on 23 January 2026; with the Bank since 12 August 2024. He 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 – **Operation** and Service Delivery Officer	**Belay Mebrat Tegen.** Appointed Deputy Chief – Operation and Service Delivery Officer on 4 November 2025 (previously Director, IT Application Support and Development Department); with the Bank since 16 December 2021. He 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.

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 Deputy Chief – Credit Operation Officer	**Abey Berhane Embeza.** Appointed Director, Corporate Credit Management Department on 22 July 2024 (previously Director, Credit Analysis and Appraisal) and Deputy Chief – Credit Operation Officer on 19 August 2025; with the Bank since 30 March 2015. He 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 – Information Officer	**Rodas Solomon Aweitu. Appointed Deputy Chief – Information Officer on 22 July 2024 (previously Acting Vice President – Chief Information Officer); with the Bank since 5 January 2015. More than 15 years of experience.**

Table 65: Senior management Date of appointment and years at Berhan Bank S.C. (titles and dates as in the Annual Report)

Name	Position	Date Appointed to Current Position (as in the Annual Report)	Date Joined the Bank (basis of "Years at Berhan Bank S.C.")	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 July 2024	13 April 2015	Over 29 years	11.2 years
Dagmawi Kasahun Mengesha	Deputy CEO – Credit and International Banking	7 October 2025	8 May 2013	Over 20 years	13.2 years
Masresha Hailemickael Gonfa	Deputy CEO – Strategy and Retail Banking	13 July 2024	14 January 2015	Over 26 years	11.5 years
Bethlehem Getachew Metaferia	Chief – Digital Banking and Estate Management Officer	7 October 2025	1 January 2018	Over 27 years	8.5 years
Desta Bekalo Sapa	Chief – Risk and Compliance Officer	13 July 2024	26 December 2022	Over 26 years	3.5 years
Amanuel Tadese W/Gebriel	Chief – District and Branch Banking Officer	13 July 2024	28 October 2009	Over 20 years	16.7 years
Shimelis Tesfaye Reta	Chief – Internal Audit Officer	13 July 2024	7 March 2015	Over 36 years	11.3 years
Sirak Amare Shiferaw	Chief – Human Capital Officer	13 July 2024	12 August 2013	Over 24 years	12.9 years
Tesfaye Maru Abate	Chief – Finance Officer	13 July 2024	13 April 2015	Over 21 years	11.2 years

Name	Position	Date Appointed to Current Position (as in the Annual Report)	Date Joined the Bank (basis of "Years at Berhan Bank S.C.")	Total Years' Experience	Years at Berhan Bank S.C.
Binyam Mesfin Demeke	Chief – Enterprise Resource and Marketing Officer	7 October 2025	3 September 2013	Over 29 years	12.8 years
Wossen Alemeye Liyew	Chief – Information Technology Officer	15 October 2025	15 October 2025	Over 32 years	New appointment
Assefa Taye Ketema	Deputy Chief – Loan Recovery and Documentation Officer	4 November 2025	8 October 2018	Over 36 years	7.7 years
Thomas Desalegn Beyene	Deputy Chief – Strategy and Emerging Markets	22 July 2024	9 December 2013	Over 21 years	12.6 years
Yared Aguade Wubneh	Deputy Chief – Estate Management Officer	22 July 2024	18 March 2010	Over 20 years	16.3 years
Solomon Tadesse Degu	Deputy Chief – District Operation Officer	19 August 2025	17 March 2016	Over 18 years	10.3 years
Abey Berhane Embeza	Deputy Chief – Credit Operation Officer	19 August 2025	30 March 2015	Over 20 years	11.3 years
Belay Mebrat Tegen	Deputy Chief – Operation and Service Delivery Officer	4 November 2025	16 December 2021	Over 24 years	4.5 years
Nebyou Moges Mekonen	Deputy Chief – International Banking Officer	15 October 2025 (re-designated 23 January 2026)	12 August 2024	20 years	1.9 years
Rodas Solomon Aweitu	Deputy Chief – Information Officer	22 July 2024	5 January 2015	Over 15 years	11.5 years

Appointments and re-designations of the executive officers since 1 July 2024 are shown in Table 65A. Their titles and dates of appointment are those stated in the Bank's Annual Report.

Table 65A: Appointments and re-designations of executive officers since 1 July 2024

Solomon Assefa Haile	Vice President – Operations	Deputy CEO – Enterprise Services	13 July 2024
Dagmawi Kasahun Mengesha	Director – Trade Service Department	Deputy CEO – Business and Digital Banking	13 July 2024
Dagmawi Kasahun Mengesha	Deputy CEO – Business and Digital Banking	Deputy CEO – Credit and International Banking	7 October 2025
Masresha Hailemickael Gonfa	Director – Corporate Customer and Relationship Department	Deputy CEO – Strategy and Retail Banking	13 July 2024
Bethlehem Getachew Metaferia	Vice President – Corporate Service	Chief – Enterprise Resource Management	22 July 2024
Bethlehem Getachew Metaferia	Chief – Enterprise Resource Management	Chief – Digital Banking and Estate Management Officer	7 October 2025
Desta Bekalo Sapa	Vice President – Strategy and Marketing	Chief – Risk and Compliance Officer	13 July 2024
Amanuel Tadese W/Gebriel	Vice President – Customer Accounts and Digital Banking	Chief – District and Branch Banking Officer	13 July 2024

Shimelis Tesfaye Reta	Director – Internal Audit Department	Chief – Internal Audit Officer	13 July 2024
Sirak Amare Shiferaw	Director – Talent Management Department	Chief – Human Capital Officer	13 July 2024
Tesfaye Maru Abate	Director – Treasury and Investment Department	Chief – Finance Officer	13 July 2024
Binyam Mesfin Demeke	Director – Facility Management Department	Chief – Estate Management and Marketing Officer	13 July 2024
Binyam Mesfin Demeke	Chief – Estate Management and Marketing Officer	Chief – Enterprise Resource and Marketing Officer	7 October 2025
Assefa Taye Ketema	Director – Legal Service Department	Deputy Chief – Loan Recovery and Documentation Officer	4 November 2025
Yared Aguade Wubneh	Director – Engineering and Valuation Department	Deputy Chief – Estate Management Officer	22 July 2024
Solomon Tadesse Degu	Director – North Addis District	Deputy Chief – District Operation Officer	19 August 2025
Abey Berhane Embeza	Director – Credit Analysis and Appraisal	Director – Corporate Credit Management Department	22 July 2024
Abey Berhane Embeza	Director – Corporate Credit Management Department	Deputy Chief – Credit Operation Officer	19 August 2025
Belay Mebrat Tegen	Director – IT Application Support and Development Department	Deputy Chief – Operation and Service Delivery Officer	4 November 2025
Nebyou Moges Mekonen	Director – Trade Service and Foreign Guarantee Department	Deputy Chief – IBD Operations Officer	15 October 2025
Nebyou Moges Mekonen	Deputy Chief – IBD Operations Officer	Deputy Chief – International Banking Officer	23 January 2026
Rodas Solomon Aweitu	Acting Vice President – Chief Information Officer	Deputy Chief – Information Officer	22 July 2024
Thomas Desalegn Beyene	Director – Transformation and Change Management Office	Deputy Chief – Strategy and Emerging Markets	22 July 2024
Wossen Alemeye Liyew	New appointment	Chief – Information Technology Officer	15 October 2025

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. Following the election of the entire Board on 1 December 2026, the membership of the Board committees may be reconstituted, and the updated composition will be disclosed in accordance with applicable requirements.

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 66: Audit Committee Members

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

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 67: 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. An external consultant may conduct salary studies 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 68: 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 69: 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 70: 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. In addition, the entire Board is to be elected at the Annual General Meeting on 1 December 2026, fifteen days after the commencement of the Offer Period (see Section 3.3).

Table 71: 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.

YEAR	CHANGE
	• 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 (Deputy 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, applicable regulatory provisions governing the banking sector guide compensation practices. The remuneration of the Board to be elected on 1 December 2026 will be subject to the same determination and approval process; the amounts disclosed in this Section relate to the Directors in office during the periods presented.

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.

The Directors' share of profit appropriated for the financial year ended 30 June 2026 amounted to ETB 1,500,000 (financial year ended 30 June 2025: ETB 1,650,000), as disclosed in Note 24 to the audited financial statements.

The total remuneration paid to the Board of Directors for the financial year ended 30 June 2026 amounted to ETB 2.97 million and to Executive Management ETB 40.233 million (Table 78). 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 72: 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 73: 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
3	Key management personnel compensation per audited financial statements, Note 29b (Board of Directors and Executive Management combined)	132,659,000.00	85,921,000.00	-

**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)*

Key management compensation per the audited financial statements: Note 29b to the audited financial statements for the year ended 30 June 2026 reports compensation paid or payable to key management, being the members of the Board of Directors and the Executive Management, of ETB 132,659 thousand (FY2024/25:

ETB 85,921 thousand), an increase of 54.4%. This comprised salaries and other short-term employee benefits of ETB 126,381 thousand (FY2024/25: ETB 81,193 thousand), sitting allowances of ETB 5,568 thousand (FY2024/25: ETB 4,569 thousand) and other expenses of ETB 711 thousand (FY2024/25: ETB 160 thousand); no post-employment or termination benefits were reported. Director fees of ETB 1,050 thousand (FY2024/25: ETB 1,225 thousand) were recognised within other operating expenses (Note 13). The audited financial statements present key management compensation in aggregate and do not split it between the Board of Directors and Executive Management.

Reasons for the increase in key management compensation. Key management compensation rose by ETB 46.74 million (54.4%), from ETB 85.92 million to ETB 132.66 million. Salaries and other short-term employee benefits account for ETB 45.19 million of the increase (from ETB 81.19 million to ETB 126.38 million, +55.7%), sitting allowances rose by 21.9% (from ETB 4.57 million to ETB 5.57 million) and other expenses by ETB 0.55 million. Remuneration of the Board of Directors was unchanged at ETB 2.97 million, and Executive Management remuneration rose by 56.4%, from ETB 25.72 million to ETB 40.23 million (Table 73). The Bank attributes the increase to the annual salary increment. In addition, nine of the twenty members of Executive Management took up their current positions between 19 August 2025 and 4 November 2025 (Section 4.3.3 and Table 65A).

Estimated remuneration payable for FY2026/27. The Bank estimates the gross cash remuneration payable for the financial year ending 30 June 2027 (FY2026/27) at ETB 66,138,000, comprising ETB 2,970,000 for the Board of Directors and ETB 63,168,000 for twelve Executive Officers (Table 73A). The estimate assumes that the Board continues to comprise eleven Directors, each receiving a sitting allowance of ETB 10,000 per month and an annual remuneration of ETB 150,000 (which is subject to approval by the shareholders at the Ordinary General Meeting), and that the twelve Executive Officers (the Chief Executive Officer, the three Deputy Chief Executive Officers and the eight Chief Officers) remain in office for the full year on the salaries and allowances in force at the date of this Prospectus. It does not include the remuneration of the eight Deputy Chief Officers, the in-kind benefits provided to Executive Management (mobile and company car benefits) or the Bank's pension contributions. The remuneration of the Board to be elected on 1 December 2026 will be determined and approved through the process described above.

Table 73A: Estimated Remuneration Payable to the Board of Directors and Executive Officers for FY2026/27 (1 July 2026 to 30 June 2027)

Category	Number	Basis of estimate	Gross amount (ETB)	Net amount after tax (ETB)
Board of Directors: monthly sitting allowance	11	ETB 10,000 per Director per month, 12 months	1,320,000	902,400
Board of Directors: annual remuneration	11	ETB 150,000 per Director	1,650,000	1,402,500
Total Board of Directors	**11**		**2,970,000**	**2,304,900**
Executive Officers: basic salary	12	ETB 4,774,000 per month in aggregate, 12 months	57,288,000	
Executive Officers: representation allowance	12	ETB 235,000 per month in aggregate, 12 months	2,820,000	
Executive Officers: housing allowance	12	ETB 255,000 per month in aggregate, 12 months	3,060,000	
Total Executive Officers	**12**	**Salaries and allowances paid in cash**	**63,168,000**	**36,637,440**
Total estimated remuneration payable, FY2026/27	**23**		**66,138,000**	**38,942,340**

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Note to Table 73A: net amounts are after income tax and, for the Executive Officers, the employee pension contribution of 7% of salary and allowances. The Directors' amounts are after income tax at the applicable rates. Mobile and company car benefits for Executive Officers are in addition to the amounts shown.

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 2026, Berhan Bank S.C.'s authorized share capital stands at ETB 10,000,000,000, as approved by the Extraordinary General Meeting (EGM) held on 17 October 2024 and unchanged since that date. Before that EGM the authorized share capital was ETB 4,000,000,000, as approved by the Extraordinary General Meeting held on 2 Tahsas 2012 E.C. (December 2019), which increased it from ETB 2,000,000,000. Note 23 to the audited financial statements presents the authorized capital at the amount of the issued capital (ETB 6,328,419 thousand); the authorized capital approved by the EGM is ETB 10,000,000,000. If all 3,671,581 Offer Shares are subscribed, the issued shares will total 10,000,000 Ordinary Shares of ETB 1,000, equal to 100% of the authorized capital. Any further issue of shares, including by capitalization of profit or dividends or by a further rights issue, will therefore require a resolution of an Extraordinary General Meeting increasing the authorized capital.

Table 74: 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	FY 2025/26 (30 Jun 2026)	As at 25 October 2026
Authorized Capital	4,000,000,000	4,000,000,000	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	6,328,419,000
Number of Shares Outstanding	3,350,433	3,447,898	4,286,885	6,328,419	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	4,286,885,000	6,328,419,000
Number of Shares Issued in Year	--	97,465	838,987	2,041,534	2,041,534	--
Par Value of Shares Issued (ETB)	--	97,465,000	838,987,000	2,041,534,000	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	6,328,419,000
Number of Shareholders	16,781	16,902	20,752	23,580	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. There were no subscribed but unpaid shares as at 24 June 2025, and all shares subscribed during FY2025/26 were fully paid before 24 November 2025. Shares have been issued (i) for cash, at par or at a premium: the cash flow statement records share premium received of ETB 9,876 thousand in FY2025/26 and ETB 2,256 thousand in FY2024/25, and the share premium balance in Note 23 was ETB 28,504 thousand at 30 June 2026 and ETB 18,628 thousand at 30 June 2025; and (ii) at par by capitalization of dividends where shareholders elected to capitalize their entitlement (ETB 397,028 thousand of the dividend declared for FY2023/24 and ETB 774,713 thousand of the dividend declared for FY2024/25; Table 75). Of the ETB 2,041,534 thousand par value of Ordinary Shares issued in FY2025/26 (Note 23 to the audited financial statements), the Bank reports that ETB 1,220,175 thousand was subscribed in cash and ETB 821,359 thousand was issued by capitalisation of dividends; the share premium of ETB 9,876 thousand was received in cash in addition. The capitalised amount is measured on the shares issued in the

year, whereas Table 75 analyses the dividend declared for FY2024/25 by form of payment. The Bank had 23,580 registered shareholders at both 30 June 2026 and 10 October 2026. The value shown in Table 74 for shares issued in a year is the par value of those shares. No shares have been issued to employees, and no shares have been issued for non-cash consideration other than the capitalization of dividends

Market status of the shares. As at the date of this Prospectus the Bank's Ordinary Shares are not listed on, or admitted to trading on, any securities exchange or other regulated market, and there is no established market price for them. Trading in the shares is expected to be conducted on the over-the-counter market after registration (see Section 10.1).

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: shares have been issued by the bank for cash consideration at par value (ETB 1,000 per share). No shares have been issued for non-cash consideration of any kind.

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. Berhan Insurance S.C. holds 63,560 Ordinary Shares of the Bank (1.00% of the issued share capital at the Record Date; Table 79), which carry the same rights as all other Ordinary Shares (one vote per share, Section 5.1), and a Director of the Bank is its representative on the Board (Section 4.3). The Bank holds 5.00% of Berhan Insurance S.C. as an equity investment measured at fair value through other comprehensive income (Section 3.4); this holding does not give the Bank control of that company.

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 four 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 266,677 thousand in FY2026 (FY2025: ETB 268,058 thousand) 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 four 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. The paragraph below sets out the effect of those requirements in FY2025/26 and FY2024/25.

For FY2025/26, the audited Statement of Changes in Equity and Note 24 show profit for the year of ETB 3,267,983 thousand, from which ETB 816,996 thousand (25%) was transferred to the legal reserve and ETB 456,991 thousand to the Regulatory Risk Reserve. Prior period tax of ETB 75,029 thousand, a transfer of ETB 23,156 thousand to other reserve (fair value of investment property) and the Directors' share of profit of ETB 1,500 thousand were also deducted, leaving retained earnings of ETB 1,894,312 thousand at 30 June 2026 after the FY2024/25 dividend of ETB 1,045,836 thousand was provided for and paid; the Board has recommended this amount for distribution. The movement in retained earnings in FY2025/26 in the audited Statement of Changes in Equity (ETB thousand) was: opening balance 1,045,835; profit for the year 3,267,983; Directors' share of profit (1,500); FY2024/25 dividend provided for and paid (1,045,836); transfer to legal reserve (816,996); transfer to Regulatory Risk Reserve (456,991); prior period tax (75,029); transfer to other reserve (23,156); giving 1,894,310, against the closing balance of 1,894,312 shown in the audited statement (a difference of ETB 2 thousand within the audited statement as presented). The closing balance equals the dividend recommended by the Board. The prior period tax of ETB 75,029 thousand was charged directly to retained earnings and not to the income statement of FY2025/26 (Note 24); the statement of cash flows shows prior period tax paid of ETB 50,295 thousand in FY2025/26. For FY2024/25 the corresponding transfers were ETB 523,890 thousand to the legal reserve and ETB 524,184 thousand to the Regulatory Risk Reserve, and the Directors' share of profit was ETB 1,650 thousand, leaving retained earnings of ETB 1,045,836 thousand.

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.

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The dividend recommended for FY2025/26 (ETB 1,894,311,676) equals the retained earnings at 30 June 2026 after the legal reserve, the Regulatory Risk Reserve and the other deductions in Section 5.4.2, that is, all of the profit remaining after those transfers and none of the earlier retained balance, which was distributed as the FY2024/25 dividend. Shareholders may elect to capitalize their entitlement into additional shares at par (Section 5.4.7), which would leave the corresponding amount in the Bank's capital, and the recommendation remains subject to approval by the shareholders at the Annual General Meeting on 1 December 2026, after which the Offer Period will be under way. The effect of the distribution on retained earnings and equity is set out in Section 5.4.2.

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. The three dividends declared in respect of FY2022/23 to FY2024/25 were approved by AGM resolution; the dividend recommended for FY2025/26 is subject to approval by the shareholders at the Annual General Meeting.

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 partway 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 49.9% of net profit after tax. The dividend per share calculated on the number of shares in issue at the end of each financial year is also given in Section 5.4.10.

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, one of two routes effects retention. 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. If all Offer Shares are subscribed, the issued shares will equal the authorized capital of ETB 10,000,000,000; any later capitalization of profit or dividends, or further rights issue, will require an Extraordinary General Meeting to increase the authorized capital first (Section 5.1).

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 39.4% of paid-up capital at 30 June 2026 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 456,991 thousand in FY2026, a decrease of 12.8% on FY2025 (ETB 524,184 thousand).
- 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 17% at 30 June 2026 (audited financial statements, Note 6.6; 16.46% on the capital base of ETB 10,436,741 thousand and risk-weighted assets of ETB 63,421,172 thousand disclosed) and the constraint was not binding. The ratio reported to the NBE at 30 June 2026 was 11.73%, also above the minimum.
- 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.

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- 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 30 June 2026, the Bank's external borrowings comprised short-term unsecured interbank money market loans of ETB 4,206,312 thousand (audited financial statements, Note 22c), and the Bank has no 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 at the rate of 15% on the cash portion of each distribution 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.

The Bank is appealing a dividend tax assessment issued by the tax authority; the maximum potential financial exposure is estimated at ETB 194.5 million (audited financial statements, Note 30a).

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 four financial years

Table 75: Dividend History Last Four Financial Years

Description	FY2025/26	FY2024/25	FY2023/24	FY2022/23	% Change 24/25 - 25/26	% Change 23/24 - 24/25	% Change 22/23 - 23/24
Profit after tax (ETB '000)	3,267,983	2,095,559	1,188,212	508,627	+55.9%	+76.4%	+133.6%
Dividend declared (ETB '000)	1,894,312 (recommended)	1,045,836	681,088	196,394	+81.1%	+53.6%	+246.8%
Weighted average number of shares	5,675,562	3,831,194	3,391,670	3,256,697	+48.1%	+13.0%	+4.1%
Dividend per share (ETB)	334	273	201	60	+22.3%	+35.8%	+235.0%
Earnings per share (ETB)	576	547	350	156	+5.3%	+56.3%	+124.4%
Payout ratio	58.0%	49.9%	57.3%	38.6%	-	-	-
Cash paid (ETB '000)	n/a	230,454	255,655	112,834	n/a	-9.9%	+126.6%
Capitalized (ETB '000)	n/a	774,713	397,028	71,022	n/a	+95.1%	+459.0%
Tax paid (ETB '000)	n/a	40,668	28,406	12,537	n/a	+43.2%	+126.6%

Notes: (1) All amounts in ETB '000 except weighted average shares (number of shares), 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 = 15% dividend income tax withheld from the cash portion 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. (10) The FY2025/26 figures are based on the dividend of ETB 1,894,311,676 recommended by the Board of Directors, as noted in the auditor's report dated 6 October 2026, which is subject to approval by the shareholders at the Annual General Meeting; profit after tax, weighted average shares and earnings per share are taken from the audited financial statements for the year ended 30 June 2026. The split of the recommended dividend between cash, capitalisation and tax will depend on shareholders' elections and is not yet determined (shown as n/a). (11) The FY2024/25 profit after tax, earnings per share and payout ratio are presented based on the comparative figures in the audited financial statements for FY2025/26.

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 49.9% in FY2024/25 as a result of the mandatory transfers to the legal reserve and the Regulatory Risk Reserve described below. Earnings per share grew from ETB 156 in FY2022/23 to ETB 350 in FY2023/24 and ETB 547 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 56.3% and more quickly in FY2023/24 235.0% against 124.4%. As explained in Section 5.4.2, 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.

For FY2025/26, the Board of Directors has recommended a dividend of ETB 1,894,311,676 (ETB 1,894,312 thousand), equal to the retained earnings balance available for distribution at 30 June 2026, which is subject to approval by the shareholders at the Annual General Meeting. On the weighted average of 5,675,562 shares this equates to a dividend per share of ETB 334 (ETB 333.77), 22.3% above the ETB 273 of FY2024/25, and to a payout ratio of 58.0% of profit after tax of ETB 3,267,983 thousand, compared with 49.9% in FY2024/25. Earnings per share rose 5.3% to ETB 576 (ETB 575.80), so that dividend per share grew more quickly than earnings per share in FY2025/26 (22.3% against 5.3%). Profit after tax grew 55.9% and the weighted average number of shares grew 48.1%, reflecting the 2,041,534 shares issued during the year. The mandatory transfers to the legal reserve (ETB 816,996 thousand) and the Regulatory Risk Reserve (ETB 456,991 thousand, 12.8% lower than in FY2024/25) left ETB 1,993,996 thousand of profit available, of which the recommended dividend represents 95.0%; the balance of approximately ETB 99.7 million comprises prior period tax, a transfer to other reserve and the Directors' share of profit, as set out in Section 5.4.2.

On the actual number of shares in issue at the end of each financial year, the dividend per share is ETB 299 for FY2025/26 (recommended; ETB 1,894,312 thousand on 6,328,419 shares), ETB 244 for FY2024/25 (ETB 1,045,836 thousand on 4,286,885 shares), ETB 198 for FY2023/24 (ETB 681,088 thousand on 3,447,898 shares) and ETB 59 for FY2022/23 (ETB 196,394 thousand on 3,350,433 shares). This is lower than the weighted-average basis in Table 75 because shares were issued during the year and a shareholder participates only for the period for which its shares were paid up (Section 5.4.4).

The proportion of dividends capitalized versus paid in cash has increased materially over the three years to FY2024/25. 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.

The split of the FY2025/26 recommended dividend between cash, capitalisation and dividend income tax will depend on the elections made by shareholders following approval of the dividend at the Annual General Meeting and is therefore not yet determined.

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 on or about 22 March 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. Table 76 shows the shareholding of each Director at the Record Date of 10 October 2026. The direct shareholdings are shares held in the personal names of the respective Directors; the indirect shareholdings are shares held through the entities named in Table 76. The aggregate direct and indirect interests of the Board of Directors as at 30 June 2026, as disclosed in Note 29 to the audited financial statements, are set out in the paragraph that follows. The information in this Section 6 relates to the Directors in office at the date of this Prospectus. The entire Board is to be elected at the Annual General Meeting on 1 December 2026 (see Section 3.3); the interests of the Directors elected will be disclosed in accordance with applicable requirements following the election.

There are no non-beneficial interests held by any member of the Board of Directors as at the date of this prospectus.

Directors' direct and indirect interests per the audited financial statements: as of 30 June 2026, the members of the Board of Directors held 22,226 ordinary shares directly (0.35% of the issued share capital) and 242,213 ordinary shares indirectly (3.83%), representing a total interest of 264,439 shares (4.18%). Direct interest represents ordinary shares registered directly in the individual name of a director; indirect interest represents ordinary shares in which a director has a beneficial interest or exercises voting control, held via nominees or family members. The audited financial statements present these interests for the Board as a whole. The direct holdings of the individual Directors in Table 76 (22,226 shares) agree to the direct interest in Note 29. The 242,213 indirect shares in Note 29 are all itemised by Director in Table 76: 58,653 shares for Ato Ermias Girma Tekle (Ethiopian Kale Heyewet Church and 56 affiliated local churches and church bodies), 63,560 shares for Ato Sibu Ayele Etefa (Berhan Insurance S.C.) and 120,000 shares for Ato Binyam Bedewi Mohammed (Zablon Trading PLC 110,000 and Aku Gebretsadik Habtemichael 10,000).

Table 76: Board of Directors Shareholding Detail (as at 10 October 2026)

S. No	Directors	Direct shares	Indirect shares (held through)	% of Issued Shares (Direct and Indirect)
1	Ato Eligo Legesse Mota	343	–	0.005%
2	Ato Ermias Girma Tekle (representing Ethiopian Kale Heyewet Church)	200	58,653 (Ethiopian Kale Heyewet Church and 56 affiliated local churches and church bodies)	0.930%
3	W/ro. Meron Gezahegn Seifu	1,214	–	0.019%
4	Ato Sibu Ayele Etefa (representing Berhan Insurance S.C.)	156	63,560 (Berhan Insurance S.C.)	1.007%
5	Ato Jaleta Wordoffa Girarra	498	–	0.008%

S. No	Directors	Direct shares	Indirect shares (held through)	% of Issued Shares (Direct and Indirect)
6	Ato Binyam Bedewi Mohammed	14,022	120,000 (Zablon Trading PLC 110,000; Aku Gebretsadik Habtemichael 10,000)	2.118%
7	Dr. Lemma Degefa Gudeta	3,330	–	0.053%
8	Dr. Abaydar Kettema Woldeeab	663	–	0.010%
9	Dr. Aynalem Abayneh Mamo	1,227	–	0.019%
10	Ato Daniel Wondimu Wolderufael	160	–	0.003%
11	Ato Girma Mamo Milky	413	–	0.007%
Total	Total itemised for the 11 Directors	22,226	242,213	4.179%
	Direct interest of Board members (audited FS Note 29, 30 June 2026; agrees to the sum of the individual holdings above)	22,226	–	0.35
	Indirect interest of Board members (audited FS Note 29, 30 June 2026; agrees to the sum of the individual holdings above)	–	242,213	3.83
	Total direct and indirect interest of Board members (audited FS Note 29, 30 June 2026): 264,439 shares	22,226	242,213	4.18

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. The facilities disclosed in this Section relate to the Directors in office at the date of this Prospectus; facilities to Directors elected at the Annual General Meeting on 1 December 2026 will be disclosed in accordance with applicable requirements.

Table 77: Loan to Board of Directors

Name	Relationship	Facility Type / Approved limit	Outstanding Balance (ETB Million)	Maturity Date	Capital (%)	Year
Zablon Trading PLC	BoD Member	10	0.30	15/08/2026	0.0012	2021
Mesidan International Trading Plc	BoD Member	14.5	6.12	23/02/2027	0.0016	2023 & 24

As at 30 June 2026, the Bank's lending to companies related to members of its Board of Directors totaled ETB 6.42 million in outstanding balances, against combined approved limits of ETB 24.5 million. Two facilities were involved. Zablon Trading PLC had ETB 0.30 million outstanding on an ETB 10.0 million limit, maturing on 15

August 2026. Mesidan International Trading PLC had ETB 6.12 million outstanding on an ETB 14.5 million limit, maturing on 23 February 2027. Each exposure represents less than 0.2% of the Bank's capital, well within the NBE limits on related-party lending.[50] Under Article 4 of that Directive the aggregate exposure of a bank to any one related party may not exceed 15% of its total capital, and its aggregate exposure to all related parties may not exceed 35% of its total capital. Note 29a to the audited financial statements reports loans to companies associated with directors of ETB 13.12 million at 30 June 2026; the facilities itemised in Table 77 total ETB 6.42 million, and the audited financial statements do not itemise the remaining ETB 6.70 million by company. Both facilities were extended on an arm's-length basis, in line with the Bank's related-party lending policy.

The Bank or any of its subsidiaries for the benefit of any member of the Board of Directors or their related parties as, whether direct or indirect, have granted no guarantees, 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 78: 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
3	Key management personnel compensation per audited financial statements, Note 29b (Board of Directors and Executive Management combined)	132,659,000.00	85,921,000.00	-

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 30 June 2024, 30 June 2025 and 30 June 2026. 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

Key management compensation per the audited financial statements: Note 29b to the audited financial statements for the year ended 30 June 2026 reports compensation of ETB 132,659 thousand (FY2024/25: ETB 85,921 thousand) for key management, being the members of the Board of Directors and the Executive Management, comprising salaries and other short-term employee benefits of ETB 126,381 thousand, sitting allowances of ETB 5,568 thousand and other expenses of ETB 711 thousand. Director fees of ETB 1,050 thousand (FY2024/25: ETB 1,225 thousand) were recognised in other operating expenses (Note 13), and the Directors' share of profit for FY2025/26 was ETB 1,500 thousand (FY2024/25: ETB 1,650 thousand).

Reasons for the increase in key management compensation. Key management compensation rose by ETB 46.74 million (54.4%), from ETB 85.92 million to ETB 132.66 million. Salaries and other short-term employee benefits account for ETB 45.19 million of the increase (from ETB 81.19 million to ETB 126.38 million, +55.7%), sitting allowances rose by 21.9% (from ETB 4.57 million to ETB 5.57 million) and other expenses by ETB 0.55 million. Remuneration of the Board of Directors was unchanged at

[50] National Bank of Ethiopia, Exposure to Related Party Directive No. SBB/88/2024 (in force from 12 June 2024), Article 4.

ETB 2.97 million; Executive Management remuneration rose 56.4%, from ETB 25.72 million to ETB 40.23 million (Table 78). Nine of the twenty members of Executive Management took up their current positions between 19 August 2025 and 4 November 2025 (Section 4.3.3 and Table 65A). The Bank attributes the increase to the annual salary increment.

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 79: Summary of Berhan Bank S.C.'s top 10 Shareholders (as at 10 October 2026)

S. No.	Shareholder	No. of Shares	% Shareholding
1	FDRE Public Servants' Social Security Administration	118,426	1.87%
2	Zablon Trading PLC	110,000	1.74%
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	65,284	1.03%
8	Berhan Insurance S.C.	63,560	1.00%
9	Droga Pharma PLC	57,224	0.90%
10	Mitiku Lemma Jijo	48,321	0.76%
	Top 10 Shareholders	792,815	12.53%
	Others	5,535,604	87.47%
	Total Issued Shares	6,328,419	100%

**Shareholdings are stated as numbers of ordinary shares of ETB 1,000 par value each at 10 October 2026. The issued share capital of 6,328,419 shares has not changed since 24 November 2025.*

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 10 October 2026, 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 four years. These disclosures are prepared in compliance with the Commercial Code of Ethiopia (Proclamation No. 1243/2021), 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 2025/26), the total outstanding related party exposures disclosed in Note 29a of the audited financial statements amounted to Birr 184.17 million (Birr 171.05 million to key management personnel and Birr 13.12 million to companies associated with directors), representing approximately 1.76% of the Bank's capital base of Birr 10,436.74 million. At 30 June 2025 the exposures disclosed on the same basis were Birr 117.48 million, while the exposures itemised in Table 83 totalled 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 as at 30 June 2025.

The audited financial statements for the year ended 30 June 2026 (Note 29a) state that the loans and advances to key management personnel are performing and adequately secured, that the balances of

companies associated with directors arose in the ordinary course of business on substantially the same terms, including interest rates and security, as comparable transactions with third parties, and that no guarantees or letters of credit were issued to directors or to companies associated with directors.

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 80: Related Party Transactions Exposure

Related Party Transactions	FY2026	FY2025	FY2024	FY2023	YoY Change FY2025/26	YoY Change FY2024/25
Outstanding Loans to Related Parties (ETB Million)	184.17	44.63	261.76	256.46	+57%*	-83%
Total Net Loans & Advances to Customers (ETB Million)	46,649.7	34,648.3	29,202.3	27,346.1	+35%	+19%
RPT Loans as % of Total Loan Portfolio	0.39%	0.13%	0.90%	0.94%		
RPT Loans as % of Total Regulatory Capital	1.76%	0.85%	5.55%	6.31%		

*Sources: Outstanding related party balances from **Tables 83, 84, and 85 (FY2023 to FY2025) and from Note 29a of the audited financial statements (FY2026)**. Net Loans & Advances from the audited Statements of Financial Position (FY2023, FY2024, FY2025, FY2026).*

*FY2026 regulatory capital is the capital base of ETB 10,436.74 million disclosed in Note 6.6 of the audited financial statements. * The FY2026 change in related party loans is measured against ETB 117.48 million at 30 June 2025 on the same Note 29a basis (companies associated with directors ETB 6.12 million; key management personnel ETB 111.37 million).*

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, before rising to 0.39% in FY2026 on the audited Note 29a basis (loans to key management personnel and companies associated with directors of ETB 184.17 million). The Bank's total net loan portfolio grew from ETB 27,346.1 million in FY2023 to ETB 46,649.7 million in FY2026 (+70.6%), further diluting the relative weight of related party exposures. As at 30 June 2026, the Bank's RPT loan exposure of 0.39% of the total loan portfolio and 1.76% of regulatory capital is materially below the limits in NBE Directive No. SBB/88/2024, which cap exposure to any one related party at 15% of total capital and exposure to all related parties combined at 35% of total capital.

Reasons for the increase in related party loans. Related party loans and advances on the Note 29a basis rose by ETB 66.69 million (56.8%), from ETB 117.48 million to ETB 184.17 million, while net loans and advances to customers rose by 34.6% (from ETB 34,648.3 million to ETB 46,649.7 million). The increase comprises net advances of ETB 59.69 million to key management personnel (a 53.6% increase on ETB 111.37 million), which are staff loans made under the Bank's employee lending scheme at staff rates, and a net increase of ETB 7.00 million in loans to companies associated with directors (from ETB 6.12 million to ETB 13.12 million). The percentage increase is measured from a balance that had fallen sharply at 30 June 2025 after the 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; related party loans were 0.39% of net loans and advances at 30 June 2026 compared with 0.34% at 30 June 2025 on the same basis.

Table 81: 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 (30 June 2025)	44.63	51.46	0.85%
Loans and advances to key management personnel and companies associated with directors (30 June 2026, audited FS Note 29a)	184.17	Not disclosed	1.76%

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 82: Related Party Transactions as a Proportion of Total Turnover

Description	FY 2025/26	FY 2024/25	FY 2023/24	FY 2022/23
Total Related Party Transactions (ETB)	Not disclosed in the audited financial statements	147,593,297	125,239,400	194,486,733
Total Turnover / Operating Income (ETB)	Not available on the same basis	2,193,735,328	834,683,548	437,089,530
Related Party Transactions as % of Total Turnover	n/a	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. No comparable ratio is presented for FY2025/26 because the audited financial statements do not provide the categories of related party transactions included in the table (see below). All related party transactions were conducted in the ordinary course of business at arm's length terms applicable to all counterparties.

On the basis of the audited financial statements for the year ended 30 June 2026, key management compensation of ETB 132.66 million represented 1.2% of total operating income of ETB 11,288.69 million (FY2024/25: ETB 85.92 million, or 1.1% of ETB 7,939.34 million), and loans and advances to key management personnel and companies associated with directors of ETB 184.17 million represented 0.39% of net loans and advances to customers. The audited financial statements do not provide the other categories of related party transactions included in the table above, and a comparable audited ratio for the year ended 30 June 2026 is therefore not presented in the table.

6.4.5.1 Related Party transactions as at June 30, 2026

As of 30th June 2026, the related party loans and advances disclosed in Note 29a of the audited financial statements amounted to Birr 184.17 million, which represented 1.76% of the Capital (capital base of Birr 10,436.74 million). This was an increase from Birr 117.48 million at 30 June 2025 on the same basis. The balance comprised loans and advances to key management personnel of Birr 171.05 million (30 June 2025: Birr 111.37 million; net movement during the year of Birr 59.69 million) and to companies associated with

directors of Birr 13.12 million (30 June 2025: Birr 6.12 million; net movement of Birr 7.00 million). No guarantees or letters of credit were issued to directors or to companies associated with directors, and the loans are performing and adequately secured. The increase is explained in Section 6 (Table 80 narrative): it consists of net advances to key management personnel and to companies associated with directors, and related party loans remained 0.39% of net loans and advances.

6.4.5.2 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 83: 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%

6.4.5.3 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 84: 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%

6.4.5.4 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 85: 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, June 30, 2025, and June 30, 2026 and, where expressly stated, management information as at 30 June 2026. This section should be read together with the information contained in Section 2 "Information on the Issuer and its Business", Section 3 "Financial Statements and 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 (Proclamation No. 1243/2021), and the applicable directives of the National Bank of Ethiopia (NBE). Where specifically indicated, reference has also been made to internal management reports as at 30 June 2026.

7.1 Overview

During the four-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 remained within the prudential requirements prescribed by the National Bank of Ethiopia and the non-performing loan ratio at 30 June 2026, measured on the audited Stage 3 basis, was above the 5.0% regulatory threshold as described under "Liquidity and Asset Quality" below.

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 and ETB 10.94 billion in FY2026, representing year-on-year growth of 46% in FY2024, 74% in FY2025 and 38% in FY2026.

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 and ETB 5.78 billion in FY2026, representing annual growth of approximately 19% in both FY2024 and FY2025 and 46% in FY2026. 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 and ETB 8.66 billion in FY2026, while interest expense increased from ETB 1.60 billion to ETB 1.80 billion, ETB 2.11 billion and ETB 2.88 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 35.55 billion over the two years (+23.0%) and further to ETB 47.64 billion in FY2026 (+34.0%), and investment securities rose from ETB 4.14 billion to ETB 6.96 billion (+68.1%) and further to ETB 7.69 billion in FY2026 (+10.6%). 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%) and to ETB 7,659.8 million in FY2026 (+ETB 2,296.0 million, +42.8%). Interest on investment securities grew from ETB 251.5 million to ETB 415.1 million (+65.1% over two years) and to ETB 571.0 million in FY2026 (+37.5%) 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 and rose further to ETB 413.2 million in FY2026 (+59.3%) 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%) and to ETB 1,637.2 million in FY2026 (+26.9%) 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%) and to ETB 862.5 million in FY2026 (+51.2%) as the time deposit book grew and repriced. The net interest margin was therefore broadly stable across the FY2023 to FY2025 period, and the growth in net interest income is attributable principally to balance sheet expansion.

Net interest income increased by ETB 1,828.8 million (+46.3%) in FY2026 as interest income grew by 43.0% and interest expense by 36.7%, reflecting the expansion of the lending portfolio (gross loans and advances +34.0%) and of customer deposits (+25.7%). Interest on borrowings from domestic banks rose by 74.5% to ETB 340.3 million (FY2025: ETB 194.9 million), and the Bank held ETB 4.21 billion of short-term inter-bank money market borrowings at 30 June 2026 (30 June 2025: nil).

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 and ETB 3.46 billion in FY2026, representing annual growth of 74%, 176% and 65%, 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.

In FY2026, fees and commission income rose by 64.7% to ETB 3,873.4 million (FY2025: ETB 2,351.9 million) while fees and commission expense rose by 58.3% to ETB 418.2 million. Measured against the FY2025 comparatives as re-presented in the audited FY2025/26 financial statements, service charges on letters of credit increased from ETB 663.5 million to ETB 1,074.8 million (+ETB 411.3 million, +62.0%), commission on guarantees from ETB 628.7 million to ETB 915.2 million (+ETB 286.5 million, +45.6%) as the outstanding guarantee portfolio grew to ETB 16.54 billion (30 June 2025: ETB 13.22 billion), and fees income from ETB 843.4 million to ETB 1,881.0 million (+ETB 1,037.6 million, +123.0%). The FY2025 comparatives are stated after the reclassification of ETB 358.2 million of service charges on letters of credit from fees income (ETB 1,201.6 million as originally reported) to the separate letters-of-credit line (ETB 305.3 million as originally reported); total fees and commission income was not affected.

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 and ETB 2.05 billion in FY2026 (+8.1%). 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 and, at ETB 1,785.6 million, was a further 4.6% higher in FY2026. Foreign exchange losses of ETB 2,237.6 million (FY2025: ETB 2,034.5 million) were recorded within other operating expenses in FY2026. Consequently, FY2025 and FY2026 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 34.65 billion in FY2025 and ETB 46.65 billion in FY2026, 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 5.44 billion in FY2025, representing year-on-year growth of 77%, and to ETB 6.61 billion in FY2026, representing growth of 22%. The increase primarily reflects higher personnel costs, investments in technology infrastructure, branch-operating expenses, administrative costs, and other operating expenditures associated with business expansion. In FY2026, personnel expenses increased by 31.5% to ETB 3,166.6 million and other operating expenses by 13.6% to ETB 2,933.6 million, of which foreign exchange losses accounted for ETB 2,237.6 million (FY2025: ETB 2,034.5 million).

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 remained at 68.40% in FY2025 and improved further to 60.38% in FY2026, 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 2.51 billion in FY2025, representing growth of 67%, and to ETB 4.34 billion in FY2026, representing growth of 73%.

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 and ETB 3.27 billion in FY2026 (+56%), representing cumulative growth of more than 540% over the four-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 and FY2026. 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 1,003.3 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 2,365.7 million increase in operating expenses. The FY2025 to FY2026 increase of ETB 1,825.0 million (+72.7%) was driven principally by the ETB 1,828.8 million increase in net interest income and the ETB 1,367.3 million increase in net fee and commission income, together with an ETB 153.2 million increase in other operating income, offset by the ETB 1,172.5 million increase in operating expenses and an ETB 351.8 million adverse movement in impairment charges (a loan impairment charge of ETB 93.3 million against a net release of ETB 22.5 million in FY2025, and an impairment loss on other financial assets of ETB 251.3 million against ETB 15.3

million). Income tax expense rose from ETB 415.5 million to ETB 1,068.1 million (24.6% of profit before tax against 16.5% in FY2025), so that profit after tax grew by 55.9% against 72.7% for profit before tax. Investors are directed to the sensitivity discussion in Section 7.2 in assessing the sustainability of the FY2025 and FY2026 results.

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 and ETB 82.47 billion in FY2026, representing annual growth of 2%, 28% and 40%, respectively.

Net loans and advances increased from ETB 27.35 billion in FY2023 to ETB 29.20 billion in FY2024 and further to ETB 34.65 billion in FY2025 and ETB 46.65 billion in FY2026, representing annual growth of 7%, 19% and 35%, 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 simultaneous repayment of the Bank's outstanding borrowings of ETB 559.0 million explains the subdued 2.2% asset growth in FY2024 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%.

Total assets increased by ETB 23.51 billion in FY2026, of which net loans and advances contributed ETB 12.00 billion, cash and balances with banks ETB 7.61 billion (deposits with foreign banks rose from ETB 2.38 billion to ETB 8.36 billion and placements with other institutions from ETB 1.64 billion to ETB 4.00 billion) and other assets ETB 3.47 billion. Investment securities increased by ETB 0.74 billion, or 10.6%, to ETB 7.69 billion, comprising an ETB 0.30 billion increase in government bonds and bills at amortised cost to ETB 6.65 billion (purchases of ETB 303.7 million) and an ETB 0.43 billion increase in equity investments at fair value through other comprehensive income to ETB 1.04 billion, including a fair value gain of ETB 379.8 million and additional investments of ETB 53.3 million.

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 and ETB 55.90 billion in FY2026, representing annual growth of 9%, 21% and 26%, 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%) and to ETB 69.58 billion at 30 June 2026 (ETB +19.17 billion, +38.0%). 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. The FY2026 increase reflected growth in customer deposits of ETB 11.44 billion, an increase of ETB 2.52 billion in margins held on letters of credit and ETB 4.21 billion of short-term inter-bank money market borrowings (30 June 2025: nil). 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. Share capital further increased to ETB 6.33 billion at 30 June 2026 (ETB +2,041.5 million, +47.6%) following the issue of 2,041,534 new shares of par value ETB 1,000 each during FY2026, bringing paid-up capital above the NBE minimum 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, and to ETB 12.89 billion at 30 June 2026 (ETB +4.35 billion, +50.9%), supported by profit after tax of ETB 3.27 billion and net equity contributions of ETB 2.05 billion (share capital of ETB 2.04 billion and share premium of ETB 9.9 million), partially offset by dividend payments of ETB 1.05 billion.

The Capital Adequacy Ratio (CAR) remained above the regulatory minimum throughout the review period, measuring 18.00% in FY2023, 17.00% in FY2024, 16.00% in FY2025 and 17.00% in FY2026 (as reported in Note 6.6 of the audited financial statements; the capital base of ETB 10.44 billion and risk-weighted assets of ETB 63.42 billion disclosed in that note equate to 16.46%). 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, before widening to 600 basis points in FY2026 (546 basis points on the 16.46% computed ratio) following the ETB 2.04 billion share capital issue. The decline through FY2025 reflects risk-weighted asset growth outpacing capital accretion and, together with the 44.0% growth in risk-weighted assets in FY2026, is a principal reason for the new offer of securities described in Section 8. The capital adequacy ratio reported by the Bank to the National Bank of Ethiopia at 30 June 2026 was 11.73%, on total capital of ETB 9,771 million and common equity tier 1 and tier 1 capital of ETB 8,259 million each; it is 0.73 percentage points above the 11% minimum under Directive No. SBB/95/2025. This ratio and the ratio in Note 6.6 to the audited financial statements are computed on different capital bases and different risk-weighted assets, and the NBE requirements for common equity tier 1 and tier 1 ratios take effect on 31 December 2026.

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%). The NBE liquidity ratio and total liquid assets are regulatory returns that do not form part of the audited financial statements. Total liquid assets are stated as at 30 June 2025. The liquidity ratio reported by the Bank to the NBE at 30 June 2026 was 19.26%, which is 4.26 percentage points above the 15% minimum and 4.43 percentage points below the ratio at 30 June 2025.

During the year ended June 30, 2026, the Bank generated net cash from operating activities of ETB 3.65 billion compared with ETB 5.76 billion in FY2025, reflecting increases in loans and advances of ETB 12.09 billion and in other assets of ETB 3.72 billion, largely offset by increases in customer deposits of ETB 11.44

billion and in margins held on letters of credit of ETB 2.52 billion. Net cash used in investing activities amounted to ETB 1.13 billion (FY2025: ETB 3.36 billion), comprising purchases of property and equipment of ETB 473.4 million, acquisitions of right-of-use assets of ETB 359.3 million, investment in NBE bills and bonds of ETB 303.7 million, investment in shares of ETB 53.3 million and purchases of intangible assets of ETB 17.6 million, partly offset by proceeds from the disposal of property and equipment of ETB 77.5 million. Financing activities resulted in net cash inflows of ETB 5.09 billion (FY2025: ETB 0.08 billion), mainly reflecting the issue of ordinary shares (ETB 2,041.5 million) and an increase in inter-bank money market borrowings (ETB 4,206.3 million), partly offset by dividends paid (ETB 1,045.8 million) and principal lease payments (ETB 118.1 million). Cash and cash equivalents increased by ETB 7.61 billion during the year to ETB 14.94 billion at June 30, 2026 (June 30, 2025: ETB 7.32 billion).

Asset quality, as previously reported, improved over FY2023 to FY2025. The non-performing loan (NPL) ratio declined from 5.75% in FY2023 to 4.98% in FY2024 and further to 4.78% in FY2025 (as previously reported), indicating gradual improvement in loan portfolio quality. These previously reported ratios were calculated on a different basis from the audited Stage 3 ratio and are not comparable with it. At 30 June 2026 the NPL ratio, measured as Stage 3 (non-performing) loans of ETB 2,822.4 million to gross loans and advances of ETB 47,639.96 million as disclosed in the audited financial statements (Note 6.3.6), was 5.92%. On the same Stage 3 basis the ratio at 30 June 2025 was 6.45% (Stage 3 loans of ETB 2,292.2 million to gross loans and advances of ETB 35,545.3 million as re-presented), an improvement of 52 basis points during FY2026 although Stage 3 loans increased by 23.1% in absolute terms. 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%), was within it in FY2024 and FY2025 as previously reported and, at 5.92% on the audited Stage 3 basis, was above it at 30 June 2026. Impairment coverage of non-performing loans, measured as the total impairment allowance of ETB 990.3 million against Stage 3 loans of ETB 2,822.4 million at 30 June 2026, was approximately 35.1% (30 June 2025 on the same basis: ETB 897.0 million against ETB 2,292.2 million, approximately 39.1%; as previously reported, approximately 52.2% at 30 June 2025, 59.9% at 30 June 2024 and 64.0% at 30 June 2023). The decline in coverage over FY2023 to FY2025 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; the further decline in FY2026 reflects growth in Stage 3 loans (+23.1%) outpacing growth in the total impairment allowance (+10.4%).

7.1.7 Operational Scale and Customer Base

The Bank continued to expand its banking operations and customer outreach throughout the review period. The operational data in this sub-section (customer base, branches, ATMs, POS terminals and staff turnover) is unaudited management information stated as at October 2026 for branches, ATMs and POS terminals and as at 30 June 2025 for customer base and staff turnover, does not form part of the audited financial statements and, for customer base and staff turnover, has not been updated for the year ended 30 June 2026.

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 376 branches at June 30, 2025, consisting of 161 city branches and 215 outlying branches. The network comprised 375 branches at June 30, 2026 and, as at October 2026, 380 branches, of which 150 were in Addis Ababa.

ATM installations increased from 121 in FY2023 to 167 in FY2024 and further to 183 in FY2025, expanding customer access to banking services, before declining to 172 as at October 2026. The number of POS terminals

was rationalized from 301 in FY2024 to 226 in FY2025 as part of the Bank's optimization of its electronic payment infrastructure, and stood at 21 actively operating terminals as at October 2026, because the Bank shifted its strategy on POS terminals, as its machines were found to be slow and outdated compared with those of its competitors.

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's workforce stood at 5,630 direct employees at June 30, 2026 (June 30, 2025: 5,802), a decrease of 3.0% (Section 2.6).

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 86: Summary KPIs

ETB '000 (except ratios)	FY2026	FY2025	FY2024	FY2023	YoY % 25/26	YoY % 24/25	YoY % 23/24
Interest Income	8,661,627	6,058,457	5,112,154	4,391,533	43%	19%	16%
Interest Expense	(2,881,943)	(2,107,561)	(1,796,517)	(1,603,668)	37%	17%	12%
Net Interest Income	5,779,684	3,950,896	3,315,637	2,787,865	46%	19%	19%
Net Fee & Commission Income	3,455,175	2,087,842	756,719	435,173	65%	176%	74%
Other Operating Income	2,053,833	1,900,602	438,261	228,166	8%	334%	92%
Net Operating Income	10,944,127	7,946,575	4,577,533	3,140,055	38%	74%	46%
Total Operating Expenses	(6,608,029)	(5,435,495)	(3,069,748)	(2,534,819)	22%	77%	21%
Profit Before Tax	4,336,098	2,511,080	1,507,785	605,236	73%	67%	149%
Profit **After Tax**	3,267,983	2,095,559	1,188,212	508,627	56%	76%	134%
Loans & Advances (Net)	46,649,659	34,648,277	29,202,255	27,346,057	35%	19%	7%
Total Assets	82,472,868	58,958,859	46,021,507	45,045,220	40%	28%	2%
Customer Deposits	55,897,406	44,454,019	36,852,193	33,782,294	26%	21%	9%
Total Equity	12,888,943	8,540,120	6,213,195	5,029,445	51%	37%	24%
Return on Assets	3.96%	3.55%	3.28%	1.34%	n/a	n/a	n/a
Return on Equity	25.35%	24.54%	20.08%	6.03%	n/a	n/a	n/a
Cost-to-Income Ratio	60.38%	68.40%	67.06%	80.73%	n/a	n/a	n/a
Capital Adequacy Ratio	17.00%	16.00%	17.00%	18.00%	n/a	n/a	n/a
NPL Ratio	5.92%*	6.45% (4.78% as previously reported)	6.49% (4.98% as previously reported)	6.24% (5.75% as previously reported)	n/a	n/a	n/a
Customer Base (accounts)	N/A	2,900,396	2,589,039	2,047,822	N/A	12%	26%
Branches	375	376	383	366	0%	-2%	5%
ATMs	172	183	167	121	-6%	10%	38%
POS Terminals	21	226	301	301	-91%	-25%	0%

N/A: Not Available

* NPL ratio for FY2026 is measured on the Stage 3 (non-performing) basis disclosed in the audited financial statements (Note 6.3.6): Stage 3 loans of ETB 2,822.4 million to gross loans and advances of ETB 47,639.96

million. On the same basis the ratio at 30 June 2025 was 6.45% (Stage 3 loans of ETB 2,292.2 million to gross loans and advances of ETB 35,545.3 million as re-presented). The NPL ratios for FY2025, FY2024 and FY2023 are non-performing loans (Table 30) divided by gross loans and advances; the ratios previously reported (4.78%, 4.98% and 5.75%) were not calculated on this basis and are shown in brackets. The CAR for FY2026 (17.00%) is the ratio stated in Note 6.6 of the audited financial statements, which equates to 16.46% when recomputed from the capital base and risk-weighted assets disclosed in that note. Branch, ATM and POS data for FY2026 are unaudited management information as at October 2026 and are not included in the audited financial statements.

Over the four-year period, Berhan Bank recorded improvements in profitability and operating efficiency. Return on Assets (ROA) increased from 1.34% in FY2023 to 3.96% in FY2026 (FY2025: 3.55%), while Return on Equity (ROE) improved from 6.03% to 25.35% over the same period (FY2025: 24.54%), reflecting stronger profitability and more efficient utilization of shareholders' funds. The cost-to-income ratio improved from 80.73% in FY2023 to 60.38% in FY2026 (FY2025: 68.40%), indicating enhanced operating efficiency despite higher operating expenses. The non-performing loan ratio, as previously reported, declined from 5.75% in FY2023 to 4.78% in FY2025; on the audited Stage 3 basis it was 5.92% at 30 June 2026 (6.45% at 30 June 2025), above the 5.0% NBE threshold. 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 376 branches at the end of FY2025, 375 branches at 30 June 2026 and 380 branches as at October 2026. The channel data in this sub-section and in Table 87 is unaudited management information stated as at 30 June 2025 (FY2025) and as at October 2026 (FY2026), because branch, ATM and POS numbers change continually, and does not form part of the audited financial statements.

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 network comprised 172 ATMs as at October 2026. The number of POS terminals declined to 226 in FY2025 following a strategic rationalization of the POS network aimed at improving operational effectiveness and utilization, and stood at 21 actively operating terminals as at October 2026, because the Bank shifted its strategy on POS terminals, as its machines were found to be slow and outdated compared with those of its competitors.

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 87: Service Delivery Channels

Channels	FY2026	FY2025	FY2024	FY2023	YoY 2025/26	YoY 2024/25	YoY 2023/24
Branches	375	376	383	366	0%	-2%	5%
ATMs	172	183	167	121	-6%	10%	38%
POS Terminals	21	226	301	301	-91%	-25%	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 2.97 million in FY2025, reflecting sustained customer acquisition and continued utilization of the Bank's products and services. The customer account data

in this sub-section and in Table 88 is unaudited management information stated as at 30 June 2025 and does not form part of the audited financial statements.

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 88: 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 IMF, real GDP growth was 9.2% in FY2024/25 and is projected at 9.2% for FY2025/26,[51] 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 between 7.7% and 8.2% to FY2030/31, supported by continued structural reforms, improved private sector investment and export growth.

Inflation, measured by the general consumer price index, moderated from an average of 32.5% in FY2022/23 to 26.6% in FY2023/24 and 16.0% in FY2024/25 (IMF projection for FY2025/26: 11.7%; year-on-year inflation was 13.9% at June 2026),[52] 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 7.3.1; at the same time it drove the increase in personnel and branch operating costs described in Section 7.3.1 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 and FY2025/26 (and raised to 16% on 13 July 2026), 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.

[51] International Monetary Fund (2026). The Federal Democratic Republic of Ethiopia: Fifth Review Under the Extended Credit Facility Arrangement, Request for Rephasing of Access, Modification of Indicative Targets, and Financing Assurances Review—Press Release (PR26/235); Staff Report; Debt Sustainability Analysis; and Statement by the Executive Director. IMF Country Report No. 26/174, July 2026. Washington, DC: International Monetary Fund. Table 1 (Selected Economic Indicators, 2023/24–2030/31). https://doi.org/10.5089/9798229053396.002

[52] International Monetary Fund (2026). The Federal Democratic Republic of Ethiopia: Fifth Review Under the Extended Credit Facility Arrangement, Request for Rephasing of Access, Modification of Indicative Targets, and Financing Assurances Review—Press Release (PR26/235); Staff Report; Debt Sustainability Analysis; and Statement by the Executive Director. IMF Country Report No. 26/174, July 2026. Washington, DC: International Monetary Fund. Table 1 (Selected Economic Indicators, 2023/24–2030/31). https://doi.org/10.5089/9798229053396.002 ; Ethiopian Statistics Service, consumer price index for June and July 2026, as reported by Addis Standard, 26 August 2026 (via allAfrica): https://allafrica.com/stories/202608270035.html

International reserves improved during the period, from US$1.4 billion (0.7 months of imports) at end-June 2024 to US$4.4 billion (1.7 months) at end-June 2025 and a projected US$5.9 billion (2.1 months) at end-June 2026, contributing to enhanced macroeconomic stability.[53]

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 89: Selected Macroeconomic Indicators

Indicator	FY2024/25	FY2025/26P	FY2026/27P
Real GDP Growth	9.2%	9.2%	7.8%
Inflation	16.0%	11.7%	12.3%
Current Account Balance (% GDP)	(1.1%)	(2.5%)	(1.3%)
Public Debt (% GDP)	50.5%	45.3%	40.8%

Source: IMF Country Report No. 26/174 (July 2026), Table 1. FY2024/25 is actual; FY2025/26 and FY2026/27 are IMF 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%). In FY2026, the gain on foreign exchange was ETB 1,785.6 million, deposits with foreign banks increased by a further 250.9% to ETB 8,360.8 million and foreign currency receivables decreased by 20.7% to ETB 562.8 million, while losses on foreign exchange of ETB 2,237.6 million (FY2025: ETB 2,034.5 million) were recorded within other operating expenses. 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. During FY2026 a further 2,041,534 new shares were issued and the Bank's paid-up capital reached ETB 6,328.4 million at 30 June 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.

[53] International Monetary Fund (2026). The Federal Democratic Republic of Ethiopia: Fifth Review Under the Extended Credit Facility Arrangement, Request for Rephasing of Access, Modification of Indicative Targets, and Financing Assurances Review—Press Release (PR26/235); Staff Report; Debt Sustainability Analysis; and Statement by the Executive Director. IMF Country Report No. 26/174, July 2026. Washington, DC: International Monetary Fund. Table 2 (Selected Economic Indicators, 2023/24–2030/31). https://doi.org/10.5089/9798229053396.002

Monetary policy measures also influenced banking operations during the review period. Throughout the four 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 7.3.2. 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 90: 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) and 600 bps at 30 June 2026 (CAR of 17% per audited Note 6.6) following the FY2026 capital issue. 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 at 30 June 2026, following a further issue of 2,041,534 shares in FY2026.
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. In FY2026 gains on foreign exchange were ETB 1,785.6 million (FY2025: ETB 1,707.8 million) and deposits with foreign banks increased by a further ETB 5,978.2 million to ETB 8,360.8 million.
Foreign Exchange Exposure Directive No. SBB/96/2025	Net open FX position limited to ±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 8.36 billion foreign bank placement book at 30 June 2026 (30 June 2025: ETB 2.38 billion).
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) and ETB 1,585.2 million (30 June 2026). The Bank was above the 5.0% ceiling in FY2023 (5.75%), within it in FY2024 and FY2025 as previously reported, and above it at 30 June 2026 (5.92% on the audited Stage 3 basis).
Cash Reserve Requirement (increase from 7% to 10%)	Higher non-interest-earning reserve against deposit liabilities	Increased the statutory non-earning reserve on the FY2026 deposit base by approximately ETB 1,676.9 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 34.37 billion savings book at 30 June 2026 (61.5% of deposits); each 100 bps increase in the savings rate would add

Instrument	Requirement	Specific Impact on Berhan Bank
		approximately ETB 343.7 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 1,990.0 million of FY2026 trade finance commission income (LCs and guarantees) to competition from institutions with deeper correspondent networks and lower funding costs.
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 (as at 25 October 2026) 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 FY2026 commission income of ETB 1,990.0 million (letters of credit ETB 1,074.8 million and guarantees ETB 915.2 million), equivalent to 51.4% of total fees and commission income and 45.9% 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 (172 as at October 2026) and continued strengthening its electronic banking infrastructure. Investments were directed towards 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 17.6 million in FY2026 (FY2025: ETB 25.8 million; FY2024: nil; FY2023: nil), and purchases of property and equipment were ETB 473.4 million in FY2026 (FY2025: ETB 231.9 million; 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%, and to ETB 1,881.0 million in FY2026, an increase of ETB 1,037.6 million or 123.0% on the FY2025 comparative of ETB 843.4 million as re-presented in the audited FY2025/26 financial statements.

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 376 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 (as previously reported; 5.92% on the audited Stage 3 basis at 30 June 2026, compared with 6.45% at 30 June 2025). All affected branches have since been reopened and are operating normally. The Bank's Oromia and Amhara branches collectively represent approximately 19.3% of total customer deposits and 10.6% of the total loan portfolio as at 30 June 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 9.5.3 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 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 and ETB 3.46 billion in FY2026, driven substantially by service charges and commissions on letters of credit (ETB 1,074.8 million in FY2026) and guarantees (ETB 915.2 million in FY2026). 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 and ETB 2.05 billion in FY2026, representing a 733% increase over the two years to FY2025 and an increase of approximately 800% over the three years to FY2026. 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. Gains on foreign exchange nevertheless remained at a similar level in FY2026 (ETB 1,785.6 million, +4.6%), while losses on foreign exchange recorded within other operating expenses were ETB 2,237.6 million (FY2025: ETB 2,034.5 million), giving a net foreign exchange loss of ETB 452.0 million (FY2025: ETB 326.7 million). 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 and FY2026 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 four 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

restricted the pace at which the Bank could deploy deposits into loans; the Bank's gross loans and advances nevertheless grew by 34.0% in FY2025/26 (audited).

Notwithstanding these constraints, the Bank grew its net loans and advances from ETB 27.3 billion as at 30 June 2023 to ETB 34.6 billion as at 30 June 2025, representing cumulative growth of 26.7% over two years, and further to ETB 46.6 billion as at 30 June 2026 (+34.6% in FY2026; +70.6% over three 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 and ETB 55.9 billion in FY2026. As a result, the Bank's loan-to-deposit ratio declined from approximately 80.9% in FY2023 to 77.9% in FY2025, reflecting a growing pool of deposits that could not be fully deployed into earning loan assets due to the regulatory ceiling. In FY2026 the ratio rose to approximately 83.5% as net loans and advances (+34.6%) grew faster than customer deposits (+25.7%).

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 7.66 billion in FY2026 (FY2025: ETB 5.36 billion), representing 88.4% 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 and ETB 12.89 billion in FY2026, providing an expanding capital base against which prudent credit growth can be supported. The Capital Adequacy Ratio stood at 17% as at 30 June 2026 (16.46% on the capital base and risk-weighted assets disclosed in Note 6.6 of the audited financial statements; 16% as at June 2025), above the NBE's 11% regulatory minimum; the ratio reported to the NBE at 30 June 2026 was 11.73%, 73 basis points above that minimum, and the capacity for portfolio expansion before the minimum becomes binding is correspondingly smaller on that measure.

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 (as previously reported); on the audited Stage 3 basis the ratio was 6.45% at 30 June 2025 and 5.92% at 30 June 2026, which remains above the 5.0% regulatory threshold and is a consideration 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 scale of the Bank's deposit base amplifies the impact. Customer deposits grew from ETB 33.8 billion in FY2023 to ETB 55.9 billion in FY2026, an increase of ETB 22.1 billion over three years. At a 10% reserve ratio, the statutory non-earning reserve requirement on the FY2026 deposit base is approximately ETB 5.59 billion approximately ETB 1.68 billion higher than the ETB 3.91 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 between FY2023 and FY2025. 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 34.4 billion as at June 2026 (61.5% of total deposits; ETB 27.4 billion or 61.6% as at June 2025), 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 and ETB 1.64 billion in FY2026, 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 and ETB 2.88 billion in FY2026, 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 17% in FY2026 as reported in the audited financial statements (16.46% on the capital base and risk-weighted assets disclosed in Note 6.6) (FY2025: 16%; FY2024: 17%; FY2023: 18%), above the minimum regulatory requirement at each point in the review period on the ratios shown in the audited financial statements; the ratio reported to the NBE at 30 June 2026 was 11.73%, 73 basis points above the minimum. The Bank also completed the capital raising process for ETB 5 billion minimum paid-up capital compliance under Directive SBB/91/2024 during FY2026, with paid-up capital of ETB 6.33 billion at 30 June 2026. 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 and FY2026 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 2026, 2025, 2024, and 2023.

Table 91: Statement of Profit or Loss and Other Comprehensive Income

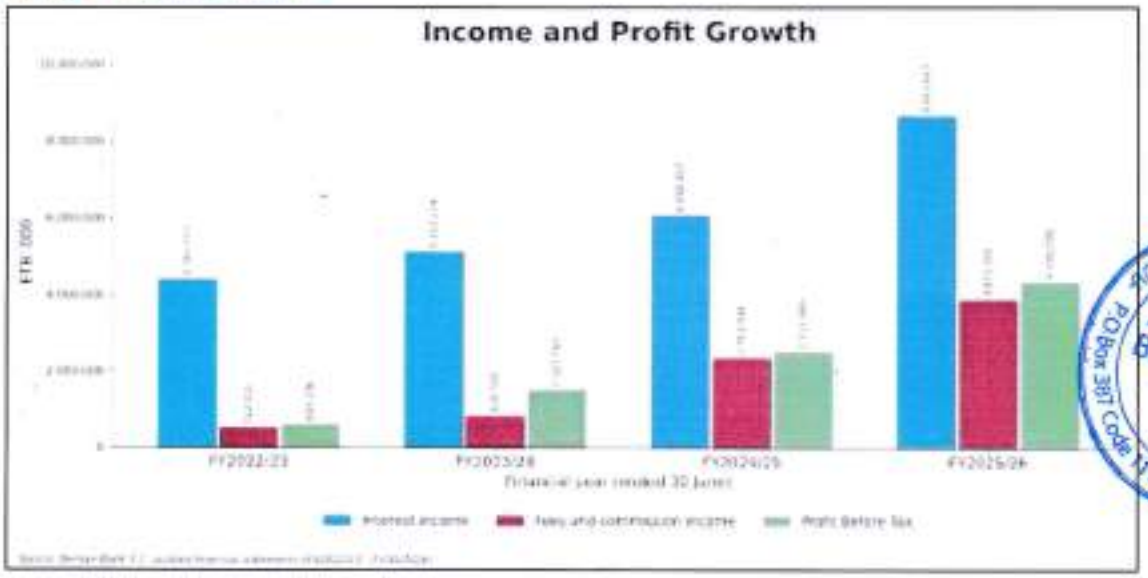
Item	FY 2025/26	FY 2024/25	FY 2023/24	FY 2022/23
ETB '000				
Interest income				
Interest on loans and advances	7,659,809	5,363,807	4,707,404	4,037,666
Interest on investment securities	570,953	415,149	284,135	251,474
Interest on deposits due from banks	413,218	259,431	120,615	102,393
Interest on short-term securities	17,647	20,070	0	0
Total interest income	**8,661,627**	**6,058,457**	**5,112,154**	**4,391,533**
Interest expense				
Interest on demand deposits	(26,908)	(6,594)	(15,027)	(19,226)
Interest on saving deposits	(1,637,150)	(1,289,693)	(1,151,210)	(1,073,164)
Interest on time deposits	(862,466)	(570,549)	(521,216)	(333,279)
Interest on borrowings from domestic banks	(340,270)	(194,945)	(66,728)	(138,041)
Interest expense – lease	(15,149)	(45,780)	(42,336)	(39,958)
Total interest expense	**(2,881,943)**	**(2,107,561)**	**(1,796,517)**	**(1,603,668)**
Net interest income	**5,779,684**	**3,950,896**	**3,315,637**	**2,787,865**
Fees and commission income				
Commission on letters of credit	1,074,819	663,470	164,607	88,156
Commission on CPOs, cheques and fund transfers	2,093	1,933	1,365	1,670
Commission on guarantees	915,214	628,731	267,391	122,782
Fees income	1,881,049	843,443	366,296	280,054
Commission on PO issuance	181	214,361	36,867	19,353
Total fees and commission income	**3,873,356**	**2,351,938**	**836,526**	**512,015**
Fees and commission expense	(418,181)	(264,096)	(79,807)	(76,842)
Net fee and commission income	**3,455,175**	**2,087,842**	**756,719**	**435,173**
Other operating income and impairment				
Other operating income	2,053,833	1,900,602	438,261	228,166
Total operating income	**11,288,692**	**7,939,340**	**4,510,617**	**3,451,204**
Loan impairment charge	(93,274)	22,528	144,207	(207,763)
Impairment loss - other financial assets	(251,291)	(15,293)	(77,291)	(103,386)
Net operating income	**10,944,127**	**7,946,575**	**4,577,533**	**3,140,055**
Operating expenses				
Short-term employee benefits				
Salaries	(1,790,146)	(1,379,709)	(1,220,871)	(1,061,522)
Staff allowances	(518,503)	(431,228)	(357,324)	(226,354)
Overtime	(29,381)	(23,111)	(23,033)	(20,386)
Bonus	(259,396)	(215,853)	(174,152)	0
Training and education	(97,964)	(43,786)	(21,295)	(49,123)
Leave payment	(27,044)	(15,731)	(15,751)	(21,313)

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Item	FY 2025/26	FY 2024/25	FY 2023/24	FY 2022/23
Pension costs - defined contribution plan	(195,970)	(150,973)	(133,539)	(115,039)
Provident fund - defined contribution plan	(17,821)	(13,727)	(12,140)	(11,105)
Other staff expenses	(178,233)	(91,182)	(83,404)	(82,558)
Total short-term employee benefits	(3,114,458)	(2,365,300)	(2,041,509)	(1,587,400)
Long-term employee benefits				
Defined benefit plans – severance	(52,130)	(42,002)	(34,772)	(28,870)
Total personnel expenses	**(3,166,588)**	**(2,407,302)**	**(2,076,281)**	**(1,616,270)**
Depreciation of property and equipment	(136,835)	(97,988)	(79,426)	(367,461)
Amortization of intangible assets	(6,513)	(4,165)	(3,784)	(3,773)
Amortization of right-of-use assets	(364,473)	(343,927)	(317,680)	
Other operating expenses	**(2,933,621)**	**(2,582,113)**	**(592,577)**	**(547,315)**
Subtotal depreciation, amortization and other expenses	(3,441,442)	(3,028,193)	(993,467)	(918,549)
Total operating expenses	**(6,608,029)**	**(5,435,495)**	**(3,069,748)**	**(2,534,819)**
Profit and comprehensive income				
Profit before tax	**4,336,098**	**2,511,080**	**1,507,785**	**605,236**
Income tax expense	(1,068,114)	(415,521)	(319,573)	(96,609)
Profit for the period	**3,267,983**	**2,095,559**	**1,188,212**	**508,627**
OCI net of income tax	266,677	268,058	217,056	144,888
Total comprehensive income	3,534,660	2,363,617	1,405,268	653,515
Profit attributable to equity holders	3,267,983	2,095,559	1,188,212	508,627
Per-share and dividend information				
Weighted average number of ordinary shares ('000)	5,675,562	3,831,194	3,391,670	3,256,697
Basic EPS	575.80	546.97	350	156
DPS	334	273	201	60
Payout ratio	57.97%	49.91%	57.30%	38.60%
Total dividend (FY 2025/26: recommended by the Board, subject to shareholder approval)	1,894,312	1,045,836	681,088	196,394

I. Income Analysis

Figure 4: Income Analysis



The graph illustrates the reported growth of Berhan Bank S.C.'s income and profitability over four years, from 2023 to 2026. Interest income consistently dominates, rising steadily each year, reflecting strong lending performance. Fees and commission income rose from ETB 0.51 billion in 2023 to ETB 3.87 billion in 2026,

with the largest percentage increase between 2024 and 2025 (+181.2%) and a further increase of 64.7% in 2026, indicating rapid expansion of non-interest revenue streams. Profit before tax exhibits a notable upward trend in each year, rising from ETB 0.61 billion in 2023 to ETB 4.34 billion in 2026, with the 2026 increase of ETB 1.83 billion (+72.7%) the largest in absolute terms, highlighting improving operational efficiency and financial strength. Overall, the chart underscores the bank's sustained revenue growth and enhanced profitability trajectory.

Total revenue by region. Total revenue (interest income, fees and commission income and other operating income) rose 41.5% from ETB 10,311.0 million in FY2024/25 to ETB 14,588.8 million in FY2025/26 and reconciles to the corresponding lines of the audited statement of profit or loss (Table 91). Addis Ababa generated ETB 13,033.2 million, or 89.3% of FY2025/26 revenue (FY2024/25: 86.8%), growing 45.6%; the other thirteen regions together generated ETB 1,555.6 million (10.7%). Revenue declined in six regions (South Ethiopia, South West Ethiopia, Dire Dawa, Somali, Afar and Harari), each of which contributes less than 1% of total revenue, and grew in eight.

Table 91A: Total Revenue by Region (ETB Million)

Region	FY 2024/25 (ETB Million)	FY 2025/26 (ETB Million)	Growth (%)	Share of FY 2025/26 (%)
Addis Ababa	8,949.20	13,033.18	45.64	89.34
Oromia	451.80	523.95	15.97	3.59
Amhara	285.63	356.72	24.89	2.45
Tigray	163.36	187.10	14.54	1.28
Sidama	145.06	160.95	10.95	1.10
Central Ethiopia	104.94	139.62	33.06	0.96
South Ethiopia	120.79	101.12	-16.29	0.69
South West Ethiopia	54.94	44.65	-18.72	0.31
Gambella	11.54	20.81	80.43	0.14
Benishangul-Gumuz	7.70	7.90	2.60	0.05
Dire Dawa	6.10	5.32	-12.77	0.04
Somali	4.16	3.26	-21.73	0.02
Afar	3.69	2.83	-23.33	0.02
Harari	2.09	1.40	-32.85	0.01
Total	**10,311.00**	**14,588.82**	**41.49**	**100.00**

Source: Bank management information (unaudited), by region of the originating branch. Totals are the sum of interest income, fees and commission income and other operating income in the audited statements (FY2024/25: ETB 10,310,997 thousand; FY2025/26: ETB 14,588,816 thousand). Figures may not sum due to rounding.

II. Interest Income

Table 92: Interest Income

Particular	FY2026	FY2025	FY2024	FY2023	% Change FY2025 FY2026	% Change FY2024 FY2025	% Change FY2023 FY2024
Interest on loans and advances	7,659,809	5,363,807	4,707,404	4,037,666	+42.8%	+13.9%	+16.6%
Interest on investment securities	570,953	415,149	284,135	251,474	+37.5%	+46.1%	+13.0%
Interest on deposits due from banks	413,218	259,431	120,615	102,393	+59.3%	+115.1%	+17.8%

Particular	FY2026	FY2025	FY2024	FY2023	% Change FY2025 FY2026	% Change FY2024 FY2025	% Change FY2023 FY2024
Interest on short-term securities	17,647	20,070	0	0	-12.1%	n/a	n/a
Total Interest Income	**8,661,627**	**6,058,457**	**5,112,154**	**4,391,533**	**+43.0%**	**+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%, to ETB 6.1 billion in FY2025, an increase of ETB 946.3 million or 18.5%, and further to ETB 8.7 billion in FY2026, an increase of ETB 2.6 billion or 43.0%. Over the three years the cumulative increase was ETB 4.3 billion, or 97.2%.

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 3.7 billion or 12.9%, while the average yield rose from 16.65% to 16.80%, an increase of 15 basis points. The volume effect accounts for ETB 607.9 million, or 92.6%, of the increase; the rate effect for ETB 43.0 million, or 6.5%; and the combined effect for ETB 5.5 million, or 0.8%. 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.

The loan book again led the FY2025 to FY2026 composition. Interest on loans and advances rose ETB 2,296.0 million (+42.8%) to ETB 7.7 billion, which is 88.2% of the total increase against 69.4% in the prior year, on a gross loan book that grew ETB 12.1 billion or 34.0%, from ETB 35.5 billion to ETB 47.6 billion. Three sectors account for 67.9% of the growth in gross loans: pre-shipment finance rose ETB 3.3 billion (+121.1%), building and construction ETB 3.2 billion (+50.2%) and manufacturing ETB 1.8 billion (+42.4%). Interest on investment securities rose ETB 155.8 million or 37.5% to ETB 571.0 million, 6.0% of the movement; bonds and bills at amortised cost grew only 4.8% at the year-end, from ETB 6.3 billion to ETB 6.7 billion, but the average balance was 30.6% higher than in FY2025 because the holdings built up during FY2025 (purchases of ETB 2.7 billion in that year against ETB 0.3 billion in FY2026) were held throughout FY2026, and the implied yield on the average balance rose from 8.3% to 8.8%. Interest on deposits due from banks rose ETB 153.8 million or 59.3% to ETB 413.2 million, 5.9% of the movement, while year-end deposits with foreign banks rose from ETB 2.4 billion to ETB 8.4 billion and placements with other institutions from ETB 1.6 billion to ETB 4.0 billion; the year-end balances grew by far more than the interest earned on them, and the audited financial statements do not disclose average balances for these placements. Interest on short-term securities fell ETB

2.4 million or 12.1% to ETB 17.6 million, a contribution of -0.1% to the movement; the money market operations placements reported within cash and balances with banks were nil at 30 June 2026 (30 June 2025: ETB 1.0 billion).

Decomposing the FY2026 movement in loan interest between volume and rate on the same basis (simple average of opening and closing net loans and advances): average net loans and advances grew from ETB 31.9 billion to ETB 40.6 billion, an increase of ETB 8.7 billion or 27.3%, while the average yield rose from 16.80% to 18.84%, an increase of 204 basis points. The volume effect accounts for ETB 1,465.7 million, or 63.8%, of the increase; the rate effect for ETB 652.1 million, or 28.4%; and the combined effect for ETB 178.2 million, or 7.8%. Growth in loan interest therefore remains predominantly volume-led, but in contrast to FY2025, the yield on the average loan book contributed more than a quarter of the increase. The audited financial statements do not disclose average balances or yields by loan category, so the cause of the higher implied yield is not identified here, and the split between volume and rate is sensitive to the timing of loan growth within the year: year-end net loans and advances grew 34.6%, faster than the 27.3% growth in the average balance.

III. Interest Expense

Table 93: Interest Expense

Item (ETB '000)	FY2026	FY2025	FY2024	FY2023	% Change FY2025 FY2026	% Change FY2024 FY2025	% Change FY2023 FY2024
Interest on demand deposits	(26,908)	(6,594)	(15,027)	(19,226)	+308.1%	-56.1%	-21.8%
Interest on saving deposits	(1,637,150)	(1,289,693)	(1,151,210)	(1,073,164)	+26.9%	+12.0%	+7.3%
Interest on time deposits	(862,466)	(570,549)	(521,216)	(333,279)	+51.2%	+9.5%	+56.4%
Interest on borrowings from domestic banks	(340,270)	(194,945)	(66,728)	(138,041)	+74.5%	+192.1%	-51.7%
Interest expense lease	(15,149)	(45,780)	(42,336)	(39,958)	-66.9%	+8.1%	+6.0%
Total Interest Expense	**(2,881,943)**	**(2,107,561)**	**(1,796,517)**	**(1,603,668)**	**+36.7%**	**+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%, to ETB 2.1 billion in FY2025, an increase of ETB 311.0 million or 17.3%, and further to ETB 2.9 billion in FY2026, an increase of ETB 774.4 million or 36.7%. Over the three years the cumulative increase was ETB 1,278.3 million, or 79.7%. In all three steps interest expense grew more slowly than interest income 12.0% against 16.4% in FY2024, 17.3% against 18.5% in FY2025 and 36.7% against 43.0% in FY2026 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.

The FY2025 to FY2026 step of ETB 774.4 million is fully accounted for by five movements, in order of magnitude. Savings deposit interest rose ETB 347.5 million or 26.9%, from ETB 1.3 billion to ETB 1.6 billion (44.9% of the movement), driven by volume as savings balances grew 25.4% from ETB 27.4 billion to ETB 34.4 billion and the implied rate on average savings balances (simple average of opening and closing balances) was unchanged at 5.3% (FY2025: 5.3%). Interest on time deposits rose ETB 291.9 million or 51.2%, from ETB 570.5 million to ETB 862.5 million (37.7%), on a book that grew 76.5% at the year-end (ETB 3.8 billion to ETB 6.7 billion) and 38.5% on average balances; the implied average rate also rose from 15.0% to 16.4%, so this movement is both volume and rate driven, with volume accounting for ETB 219.6 million (75.2%), rate for ETB 52.2 million (17.9%) and the combined effect for ETB 20.1 million (6.9%). Interest on borrowings from domestic banks rose ETB 145.3 million or 74.5%, from ETB 194.9 million to ETB 340.3 million (18.8%); unlike at 30 June 2025, the Bank had ETB 4.21 billion of interbank money market borrowings outstanding at 30 June 2026 (short-term unsecured borrowings of up to seven days at 12% to 16% per annum), representing 7.5% of customer deposits. Demand deposit interest rose ETB 20.3 million, from ETB 6.6 million to ETB 26.9 million (+308.1%; 2.6% of the movement), on a demand book that grew 11.8%, the implied average rate rising from 0.05% to 0.19% after two years of decline in demand deposit interest. In the opposite direction, lease interest fell ETB 30.6 million or 66.9% to ETB 15.1 million (-4.0% of the movement), although the lease liability fell only 7.5% to ETB 530.1 million; the audited financial statements give no explanation for the decline beyond the lease liability roll-forward, which shows interest accrued on building leases of ETB 4.8 million against ETB 35.8 million in FY2025. Customer deposits grew ETB 11.4 billion or 25.7%, while interest expense grew 36.7%, faster than deposits, reflecting the shift toward time deposits, which rose from 8.6% to 12.0% of customer deposits, and the interbank borrowings.

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. In FY2026 net interest income rose to ETB 5.8 billion, an increase of ETB 1.8 billion or 46.3%, more than twice the rate of growth in either preceding year.

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, and then compressed 50 basis points to 9.14% 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 8.8 billion, or 25.7%, following relaxation of the ceiling to 24% in January 2025, and that growth outpaced net interest income growth of 19.2%.

The net interest margin then improved 77 basis points to 9.91% in FY2026, reversing the FY2025 compression (the FY2025 margin is restated from 9.16% to 9.14% to reflect the re-presented net loans and advances in the audited FY2025/26 financial statements). Net interest income grew 46.3% while earning assets (net loans and advances, investment securities and placements with other institutions, on the basis used in Table 94) grew ETB 15.1 billion, or 34.9%, to ETB 58.3 billion, of which net loans and advances contributed ETB 12.0 billion, placements with other institutions ETB 2.4 billion and investment securities ETB 0.7 billion; net interest income therefore grew faster than the asset base for the first time since FY2024. The improvement arises on the asset side: interest income measured against earning assets rose from 14.01% to 14.85% (+84 basis points), consistent with the rise in the implied yield on average net loans from 16.80% to 18.84% shown above, while the cost of funds (interest expense over earning assets) rose only 7 basis points, from 4.87% to 4.94%, because interest expense grew 36.7%, marginally faster than earning assets (34.9%).

Net Interest Margin (NIM)

Table 94: Net Interest Margin (NIM)

Item (ETB '000)	FY2026	FY2025	FY2024	FY2023	% Change FY2025 -FY 2026	% Change FY2024 -FY2025	% Change FY2023 -FY2024
Net Interest Income	5,779,684	3,950,896	3,315,637	2,787,865	+46.3%	+19.2%	+18.9%
Average Earning Assets	58,343,519	43,249,548	34,406,724	32,160,227	+34.9%	+25.7%	+7.0%
Net Interest Margin (NIM)	9.91%	9.14%	9.64%	8.67%	+77 bps (+8.4%)	-50 bps (-5.2%)	+97 bps (+11.2%)
Total Interest Income	8,661,627	6,058,457	5,112,154	4,391,533	+43.0%	+18.5%	+16.4%
Total Interest Expense	(2,881,943)	(2,107,561)	(1,796,517)	(1,603,668)	+36.7%	+17.3%	+12.0%
Cost of funds (interest expense / average earning assets)	4.94%	4.87%	5.22%	4.99%	+7 bps (+1.4%)	-35 bps (-6.7%)	+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%, and to ETB 5.51 billion in 2026, an increase of ETB 1.52 billion or 38.1%. 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 and ETB 3.87 billion in 2026, representing increases of 63.4%, 181.2% and 64.7%, 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 2025, and to ETB 2.05 billion in 2026 (+8.1%). 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 and 2026, representing 50.2% and 48.8% of total operating income respectively.

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Table 95: Fee and Commission Income

Item (ETB '000)	FY2026	FY2025	FY2024	FY2023	% Change FY2025 - FY 2026	% Change FY2024 - FY2025	% Change FY2023 - FY2024
Commission on letters of credit	1,074,819	663,470	164,607	88,156	+62.0%	+303.1%	+86.7%
Commission on CPOs, cheques and fund transfers	2,093	1,933	1,365	1,670	+8.3%	+41.6%	-18.3%
Commission on guarantees	915,214	628,731	267,391	122,782	+45.6%	+135.1%	+117.8%
Fees income	1,881,049	843,443	366,296	280,054	+123.0%	+130.3%	+30.8%
Commission on payment order issuance	181	214,361	36,867	19,353	-99.9%	+481.4%	+90.5%
Total Fee Income	**3,873,356**	**2,351,938**	**836,526**	**512,015**	**+64.7%**	**+181.2%**	**+63.4%**
Fees and commission expense	(418,181)	(264,096)	(79,807)	(76,842)	+58.3%	+230.9%	+3.9%
Net fee and commission income	**3,455,175**	**2,087,842**	**756,719**	**435,173**	**+65.5%**	**+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%, and to ETB 3.9 billion in FY2026, an increase of ETB 1.5 billion or 64.7%. 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%) and ETB 3.5 billion (+ETB 1.4 billion, +65.5%). This is the fastest-growing income category in the Section and, in FY2025, the second-largest contributor to operating income after net interest income, a position it retained in FY2026 at 30.6% of total operating income (FY2025: 26.3%).

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 88.2%, of the movement. Fees income rose ETB 477.1 million or 130.3%, from ETB 366.3 million to ETB 843.4 million, the second-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 498.9 million or 303.1%, from ETB 164.6 million to ETB 663.5 million, the single largest fee movement, 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 481.4%, the highest percentage growth of any line, reflecting increased use of payment

orders in foreign currency settlement. The FY2024 fees income comparative of ETB 366.3 million is stated on the classification applied before the FY2025/26 reclassification of ETB 358.2 million of letter of credit service charges out of fees income, so the FY2024 to FY2025 movement in that line is not on a like-for-like basis.

The FY2025 to FY2026 step of ETB 1.5 billion is led by fees income, which rose ETB 1,037.6 million or 123.0%, from ETB 843.4 million to ETB 1,881.0 million, contributing 68.2% of the movement; the audited financial statements do not break this line down further. Commission on letters of credit rose ETB 411.3 million or 62.0%, from ETB 663.5 million to ETB 1,074.8 million (27.0%), while commitments on letters of credit net of margin paid rose from ETB 1.9 billion to ETB 5.4 billion (+177.9%) and margins held on letters of credit from ETB 1.5 billion to ETB 4.0 billion (+167.0%) at the year-end. Commission on guarantees rose ETB 286.5 million or 45.6%, from ETB 628.7 million to ETB 915.2 million (18.8%), as guarantees issued and outstanding grew from ETB 13.2 billion to ETB 16.5 billion (+25.0%). Commission on payment order issuance fell ETB 214.2 million to ETB 0.2 million (-14.1% of the movement); because the FY2025 comparative fee lines have been re-presented in the audited FY2025/26 financial statements and those statements give no explanation for this movement, it should be read together with the other lines: letters of credit, fees income and payment orders combined rose ETB 1,234.8 million or 71.7%, from ETB 1.7 billion to ETB 3.0 billion. Commission on cheques and fund transfers is immaterial.

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%, and to ETB 418.2 million in FY2026, an increase of ETB 154.1 million or 58.3%. In FY2025 it therefore grew faster than fee income (in FY2026 more slowly: 58.3% against 64.7%), driven by correspondent bank charges, card scheme fees and switch costs on the higher trade finance and card volumes; net fee retention rose from 85.0% in FY2023 to 90.5% in FY2024, eased to 88.8% in FY2025 and recovered to 89.2% in FY2026. Because ETB 1,292.2 million (54.9%) of FY2025 fee income and ETB 1,990.0 million (51.4%) of FY2026 fee income derives from trade finance commissions (letters of credit and guarantees), 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 7.2.3.

VI. Other Income

Table 96: Other Income

Item (ETB '000)	FY2026	FY2025	FY2024	FY2023	% Change FY2025 -FY 2026	% Change FY2024 -FY202 5	% Change FY2023 -FY202 4
Other income	268,249	192,788	236,728	39,700	+39.1%	-18.6%	+496.3%
Gain on foreign exchange	1,785,584	1,707,814	201,533	188,466	+4.6%	+747.4%	+6.9%
Total Other Operating Income	2,053,833	1,900,602	438,261	228,166	+8.1%	+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%, and to ETB 2.1 billion in FY2026, an increase of ETB 153.2 million or 8.1%. The first 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.

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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.

In the FY2025 to FY2026 step both components rose. Other income rose ETB 75.5 million or 39.1%, from ETB 192.8 million to ETB 268.2 million, contributing 49.2% of the increase, and the gain on foreign exchange rose ETB 77.8 million or 4.6%, from ETB 1,707.8 million to ETB 1,785.6 million, contributing 50.8%. The gain on foreign exchange therefore persisted in FY2026 at a level similar to FY2025 and did not revert toward the FY2024 level of ETB 201.5 million. In the same year the Bank recorded a loss on foreign exchange of ETB 2,237.6 million within other operating expenses (FY2025: ETB 2,034.5 million), so that the gain net of this loss was a net loss of ETB 452.0 million in FY2026 (FY2025: net loss of ETB 326.7 million). The audited financial statements do not divide the gain on foreign exchange between revaluation and dealing income, and do not explain the relationship between the gain and loss lines. The Bank's net foreign currency denominated balances were a net liability of ETB 709.2 million at 30 June 2026 against ETB 1.58 billion at 30 June 2025, and a 10% appreciation of the US dollar would have reduced profit by ETB 25.7 million (FY2025: ETB 157.4 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.

The audited FY2026 result shows that the gain on foreign exchange persisted at a similar level, at ETB 1.8 billion, 4.6% above FY2025 (Table 96); the amount of FX gains in future periods will depend on exchange rate movements and on the Bank's foreign currency position, and the Bank cannot assure that FX gains will continue at, or fall from, this level.

Investors should note that reported FY2025 and FY2026 profitability is materially dependent on FX income, which accounted for approximately 89.9% of Other Operating Income and approximately 21.5% of Total Operating Income in FY2025 and approximately 86.9% and 15.8% respectively in FY2026. 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 77.1%, and to ETB 6.6 billion in FY2026, an increase of ETB 1.2 billion or 21.6%. The FY2025 increase absorbed 70.2% 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 FY2026 increase absorbed 39.1% of the ETB 3.0 billion increase in net operating income.

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 average inflation of 26.6% in FY2023/24 (Table 42) 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%,

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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 331.0 million or 15.9%, from ETB 2.1 billion to ETB 2.4 billion, which is 14.0% of the total movement and below average inflation of 16.0% (Table 42). 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 84.1% 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 134 basis points to 68.40% 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.

The FY2025 to FY2026 step of ETB 1,172.5 million (+21.6%) was smaller in percentage terms than the ETB 2,997.6 million (+37.7%) increase in net operating income, so that the cost-to-income ratio improved 802 basis points, from 68.40% to 60.38%. Personnel expenses were the largest source of the increase, rising ETB 759.3 million or 31.5%, from ETB 2.4 billion to ETB 3.2 billion, which is 64.8% of the total movement and compares with growth of 15.9% in FY2025. Six lines account for 95.8% of the personnel movement: salaries rose ETB 410.4 million (+29.7%), staff allowances ETB 87.3 million (+20.2%), other staff expenses ETB 87.1 million (+95.5%), training and education ETB 54.2 million (+123.7%), pension costs ETB 45.0 million (+29.8%) and bonus ETB 43.5 million (+20.2%). The audited financial statements do not disclose headcount or the pay adjustments made in the year, so the split of the increase between staff numbers and pay cannot be determined from them. Combined depreciation and amortisation rose ETB 61.7 million or 13.8% to ETB 507.8 million, 5.3% of the total movement, of which depreciation of property and equipment rose ETB 38.8 million (+39.6%) alongside additions to property and equipment of ETB 473.4 million in the year (FY2025: ETB 231.9 million) and amortisation of right-of-use assets rose ETB 20.5 million (+6.0%).

Other operating expenses rose ETB 351.5 million or 13.6%, from ETB 2.6 billion to ETB 2.9 billion, 30.0% of the total movement against 84.1% in the preceding step. The loss on foreign exchange, which is the largest component of this line at ETB 2,237.6 million (76.3% of the line; FY2025: ETB 2,034.5 million, 78.8%), rose ETB 203.1 million or 10.0% and accounts for 57.8% of the movement; all other lines combined rose ETB 148.4 million or 27.1%, led by software maintenance fees (+ETB 47.6 million, +73.0%), insurance (+ETB 25.2 million, +18.6%), advertisement and promotions (+ETB 22.8 million, +90.0%) and communication (+ETB 20.1 million, +62.5%). Because the loss on foreign exchange is recorded within operating expenses while the gain is recorded within other operating income, the cost-to-income ratio should be read together with the analysis under Table 96: excluding the loss on foreign exchange from operating expenses and the gain on foreign exchange from operating income, the ratio of operating expenses to net operating income would be 47.7% in FY2026 (FY2025: 54.5%).

Table 97: Operating Expense

Item (ETB '000)	FY2026	FY2025	FY2024	FY2023	% Change FY2025 - FY2026	% Change FY2024 - FY2025	% Change FY2023 - FY2024
Short-term employee benefits							
Salaries	(1,790,146)	(1,379,709)	(1,220,871)	(1,061,522)	+29.7%	+13.0%	+15.0%
Staff allowances	(518,503)	(431,228)	(357,324)	(226,354)	+20.2%	+20.7%	+57.9%

Item (ETB '000)	FY2026	FY2025	FY2024	FY2023	% Change FY2025 - FY2026	% Change FY2024 - FY2025	% Change FY2023 - FY2024
Overtime	(29,381)	(23,111)	(23,033)	(20,386)	+27.1%	+0.3%	+13.0%
Bonus	(259,396)	(215,853)	(174,152)	0	+20.2%	+23.9%	n/a
Training and education	(97,964)	(43,786)	(21,295)	(49,123)	+123.7%	+105.6%	-56.6%
Leave payment	(27,044)	(15,731)	(15,751)	(21,313)	+71.9%	-0.1%	-26.1%
Pension costs defined contribution plan	(195,970)	(150,973)	(133,539)	(115,039)	+29.8%	+13.1%	+16.1%
Provident fund defined contribution plan	(17,821)	(13,727)	(12,140)	(11,105)	+29.8%	+13.1%	+9.3%
Other staff expenses	(178,233)	(91,182)	(83,404)	(82,558)	+95.5%	+9.3%	+1.0%
Subtotal: short-term employee benefits	(3,114,458)	(2,365,300)	(2,041,509)	(1,587,400)	+31.7%	+15.9%	+28.6%
Defined benefit plans severance	(52,130)	(42,002)	(34,772)	(28,870)	+24.1%	+20.8%	+20.4%
Total personnel expenses	(3,166,588)	(2,407,302)	(2,076,281)	(1,616,270)	+31.5%	+15.9%	+28.5%
Depreciation of property and equipment	(136,835)	(97,988)	(79,426)	(367,461)	+39.6%	+23.4%	-78.4%
Amortization of intangible assets	(6,513)	(4,165)	(3,784)	(3,773)	+56.4%	+10.1%	+0.3%
Amortization of right-of-use assets	(364,473)	(343,927)	(317,680)	—	+6.0%	+8.3%	n/a
Other operating expenses	(2,933,621)	(2,582,113)	(592,577)	(547,315)	+13.6%	+335.7%	+8.3%
	(3,441,442)	(3,028,193)	(993,467)	(918,549)	+13.6%	+204.8%	+8.2%
Total operating expenses	(6,608,029)	(5,435,495)	(3,069,748)	(2,534,819)	+21.6%	+77.1%	+21.1%

VIII. Profitability Analysis

Table 98: Profitability

Item (ETB '000)	FY2026	FY2025	FY2024	FY2023	% Change FY2025 -FY 2026	% Change FY2024 -FY2025	% Change FY2023 -FY2024
Profitability and comprehensive income							
Profit before tax	4,336,098	2,511,080	1,507,785	606,236	+72.7%	+66.5%	+149.1%
Income tax expense	(1,068,114)	(415,521)	(319,573)	(96,609)	+157.1%	+30.0%	+230.8%
Profit for the period	3,267,983	2,095,559	1,188,212	508,627	+55.9%	+76.4%	+133.6%
Other comprehensive income, net of tax	266,677	268,058	217,056	144,888	-0.5%	+23.5%	+49.8%
Total comprehensive income	3,534,660	2,363,617	1,405,268	653,515	+49.5%	+68.2%	+115.0%
Memorandum: effective tax rate	24.6%	16.5%	21.2%	16.0%	+810 bps (+49.1%)	-470 bps (-22.2%)	+520 bps (+32.5%)
Shareholder returns and dividend indicators							

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Item (ETB '000)	FY2026	FY2025	FY2024	FY2023	% Change FY2025 - FY 2026	% Change FY2024 - FY202 5	% Change FY2023 - FY202 4
Profit attributable to equity holders	3,267,983	2,095,559	1,188,212	508,627	+55.9%	+76.4%	+133.6%
Weighted average number of ordinary shares	5,675,562	3,831,194	3,391,670	3,256,697	+48.1%	+13.0%	+4.1%
Basic earnings per share (ETB)	575.80	546.97	350	156	+5.3%	+56.3%	+124.4%
Dividend per share (ETB)	334	273	201	60	+22.3%	+35.8%	+235.0%
Payout ratio	58.0%	49.9%	57.3%	38.6%	+810 bps (+16.2%)	-740 bps (-12.9%)	+1,870 bps (+48.4%)
Dividend declared for the year (FY2026: recommended by the Board, subject to shareholder approval)	1,894,312	1,045,836	681,088	196,394	+81.1%	+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 66.5%, and to ETB 4.3 billion in FY2026, an increase of ETB 1.8 billion or 72.7%. 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 907.3 million, +76.4%) and ETB 3.3 billion (+ETB 1.2 billion, +55.9%). 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 958.3 million, +68.2%) and ETB 3.5 billion (+ETB 1.2 billion, +49.5%).

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 (+77.1%) 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 foreign exchange revaluation gain described under Table 96 (a gain which persisted at a similar level in FY2026), underlying profit before tax excluding that item would have declined year on year, and the FY2025 result should be read in that light.

The FY2025 to FY2026 step of ETB 1.8 billion (+72.7%) is attributable to income growth well ahead of cost growth, partly offset by a swing in impairment. On the income side, net interest income added ETB 1,828.8 million (+46.3%), net fee and commission income ETB 1,367.3 million (+65.5%, after an ETB 154.1 million rise in fee and commission expense) and other operating income ETB 153.2 million (+8.1%), together ETB 3,349.4 million (+42.2%) of additional total operating income; net interest income and net fee and commission income alone contributed 175.1% of the increase in profit before tax, and other operating income only 8.4%. Impairment moved from a net release of ETB 7.2 million to a net charge of ETB 344.6 million, an adverse

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swing of ETB 351.8 million: loan impairment moved from a release of ETB 22.5 million to a charge of ETB 93.3 million (ETB 115.8 million adverse), as the loan loss allowance rose ETB 93.3 million or 10.4% to ETB 990.3 million against a gross loan book that grew 34.0%, and impairment on other financial assets rose from ETB 15.3 million to ETB 251.3 million (ETB 236.0 million adverse), of which ETB 250.6 million was the charge to the allowance on other assets, which rose from ETB 288.6 million to ETB 539.2 million. Impaired (Stage 3) loans rose 23.1% to ETB 2,822.4 million, 5.92% of gross loans (FY2025: 6.45% on the same basis), and the loan loss allowance covered 35.1% of Stage 3 loans (FY2025: 39.1%). Operating expenses absorbed a further ETB 1,172.5 million (+21.6%). Unlike FY2025, the increase in profit before tax does not depend on a step-change in foreign exchange income: the gain on foreign exchange rose only ETB 77.8 million (+4.6%), which is 4.3% of the increase in profit before tax.

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 66.5%. The reduction in the effective rate contributed approximately ETB 116.7 million to FY2025 profit after tax.

The effective tax rate rose 810 basis points from 16.5% in FY2025 to 24.6% in FY2026. Income tax expense rose ETB 652.6 million (+157.1%), well ahead of pre-tax profit growth of 72.7%. Note 14 of the audited financial statements shows that the current tax charge rose from ETB 450.3 million (17.9% of profit before tax) to ETB 1,011.6 million (23.3%), and that deferred tax moved from a credit of ETB 34.8 million to a charge of ETB 56.5 million; of the 8.1 percentage point increase in the effective rate, current tax accounts for 5.4 points and deferred tax for 2.7 points. In the tax reconciliation, the FY2025 deductions for interest income taxed at source, totalling ETB 259.4 million (local deposits ETB 212.9 million and foreign ETB 46.5 million), do not appear in FY2026, while interest income on National Bank of Ethiopia bills and Treasury bills deducted as exempt rose 37.5% to ETB 571.0 million, more slowly than profit before tax. The higher effective rate reduced FY2026 profit after tax by approximately ETB 350.6 million relative to the FY2025 rate.

Tax reconciliation, FY2025/26 (ETB million): profit before tax 4,336.1; add disallowed expenses 1,077.8; less allowed expenses and exempt income (2,043.8); taxable profit 3,370.2; current income tax at the statutory rate of 30% 1,011.0, equivalent to 23.3% of profit before tax. The current tax charge of ETB 1,011.6 million in Note 14a is this amount plus ETB 0.6 million of tax at 30% on rental income from investment property (Note 14b). Adding the deferred tax charge of ETB 56.5 million gives income tax expense of ETB 1,068.1 million, or 24.6% of profit before tax.

Tax reconciliation, FY2024/25 (ETB million): profit before tax 2,511.1; add disallowed expenses 824.2; less allowed expenses and exempt income (1,841.9), which include interest on NBE bills and Treasury bills (415.1), loan provisions allowed for tax at 80% of the NBE requirement (397.2), tax depreciation (259.0) and amortisation of prepaid rent and leases (374.5); taxable profit 1,493.3; current income tax at the statutory rate of 30% 448.0, plus tax of ETB 2.3 million at 5% on interest on foreign deposits, giving the current tax charge of ETB 450.3 million (17.9% of profit before tax; Note 14a). Adding the deferred tax credit of ETB 34.8 million gives income tax expense of ETB 415.5 million, or 16.5% of profit before tax. In both years the effective rate is below 30% mainly because interest on NBE bills and Treasury bills and dividend income taxed at source (ETB 40.4 million in FY2024/25; ETB 42.7 million in FY2025/26) are excluded from taxable profit and because loan provisions are deducted for tax at the NBE-prescribed basis rather than the IFRS 9 charge.

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 546.97 in FY2025, an increase of ETB 197 or 56.3%, and to ETB 575.80 in FY2026, an increase of ETB 28.83 or 5.3%. In each step earnings per share grew more slowly than profit after tax 124.4% against 133.6%, 56.3% against 76.4% and 5.3% against 55.9% because the weighted average number of shares rose 4.1%, 13.0% and 48.1% 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%) and ETB 1.89 billion (+ETB 848.5 million, +81.1%), the FY2026 amount being the dividend recommended by the Board and subject to shareholder approval, giving dividend per share of ETB 60, ETB 201, ETB 273 and ETB 334 and payout ratios of 38.6%, 57.3%, 49.9% and 58.0%. 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.

Earnings per share rose from ETB 546.97 in FY2025 to ETB 575.80 in FY2026, an increase of ETB 28.83 or 5.3%, far more slowly than profit after tax (+55.9%) because the weighted average number of shares rose 48.1%, from 3,831,194 to 5,675,562, following the issue of ordinary shares of ETB 2,041.5 million in the year that raised share capital by 47.6% to ETB 6,328.4 million (Notes 23 and 28). Profit after tax of ETB 3,268.0 million equates to ETB 516.4 per share on the 6,328,419 shares in issue at 30 June 2026 (a derived figure, not a reported measure), which shows the effect of the larger year-end share base on earnings per share, other things being equal. The Board has recommended a dividend of ETB 1,894.3 million for FY2026 (ETB 1,894,311,676), subject to approval by the General Assembly of Shareholders, an increase of ETB 848.5 million or 81.1% on the ETB 1,045.8 million declared for FY2025; this gives dividend per share of ETB 334 (ETB 333.77 net basic earnings per share available for distribution, Note 28), up 22.3% from ETB 273, and a payout ratio of 58.0% against 49.9%. The increase in the payout ratio reflects the smaller transfer to the Regulatory Risk Reserve, ETB 457.0 million (14.0% of profit) against ETB 524.2 million (25.0% of profit) in FY2025, while the transfer to the legal reserve remained 25.0% of profit (ETB 817.0 million against ETB 523.9 million) (Note 24). Other comprehensive income was ETB 266.7 million, ETB 1.4 million or 0.5% below FY2025 (Table 98): the fair value movement on equity instruments designated at fair value through other comprehensive income contributed ETB 265.8 million net of tax (FY2025: ETB 325.8 million), and the remeasurement of the defined benefit liability ETB 0.8 million (FY2025: a loss of ETB 57.7 million). The fair value reserve on equity instruments rose to ETB 845.2 million, of which the holding in Ethswitch S.C. is carried at ETB 958.9 million of the ETB 1,041.1 million total equity investments (Note 17b). Other comprehensive income is not distributable.

7.3.2 Statement of Financial Position

A comprehensive four year statement of financial position covering the period from 2023 to 2026 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 2026, 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%).

FY2025 to FY2026: Total assets grew from ETB 58.96 billion to ETB 82.47 billion (ETB +23.51 billion, +39.9%). Growth was driven by net loans and advances (+ETB 12.00 billion, +34.6%), cash and balances with banks (+ETB 7.61 billion, +104.0%), other assets (+ETB 3.47 billion, +125.0%) and investment securities (+ETB 0.74 billion, +10.6%). Total liabilities increased by ETB 19.17 billion (+38.0%), reflecting deposit growth of ETB 11.44 billion, an increase of ETB 2.52 billion in margins held on letters of credit and new short-term inter bank money market borrowings of ETB 4.21 billion. Total equity increased by ETB 4.35 billion (+50.9%), reflecting the profit for the year of ETB 3.27 billion and the increase in share capital of ETB 2.04 billion, partly offset by dividends paid of ETB 1.05 billion, and lifted the Bank's equity-to-assets ratio from 14.5% to 15.6%.

Table 99: Statement of Financial Position

Particulars	FY 2025/26	FY 2024/25	FY 2023/24	FY 2022/23
(ETB '000)				
Cash and Balances with Banks				
Cash in hand local currency	1,985,688	1,690,665	1,707,309	1,746,191
Cash in hand foreign currency	459,406	215,097	24,416	22,110
Placement with other Institutions	4,000,202	1,644,421	1,478,983	988,752
Deposits with foreign banks	8,360,806	2,382,651	286,403	653,829
Balance held with National Bank of Ethiopia	131,273	385,120	1,342,957	321,931
Money Market Operations	0	1,005,753	0	
Gross cash and balances with banks	14,937,375	7,323,707	4,840,068	3,732,813
Less: Allowance for Impairment- Bank Balances	-446	-231	-153	-89
Cash and Balances with Banks	14,936,929	7,323,476	4,839,915	3,732,724
Due from Banks & Other Financial Institutions;				
ATM Settlement-Off Us	27,762	33,735	255,951	211,913
Cheque Clearance-Outward	508	6,449	2,655	5,459
Foreign Currency Receivable	562,812	709,999	191,831	55,862
Mobile Fund Transfer-Off Us	117,536	116,486	486,950	3,446,685
Due from Banks & Other Financial Institutions	708,618	866,669	937,387	3,719,919
Loans and Advances to Customers				
Agriculture	144,848	130,128	152,534	102,126
Building and construction	9,465,624	6,303,311	5,640,130	5,477,570
Domestic trade and services	7,611,674	6,213,821	6,272,772	7,625,159
Export	1,305,825	1,195,655	1,426,388	1,169,467
Hotel and Tourism	430,655	398,571	410,348	425,279
Health and Education Service	1,095,165	672,637	245,060	159,851
Import	3,475,142	3,095,892	1,897,053	1,898,018
Manufacturing	6,033,064	4,237,549	2,822,610	2,881,224
Merchandise Loans	124,341	11,007	135,205	40,790
Overdrafts	5,117,426	4,176,372	3,651,249	2,703,459
Personal loan	3,558,025	3,647,405	3,545,679	2,601,839
Pre-Shipment	5,941,244	2,686,914	994,823	1,149,898
Staff loan	2,422,455	2,335,298	3,196,297	2,236,378
Transport	914,467	440,739	428,342	419,987
Gross Loans and Advances to Customers	47,639,955	35,545,299	30,818,490	28,891,045
Less: Impairment allowance	-990,296	-897,023	-919,550	-1,063,758

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Particulars	FY 2025/26	FY 2024/25	FY 2023/24	FY 2022/23
Stage 1	-193,945	-200,841	-219,151	-194,483
Stage 2	-1,778	-1,140	-1,357	-4,364
Stage 3	-794,573	-695,042	-699,042	-864,911
Loans and advances after impairment allowance	46,649,659	34,648,277	29,898,940	27,827,287
Less :				
Interest in suspense	-	-	-84,462	-69,921
Staff Loan Market Interest Adjustment	-	-	-612,223	-411,309
Net Loan Balance	46,649,659	34,648,277	29,202,255	27,346,057
Investment Securities	7,693,658	6,956,850	4,064,422	4,139,617
i) Financial Assets at amortized cost				
Bonds and Bills	6,652,866	6,349,118	3,604,450	3,833,127
Less Allowance for impairment	-333	-317	-180	-124
Net Bond and Bills	6,652,533	6,348,801	3,604,270	3,833,003
ii) Financial Assets at FVTOCI:				
Equity Investments	195,969	142,663	98,154	60,657
Fair Value Adjustment – Equity Investments	845,156	465,386	361,998	245,957
Net Equity Investments	1,041,125	608,049	460,152	306,614
Other Assets	6,248,316	2,777,005	1,550,695	1,253,266
Inventory	115,045	116,106	152,044	78,179
Non-Current Assets Held for Sale	28,550	237,671	214,641	0
Investment Property - Building	39,305	-	-	-
Right-of-use assets	1,194,164	1,202,909	1,165,020	58,041
Intangible Assets	37,763	26,722	5,052	8,835
Property and Equipment	1,755,961	1,448,274	1,340,376	2,297,882
Restricted Fund Balance	3,064,900	3,354,900	2,549,700	2,410,700
Total Assets	82,472,868	58,958,858	46,021,507	45,045,220
Liabilities				
Due to Banks & Other Institutions				
Cheque Clearance-Inward	1,434	7,067	7,905	9,193
ATM Settlement-On Us	286,107	177,375	103,839	98,243
Mobile Fund Transfer-On Us	92,348	102,906	466,274	3,410,972
Deposits from Customers				
Demand deposits	14,809,506	13,248,870	12,078,453	8,949,876
Savings deposits	34,369,164	27,399,146	20,979,921	21,770,027
Time deposits	6,718,736	3,806,003	3,793,819	3,062,391
Total deposits from customers	55,897,406	44,454,019	36,852,193	33,782,294
Current Tax Liabilities	786,444	448,597	286,389	79,077
Margins Held on Letters of Credit	4,027,091	1,508,336	567,992	365,273
Borrowings	-			559,028
Inter Bank Money Market	4,206,312	-	-	-
Other Liabilities	3,347,167	3,192,689	1,069,912	1,509,576
Provisions	366,632	301,061	250,027	65,052
Retirement Benefit Obligations	230,117	194,200	136,485	101,795
Deferred Tax Liabilities	342,867	32,489	67,295	35,275
Total Liabilities	69,583,925	50,418,739	39,808,311	40,015,778

Particulars	FY 2025/26	FY 2024/25	FY 2023/24	FY 2022/23
Equity				
Share Capital	6,328,419	4,286,885	3,447,898	3,350,433
Share Premium	28,504	18,628	16,372	15,847
Retained Earnings	1,894,312	1,045,836	681,088	196,394
Legal Reserve	2,494,622	1,677,627	1,153,737	856,684
Other Reserve	557,891	382,940	310,080	206,983
Regulatory Risk Reserve	1,585,196	1,128,204	604,020	403,104
Total Equity	12,888,943	8,540,120	6,213,195	5,029,445
Total Liabilities and Equity	82,472,868	58,958,859	46,021,506	45,045,223

7.3.2.1 Asset Analysis

A. Cash and Balances with Banks

Table 100: Cash and Balances with Banks

Item (ETB '000)	FY2026	FY2025	FY2024	FY2023	% Change FY2025 - FY 2026	% Change FY2024 - FY202 5	% Change FY2023 - FY202 4
Cash in hand local currency	1,985,688	1,690,665	1,707,309	1,746,191	+17.5%	-1.0%	-2.2%
Cash in hand foreign currency	459,406	215,097	24,416	22,110	+113.6%	+780.9%	+10.4%
Placement with other institutions	4,000,202	1,644,421	1,478,983	988,752	+143.3%	+11.2%	+49.6%
Deposits with foreign banks	8,360,806	2,382,651	286,403	653,829	+250.9%	+731.9%	-56.2%
Balance held with National Bank	131,273	385,120	1,342,957	321,931	-65.9%	-71.3%	+317.2%
Money market operations	—	1,005,753	—	—	-100.0%	n/a	n/a
Gross Amount	14,937,375	7,323,707	4,840,068	3,732,813	+104.0%	+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%, and further to ETB 14.9 billion in FY2026, an increase of ETB 7.6 billion or 104.0%.

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 ±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 the three years to FY2025, falling 2.2% and then 1.0%.

The FY2025 to FY2026 step is explained mainly by two movements. Deposits with foreign banks rose ETB 6.0 billion or 250.9%, from ETB 2.4 billion to ETB 8.4 billion, being 78.5% of the movement, and placements with other institutions rose ETB 2.4 billion or 143.3%, from ETB 1.6 billion to ETB 4.0 billion, being 30.9% of the movement. Cash in hand in foreign currency rose ETB 244.3 million or 113.6%, from ETB 215.1 million to ETB 459.4 million, and local currency cash rose ETB 295.0 million or 17.5%, from ETB 1.69 billion to ETB 1.99 billion. Offsetting these, money market operations of ETB 1.0 billion at 30 June 2025 were nil at 30 June 2026, and the balance held with the National Bank fell ETB 253.8 million or 65.9%, from ETB 385.1 million to ETB 131.3 million. Separately, the restricted fund balance held to meet National Bank reserve requirements (Note 15c), shown as a separate line of the statement of financial position, was ETB 3.06 billion at 30 June 2026, down ETB 290.0 million or 8.6% from ETB 3.35 billion, and the Bank held short-term inter bank money market borrowings of ETB 4.21 billion at 30 June 2026 (Note 22c).

B. Due from Banks and Financial Institutions

Table 101: Due from Banks and Financial Institutions

Item (ETB '000)	FY2026	FY2025	FY2024	FY2023	% Change FY2025 : FY 2026	% Change FY2024 : FY2025	% Change FY2023 : FY2024
ATM settlement off us	27,762	33,735	255,951	211,913	-17.7%	-86.8%	+20.8%
Cheque clearance outward	508	6,449	2,655	5,459	-92.1%	+142.9%	-51.4%
Foreign currency receivable	562,812	709,999	191,831	55,862	-20.7%	+270.1%	+243.4%
Mobile fund transfer off us	117,536	116,486	486,950	3,446,685	+0.9%	-76.1%	-85.9%
Total Due from Banks / FIs	708,618	866,669	937,387	3,719,919	-18.2%	-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.

Balances due from banks declined from ETB 0.87 billion in FY2025 to ETB 0.71 billion in FY2026 (ETB -158.1 million, -18.2%). The decline was driven primarily by foreign currency receivables, which fell ETB 147.2 million

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or 20.7%, from ETB 710.0 million to ETB 562.8 million, reversing part of the rise recorded from FY2023 to FY2025. Cheque clearance outward fell ETB 5.9 million (-92.1%) and ATM settlement off us fell ETB 6.0 million (-17.7%), while mobile fund transfer receivables (off us) were broadly unchanged at ETB 117.5 million (+0.9%).

C. Loans and Advances to Customers

Table 102: Loans and Advances to Customers

Item (ETB '000)	FY2026	FY2025	FY2024	FY2023	% Change FY2025 - FY2026	% Change FY2024 - FY2025	% Change FY2023 - FY2024
Agriculture	144,848	130,128	152,534	102,126	+11.3%	-14.7%	+49.4%
Building and construction	9,466,624	6,303,311	5,640,130	5,477,570	+50.2%	+11.8%	+3.0%
Domestic trade and services	7,611,674	6,213,821	6,272,772	7,625,159	+22.5%	-0.9%	-17.7%
Export	1,305,825	1,195,655	1,426,388	1,169,467	+9.2%	-16.2%	+22.0%
Hotel and tourism	430,655	398,571	410,348	425,279	+8.0%	-2.9%	-3.5%
Health and education service	1,095,165	672,637	245,060	159,851	+62.8%	+174.5%	+53.3%
Import	3,475,142	3,095,892	1,897,053	1,898,018	+12.3%	+63.2%	-0.1%
Manufacturing	6,033,064	4,237,549	2,822,610	2,881,224	+42.4%	+50.1%	-2.0%
Marchandise loans	124,341	11,007	135,205	40,790	+1029.7%	-91.9%	+231.5%
Overdrafts	5,117,426	4,176,372	3,651,249	2,703,459	+22.5%	+14.4%	+35.1%
Personal loan	3,558,025	3,647,405	3,545,679	2,601,839	-2.5%	+2.9%	+36.3%
Pre-shipment	5,941,244	2,686,914	994,823	1,149,898	+121.1%	+170.1%	-13.5%
Staff loan	2,422,455	2,335,298	3,196,297	2,236,378	+3.7%	-13.5%	+42.9%
Transport	914,467	440,739	428,342	419,987	+107.5%	+2.9%	+2.0%
Gross Amount	**47,639,955**	**35,545,299**	**30,818,490**	**28,891,045**	**+34.0%**	**+16.7%**	**+6.7%**
Net Loan	**46,649,659**	**34,648,277**	**29,202,255**	**27,346,058**	**+34.6%**	**+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 FY2025 column of the table above shows the comparatives as re-presented in the audited FY2026 financial statements (gross loans of ETB 35.55 billion and net loans of ETB 34.65 billion), in which interest in suspense of ETB 120.3 million was reclassified out of loans and advances and the staff loan market interest adjustment of ETB 428.6 million was reclassified into staff loans. The FY2023 and FY2024 columns, the FY2023 to FY2024 and FY2024 to FY2025 percentage changes and the analysis of those years below are stated on the basis originally presented in this Prospectus (gross loans of ETB 35.97 billion and net loans of ETB 34.53 billion at 30 June 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 959.0 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;

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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.

The FY2025 to FY2026 step shows continued expansion. Gross loans and advances rose from ETB 35.55 billion in FY2025 to ETB 47.64 billion in FY2026, an increase of ETB 12.09 billion or 34.0%, and net loans rose ETB 12.00 billion or 34.6% to ETB 46.65 billion (FY2025 on the re-presented basis described above). Five categories contributed ETB 10.55 billion, or 87.2%, of the increase. Pre-shipment financing rose ETB 3.25 billion or 121.1%, from ETB 2.69 billion to ETB 5.94 billion; building and construction rose ETB 3.16 billion or 50.2%, from ETB 6.30 billion to ETB 9.47 billion; manufacturing rose ETB 1.80 billion or 42.4%, from ETB 4.24 billion to ETB 6.03 billion; domestic trade and services rose ETB 1.40 billion or 22.5%, from ETB 6.21 billion to ETB 7.61 billion; and overdrafts rose ETB 0.94 billion or 22.5%, from ETB 4.18 billion to ETB 5.12 billion. Transport (+107.5%, +ETB 473.7 million), health and education services (+62.8%, +ETB 422.5 million) and merchandise loans (+ETB 113.3 million, from a small base) also grew, and import financing rose ETB 379.2 million (+12.3%), export loans ETB 110.2 million (+9.2%), staff loans ETB 87.2 million (+3.7%), hotel and tourism ETB 32.1 million (+8.0%) and agriculture ETB 14.7 million (+11.3%). Personal loans were the only category to decline, falling ETB 89.4 million or 2.5%.

On the audited Stage 3 (non-performing) basis disclosed in Note 6.3.6 to the audited FY2026 financial statements, non-performing loans were ETB 2.82 billion at 30 June 2026, or 5.92% of gross loans, compared with ETB 2.29 billion, or 6.45% of gross loans, at 30 June 2025 on the same basis, an increase of ETB 530.2 million or 23.1%. The 5.92% ratio is above the 5.0% maximum prescribed by NBE Directive No. SBB/90/2024; the NPL ratio of 4.78% reported for FY2025 elsewhere in this Prospectus was calculated on a different basis. The allowance for impairment on loans and advances rose ETB 93.3 million or 10.4%, from ETB 897.0 million to ETB 990.3 million, equal to 35.1% of Stage 3 loans (30 June 2025: 39.1%); Stage 3 allowances rose ETB 99.5 million or 14.3% to ETB 794.6 million, Stage 2 allowances rose from ETB 1.1 million to ETB 1.8 million and Stage 1 allowances fell ETB 6.9 million or 3.4% to ETB 193.9 million. The loan impairment charge for the year was ETB 93.3 million, against a net release of ETB 22.5 million in FY2025. Two sectors, building and construction (ETB 1.07 billion) and domestic trade and services (ETB 1.05 billion), accounted for 75.3% of Stage 3 loans.

D. Investment Securities

Table 103: Investment Securities

Item (ETB '000)	FY2026	FY2025	FY2024	FY2023	% Change FY2025 -FY 2026	% Change FY2024 FY2025	% Change FY2023 FY2024
Financial assets at amortised cost							
Bonds and bills	6,652,866	6,349,118	3,604,450	3,833,127	+4.8%	+76.1%	-6.0%
Less: allowance for impairment	(333)	(317)	(180)	(124)	+5.0%	+76.1%	+45.2%
Net bonds and bills	6,652,533	6,348,801	3,604,270	3,833,003	+4.8%	+76.1%	-6.0%
Financial assets at FVTOCI							
Equity investments (cost)	195,969	142,663	98,154	60,657	+37.4%	+45.3%	+61.8%
Fair value adjustment	845,156	465,386	361,998	245,957	+81.6%	+28.6%	+47.2%
Net equity investments	1,041,125	608,049	460,152	306,614	+71.2%	+32.1%	+50.1%
Total Investment Securities	**7,693,658**	**6,956,850**	**4,064,422**	**4,139,617**	**+10.6%**	**+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.

Investment securities increased from ETB 6.96 billion in 2025 to ETB 7.69 billion in 2026, an increase of ETB 736.8 million or 10.6%. Net bonds and bills rose ETB 303.7 million or 4.8% to ETB 6.65 billion and represented 86.5% of the portfolio. The net equity investments measured at fair value through other comprehensive income rose ETB 433.1 million or 71.2% to ETB 1.04 billion, comprising additional investments of ETB 53.3 million and fair value gains of ETB 379.8 million recognised during the year (Note 17b); the Bank's shareholding in Ethswitch S.C. increased from 3.90% to 5.00% (fair value ETB 958.9 million at 30 June 2026), and its shareholdings in Berhan Insurance S.C., Premier Switch Solution S.C. and Debo Micro Finance S.C. were 5.00%, 2.30% and 4.40% respectively.

E. Other Assets

Table 104: Other Assets

Item (ETB '000)	FY2026	FY2025	FY2024	FY2023	% Change FY2025 -FY 2026	% Change FY2024 FY2025	% Change FY2023 FY2024
Other receivables (financial assets)	5,943,372	2,392,860	1,062,305	945,735	+148.4%	+137.6%	+12.3%

Item (ETB '000)	FY2026	FY2025	FY2024	FY2023	% Change FY2025 - FY 2026	% Change FY2024 FY2025	% Change FY2023 FY2024
of which: Account receivable	2,228,619	1,516,095	—	—	+47.0%	n/a	n/a
of which: Uncleared effects	1,777,059	1,300	—	—	n/m	n/a	n/a
of which: Discounted documents purchased	1,626,234	690,000	—	—	+135.7%	n/a	n/a
of which: Suspense accounts	203,143	185,465	—	—	+9.5%	n/a	n/a
of which: Others	108,307	—	—	—	n/a	n/a	n/a
Prepayments	108,041	113,907	61,139	38,209	-5.1%	+68.8%	+60.0%
Repossessed collateral	205,066	—	—	—	n/a	n/a	n/a
Prepaid staff benefits	531,061	558,822	721,510	486,557	-5.0%	-22.5%	+48.3%
Gross Amount	6,787,540	3,065,589	1,844,954	1,470,501	+121.4%	+72.7%	+25.5%
Less: impairment allowance	(539,224)	(288,584)	(294,259)	(217,235)	+86.9%	-1.9%	+35.5%
Net Amount	**6,248,316**	**2,777,005**	**1,550,695**	**1,253,266**	**+125.0%**	**+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 FY2025 column of the table above shows the comparatives as re-presented in the audited FY2026 financial statements (net other assets of ETB 2.78 billion, ETB 120.3 million lower than originally presented, with balances reclassified between categories). The FY2023 and FY2024 columns, the FY2023 to FY2024 and FY2024 to FY2025 percentage changes and the analysis of those years below are stated on the basis originally presented in this Prospectus.

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%.

Net other assets rose from ETB 2.78 billion in FY2025 to ETB 6.25 billion in FY2026, an increase of ETB 3.47 billion or 125.0%. The movement is driven by other receivables classified as financial assets, up ETB 3.55 billion or 148.4% to ETB 5.94 billion. Uncleared effects rose from ETB 1.3 million to ETB 1.78 billion (ETB +1.78 billion, 51.2% of the net movement), discounted documents purchased rose ETB 936.2 million or 135.7% to ETB 1.63 billion, and accounts receivable rose ETB 712.5 million or 47.0% to ETB 2.23 billion. Repossessed collateral of ETB 205.1 million, reclassified during the year from non-current assets held for sale (Note 18c), was recorded for the first time, while prepaid staff benefits fell ETB 27.8 million or 5.0%. The impairment allowance on other assets rose ETB 250.6 million or 86.9% to ETB 539.2 million, following a charge for the year of ETB 250.6 million (Note 18a).

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Non-current assets held for sale fell from ETB 237.7 million to ETB 28.6 million (ETB -209.1 million, -88.0%), as assets carried at ETB 205.1 million were reclassified to other assets (repossessed collateral) because the legal proceedings on ownership were not finalised and a sale was no longer considered highly probable, and a property carried at ETB 11.2 million was reclassified to investment property. Investment property - building, a new line measured at fair value, stood at ETB 39.3 million at 30 June 2026, comprising the ETB 11.2 million transferred and a fair value gain of ETB 28.1 million (Note 18c). Inventory was broadly unchanged at ETB 115.0 million (FY2025: ETB 116.1 million) and right-of-use assets at ETB 1.19 billion (FY2025: ETB 1.20 billion; additions of ETB 421.3 million offset by amortisation of ETB 364.5 million and disposals).

F. Property and Equipment

Table 105: Property and Equipment

Item (ETB '000)	FY2026	FY2025	FY2024	FY2023	% Change FY2025 - FY 2026	% Change FY2024 FY2025	% Change FY2023 FY2024
Buildings	79,775	81,160	53,739	66,392	-1.7%	+51.0%	-19.1%
Motor vehicles	565,467	391,903	373,561	422,592	+44.3%	+4.9%	-11.6%
Office and other equipment	344,260	383,250	400,006	300,081	-10.2%	-4.2%	+33.3%
Furniture and fittings	281,166	276,582	277,380	239,310	+1.7%	-0.3%	+15.9%
Computer and accessories	454,807	315,380	235,690	176,291	+44.2%	+33.8%	+33.7%
Construction in progress	30,486	—	—	—	n/a	n/a	n/a
Total Net Book Value	1,755,961	1,448,274	1,340,376	1,204,667	+21.2%	+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%. Mainly office and other equipment, up ETB 99.9 million or 33.3% drove the increase 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%. Primarily 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%, drove the increase.

In FY2026, the net book value increased further to ETB 1.76 billion, an increase of ETB 307.7 million or 21.2%. The increase was driven primarily by motor vehicles, up ETB 173.6 million or 44.3% to ETB 565.5 million, and computer and accessories, up ETB 139.4 million or 44.2% to ETB 454.8 million, together with new construction in progress of ETB 30.5 million relating to the Bank's transitional headquarters in the Goma Kuteba area of Addis Ababa. These were partly offset by a decline in office and other equipment of ETB 39.0 million or 10.2% and in buildings of ETB 1.4 million or 1.7%. Additions during the year were ETB 473.4 million and the depreciation charge was ETB 136.8 million.

G. Intangible Assets



Table 106: Intangible Assets

Item (ETB '000)	FY2026	FY2025	FY2024	FY2023	% Change FY2025 - FY 2026	% Change FY2024 - FY202 5	% Change FY2023 - FY202 4
Cost							
Opening balance (1 July)	50,933	25,098	25,098	25,098	+102.9%	0.0%	0.0%
Acquisitions	17,553	25,835	—	—	-32.1%	n/a	n/a
Total cost	68,487	50,933	25,098	25,098	+34.5%	+102.9%	0.0%
Accumulated amortization							
Opening balance (1 July)	24,211	20,046	16,263	12,479	+20.8%	+23.3%	+30.3%
Amortisation for the year	6,513	4,165	3,784	3,773	+56.4%	+10.1%	+0.3%
Total amortisation	30,724	24,211	20,046	16,263	+26.9%	+20.8%	+23.3%
Net Book Value	37,763	26,722	5,052	8,835	+41.3%	+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.

Intangible assets increased further from ETB 26.72 million in 2025 to ETB 37.76 million in 2026, an increase of ETB 11.04 million or 41.3%. The increase reflects software acquisitions of ETB 17.55 million, partly offset by amortisation for the year of ETB 6.51 million.

7.3.2.2 Liability Analysis

A. Deposits from Customers

Customer deposits increased from ETB 33.78 billion in FY2023 to ETB 55.90 billion in FY2026 (+65.5% cumulative).

Deposit mix evolved: savings deposits declined marginally as a share (64.4% in FY2023 to 61.5% in FY2026), while demand deposits were 26.5% of total in FY2026 (29.8% in FY2025 and 26.5% in FY2023) and time deposits rose from 9.1% to 12.0% of total.

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.

FY2025 to FY2026: Demand deposits increased from ETB 13,248.9 million to ETB 14,809.5 million (ETB +1,560.6 million, +11.8%). Savings deposits increased from ETB 27,399.1 million to ETB 34,369.2 million (ETB +6,970.0 million, +25.4%), contributing 60.9% of the year's deposit growth, and remained the Bank's core funding source at 61.5% of total deposits. Time deposits increased from ETB 3,806.0 million to ETB 6,718.7 million (ETB +2,912.7 million, +76.5%), the fastest growth among deposit types, lifting their share of total deposits from 8.6% to 12.0%. In aggregate, total deposits grew by ETB 11,443.4 million (+25.7%) in FY2026.

The high proportion of savings and demand deposits (approximately 88.0% of total deposits, compared with 91.4% in FY2025) provides stable, largely non-time-bound funding. The Bank's loan-to-deposit ratio of approximately 83.5% in FY2026 (compared to 77.9% in FY2025 and 80.9% in FY2023) remains below the NBE-prescribed maximum of 85%, although the headroom narrowed in FY2026.

Table 107: Deposits from Customers

Item (ETB '000)	FY2026	FY2025	FY2024	FY2023	% Change FY2025 - FY 2026	% Change FY2024 - FY202 5	% Change FY2023 - FY202 4
Demand deposits	14,809,506	13,248,870	12,078,453	8,949,876	+11.8%	+9.7%	+35.0%
Savings deposits	34,369,164	27,399,146	20,979,921	21,770,027	+25.4%	+30.6%	-3.6%
Time deposits	6,718,736	3,806,003	3,793,819	3,062,391	+76.5%	+0.3%	+23.9%
Total Deposits	55,897,406	44,454,019	36,852,193	33,782,294	+25.7%	+20.6%	+9.1%

B. Other Liabilities

Total other liabilities (Table 108) moved from ETB 1.51 billion in FY2023 to ETB 1.07 billion in FY2024 (-29.1%), rose to ETB 3.19 billion in FY2025 (+198.4%) and further to ETB 3.35 billion in FY2026 (+4.8%). The principal driver of the FY2025 increase was sundry payables: ETB 2.33 billion in FY2025 vs. ETB 362.5 million in FY2024 (+ETB 1.96 billion, +542.0%). In FY2026, sundry payables rose a further ETB 132.1 million (+5.7%) to ETB 2.46 billion, and tax and other obligations rose by ETB 57.4 million (+58.4%) to ETB 155.6 million. Margins held on letters of credit, which are presented as a separate line of the statement of financial position, are discussed below.

Table 108: Other Liabilities

Item (ETB '000)	FY2026	FY2025	FY2024	FY2023	% Change FY2025 - FY 2026	% Change FY2024 - FY202 5	% Change FY2023 - FY202 4
Financial liabilities							
Banking instruments payables	109,990	98,059	71,754	219,716	+12.2%	+36.7%	-67.3%
Unearned income	92,580	96,525	72,370	41,842	-4.1%	+33.4%	+73.0%
Lease liability	530,059	573,032	508,846	459,574	-7.5%	+12.6%	+10.7%
Total financial liabilities	732,629	767,616	652,970	721,132	-4.6%	+17.6%	-9.5%
Non-financial liabilities							
Tax and other obligations	155,598	98,225	54,474	54,800	+58.4%	80.3%	-0.6%

Item (ETB '000)	FY2026	FY2025	FY2024	FY2023	% Change FY2025 - FY 2026	% Change FY2024 - FY2025	% Change FY2023 - FY2024
Sundry payables	2,458,940	2,326,848	362,468	733,644	+5.7%	+542.0%	-50.6%
Total non-financial liabilities	2,614,538	2,425,073	416,942	788,444	+7.8%	+481.6%	-47.1%
Total Other Liabilities	3,347,167	3,192,689	1,069,912	1,509,576	+4.8%	+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 four-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.

FY2025 to FY2026 (increase of ETB 154,478 thousand, +4.8%): The increase was driven mainly by Sundry Payables, which increased from ETB 2,326,848 thousand to ETB 2,458,940 thousand (+ETB 132,092 thousand, +5.7%; 85.5% of the net movement), and by Tax and Other Obligations, which rose from ETB 98,225 thousand to ETB 155,598 thousand (+ETB 57,373 thousand, +58.4%). Banking Instruments Payables increased from ETB 98,059 thousand to ETB 109,990 thousand (+12.2%). These increases were partly offset by a decline in Lease Liability from ETB 573,032 thousand to ETB 530,059 thousand (−7.5%), as lease payments of ETB 118,093 thousand and lease modifications of ETB 77,122 thousand exceeded additions of ETB 137,094 thousand and interest of ETB 15,149 thousand, and by a reduction in Unearned Income from ETB 96,525 thousand to ETB 92,580 thousand (−4.1%).

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%, and to ETB 4.03 billion in 2026, reflecting an increase of ETB 2.52 billion or 167.0%. The growth reflects increased trade finance activities and higher volumes of import-related transactions.

D. Inter Bank Money Market Borrowings

The Bank had Inter Bank Money Market borrowings of ETB 4.21 billion at 30 June 2026 (30 June 2025: nil), representing 6.0% of total liabilities. According to the audited financial statements, the balance represents short-term unsecured interbank loans obtained from financial institutions through money market operations at interest rates ranging from 12% to 16% per annum for a maximum of seven days, to support the Bank's daily liquidity requirements. The balance comprises borrowings of ETB 4,200.0 million and accrued interest of ETB 6.3 million, and the Note 22c reconciliation records no settlements during the year. Interest on borrowings

from domestic banks rose from ETB 194.9 million in FY2025 to ETB 340.3 million in FY2026 (+74.5%). Accordingly, the Bank had no outstanding borrowings at 30 June 2025 but ETB 4.21 billion of short-term interbank borrowings at 30 June 2026.

E. Other Statement of Financial Position Liabilities

Due to banks and other institutions increased from ETB 287.3 million to ETB 379.9 million (+32.2%), principally ATM settlement balances (ETB 286.1 million at 30 June 2026). The balance comprises interbank settlement accounts (cheque clearing inward, ATM settlement on-us and mobile fund transfer on-us) and does not include borrowings. Current tax liabilities increased from ETB 448.6 million to ETB 786.4 million (+75.3%), reflecting the higher FY2026 current income tax charge (ETB 1,011.0 million, against ETB 450.3 million in FY2025) after income tax paid of ETB 448.6 million and advance profit tax paid of ETB 225.2 million. Provisions rose from ETB 301.1 million to ETB 366.6 million (+21.8%), comprising bonus payable of ETB 259.4 million and leave pay of ETB 107.3 million, and retirement benefit obligations (severance pay) rose from ETB 194.2 million to ETB 230.1 million (+18.5%) after a charge of ETB 52.1 million and benefits paid of ETB 15.0 million. Deferred tax liabilities increased from ETB 32.5 million to ETB 342.9 million, reflecting deferred tax liabilities on the fair value gain on equity investments (ETB 253.5 million, taken to equity) and on property and equipment (ETB 190.5 million, up from ETB 90.7 million), net of deferred tax assets on annual leave provisions and post-employment benefits (ETB 101.2 million); the audited financial statements state that the Bank reassessed the application of IAS 12 during the year and that comparative information was not restated.

7.3.2.3 Equity Analysis

Table 109: Equity Analysis

Item (ETB '000)	FY2026	FY2025	FY2024	FY2023	% Change FY2025 -FY 2026	% Change FY2024 -FY202 5	% Change FY2023 -FY202 4
Share capital	6,328,419	4,286,885	3,447,898	3,350,433	+47.6%	+24.3%	+2.9%
Share premium	28,504	18,628	16,372	15,847	+53.0%	+13.8%	+3.3%
Retained earnings	1,894,312	1,045,836	681,088	196,394	+81.1%	+53.6%	+246.8%
Legal reserve	2,494,622	1,677,627	1,153,737	856,684	+48.7%	+45.4%	+34.7%
Other reserve	557,891	382,940	310,080	206,983	+45.7%	+23.5%	+49.8%
Regulatory risk reserve	1,585,196	1,128,204	604,020	403,104	+40.5%	+86.8%	+49.8%
Total Equity	12,888,943	8,540,120	6,213,195	5,029,445	+50.9%	+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

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(+ETB 524.2 million, +86.8%), reflecting the significant increase in impairment provisions and provisioning requirements associated with the growing loan book.

FY2025 to FY2026: Share capital increased by ETB 2,041.5 million (+47.6%) from ETB 4,286.9 million to ETB 6,328.4 million, following the issue of 2,041,534 new shares, and share premium increased by ETB 9.9 million to ETB 28.5 million. Retained earnings increased from ETB 1,045.8 million to ETB 1,894.3 million (+ETB 848.5 million, +81.1%); the closing balance equals the dividend of ETB 1,894.3 million recommended by the Board for FY2025/26, which remains subject to shareholder approval, consistent with the carrying of the FY2024 and FY2025 dividends in retained earnings ahead of payment. During the year the FY2025 dividend of ETB 1,045.8 million was paid, ETB 817.0 million (25.0% of profit for the year) was transferred to the Legal Reserve, ETB 457.0 million to the Regulatory Risk Reserve and ETB 23.2 million to Other Reserve (fair value gain on investment property), and prior-period tax of ETB 75.0 million and the directors' share of profit of ETB 1.5 million were charged to retained earnings. Legal Reserve grew from ETB 1,677.6 million to ETB 2,494.6 million (+ETB 817.0 million, +48.7%). The Regulatory Risk Reserve increased from ETB 1,128.2 million to ETB 1,585.2 million (+ETB 457.0 million, +40.5%). Other Reserve increased from ETB 382.9 million to ETB 557.9 million (+ETB 175.0 million, +45.7%), comprising ETB 151.8 million of other comprehensive income recorded in the statement of changes in equity and the ETB 23.2 million transfer. Total equity increased by ETB 4,348.8 million (+50.9%) to ETB 12,888.9 million, reflecting net capital contributions of ETB 2,051.4 million, profit for the year of ETB 3,268.0 million and other comprehensive income of ETB 151.8 million, less dividends paid of ETB 1,045.8 million, prior-period tax of ETB 75.0 million and the directors' share of profit of ETB 1.5 million.

Table 110: Summary Statement of Financial Position (As at 30 June 2026)

Assets	Jun 30, 2026	Jun 30, 2025	Growth (%)
(ETB '000)			
Cash and Balances with Banks	14,936,929	7,323,476	103.96%
Due from **Banks & Financial Institutions**	708,618	866,669	(18.24%)
Loans and Advances to Customers	46,649,659	34,648,277	34.64%
Investment Securities (amortised cost and FVTOCI)	7,693,658	6,956,850	10.59%
Other Assets (incl. Inventory, Assets Held for Sale and Investment Property)	6,431,216	3,130,782	105.42%
Restricted Fund Balance	3,064,900	3,354,900	(8.64%)
Property and Equipment (incl. Right-of-use and Intangible Assets)	2,987,888	2,677,905	11.58%
Total Assets	82,472,868	58,958,859	39.88%

Table 111: Liabilities and Equity

Liabilities & Equity	Jun 30, 2026	Jun 30, 2025	Growth (%)
(ETB '000)			
Deposits from Customers	55,897,406	44,454,019	25.74%
Borrowings (Inter Bank Money Market)	4,206,312	-	n/m
Other Liabilities **(incl. Due to Banks, Margins, Tax, Provisions and Retirement Benefits)**	9,480,207	5,964,720	58.94%
Total Liabilities	69,583,925	50,418,739	38.01%
Total Equity	12,888,943	8,540,120	50.92%

Liabilities & Equity	Jun 30, 2026	Jun 30, 2025	Growth (%)
Total Liabilities and Equity	82,472,868	58,958,859	39.88%

As at 30 June 2026, Berhan Bank S.C.'s total assets increased by 39.9% compared to June 2025, mainly driven by growth in loans and advances to customers, cash and balances with banks and other operating assets.

Loans and advances increased by 34.64% to ETB 46.65 billion, reflecting continued credit expansion and increased financing activities across multiple sectors of the economy. Customer deposits also increased by 25.74% to ETB 55.90 billion, remaining the Bank's primary funding source and supporting balance sheet growth. The Bank also held ETB 4.21 billion of short-term interbank money market borrowings at 30 June 2026 (nil at 30 June 2025).

Total shareholders' equity increased by 50.92%, supported mainly by the issue of new shares (ETB 2.04 billion of share capital and ETB 9.9 million of share premium) and the retention of profit for the year within retained earnings and reserves. 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 earnings into liquidity.

Table 112: Statement of Cash Flows

Item	FY 2025/26	FY 2024/25	FY 2023/24	FY 2022/23
(ETB '000)				
Cash flows from operating activities	-	-	-	-
Profit before tax	4,336,098	2,511,080	1,507,785	605,235
Adjustment for:	-	-	-	-
Loan impairment charges	93,274	(22,528)	(144,207)	207,763
Impairment losses on other assets	251,291	15,293	77,291	103,386
Amortization of right-of-use assets	364,473	343,927	317,681	-
Amortization of intangible assets	6,513	4,165	3,784	3,773
Depreciation and impairment of PPE	136,945	98,188	79,456	367,536
Impairment Loss (Gain) Asset Held for Sale	(540)	170	45	100
Allowance for Inventory Write-Down	77	-	589	15
Gain on disposal of property, plant and equipment (net)	(48,456)	(46,322)	(172,550)	(2)
Gain from reversal of impairment allowance	(219)	(320)	(71)	(157)
Interest Expense on Lease Liability	15,149	45,780	42,336	39,958
Retirement benefit obligations - charge for the year	52,130	42,002	-	-
Payment of Severance Benefit	-	-	(13,026)	(17,975)
Gain/Loss on Lease Modification(net)	2,753	(2,558)	-	(42)
Write off Expense	-	22,628	-	-
Other Non-Cash Income	(62)	(832)	-	-
Fair value gain/(loss) on investment property	(28,068)	-	-	-
Operating profit before working capital changes	5,181,356	3,010,673	1,699,113	1,309,590
Cash flow from operations before changes in working capital	-	-	-	-
Decrease (increase) in loans and advances excluding provision	(12,094,656)	(5,155,451)	(1,927,445)	(6,714,520)

Item	FY 2025/26	FY 2024/25	FY 2023/24	FY 2022/23
Decrease (increase) in non-current asset held for sale	209,661	(23,200)	(156,645)	0
Decrease (increase) in other assets	(3,721,951)	(1,488,678)	(158,998)	(321,089)
Decrease (increase) in investment property - building	(11,238)	-	-	-
Decrease (increase) in restricted fund balances	290,000	(805,200)	(139,000)	(575,000)
Increase (decrease) in deposits	11,443,387	7,601,826	3,069,899	7,755,019
Increase (decrease) in margin held account	2,518,755	940,344	202,719	(89,031)
Increase (decrease) in other liabilities	257,844	2,157,769	(406,221)	47,447
Decrease (increase) in inventory	984	36,258	(74,454)	(35,800)
Decrease (increase) in due from banks and other financial institutions	158,051	70,718	2,782,532	(2,850,626)
Increase (decrease) in provisions	65,571	51,034	184,975	(37,253)
Increase (decrease) in due to banks and other institutions	92,541	(290,670)	(2,940,390)	3,173,252
Increase (decrease) in retirement benefit obligations - charge for the year	-	-	34,772	28,870
Decrease in impairment provision Allowance	-	(42,213)	0	-
Net working capital movement	(791,051)	3,052,537	471,744	381,269
Cash generated from operations	-	-	-	-
Payment of Severance Benefit (shown after working capital changes)	(15,016)	(14,815)	-	-
Withholding Tax Paid	(225,199)	(1,730)	(1,164)	(115)
Profit tax Paid	(448,597)	(286,389)	(79,077)	(94,538)
Prior Period Tax	(50,295)	-	(9,154)	(34,918)
Net cash flow from operating activities	3,651,198	5,760,276	2,081,462	1,561,288
Cash flows from investing activities	-	-	-	-
Purchase of Property and Equipment	(473,439)	(231,874)	(260,240)	(861,694)
Purchase of Intangible Assets	(17,553)	(25,835)	0	0
Acquisition of the right-of-use asset	(359,260)	(381,816)	(389,487)	-
Investment in NBE bills and bonds	(303,748)	(2,744,668)	228,677	(533,034)
Investment in Shares	(53,306)	(44,509)	(37,497)	(30,519)
Proceeds from sale of property and equipment	77,484	72,109	217,698	44
Net cash flow from investing activities	(1,129,823)	(3,356,593)	(240,849)	(1,425,203)
Cash flows from financing activities	-	-	-	-
Ordinary Shares Issued	2,041,534	838,987	97,465	191,408
Share Premium Received	9,876	2,256	525	2,215
Dividends paid	(1,045,836)	(681,088)	(196,394)	(235,631)
Increase (Decrease) Borrowings	-	0	(559,028)	559,028
Increase (decrease) in Inter Bank Money Market	4,206,312	-	-	-
Principal Lease Payment	(118,093)	(78,549)	(75,927)	(62,369)
Director's Share of Profit	(1,500)	(1,650)	0	(1,425)
Net cash flow from financing activities	5,092,293	79,956	(733,359)	453,226
Net change in cash and cash equivalents	7,613,668	2,483,639	1,107,254	589,311
Cash and cash equivalents at the beginning of the year	7,323,707	4,840,068	3,732,813	3,143,500
Cash and cash equivalents at the end of the year	14,937,375	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.

In 2026, net cash generated from operating activities decreased to ETB 3.65 billion, a decrease of ETB 2.11 billion or 36.6% compared with 2025, even though profit before tax increased from ETB 2.51 billion to ETB 4.34 billion (+72.7%). Cash flow from operations before changes in working capital rose from ETB 3.01 billion to ETB 5.18 billion (+72.1%), but the net working capital movement swung from an inflow of ETB 3.05 billion in 2025 to an outflow of ETB 0.79 billion in 2026. Customer deposits increased by ETB 11.44 billion in 2026 compared to ETB 7.60 billion in 2025 and margin accounts by ETB 2.52 billion compared to ETB 0.94 billion, providing the main sources of liquidity, whereas other liabilities contributed ETB 0.26 billion compared to ETB 2.16 billion in 2025.

These inflows were more than offset by increased lending activity, as loans and advances expanded by ETB 12.09 billion in 2026 compared to ETB 5.16 billion in 2025, and other assets absorbed ETB 3.72 billion (2025: ETB 1.49 billion). A decrease in restricted fund balances provided ETB 290.0 million in 2026 compared to an absorption of ETB 805.2 million in 2025. Tax payments comprised profit tax of ETB 448.6 million, withholding tax of ETB 225.2 million and prior-period tax of ETB 50.3 million (2025: profit tax of ETB 286.4 million and withholding tax of ETB 1.7 million).

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.

Net cash used in investing activities decreased from an outflow of ETB 3.36 billion in 2025 to an outflow of ETB 1.13 billion in 2026, an improvement of ETB 2.23 billion or 66.3%. The decrease was primarily driven by lower investment in NBE bills and bonds, which fell from ETB 2.74 billion in 2025 to ETB 303.7 million in 2026. Purchases of property and equipment rose from ETB 231.9 million to ETB 473.4 million (+104.2%), while acquisition of right-of-use assets (ETB 359.3 million), investment in shares (ETB 53.3 million) and purchases of intangible assets (ETB 17.6 million) continued, partly offset by proceeds from the sale of property and equipment of ETB 77.5 million.

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.

In 2026, net cash from financing activities increased to an inflow of ETB 5.09 billion from an inflow of ETB 80.0 million in 2025, an improvement of ETB 5.01 billion or 6,268.9%. The inflow was driven by Inter Bank Money Market borrowings of ETB 4.21 billion and the issuance of new shares of ETB 2.04 billion (together with share premium of ETB 9.9 million), partially offset by dividend payments of ETB 1.05 billion, principal lease payments of ETB 118.1 million and the directors' share of profit of ETB 1.5 million. The 2026 financing inflow therefore comprised both equity injections and short-term interbank borrowings, the latter being outstanding at 30 June 2026 (nil at 30 June 2025).

Overall, cash and cash equivalents increased by ETB 7.61 billion in 2026 (2025: ETB 2.48 billion), from ETB 7.32 billion at the beginning of the year to ETB 14.94 billion at 30 June 2026 (+104.0%), with the net operating inflow of ETB 3.65 billion and net financing inflow of ETB 5.09 billion more than covering the investing outflow of ETB 1.13 billion.

7.3.4 Summary of Audited Statement of P/L and OCI

Table 113: Summary of Audited statement (For the Year Ended 30 June 2026)

Particulars	Jun, 30 2026	Jun,30 2025	Growth (%)
(ETB '000)			
Interest Income	8,661,627	6,058,457	42.97%
Interest Expense	(2,881,943)	(2,107,561)	36.74%
Net Interest Income	5,779,684	3,950,896	46.29%
Fee and Commission Income	3,873,356	2,351,938	64.69%
Fee and Commission Expense	(418,181)	(264,096)	58.34%
Net Fee and Commission Income	3,455,175	2,087,842	65.49%
Other Operating Income	2,053,833	1,900,602	8.06%
Total Operating Income	11,288,692	7,939,340	42.19%
Loan Impairment Charge	(93,274)	22,528	N/A
Impairment Loss on Other Financial Assets	(251,291)	(15,293)	1,543.18%
Net Operating Income	10,944,127	7,946,575	37.72%
Total Operating Expenses	(6,608,029)	(5,435,495)	21.57%
Profit Before Tax	4,336,098	2,511,080	72.68%
Income Tax Expense	(1,068,114)	(415,521)	157.05%
Profit for the Period	3,267,983	2,095,559	55.95%
Basic Earnings Per Share (ETB)	575.80	546.97	5.27%

For the year ended 30 June 2026, Berhan Bank S.C. recorded continued growth in revenue generation and profitability compared to the previous financial year. Total operating income increased by 42.19% to ETB 11.29 billion, primarily driven by growth in interest income and fee-based income streams.

Net interest income increased by 46.29%, reflecting expansion in the Bank's lending activities and earning asset portfolio. In addition, net fee and commission income increased by 65.49% 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 4.34 billion from ETB 2.51 billion in the previous year, while profit after tax reached ETB 3.27 billion, representing growth of 55.95%. The increase in profitability was achieved despite higher operating expenses associated with branch expansion, personnel costs, technology investments, and operational scaling. Total operating expenses increased by 21.57% to ETB 6.61 billion, of which personnel expenses increased by 31.54%. Profit after tax grew more slowly than profit before tax (growth of 72.68%) because income tax expense rose to ETB 1.07 billion, an effective tax rate of 24.63% compared with 16.55% in the previous year.

The Bank also reported improvement in earnings per share, which increased from ETB 546.97 to ETB 575.80 (an increase of 5.27%), reflecting enhanced earnings generation during the year. The increase in earnings per share was lower than the growth in profit because the weighted average number of ordinary shares increased from 3,831,194 to 5,675,562 (Note 28).

Table 114: Summary Statement of Cash Flows (For the Year Ended 30 June 2026)

Particulars	Jun 30, 2026	Jun 30, 2025
(ETB '000)		
Net Cash Generated from Operating Activities	3,651,198	5,760,276
Net Cash Used in Investing Activities	(1,129,823)	(3,356,593)
Net Cash Generated from Financing Activities	5,092,293	79,956
Net Increase in Cash and Cash Equivalents	7,613,668	2,483,639
Cash and Cash Equivalents at Beginning of Period	7,323,707	4,840,068
Cash and Cash Equivalents at End of Period	14,937,375	7,323,707

The Bank generated positive operating cash flow of ETB 3.65 billion during the reporting period (FY2024/25: ETB 5.76 billion), supported by growth in deposits, operating profitability, and expansion in customer transactions.

Net cash from operating activities decreased by 36.6% compared with FY2024/25, although cash flow from operations before changes in working capital increased to ETB 5.18 billion from ETB 3.01 billion. The movement reflects the larger net increase in loans and advances (ETB 12.09 billion, compared with ETB 5.16 billion in FY2024/25) and the increase in other assets (ETB 3.72 billion, compared with ETB 1.49 billion), partly offset by an increase in customer deposits of ETB 11.44 billion (FY2024/25: ETB 7.60 billion).

Investment cash outflows of ETB 1.13 billion primarily related to purchases of property and equipment (ETB 473.4 million), acquisitions of right-of-use assets (ETB 359.3 million), investments in NBE bills and bonds (ETB 303.7 million), and other strategic operational assets. Financing cash flows of ETB 5.09 billion mainly reflected the issue of ordinary shares (ETB 2.04 billion) and net interbank money market borrowings (ETB 4.21 billion), partly offset by dividends paid (ETB 1.05 billion) and principal lease payments (ETB 118.1 million) during the reporting period.

The Bank maintained positive cash and cash equivalent balances throughout the financial year, with cash and cash equivalents increasing from ETB 7.32 billion to ETB 14.94 billion at 30 June 2026, 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, as disclosed in Note 30 of the audited financial statements for the year ended 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 115: 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)	Jun 30, 2026 % of Cap	Jun 30, 2026 % of Assets	YoY Growth
Letters of Guarantee (6 types)	13,224	308.5%	22.4%	16,535	261.3%	20.0%	+25.0%
Letters of Credit (net of margin paid)	1,939	45.2%	3.3%	5,389	85.1%	6.5%	+177.9%
Loans Approved but Not Disbursed	310	7.2%	0.5%	390	6.2%	0.5%	+25.8%
Total Contingent Liabilities and Commitments	15,473	360.9%	26.2%	22,314	352.6%	27.1%	+44.2%
Margins Held on LCs (cash collateral)	1,508	35.2%	2.6%	4,027	63.6%	4.9%	+167.0%

Paid-up Capital (Jun 2025): ETB 4,286,885 thousand; (Jun 2026): ETB 6,328,419 thousand. Total Assets (Jun 2025): ETB 58,958,858 thousand; (Jun 2026): ETB 82,472,868 thousand. Letters of Guarantee, Letters of Credit (shown net of margin paid), Loans Approved but Not Disbursed and the totals for 30 June 2025 and 30 June 2026 are sourced from Note 30b of the audited financial statements for the year ended 30 June 2026; margins held on letters of credit are sourced from the statement of financial position (Note 22). The classification of guarantees by type (Table 116) and the gross letters of credit portfolio analysis (Table 117) are unaudited management information derived from the Bank's Guarantee Portfolio and LC records.

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, as disclosed in Note 30b of the audited financial statements, grew to ETB 16,535.3 million, representing 261.3% of the Bank's paid-up capital of ETB 6,328.4 million and 20.0% of total assets of ETB 82,472.9 million, and 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 116: 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. At June 2026 this category comprised retention guarantees of ETB 289.1 million and guarantees covered by a counter-guarantee from a foreign bank of ETB 9.7 million.

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.

According to unaudited management information, 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.

The audited financial statements (Note 30b) disclose commitments on letters of credit, net of margin paid, of ETB 5,388.5 million as at 30 June 2026 (30 June 2025: ETB 1,939.0 million), an increase of 177.9%, and the statement of financial position shows margins held on letters of credit of ETB 4,027.1 million (30 June 2025: ETB 1,508.3 million), an increase of 167.0%. The audited amounts are the basis of Table 115; the gross portfolio analysis in Table 117 is unaudited management information.

Table 117: 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%
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 30 June 2026, according to management information, the aggregate outstanding balance of the top ten borrowers amounted to ETB 6,607.06 million (ETB 6.61 billion), representing approximately 13.76% of the total gross loan portfolio of ETB 48,009.39 million as at 30 June 2026 (13.87% of the audited gross loans and advances of ETB 47,639.96 million). 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. One exposure, Borrower 4 (ETB 637.88 million), is classified as "Loss". The Bank has recognised an expected credit loss allowance of ETB 542.02 million against this exposure (85.0% of the exposure) in accordance with IFRS 9 and, considering that recovery is remote, has written off the loan.

Table 118: Top Ten Borrowers (as at 30 June 2026)

Borrower	Outstanding Balance (ETB Million)	% of Gross Loan Portfolio (June 2026)	Loan Classification
Borrower 1	1,269.47	2.64%	Pass
Borrower 2	727.04	1.51%	Pass
Borrower 3	701.50	1.46%	Pass
Borrower 4	637.88	1.33%	Loss
Borrower 5	636.62	1.33%	Pass
Borrower 6	623.03	1.30%	Pass
Borrower 7	584.92	1.22%	Pass
Borrower 8	490.79	1.02%	Pass
Borrower 9	469.30	0.98%	Pass
Borrower 10	466.51	0.97%	Pass
Total Top 10	6,607.06	13.76%	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 the 30 June 2026 gross loan balance of ETB 48,009.39 million as the denominator. The top ten borrower data and the 30 June 2026 gross loan balance are management information; they are not part of the audited financial statements. Audited gross loans and advances at 30 June 2026 were ETB 47,639.96 million (a difference of ETB 369.43 million).

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.

Loans Approved but Not Disbursed and Capital Commitments: As disclosed in Note 30 of the audited financial statements, loans approved but not disbursed amounted to ETB 389.9 million as at 30 June 2026 (30 June 2025: ETB 310.0 million), bringing total contingent liabilities and commitments (guarantees, letters of credit net of margin paid, and loans approved but not disbursed) to ETB 22,313.7 million (30 June 2025: ETB 15,472.8 million), an increase of 44.2%. Capital commitments not provided for in the financial statements amounted to ETB 93.5 million as at 30 June 2026 (30 June 2025: ETB 115 million) for the purchase of various capital items.

7.5 Non – Financial Indicators

Table 119: Non – Financial Indicators

Item	FY 2025/26	FY 2024/25	FY 2023/24	FY 2022/23
Number of Branches	375	376	383	366
Customer Base	N/A	2,900,396	2,589,039	2,047,822
Number of ATMs	172	183	167	121
Number of POS Terminals	21	226	301	301

Berhan Bank S.C.'s physical and digital service channels displayed varied trends over the period from 2023 to June 2026. 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 376 in 2025 and stood at 380 as at October 2026. 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, before declining to 172 as at October 2026, a 6.0% decrease. Conversely, POS terminals remained stagnant at 301 units between 2023 and 2024 before declining to 226 units in 2025, representing a 25% decrease, which aligns with the bank's efforts to reduce redundancy in underperforming service points, and stood at 21 actively operating units as at October 2026, a 90.7% decrease on 2025, because the Bank shifted its strategy on POS terminals, as its machines were found to be slow and outdated compared with those of its competitors.

The non-financial indicators above are stated as at October 2026 for branches, ATMs and POS terminals and as at 30 June 2025 for the customer base and are not part of the audited financial statements for the year ended 30 June 2026.

7.6 Key Financial Ratios

Table 120: Key Financial Ratios

Indicator	FY 2025/26	FY 2024/25	FY 2023/24	FY 2022/23
Key Performance Indicator				
Return on Assets (RoA)	3.96%	3.55%	3.28%	1.34%

Indicator	FY 2025/26	FY 2024/25	FY 2023/24	FY 2022/23
Basic Earnings Per Share	576	547	350	156
Net Return on Equity	25.35%	24.54%	20.08%	6.03%
Dividend Per Share	334	273	201	60
Payout Ratio	57.97%	49.91%	57.30%	38.60%
Asset Quality				
NPL Ratio	5.92% (Stage 3 basis)	6.45% (4.78% as previously reported)	6.49% (4.98% as previously reported)	6.24% (5.75% as previously reported)
Gross Loans & Advances	47,639,955	35,545,299	30,818,490	28,891,045
Capital & Solvency				
Capital Adequacy Ratio	17.00%	16.00%	17.00%	18.00%
Paid-Up Capital	6,328,419	4,286,885	3,447,898	3,350,433
Efficiency				
Cost-to-Income Ratio	60.38%	68.40%	67.06%	80.73%
Staff Turnover Rate	n/a	5.00%	6.60%	14.10%
Total Branch Network	375	376	383	366

Basis of calculation of the ratios in Table 120. The FY2025/26 and FY2024/25 ratios are calculated from the audited financial statements as follows: return on assets is profit after tax divided by year-end total assets (FY2025/26: ETB 3,267,983 thousand ÷ ETB 82,472,868 thousand = 3.96%; FY2024/25: 3.55%); net return on equity is profit after tax divided by year-end total equity (25.35%; 24.54%); the cost-to-income ratio is total operating expenses divided by net operating income (FY2025/26: ETB 6,608,029 thousand ÷ ETB 10,944,127 thousand = 60.38%; the FY2024/25, FY2023/24 and FY2022/23 ratios of 68.40%, 67.06% and 80.73% are on the same basis); the NPL ratio is Stage 3 loans divided by gross loans and advances (Section 7.2.5); the capital adequacy ratio is described in Section 7.1.6; dividend per share, earnings per share and the payout ratio are calculated as set out in the notes to Table 75; and the loan-to-deposit ratio is net loans and advances divided by customer deposits (83.46% at 30 June 2026). The return on assets and return on equity shown for FY2023/24 (3.28% and 20.08%) and FY2022/23 (1.34% and 6.03%) are carried forward from the Bank's earlier ratio schedules and are not on the basis described above: the return on assets for those two years equals profit before tax divided by year-end total assets (ETB 1,507,785 thousand ÷ ETB 46,021,507 thousand = 3.28%; ETB 605,236 thousand ÷ ETB 45,045,220 thousand = 1.34%). Calculated on the same basis as FY2025/26 (profit after tax divided by year-end balances), return on assets was 2.58% in FY2023/24 and 1.13% in FY2022/23, and return on equity was 19.12% and 10.11% respectively; the improvement in profitability over the four years is therefore smaller than the unadjusted series suggests.

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 547 ETB in 2025, a 56.3% 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 49.91% in 2025, reflecting the larger mandatory transfer to the Regulatory Risk Reserve (Section 5.4.10) rather than a discretionary decision to retain more profit.

In FY 2025/26 the Return on Assets (RoA) improved to 3.96% from 3.55% and the Net Return on Equity (RoE) to 25.35% from 24.54%, reflecting profit for the year of ETB 3.27 billion (55.9% growth). Basic Earnings per Share (EPS) rose to 576 ETB, a 5.3% growth over 547 ETB in 2025, lower than the growth in profit because the weighted average number of ordinary shares increased from 3,831,194 to 5,675,562. Dividend per Share (DPS) rose to 334 ETB (2025: 273 ETB), a 22.3% increase, and the Payout Ratio increased to 57.97% on the Board's recommended dividend of ETB 1,894.3 million, which is subject to shareholder approval.

Asset Quality and Solvency Standards

The Bank's credit risk profile is summarised below. The Non-Performing Loan (NPL) Ratio is presented on a single basis, non-performing (Stage 3) loans as a percentage of gross loans and advances: 6.24% at 30 June 2023, 6.49% at 30 June 2024, 6.45% at 30 June 2025 and 5.92% at 30 June 2026 (Stage 3 loans of ETB 2,822.4 million on gross loans of ETB 47,639.96 million). The ratio was above the NBE regulatory maximum of 5.0% at each date, and at 30 June 2026 it was 53 basis points lower than at 30 June 2025 and 92 basis points above the maximum. The ratios previously reported by the Bank for 30 June 2023, 2024 and 2025 (5.75%, 4.98% and 4.78%) were not calculated on this basis and are not comparable with the Stage 3 ratios; the Bank has confirmed that its definition of non-performing loans has not changed. The total loan impairment allowance was ETB 990.3 million, equivalent to 35.1% of Stage 3 loans (30 June 2025: ETB 897.0 million, 39.1%). 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 35.55 billion ETB in 2025, a 15.3% growth, and to 47.64 billion ETB in 2026, a 34.0% growth, indicating a growing focus on lending as a primary income source. Conservatively, the loan-to-deposit ratio (net loans to customer deposits) slightly decreased from 80.95% in 2023 to 77.94% in 2025 and increased to 83.46% in 2026, remaining 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% and, at June 30, 2026, 17% as reported in the audited financial statements (16.46% as computed from the capital base of ETB 10,436.7 million and risk-weighted assets of ETB 63,421.2 million), which remains above the 11% regulatory floor (the ratio reported to the NBE at 30 June 2026 was 11.73%, 0.73 percentage points above the floor), which is the buffer available to absorb operational and credit losses.

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. In the 2026 fiscal year, paid-up capital reached 6.33 billion ETB, an increase of 47.6%, reflecting ordinary shares issued during the year of ETB 2.04 billion, alongside a 39.9% expansion in total assets.

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. In 2026, total equity reached 12.89 billion ETB, an increase of 50.9%, reflecting profit for the year of 3.27 billion ETB and ordinary shares issued of 2.04 billion ETB, partly offset by dividends paid of 1.05 billion ETB.

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 68.40% in 2025, and improved to 60.38% in 2026. This is

due to an increase in operating expenses due to inflation and expansion, and the bank's income generation outpaces cost growth; in 2026 net operating income grew by 37.7% while total operating expenses grew by 21.6%. 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 80% of total liabilities at 30 June 2026 (30 June 2025: approximately 88%). 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%, and 55.90 billion ETB in 2026, a further growth of 25.7%. This expansion was largely driven by savings deposits, which accounted for 84% of the increase in 2025 and 61% of the increase in 2026. By focusing on a stable, low-cost deposit base, the Bank financed its loan portfolio without relying on external borrowings up to 30 June 2025. This debt-free position at that date reduced high-interest costs and enhanced the Bank's financial autonomy. During FY2025/26 the Bank also drew short-term unsecured interbank money market borrowings, with a balance of ETB 4.21 billion at 30 June 2026 (30 June 2025: nil).

B. Equity Capital and Recapitalization Strategy

Table 121: Equity

Capital Structure (ETB '000)	FY 2025/26	FY 2024/25	FY 2023/24	FY 2022/23
Legal Reserve	**2,494,622**	1,677,627	1,153,737	856,684
Other Reserve	**557,891**	382,940	310,080	206,983
Regulatory Risk Reserve	**1,585,196**	1,128,204	604,020	403,104
Share Capital	6,328,419	4,286,885	3,447,898	3,350,433
Share Premium	28,504	18,628	16,372	15,847
Retained Earnings	1,894,312	1,045,836	681,088	196,394
Total Equity	12,888,943	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. In FY 2025/26 paid-up capital rose further to ETB 6.33 billion, an increase of 47.6%, following the issue of ordinary shares of ETB 2.04 billion during the year.

- **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) and ETB 4.64 billion in FY 2025/26 (45.4% growth). Notably, retained earnings grew from ETB 196 million in 2023 to ETB 1.05 billion in 2025 and ETB 1.89 billion in 2026 (the Board has recommended a dividend of ETB 1,894.3 million for FY2025/26, subject to shareholder approval), 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 17% as of June 2026 (16% as of June 2025), which is well above 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 and moderating to 19.26% at 30 June 2026 (NBE return). Both ratios are above the 15% regulatory floor. A key component of this liquidity management is the Bank's ETB 6.7 billion investment in secure government bonds and treasury bills, which grew by 4.8% in FY 2025/26 (FY 2024/25: 76.1%).

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.

Before the new headquarters is built, the Bank is constructing a transitional head office at the Goma Kuteba site, Addis Ababa (Table 57). The budget for the transitional head office is ETB 1.1 billion, the project is scheduled to run from June 2026 to September 2028, and it is to be funded from maturing bonds. At 30 June 2026, construction in progress of ETB 30.5 million had been recognised for it (Note 21 to the audited financial statements).

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.

In each of the three financial years to 30 June 2025, the Bank maintained its liquidity ratio, calculated on the NBE return as liquid assets divided by net current liabilities, above the minimum of 15% prescribed by the National Bank of Ethiopia (NBE), and reported a liquidity ratio of 19.26% at 30 June 2026. This sustained performance reflects the Bank's prudent liquidity management practices, stable deposit base.

Details of the Bank's liquidity ratios for the three financial years to 30 June 2025, as reported to the NBE, are presented in Table 122. The liquidity ratio reported to the NBE at 30 June 2026 was 19.26% against the 15% minimum; the detailed NBE liquidity return at 30 June 2026 is not reproduced in Table 122 and is not part of

the audited financial statements; Table 122A presents the Bank's liquid assets and liabilities falling due within twelve months at 30 June 2026 and 30 June 2025 from the audited financial statements. That table is not the NBE liquidity ratio.

Table 122: Berhan Bank S.C. Liquidity Requirement Report (FY2022/23 to FY2024/25, as reported to the NBE)

No.	Description	FY 2022/23	FY 2023/24	FY 2024/25
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 its liquidity ratio above the 15% statutory requirement in each of the three financial years to 30 June 2025. The **Liquidity Ratio** improved from 21.02% in 2023 to 21.16% in 2024, and saw a more increase to 23.69% in 2025. At 30 June 2026 the ratio was 19.26%, a decrease of 4.43 percentage points on 2025, and remained above the minimum. The 15% minimum is prescribed 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.

As at 30 June 2026, gross cash and balances with banks amounted to ETB 14.94 billion, compared with ETB 7.32 billion at 30 June 2025 (an increase of 104.0%), comprising deposits with foreign banks of ETB 8.36 billion (2025: ETB 2.38 billion), placements with other institutions of ETB 4.00 billion (ETB 1.64 billion), cash in hand of ETB 2.45 billion (ETB 1.91 billion) and balances with the National Bank of Ethiopia of ETB 0.13 billion (ETB 0.39 billion); money market operations placements were nil (2025: ETB 1.01 billion). In addition, restricted fund balances held to meet NBE reserve requirements were ETB 3.06 billion (2025: ETB 3.35 billion). Table 122 presents the NBE liquidity requirement report up to 30 June 2025; the equivalent report at 30 June 2026 is not part of the audited financial statements; the liquidity ratio reported by the Bank to the NBE at 30 June 2026 was 19.26%.

Table 122A shows the Bank's liquid assets and the financial liabilities falling due within twelve months at 30 June 2026, from the notes to the audited financial statements (Notes 6.4.2, 15 and 17). Liquid assets are

cash and balances with banks that are not restricted, plus bonds and bills classified as current. The table is not the NBE liquidity ratio, which is calculated on net current liabilities as shown in Table 122.

Table 122A: Liquid assets and liabilities due within twelve months (audited financial statements basis)

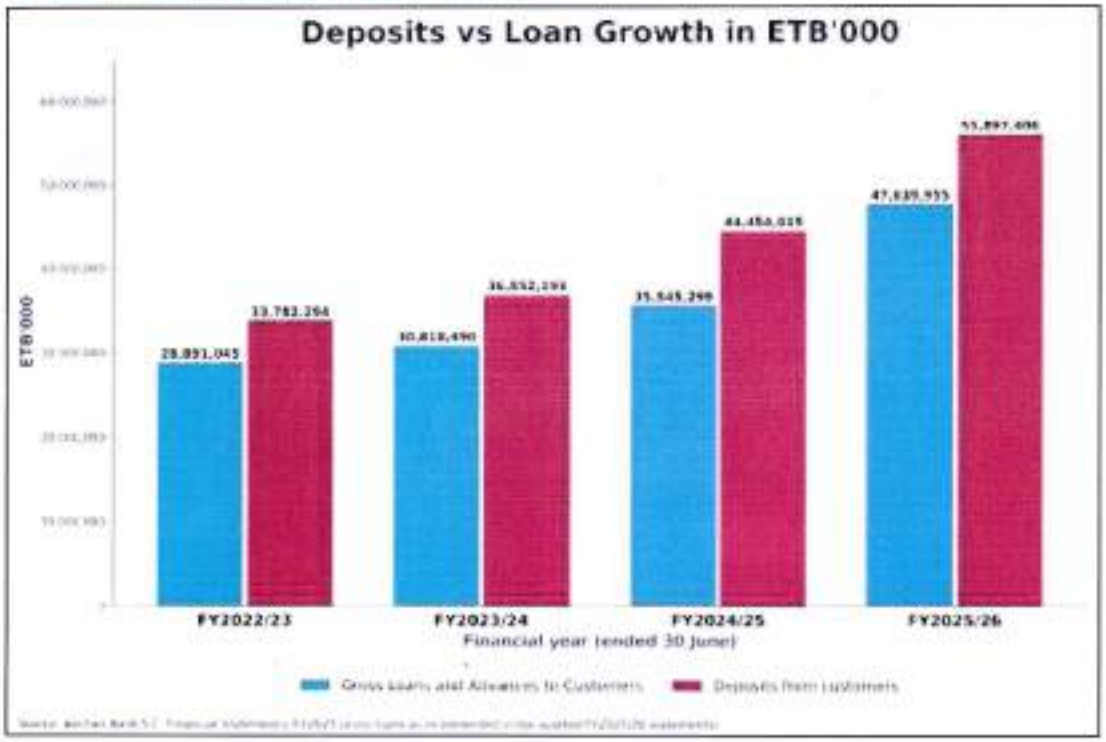
Cash in hand	2,445.1	1,905.8
Placements with other institutions	4,000.2	1,644.4
Deposits with foreign banks	8,360.8	2,382.7
Balance held with the National Bank of Ethiopia	131.3	385.1
Money market operations	–	1,005.8
Less: restricted fund balances (Note 15c)	(3,064.9)	(3,354.9)
Cash and balances with banks available (current)	11,872.5	3,968.8
Net bonds and bills at amortised cost (current, Note 17)	6,652.5	6,348.8
Liquid assets (audited financial statements basis)	18,525.0	10,317.6
Financial liabilities due within 30 days (Note 6.4.2)	9,802.2	4,464.8
Financial liabilities due in 31 to 365 days (Note 6.4.2)	12,973.0	8,902.0
Financial liabilities due within 12 months	22,775.2	13,366.8
Liquid assets as % of liabilities due within 12 months	81.3%	77.2%
Liquid assets as % of liabilities due within 30 days	189.0%	231.1%

Liabilities due within 30 days at 30 June 2026 include customer deposits of ETB 5,030.8 million, interbank money market borrowings of ETB 4,206.3 million (repayable between 2 and 7 July 2026) and due to banks of ETB 379.9 million. The audited maturity analysis allocates ETB 45,835.9 million of customer deposits to the period over one year, so liabilities due within twelve months exclude most demand and savings deposits.

- 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.
- In FY 2025/26 customer deposits grew by 25.7% to 55.90 billion ETB, comprising savings deposits of 34.37 billion ETB (25.4% growth), demand deposits of 14.81 billion ETB (11.8% growth) and time deposits of 6.72 billion ETB (76.5% growth).
- 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 as at 30 June 2025 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.
- During FY 2025/26 the Bank obtained short-term unsecured interbank loans through money market operations, with a balance of ETB 4.21 billion at 30 June 2026 (30 June 2025: nil), at interest rates of 12%-16% per annum for a maximum of seven days, to support the Bank's daily liquidity requirements (Note 22c). The Bank was therefore not debt-free at 30 June 2026 (see Section 7.9).
- 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 35.55 billion ETB, marking a year on year increase of 15.3%, and in 2026 it expanded to 47.64 billion ETB, a year on year increase of 34.0%. The growth in loans was supported by the 20.6% increase in deposits in 2025 and the 25.7% increase in 2026, ensuring that the bank maintained a manageable loan-to-deposit ratio (net

loans to customer deposits of 83.46% at 30 June 2026) 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 approximately 80% of total liabilities at 30 June 2026. From FY 2022/23 to FY 2025/26, total deposits rose from ETB 33.78 billion to ETB 55.90 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 principally by stable deposits rather than borrowings, supplemented in FY 2025/26 by short-term interbank money market borrowings of ETB 4.21 billion.

The planned headquarters project and other capital expenditures are expected to be financed through a combination of:

Settlement of prior investments in securities;

Table 123: 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
3	EGRD-Bond	5,000	8-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 25.7% to Birr 55.9 billion as of June 2026 from June 2025, 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 34.6% to Birr 46.6 billion from FY 2024/25 to FY 2025/26, 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 6.7 billion in bonds and bills in FY 2025/26 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 47.6% to Birr 6.3 billion in just a year period (FY 2024/25 to FY 2025/26), 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 64.7% rise in fee and commission income and an 8.1% 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, 2026, Berhan Bank maintained a sound working-capital position, supported by operating cash flows, high liquidity reserves, and a growing deposit base. The Bank generated ETB 3.65 billion in net cash from operating activities in FY 2025/26 (FY 2024/25: ETB 5.76 billion), after cash flow from operations before changes in working capital of ETB 5.18 billion (FY 2024/25: ETB 3.01 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 long-term external borrowings; short-term interbank money market borrowings of ETB 4.21 billion were outstanding at 30 June 2026 to support daily liquidity requirements.

Table 124: Working Capital Position

Particulars	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26
(ETB '000)				
Total Assets	45,045,220	46,021,507	58,958,858	82,472,868
Total Liabilities	40,015,778	39,808,311	50,418,739	69,583,925

- Liquid assets, primarily cash, balances with banks, and short-term placements, more than doubled between 2023 and 2025, while short-term obligations remained stable. In FY 2025/26 cash and balances with banks increased by a further 104.0% to ETB 14.94 billion, while customer deposits rose by 25.7%, margins held on letters of credit by 167.0% and interbank money market borrowings of ETB 4.21 billion were taken.
- The Bank's internal liquidity and operating cash flows are sufficient to finance its ongoing lending, investment, and dividend commitments without recourse to long-term external borrowing.

7.9 Capitalization and Indebtedness

7.9.1 Capitalization

The table below presents the Bank's capitalization as of June 30, 2026, the date of the latest audited statement of financial position of the Bank, together with its capitalization as adjusted to October 30, 2026 for the repayment of the interbank money market borrowings in July 2026 and its capitalization after the dividend recommended for FY2025/26, if approved at the Annual General Meeting on December 1, 2026. Changes since June 30, 2026 are described under "Changes since 30 June 2026" below.

Table 125: Capitalization

Description	30 June 2026 (Audited) (ETB '000)	As adjusted to 30 October 2026 (ETB '000) (a)	After the recommended dividend (ETB '000) (b)
Current Debt			

Description	30 June 2026 (Audited) (ETB '000)	As adjusted to 30 October 2026 (ETB '000) (a)	After the recommended dividend (ETB '000) (b)
Financial Liabilities (Due to Banks & Other Institutions)	379,889	379,889	379,889
Inter Bank Money Market Borrowings	4,206,312	—	—
Lease Liability	144,985	144,985	144,985
Total Current Debt	4,731,186	524,874	524,874
Non-current Debt			
Lease Liability	385,074	385,074	385,074
Total Non-current Debt	385,074	385,074	385,074
Shareholders' Equity			
Paid-up Capital	6,328,419	6,328,419	6,328,419
Share Premium	28,504	28,504	28,504
Retained Earnings	1,894,312	1,894,312	—
Legal Reserve	2,494,622	2,494,622	2,494,622
Other Reserve	557,891	557,891	557,891
Regulatory Risk Reserve	1,585,196	1,585,196	1,585,196
Total Shareholders' Equity	12,888,943	12,888,943	10,994,631
Total Capitalization	18,005,203	13,798,891	11,904,579

Note: *The financial figures in the 30 June 2026 column are derived from the audited financial statements of the Bank for the year ended June 30, 2026, which have been audited by an independent external auditor. Lease liabilities are included based on Note 22d of the audited financial statements.*

(a) The "As adjusted to 30 October 2026" column adjusts the audited figures only for the repayment, between 2 and 7 July 2026, of the interbank money market borrowings of ETB 4,206,312 thousand outstanding at 30 June 2026 (principal of ETB 4,200,000 thousand and accrued interest of ETB 6,312 thousand; Section 2.7). It does not reflect interest accrued after 30 June 2026, any interbank borrowing after 7 July 2026, the Bank's results or any other transaction after 30 June 2026. The column is unaudited and is not a statement of the Bank's balances at 30 October 2026.

(b) The "After the recommended dividend" column further deducts from retained earnings the dividend of ETB 1,894,312 thousand (ETB 1,894,311,676) recommended by the Board of Directors on 6 October 2026. A dividend is declared by resolution of the shareholders at the Annual General Meeting (Section 5.4.6). This dividend is subject to approval at the Annual General Meeting on 1 December 2026 and therefore does not reduce the Bank's equity up to 30 October 2026.

As of June 30, 2026, Berhan Bank S.C. reported total capitalization of ETB 18.01 billion, reflecting growing capital base primarily supported by equity. Debt accounted for approximately 28%, while shareholders' equity represented approximately 72% of total capitalization.

Total debt stood at ETB 5.12 billion, consisting of short-term obligations to banks and other financial institutions of ETB 4,586.2 million (including interbank money market borrowings of ETB 4,206.3 million) and lease liabilities of ETB 530.1 million, of which ETB 385.1 million is non-current. In contrast, shareholders' equity reached ETB 12.89 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.

After the repayment of the interbank money market borrowings in July 2026, debt in Table 125 comprises amounts due to banks and other institutions of ETB 379.9 million and lease liabilities of ETB 530.1 million, a total of ETB 909.9 million (ETB 524.9 million current and ETB 385.1 million non-current). On this adjusted basis total capitalization is ETB 13.80 billion, of which debt represents 6.6% and shareholders' equity of ETB 12.89 billion represents 93.4%. Shareholders' equity is not reduced by the recommended dividend up to 30 October 2026. If the dividend is approved at the Annual General Meeting on 1 December 2026, retained earnings are reduced to nil and total shareholders' equity to ETB 10.99 billion (Table 61A), and total capitalization becomes ETB 11.90 billion, of which debt represents 7.6% and equity 92.4%. Neither event changes paid-up capital, share premium or the legal, other and regulatory risk reserves.

7.9.2 Indebtedness

The table below shows the Bank's indebtedness as of June 30, 2026, and as adjusted to October 30, 2026 for the repayment of the interbank money market borrowings in July 2026.

Table 126: Indebtedness

Statement of Indebtedness	30 June 2026 (Audited) (ETB '000)	As adjusted to 30 October 2026 (ETB '000) (a)
Cash and Cash Equivalents	14,937,375	10,731,063
Current Financial Indebtedness		
Financial Liabilities	379,889	379,889
Inter Bank Money Market Borrowings	4,206,312	—
Lease Liability	144,985	144,985
Total Current Financial Indebtedness	4,731,186	524,874
Net Current Financial Indebtedness	(10,206,189)	(10,206,189)
Non-current Financial Indebtedness		
Lease Liability	385,074	385,074
Total Non-current Financial Indebtedness	385,074	385,074
Net Financial Indebtedness	(9,821,115)	(9,821,115)

Note: *The financial figures in the 30 June 2026 column are derived from the audited financial statements of the Bank for the year ended June 30, 2026, which have been audited by an independent external auditor.*

(a) The "As adjusted to 30 October 2026" column is adjusted only for the repayment, between 2 and 7 July 2026, of the interbank money market borrowings of ETB 4,206,312 thousand, which reduces both interbank money market borrowings and cash and cash equivalents by that amount. The matters listed in note (a) to Table 125 are likewise not reflected; the column is unaudited and is not a statement of the Bank's balances at 30 October 2026. The recommended dividend is not financial indebtedness and is not included.

As of June 30, 2026, the Bank's total financial indebtedness stood at ETB 5.12 billion, of which ETB 4.73 billion is current (interbank money market borrowings of ETB 4,206.3 million, amounts due to banks and other institutions of ETB 379.9 million and the current portion of lease liabilities of ETB 145.0 million) and ETB 385.1 million is non-current lease liabilities. The Bank had no other long-term financial liabilities. The amounts due to banks and other institutions comprise interbank settlement balances for inward cheque clearing, on-us ATM settlement and on-us mobile fund transfers.

However, the Bank maintained a sound liquidity position, with cash and cash equivalents of ETB 14.94 billion exceeding the financial indebtedness shown in Table 126. As a result, net current financial indebtedness stood at negative ETB 10.21 billion.

The repayment of the interbank money market borrowings in July 2026 reduced financial indebtedness and cash and cash equivalents by the same amount, ETB 4,206.3 million. On the adjusted basis, total financial indebtedness is ETB 909.9 million, consisting of amounts due to banks and other institutions of ETB 379.9 million and lease liabilities of ETB 530.1 million, against cash and cash equivalents of ETB 10.73 billion; net current financial indebtedness remains negative ETB 10.21 billion and net financial indebtedness negative ETB 9.82 billion, both unchanged. If the recommended dividend is approved on 1 December 2026, it is payable within 60 working days of the resolution (Section 5.4.6). Only the part that shareholders elect to receive in cash, including the 15% dividend income tax withheld from it and remitted to the Ministry of Revenue, will reduce cash and cash equivalents; capitalized entitlements will not. That part depends on shareholders' elections and is not yet determined (Section 5.4.10). Because the whole recommended dividend of ETB 1,894.3 million is less than the ETB 9,821.1 million by which adjusted cash and cash equivalents exceed financial indebtedness, net financial indebtedness on the adjusted figures remains negative whatever elections are made.

This negative net indebtedness reflects only the financial liabilities listed in Table 126. It excludes customer deposits of ETB 55.90 billion at 30 June 2026 (demand and savings deposits of ETB 49.18 billion, or 88.0%, and time deposits of ETB 6.72 billion, or 12.0%) and margins held on letters of credit of ETB 4.03 billion, which are among the Bank's principal liabilities. The cash and cash equivalents shown are therefore not available solely to settle the financial indebtedness shown, and Table 126 should not be read as indicating that the Bank operates in a net cash position or as a complete measure of its liquidity. The Bank's liquidity position is described in Section 7.7.2.

Changes since 30 June 2026. Tables 125 and 126 are stated as at 30 June 2026, the date of the latest audited statement of financial position (audit report dated 6 October 2026), with the adjusted columns described in the notes to the tables. The following changes have occurred since that date:

(a) Share capital. The Bank's paid-up capital has remained at ETB 6,328,419 thousand, represented by 6,328,419 ordinary shares of ETB 1,000 each. No shares have been issued under the Offer, the Offer Period beginning on 16 November 2026. Subscription monies are transferred from the Offer escrow account to the Bank only after the new shares are issued and credited to subscribers' accounts on or about 22 March 2027 (Section 8.2.4), so the Offer does not change paid-up capital up to 30 October 2026.

(b) Proposed dividend. On 6 October 2026 the Board of Directors recommended a dividend of ETB 1,894.3 million. The dividend is subject to approval at the Annual General Meeting on 1 December 2026, at which it would be declared, and has not been deducted from retained earnings in the 30 June 2026 and adjusted columns of Table 125; if approved, it will reduce retained earnings and total shareholders' equity by that amount, as shown in the column after the recommended dividend, and will be payable within 60 working days of the resolution (Section 5.4).

(c) Interbank money market borrowings. The borrowings of ETB 4,206.3 million shown in the 30 June 2026 columns of Tables 125 and 126 matured and were repaid between 2 and 7 July 2026 (Section 2.7); the adjusted columns reflect the repayment. This Prospectus does not contain the balance of interbank borrowings outstanding after those dates.

(d) Monetary policy measures. On 13 July 2026 the NBE removed the credit growth cap, introduced targeted additional reserve requirements for individual banks and raised its policy rate to 16% (Section 2.5). These measures affect the cost of funding but do not change the amounts in Tables 125 and 126.

Other than the adjustments for the events in (b) and (c), this Prospectus contains no capitalization or indebtedness figures at a date after 30 June 2026.

Conclusion up to 30 October 2026. Taking into account only the repayment of the interbank money market borrowings in July 2026 and the dividend recommended by the Board of Directors on 6 October 2026, the Bank's capitalization and indebtedness up to 30 October 2026 have the following features:

(i) Capitalization. On the adjusted basis, total capitalization is ETB 13.80 billion and is predominantly equity: shareholders' equity of ETB 12.89 billion represents 93.4%, and debt of ETB 909.9 million, consisting only of amounts due to banks and other institutions and lease liabilities, represents 6.6%. Paid-up capital remains ETB 6,328,419 thousand, as no Offer Shares are issued before on or about 22 March 2027.

(ii) Dividend. The recommended dividend does not reduce equity up to 30 October 2026, because it is declared only on approval at the Annual General Meeting on 1 December 2026. If it is approved, retained earnings are reduced to nil, shareholders' equity to ETB 10.99 billion and total capitalization to ETB 11.90 billion, of which equity represents 92.4%.

(iii) Indebtedness. Financial indebtedness falls from ETB 5.12 billion at 30 June 2026 to ETB 909.9 million, and none of the interbank money market borrowings outstanding at 30 June 2026 remains. Net financial indebtedness is unchanged at negative ETB 9.82 billion, because the repayment reduced cash and cash equivalents by the same amount, and it remains negative after the recommended dividend whatever elections shareholders make.

These features are derived from the audited figures at 30 June 2026 adjusted for the two events above only, and do not reflect the Bank's results, any new borrowing or any other transaction after 30 June 2026.

7.10 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, 2026, and issued an unqualified opinion dated October 6, 2026 with no key audit matters. 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.

The Statement of Directors' Responsibilities in the audited financial statements, signed on October 6, 2026, further states that nothing has come to the attention of the Directors to indicate that the Bank will not remain a going concern for at least twelve months from the date of that statement, and Note 2.3 to the financial statements confirms that the financial statements have been prepared on a going concern basis.

7.11 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.

A. 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 0.10% of the Bank's total regulatory capital of ETB 10,436.7 million as at 30 June 2026 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.

B. 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 127: Details of Material Legal Proceedings

Plaintiff / Case	Nature of Claim	Amount (ETB)	Court / Arbitrator	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.
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.

Plaintiff / Case	Nature of Claim	Amount (ETB)	Court / Arbitrator	Procedural History	Decisions to Date	Current Status & Potential Impact
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.

Disclosure in the Audited Financial Statements: Note 30a to the audited financial statements for the year ended 30 June 2026 states that the Bank is a party to numerous legal actions arising from its normal business operations, and that the maximum outflow and inflow of exposure to these legal cases as at 30 June 2026 is ETB 231.9 million and ETB 136 million respectively, with appropriate provision held in the financial statements. In addition, the Bank is appealing a dividend tax assessment issued by the tax authority, for which the maximum potential financial exposure is estimated at ETB 194.5 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.

Potential ECMA administrative action. 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. Such issuances constitute a potential infraction of the share registration requirements, and ECMA may take action in respect of them, including requiring the Bank to regularize or confirm the status of the issuances, imposing administrative measures, or delaying or conditioning its approval of the Offer. 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.

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 Capital Market and Equity Management Department of Berhan Bank S.C. is responsible for maintaining the register and records of the Bank's Ordinary Shares. These records are kept at the Bank's registered office, TK International Building, China–Africa Square, Bole Dildiye, Addis Ababa, Ethiopia. The person in charge is Ato Netsanet Tilahun, Deputy Director – Share Administration (mobile: +251 944 06 55 30). Once the shares have been registered and admitted to trading, the Central Securities Depository (CSD) will also maintain electronic records of the Bank's securities.

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 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 the Commercial Code of Ethiopia (Proclamation No. 1243/2021) 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 ÷ 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 8.4.4.

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 March 2, 2027 and will be credited to the brokerage accounts of successful applicants on or about March 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 8.7.1, 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 128: 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	November 10, 2026
Rights Entitlement	3,671,581 ÷ 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 26,805,268
Estimated Net Proceeds	ETB 3,883,428,497
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 26,805,268 the estimated net proceeds are ETB 3,883,428,497.

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 129: Expected Timetable of the Offer

Expected Timetable of Events	Expected Date
Approval of this updated Prospectus	On or before November 5, 2026
Publication of this Prospectus	November 5, 2026
Record Date	November 10, 2026
Commencement of the Offer Period (Subscription and payment begin)	November 16, 2026 at 9:00 AM
Offer Closing Date (last day for subscription and payment)	February 13, 2027, 5:00 PM
Completion of Allotment and Verification	February 20, 2027
Board approval of the allotment; submission of the Allotment Report to ECMA	25 February 2027
ECMA approval of the Allotment Report	On or about 2 March 2027
Notification of allotment results; refund of excess subscription monies	Notification: 5 – 12 March 2027. Refunds: within 30 working days after the announcement of the allotment results
Issue of the new shares and crediting to subscribers' accounts	On or about 22 March 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 working days after the announcement of the allotment results.

8.2.6 The Offer Period

The Offer Period shall commence at 9:00 AM on November 16, 2026 and shall close at 5:00 PM on February 13, 2027 (the "Offer Closing Date"), East Africa Time.

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

Physical share certificates currently evidence the 6,328,419 existing Ordinary Shares, held by 23,580 registered shareholders. 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 of Ethiopia (Proclamation No. 1243/2021) 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 Section 8.2.2), 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.

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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 8.4.4.

(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:

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- 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.

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.

8.4.4 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 within 30 working days after the announcement of the allotment results, without interest and less relevant bank charges. Offer Shares released by a scale-back are re-allotted in the order of priority set out in this Section.

8.5 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.

8.6 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.

8.7 Reasons for the Offer and Use of Proceeds

8.7.1 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 working days after the announcement of the cancellation.

8.7.2 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 and as at June 30, 2026 (audited), the Bank's paid-up capital stood at ETB 6,328,419,000 following the subscription of 2,041,534 new shares during FY2025/26. 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.

8.7.3 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 26,805,268 the estimated net proceeds are expected to be approximately ETB 3,883,428,497.

The primary use of the net proceeds is to maintain the Bank's Capital Adequacy Ratio above the NBE minimum of 11% and above the Bank's internal target of the NBE minimum plus 2 percentage points, notwithstanding the planned 28% growth in assets (Section 8.7.2).

8.7.4 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 Section 8.7.2, if 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 8.7.1.

8.8 Distribution and Underwriting

The Offer is not underwritten, and the Bank has not entered into any underwriting arrangement in connection with the Offer.

8.9 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 130: Offer expenses

Description	Amount (ETB)
Transaction Advisor	11,825,275
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	26,805,268

8.10 Professional Parties

Set out below is a summary of the professional parties and experts engaged by the Bank in connection with the Offer.

Table 131: 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 63.98% as at 30 June 2026, management information), followed by Oromia (~14.57%) with all other regions contributing marginal shares (each generally below 5%). Similarly, loan portfolio distribution reflects a strong urban bias, with Addis Ababa accounting for approximately 81.53% of total outstanding loans as at 30 June 2026, compared with 78.06% at 30 June 2025, 71.92% at 30 June 2024 and 69.19% at 30 June 2023 (management information). On the sector classification used in the audited financial statements, as at 30 June 2026 building and construction accounted for 21.97% of gross loans and advances, domestic trade and services for 18.60%, export for 15.40% and manufacturing for 14.26%, together 70.23% of gross loans. Sectorally, on management information as at 30 June 2026, lending is concentrated in trade-related financing (~44.69%), construction and real estate (~21.80%), and manufacturing (~14.15%), collectively accounting for approximately 80.64% of total loan exposure. On the liability side, deposits are dominated by private sector and cooperative customers (approximately 86.6% at 30 June 2026), while product concentration is evident in personal savings and checking accounts (approximately 55.4% of total deposits). Additionally, the Bank's physical network shows clustering, with 150 out of 380 branches (40%) located in Addis Ababa (management information as at October 2026). 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.

At 30 June 2026 (audited), demand and savings deposits together amounted to ETB 49.18 billion, or 88.0% of customer deposits of ETB 55.90 billion (91.4% at 30 June 2025), and time deposits to ETB 6.72 billion (12.0%) (Note 22b). The Bank also had interbank money market borrowings of ETB 4.21 billion outstanding at 30 June 2026 (nil at 30 June 2025), being short-term unsecured loans from financial institutions at interest rates of 12% to 16% per annum for a maximum of seven days, obtained to support the Bank's daily liquidity requirements (Note 22c). The contractual maturity analysis of financial liabilities shows ETB 9.80 billion (14.1% of total financial liabilities) falling due within 30 days at 30 June 2026, compared with ETB 4.46 billion at 30 June 2025, against cash and balances with banks of ETB 14.94 billion (Notes 6.4.2 and 15). Net loans and advances represented 83.46% of customer deposits at 30 June 2026 (77.94% at 30 June 2025), compared with the 85% regulatory requirement referred to in this Prospectus.

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

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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 ETB 47.6 billion at 30 June 2026 (audited gross loans and advances) while maintaining notable exposure to dominant sectors such as trade, retail, and corporate lending, the pressure on regulatory capital intensifies. The presence of a significant level of non-performing loans (NPL ratio of 5.92% at 30 June 2026 on the audited Stage 3 basis, above the 5.0% maximum prescribed by the National Bank of Ethiopia) further underscores the need for strong capital buffers to sustain potential credit losses. Given the Bank's concentration in Addis Ababa (approximately 81.53% of loans at 30 June 2026, management information) 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.

At 30 June 2026, the Bank's capital base was ETB 10.44 billion (30 June 2025: ETB 7.11 billion) and its risk-weighted assets were ETB 63.42 billion (30 June 2025: ETB 44.05 billion), giving a capital adequacy ratio of 17% as reported in Note 6.6 of the audited financial statements (16.46% when calculated from the capital base and risk-weighted assets disclosed; 16% and 16.14% respectively at 30 June 2025), which is 5.46 percentage points above the 11% minimum referred to in this Prospectus. During FY2025/26 risk-weighted assets grew by 44.0% and the capital base by 46.8%, the latter supported by the issue of ETB 2.04 billion of new share capital; total assets grew by 39.9% and total equity by 50.9%. The capital base comprises share capital, share premium, legal reserve and regulatory risk reserve; it does not include retained earnings of ETB 1.89 billion; the Board has recommended a dividend of ETB 1,894,311,676 for FY2025/26, subject to shareholder approval. Growth in risk-weighted assets in excess of growth in the capital base would reduce the margin above the minimum. The capital adequacy ratio reported by the Bank to the National Bank of Ethiopia at 30 June 2026 was 11.73%, on total capital of ETB 9,771 million and common equity tier 1 and tier 1 capital of ETB 8,259 million each; it is 0.73 percentage points above the 11% minimum under Directive No. SBB/95/2025. This ratio and the ratio in Note 6.6 to the audited financial statements are computed on different capital bases and different risk-weighted assets, and the NBE requirements for common equity tier 1 and tier 1 ratios take effect on 31 December 2026. Because the margin on the ratio reported to the NBE is 0.73 percentage points, a relatively small increase in risk-weighted assets or reduction in capital could bring the Bank below the 11% minimum.

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 47.64 billion at 30 June 2026 (audited gross loans and advances; ETB 35.55 billion at 30 June 2025 as presented in the audited FY2025/26 comparatives), while NPLs (Stage 3 loans) also increased from ETB 1.80 billion to ETB 2.82 billion over the same period. On the audited Stage 3 basis the NPL ratio was 5.92% at 30 June 2026 (6.45% at 30 June 2025 on the same basis, against 4.78% as previously reported for that date), which is above the 5.0% maximum prescribed by NBE Directive No. SBB/90/2024, indicating persistent credit risk pressure despite portfolio expansion. The loan loss allowance of ETB 990.3 million covered 35.1% of NPLs at 30 June 2026 (39.1% at 30 June 2025). The risk is materially significant due to the Bank's high exposure to trade-related, construction and real estate, and manufacturing lending, which collectively account for approximately 81.3% of gross loans and advances at 30 June 2026 (audited sector classification), with construction and real estate, domestic trade and services and export lending representing the largest contributors to non-performing loans (87.8% of Stage 3 loans).

From a structural perspective, credit risk is highly concentrated in a limited number of economic sectors and customer categories. Based on management information as at 30 June 2026, trade-related financing (domestic trade and services, export and import) represents the largest exposure (around 44.69% of total portfolio), followed by construction and real estate (approximately 21.80%) and manufacturing (around 14.15%). Importantly, these same segments also dominate NPL formation. For instance, NPLs in trade and services increased from approximately ETB 365.1 million in 2023 to ETB 830.1 million in 2025 (audited sector classification), representing more than 120% growth, and further to ETB 1,052.7 million at 30 June 2026, while retail NPLs increased from ETB 387.3 million to ETB 447.2 million between 2023 and 2025 (management customer-category data). Corporate NPLs remained structurally significant at above ETB 750 million in each year from 2023 to 2025, 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.

On the sector classification used in the audited financial statements (Notes 6.3.5 and 6.3.6), Stage 3 (non-performing) loans were ETB 2.82 billion at 30 June 2026, 23.1% higher than at 30 June 2025, while gross loans and advances grew by 34.0%. Building and construction (ETB 1.07 billion, 38.0% of NPLs), domestic trade and services (ETB 1.05 billion, 37.3%) and export (ETB 351.9 million, 12.5%) together accounted for 87.8% of NPLs. During FY2025/26 NPLs in domestic trade and services increased by 26.8%, NPLs in export by 72.3% and NPLs in building and construction by 9.5%, and Stage 2 (special mention) loans increased by 51.9% to ETB 686.9 million.

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.

The loan loss allowance under IFRS 9 stood at ETB 990.3 million at 30 June 2026 (30 June 2025: ETB 897.0 million), equal to 2.08% of gross loans and advances (2.52%). The loan impairment charge for FY2025/26 was ETB 93.3 million (FY2024/25: a net reversal of ETB 22.5 million) and the impairment loss on other financial assets was ETB 251.3 million (FY2024/25: ETB 15.3 million). Lifetime expected credit loss allowances of ETB 539.2 million were held against other receivables and financial assets of ETB 2.23 billion gross (24.2%; 30 June 2025: ETB 288.6 million against ETB 1.52 billion, 19.0%). Loan loss provisions calculated under NBE directives (ETB 1,316.6 million) exceeded the IFRS 9 allowance by ETB 326.3 million at 30 June 2026 (30 June 2025: ETB 178.2 million) (Note 6.3.7).

9.1.6 Retail Lending Growth and NPL Concentration Risk

Retail lending has become the largest and fastest-growing segment of the Bank's loan portfolio. Retail loans increased from ETB 11.15 billion at 30 June 2025 to ETB 25.34 billion at 30 June 2026, an increase of 127.26% and net additions of ETB 14.19 billion in a single financial year, equal to approximately 56% of the closing balance. At 30 June 2026 retail loans represented 52.78% of gross loans on the management-information classification, while total gross loans and advances grew by 34.0% in the year (audited financial statements). Retail non-performing loans reached ETB 2.13 billion, or 75.53% of the Bank's total NPLs of ETB 2.82 billion, and the Bank's NPL ratio of 5.92% at 30 June 2026 was above the 5% ceiling set by the NBE (Section 2.3.2).

The drivers of this risk include the sensitivity of individual borrowers to macroeconomic conditions, income volatility and cost-of-living pressures; the pace at which the retail book was built, so that a large part of the portfolio at 30 June 2026 was originated during the year and has a short repayment history; the concentration of lending in Addis Ababa (81.53% of outstanding loans at 30 June 2026, management information); and the Bank's reliance on consumer, salary-based and other personal credit facilities that are not secured on the same basis as corporate lending.

If retail repayment performance deteriorates further, the Bank may be required to increase impairment provisions (the loan loss allowance under IFRS 9 was ETB 990.3 million, or 2.08% of gross loans, at 30 June 2026), which would reduce profitability and capital. Because retail loans account for most of the Bank's non-performing loans, the NPL ratio may remain above the 5% NBE ceiling for longer than expected, which may

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lead to supervisory measures by the NBE, restrictions on lending growth or on distributions, and reputational damage.

9.1.7 Interbank Money Market Borrowing Dependence Risk

At 30 June 2026 the Bank had IMM borrowings of ETB 4.21 billion (ETB 4,200.0 million of principal and ETB 6.3 million of accrued interest), compared with no borrowings at 30 June 2025, equal to 6.0% of total liabilities. According to the audited financial statements (Notes 22c and 6.4.2), the balance consists of short-term unsecured loans from financial institutions obtained through money market operations at interest rates of 12% to 16% per annum for a maximum of seven days to support the Bank's daily liquidity requirements, with contractual repayment between 2 and 7 July 2026. Interest on borrowings from domestic banks rose from ETB 194.9 million in FY2024/25 to ETB 340.3 million in FY2025/26 (+74.5%). The borrowings are described in Sections 2.7 and 7.9.

The drivers of this risk include the very short maturity of interbank funding relative to the Bank's longer-dated loans; the Bank's loan growth in FY2025/26 (gross loans +34.0%) and its operating cash outflows on loans and advances (ETB 12.09 billion); the dependence of the interbank market on the liquidity of counterparty banks and on market conditions; and the absence of collateral or committed lines supporting the borrowings.

If interbank funding becomes unavailable or more expensive, the Bank may need to realise liquid assets at unfavourable prices, reduce lending, raise deposit rates or seek NBE liquidity support. Higher funding costs would reduce net interest income and profitability, and a failure to refinance maturing borrowings could impair the Bank's ability to meet its obligations as they fall due and affect depositor and counterparty confidence.

9.1.8 Litigation and Tax Assessment Risk

The Bank is a party to numerous legal actions arising from its normal business operations. Note 30a to the audited financial statements for the year ended 30 June 2026 states that the maximum outflow and inflow of exposure to these cases were ETB 231.9 million and ETB 136 million respectively, with appropriate provision held in the financial statements. In addition, the Bank is appealing a dividend tax assessment issued by the tax authority, for which the maximum potential financial exposure is estimated at ETB 194.5 million. Together the two maximum exposures (ETB 426.4 million) are equal to approximately 3.3% of total equity of ETB 12,888.9 million at 30 June 2026. Six pending proceedings meet the materiality threshold of ETB 10 million, the largest being a letter-of-credit claim of ETB 151.0 million that is subject to a cassation bench injunction, and one first-instance decision against the Bank (a guarantee claim of ETB 55.0 million) is under appeal (Section 7.11).

The drivers of this risk include the complexity of letter-of-credit, guarantee and mortgage-enforcement disputes; the length of court and appeal processes, which makes outcomes and timing uncertain; and differing interpretations between the Bank and the tax authority on the treatment of dividend-related taxes.

Adverse outcomes may require payments in excess of the provisions held, reduce profit and capital, and divert management attention. The audited financial statements state the maximum potential exposure on the tax assessment (ETB 194.5 million) but do not state a provision for it; if the appeal fails, the full assessed amount, with any penalties and interest, would be charged to the Bank. Protracted litigation may also damage the Bank's reputation with customers and counterparties.

9.1.9 Dividend Payout and Capital Retention Risk

For FY2025/26 the Board has recommended a dividend of ETB 1,894.3 million, equal to the whole of the retained earnings balance available for distribution at 30 June 2026 (100% of closing retained earnings; Note 24 to the audited financial statements), representing 58.0% of profit after tax of ETB 3,268.0 million and 95.0% of the profit available after the mandatory transfers to the legal reserve and the Regulatory Risk Reserve. The opening retained earnings of ETB 1,045.8 million were likewise distributed during FY2025/26.

On the basis set out in Table 61A, total equity of ETB 12,888.9 million at 30 June 2026 would be ETB 10,994.6 million after the recommended dividend. The dividend is subject to approval by shareholders, to the shareholder election between cash and capitalisation (Section 5.4.7) and to review by the NBE (Section 5.4.8).

The drivers of this risk include the Bank's practice of distributing available retained earnings to shareholders, shareholder expectations of dividends at recent levels, and the Bank's dependence on retained earnings and new share issues for capital to support loan growth (gross loans +34.0% in FY2025/26).

To the extent the dividend is paid in cash, it reduces retained earnings, equity and the capital available to absorb losses and support growth, and the Bank has no unappropriated retained earnings buffer at year end. If the Offer is not fully subscribed, the Bank's capital ratios would be lower than shown in Table 61A. The NBE may restrict or prohibit a distribution that would reduce the capital adequacy ratio below the prescribed minimum, and shareholders should not treat the FY2025/26 dividend as an indication of future dividends.

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.

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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.

9.2.6 Board Election and Reconstitution Risk

The entire Board of Directors is to be elected at the Annual General Meeting to be held on 1 December 2026 because the terms of office of all current Directors are expiring (see Table 63), fifteen days after the commencement of the Offer Period (16 November 2026 to 13 February 2027), so that investors who subscribe before that date will do so while the composition of the new Board is not yet known. In accordance with the directives of the National Bank of Ethiopia, at least one-third of the Directors elected must be independent directors. The Directors named in this Prospectus are those in office at its date; the composition of the Board, the identity and independence status of its members and the membership of its Board committees may be different after the election. The outcome of the election is not known at the date of this Prospectus, and investors may be required to make their subscription decisions before it is known. All Board seats will be subject to election, and the terms of office of the current Directors (expiring on 18 April 2027) will be superseded by the terms of the Directors elected at that meeting. The period from the election on 1 December 2026 until 18 April 2027 is a transition period during which the newly elected Directors receive training and induction on their responsibilities.

The drivers of this risk include the requirement under NBE directives to constitute the Board with at least one-third independent directors; the possibility that some or all of the current Directors are not returned at the election; the requirement for newly elected Directors to satisfy the approval requirements of the National Bank of Ethiopia; the possibility of delay or dispute in the conduct of the meeting or the election; and the timing of the election, which falls fifteen days after the commencement of the Offer Period. Offer Shares are expected to be issued and credited to subscribers on or about 22 March 2027, after the election, and are not expected to carry voting rights at that meeting.

If this risk materializes, the new Board may adopt different strategic priorities, risk appetite or governance practices, continuity of Board oversight and committee functioning may be disrupted, and the Bank's regulatory standing may be affected by any delay in the election or in the approval of newly elected Directors. Such developments may occur after investors have subscribed and could affect investor confidence and the market perception of the Bank and its shares. The terms of the Offer are not affected, and the Bank will disclose the outcome of the election in accordance with applicable NBE and ECMA requirements.

9.2.7 Illiquidity of Shares and Over-the-Counter Market Risk

The Bank's Ordinary Shares are not listed on, or admitted to trading on, any securities exchange or other regulated market, and there is no established market price for them. Following registration by ECMA, trading is expected to be conducted on the OTC market through licensed Capital Market Service Providers (Section 10.1). The Ethiopian capital market and its OTC trading infrastructure are at an early stage, and no assurance can be given that an active trading market will develop or be sustained for the 6,328,419 existing shares held by 23,580 shareholders (as at 25 October 2026) and the up to 3,671,581 new shares offered. Shares that have not been dematerialised cannot be traded on the OTC market (Section 8.3).

The drivers of this risk include the absence of a secondary-market trading history for the Bank's shares, limited numbers of licensed intermediaries and market participants, the large number of small holdings, the time needed to dematerialise existing holdings, and the early stage of market infrastructure, price discovery and investor participation.

Shareholders may be unable to sell their shares at the time, in the volume or at the price they wish. Thin trading may cause the market price to be volatile and to differ materially from the Offer Price of ETB 1,065, and may reduce the value that can be realised on a sale, including for shareholders who need liquidity in the short term.

9.2.8 Dematerialisation Risk

ECMA requires the conversion of physical share certificates into electronic form held at the Central Securities Depository (CSD). The Bank must convert a register of 23,580 shareholders (as at 25 October 2026) holding 6,328,419 shares. Shares that shareholders do not claim and dematerialise within the period prescribed by the Directive cannot be traded on the OTC market until claimed. Holdings that are subject to pending succession, dispute or incomplete identification are dematerialised only after the Registrar has verified entitlement. The rights attached to shares that have not been dematerialised, including dividends and voting, are not affected (Sections 2.5 and 8.3).

The drivers of this risk include the size and dispersion of the shareholder base, incomplete or inconsistent identification data on the register, holdings registered in the names of deceased shareholders or entities whose legal status has changed, shareholders' limited awareness of the process, and the Bank's dependence on a licensed registrar or CSD participant and on CSD infrastructure.

The Bank expects a residual population of unclaimed holdings, which will generate continuing shareholder-service volumes and may attract complaints. Shareholders whose shares are not dematerialised cannot trade them, and errors in the register or the CSD upload may cause disputes over entitlement, operational cost, regulatory scrutiny and reputational damage. Dematerialisation has no effect on the Bank's capital, solvency, funding or earnings.

9.2.9 Non-Repatriation of Dividends Risk

Shareholders of Ethiopian origin who reside outside Ethiopia, including non-resident Ethiopians and foreign nationals of Ethiopian origin who are eligible to subscribe under the Offer, receive their dividends in Ethiopian Birr. Those amounts are not repatriable, but may be reinvested in newly issued shares of the Bank (Section 5.4.6). The restriction is a limitation on the economic return available to investors resident outside Ethiopia.

The drivers of this risk include the restrictions on the repatriation of dividends described above, the limited availability of foreign currency in Ethiopia (see Foreign Exchange Risk) and the Birr's exchange rate volatility and depreciation.

Investors resident outside Ethiopia cannot transfer dividends abroad. Any depreciation of the Birr reduces the value of dividends and of their shareholding in their home currency, and the option to reinvest only in the

Bank's shares increases their concentration in a single issuer. Prospective investors resident outside Ethiopia should take this restriction into account in assessing the Offer.

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 (unaudited industry data), 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 as of March 2026, its absolute market position remains relatively small compared to dominant market players. On an audited basis, for the year ended 30 June 2026 the Bank's customer deposits grew by 25.7 percent and its net loans and advances by 34.6 percent.

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

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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 (unaudited management and industry information), 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 Bank's earnings are also materially dependent on foreign exchange gains. In FY2025/26 the gain on foreign exchange was ETB 1,785.6 million (FY2024/25: ETB 1,707.8 million), representing 86.9% of other operating income (89.9%), 15.8% of total operating income (21.5%) and 41.2% of profit before tax (68.0%) (Note 10). A reduction in foreign exchange gains would therefore have a direct effect on the Bank's profitability. At 30 June 2026 the Bank had net USD-denominated liabilities of ETB 257.4 million (30 June 2025: ETB 1,574.3 million), and the sensitivity analysis in the audited financial statements shows that a 10% appreciation of the USD against the Birr would reduce the Bank's earnings by ETB 25.7 million (30 June 2025: ETB 157.4 million) (Note 6.5.1(ii)).

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. The concentration of capability in a small number of specialised IT and foreign-exchange staff is described separately under Key-Person and Specialist Staff Concentration Risk (Section 9.5.3). 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.

9.5.3 Key-Person and Specialist Staff Concentration Risk

The Bank has no material dependency on any single individual: responsibility is spread across the Executive Management Team and a documented succession plan covers the Chief Executive Officer and each Chief Officer (Section 2.6.3). However, operational capability is concentrated in two areas. First, CBS and IT operations depend on a small, specialised IT team that administers the Rubikon CBS supplied by Neptune Financial Software Ltd, including the CBS-24 upgrade, which went live on 25 August 2025 and is still in post-go-live support. Second, more than 62% of the Bank's organic foreign-currency (FCY) inflow is originated through a limited number of FX treasury relationship managers. The gain on foreign exchange was ETB 1,785.6 million in FY2025/26 and accounted for 15.8% of total operating income and 86.9% of other operating income (Sections 2.3.8 and 2.6.3).

The drivers of this risk include the scarcity of IT, cybersecurity and treasury specialists in the Ethiopian banking sector, rising salary competition from larger banks and from foreign banks entering under Proclamation No. 1360/2025, the personal nature of correspondent-banking and exporter relationships, and the time needed to train successors. Appointments of senior staff may also require the prior approval of the National Bank of Ethiopia (Directive SBB/91/2024), which can slow the filling of vacancies.

If several of these specialists leave in a short period, system availability, the security of the CBS and digital channels and the delivery of system upgrades could be affected, and the Bank could lose foreign-currency inflows, FX income and correspondent-banking relationships, with a material effect on profitability. The Bank manages these concentrations through succession planning and capacity development, but these measures may not fully offset the loss of experienced personnel.

9.5.4 Unauthorised Transactions and Digital Channel Intrusion Risk

Customers have brought claims alleging unauthorised withdrawals from their accounts. Two pending actions before the Federal Court (Section 7.11) have 100 and 34 co-plaintiffs and claim ETB 15,093,457 and ETB 11,030,000 respectively; in each, the Bank's preliminary objection is awaiting a ruling. As the Bank expands mobile banking, electronic payment platforms and interconnected systems, its channels are also exposed to unauthorised access and intrusion, in addition to the cybersecurity risks described in Section 9.5.1.

The drivers of this risk include weaknesses in account-opening and customer-authentication controls, the exposure of mobile and internet channels to phishing and unauthorised access, third-party and agent involvement in payment flows, rapid growth in transaction volumes and the number of channels, and the time needed to detect and reverse fraudulent transactions.

Unauthorised transactions may result in direct losses, the cost of reimbursing customers, court-ordered compensation, regulatory sanctions and reputational damage. A significant intrusion into mobile or digital channels may also interrupt services, reduce the use of those channels and weaken customer confidence in the Bank.

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 June 30, 2026 (audited), the Bank's aggregate lending exposure to sectors with elevated environmental and social risk profiles including construction and real estate (ETB 10.47 billion, 21.97% of gross loans), trade and retail, comprising domestic trade and services, import and export (ETB 21.46 billion, 45.04%), manufacturing (ETB 6.79 billion, 14.26%), transport (ETB 1.07 billion, 2.24%), and agriculture (ETB 0.15 billion, 0.33%) collectively represents approximately 84% 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 10.47 billion, 21.97% of gross loans, growing 47.51% year-on-year to June 2026), the manufacturing sector (ETB 6.79 billion, 14.26%), and the transport sector (ETB 1.07 billion, 2.24%). 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 0.15 billion, 0.33%) 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 8.86 billion, 18.60%) 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 21.46 billion or approximately 45.04% of the gross loan portfolio as at June 30, 2026 (audited). 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 63.98% of total deposits and 81.53% of gross loans are concentrated in Addis Ababa as at 30 June 2026 (management information). 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-

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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 Bank's governance risk exposure is further affected by the election of the entire Board of Directors at the Annual General Meeting on 1 December 2026, fifteen days after the commencement of the Offer Period, and by the requirement under NBE directives that at least one-third of the Directors be independent directors. See "Board Election and Reconstitution Risk" below.

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, he 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.

The audited financial statements of Berhan Bank S.C. for the year ended 30 June 2026 (FY2025/26), together with the independent auditor's report of Kokeb & Melkamu Audit Service LLP dated 6 October 2026, will also be available for inspection on the Company's website at www.berhanbanksc.com.

Following the Annual General Meeting to be held on 1 December 2026, the Bank will make available on its website the outcome of the election of the Board of Directors, including the names of the Directors elected and of the independent directors, and will inform ECMA and investors of any resulting changes to the information in this Prospectus by way of a supplementary prospectus in accordance with applicable requirements.



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. The Board of Directors giving this approval is the Board in office at the date of this Prospectus; the entire Board is to be elected at the Annual General Meeting on 1 December 2026 (see Section 3.3).

Table 132: 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	

Berhan Bank S.C. P.O.Box 387 Code 1110 Addis Ababa, Ethiopia Berhan Bank 42

APPENDICES SECTION

APPENDIX I: Branches by Region and District

Branch by District

No	District Name	Region	City	City (Sub City)	District Office Number	Physical Address (Woreda; House No. / landmark)
1	Central Ethiopia	Central Ethiopia	Hossana	Lich Amba	+251990074874	Woreda Addis Ketema; House No. not applicable
2	Central Hawassa District	Sidama	Hawassa	Menharia	046-2-218585	Woreda Tabor; House No. New
3	East Addis Ababa District	Addis Ababa	Addis Ababa	Bole	0116-35-40-11/0116-354795/0116-35-48-04	Woreda 04; House No. New; Terefe Dinberu Building
4	East District	Oromia	Adama	Gada	022-1112239	Woreda Oda; House No. New; Abebaey Shiferaw Building
5	North Addis Ababa District	Addis Ababa	Addis Ababa	Kerkos Sub city	0115-578745	Woreda 08; House No. 197
6	North East District	Addis Ababa	Addis Ababa	Kirkos	116592979/0994009743	Woreda 08; House No. New
7	North Hawassa District	Sidama	Hawassa	Menhariya	046-2-217045	Woreda Tabor; House No. New
8	North District	Amhara	Bahir Dar	Tana	+251998422591	Woreda Bahir Dar; House No. New; Paperes Hotel Building
9	South Addis District	Addis Ababa	Addis Ababa	Lideta	0115-574726/0115-574794	Woreda 08; House No. New; Balcha Hospital, Capstone Building
10	West Addis District	Addis Ababa	Addis Ababa	Lideta	0112301109/0112301038	Woreda 09; House No. New; Capstone Building
11	West District	Addis Ababa	Addis Ababa	Kirkos	0115-261691 (0115-260167)	Woreda 09; House No. New; Nicolas Building
12	Wolaita District	South Ethiopia	Sodo	Mehal	251 46-180-2728	Woreda Mehal; House No. New; Water Development Building

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	Kafidem 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	Lagahar	Addis Ababa	TEWLDE BULDING, BESIDE TO ANTI CORRUPTION BULDING	011-5-506643
7	Megenagna	Addis Ababa	Haudai (Marathon) Building	011-5-58921/09-23-67-67-71
8	Dirtera	Addis Ababa	Dir Tera Building Addis Ketema Kifele Ketema	011-2-133977/09-51-01-85-80
9	Meshualekia	Addis Ababa	Yabesera Building	011-4-67138/09-26-45-25-52

No.	Branch Name	City	Location	Branch Phone number
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 Mahaber Building	011-2-775801/09-11-79-83-46
17	Jemo	Addis Ababa	Jemo 1, to the side Lobu 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. Acadamy 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	Adoyabeba	Addis Ababa	Saris Adey Ababe Akababi	011-4-707648/09-37-06-97-84
24	Ayertena Gnar	Addis Ababa	Infront of Ayer Tena Condominium	011-3-694706/09-23-92-99-80
25	Meskel Flower	Addis Ababa	Hily Building 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	Lobu	Addis Ababa	Sabh Spring Building Infront of Vamero 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, Kotle	011-2-733218/09-13-[illegible]-86
51	Old Airport	Addis Ababa	Ander Zelale Building	011-3-847026/09-13-76-74-[illegible]
52	Furry	Addis Ababa	FURRY KENA MALL AROUND GELAN FURRY NOC	011-3-[illegible]/09-11-86-70-[illegible]

Berhan Bank S.C. P.O.Box 387 Code 1110 Addis Ababa, Ethiopia

No.	Branch Name	City	Location	Branch Phone number
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 ሌም መገናኛ ዘልቀ ኧና ወላንሳ ህንፃ	011-6-591169/09-21-46-38-19
62	Wuhelimet	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	011-3-698335/09-11-00-86-70
67	Kara-allo	Addis Ababa	Yeka Abdo Mewucha Near to Bacha Sega Bet	011-6-680099/09-21-32-01-43
68	Cinima Ras	Addis Ababa	Hajie Legesse Building around Cinima 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 Churche	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 Dimtu 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 Dembova 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 Beauro Gibi)	011-6-390397/09-13-99-94-06
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 Nohc 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 Arabsa	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 Mebrathal	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 Mesfin Engineering	011-3-693585/09-10976492

No.	Branch Name	City	Location	Branch Phone number
92	Ayat -72	Addis Ababa	Tesfaye W/giorgies Building in front of Hawassa Abote 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 Gabriel 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 Condominum	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
107	ARAT KILO	Addis Ababa	Near Hamedho 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 Behil 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 Mansa 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	011-1-580995/09-12-35-58-35
125	Saris 58	Addis Ababa	In front of Mudula Adebabay	011-4-626742/09-11-87-14-48
126	European Union	Addis Ababa	Menshaila 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	011-1-693904/09-23-92-99-80
131	Gofa Camp	Addis Ababa	Gofa Gebril round about to Gofa Camp	011-4-705359/09-11-37-99-31

No.	Branch Name	City	Location	Branch Phone number
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 Litha	011-6-597905/09-12-74-60-47
138	Ertu Lebu Branch	Addis Ababa	Lebu Muslka Safar	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	Gotar Pepsi	Addis Ababa	In front of Gotera Pepsi Company inside Guava Addis Tower Bldg	011-4-709863
147	Pastor	Addis Ababa	Pastor Square road to Kuaremeda	011-2-737134/09-10-18-28-38
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 YEGEBEYA 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 Guchly 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	Debremarkos	Infront of NigusTeklehaimanot Square	058-7-712252/09-13-03-40-07
5	Emperor Tewodros	Gondar	Next to Gonder 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-[illegible]37/09-10-70-30-24
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-[illegible]/09-20-18-28-16

No	Branch Name	City	Location	Branch Phone number
11	Kombolcha	Kombolcha	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 Golagol 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 jinu 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 Kolo 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
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 Hotal	057-7-751014/09-17-85-65-33

Central Ethiopia

No.	Branch Name	City	Location	Branch Phone number
1	Hossana	Hossaena	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 Feked Hotel, Tamen Building ፊት ለፊት	046-7-720611/09-28-69-96-81
8	Gombora	Hossanena	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 Kebena 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 Ajab Sefer	046-2-460418/09-11-73-13-62
13	Arbaminch Secha	Arba Minch	In front of Shanto Marketing	046-1-810228/09-12-00-88-84
14	Gidole	Gidole	In front of Dimtu Health Center	046-7-740609/09-10-90-53-12

No.	Branch Name	City	Location	Branch Phone number
15	BUEE		In front of Bekdo Segno Administration Office	046-8-830731
16	Professer Boyenna Petros		In front of Burie Nanegaja, Ato Ngussie Building	046-1-787882/09-12-36-61-29
17	Sodo Menaheria		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-INFRONTOF UNITED BANK	046-2-440460/09-26-43-40-08
20	Shanto	Shanto	Yakitie 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	Gunano	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 Agenaf 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	Silke 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	Ngist Eleni	Hossana	Assefa Eareberto Building	0461-787477 (0913-769202)
32	Shurmo	Shurmo		
33	Fonko	Fonko	In front of Fonko Kebele 01 -Makias 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
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	Gambella	In front of Kera Yegbya Makde	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	Harare	Infront of Mebrat Hilile ya Gebey Makel Jusepy Building	025-4-66-1847/09-10-51-22-03
2	Hirena	Hirena	Hayahulet Gatatun Besha building	025-4-411642/09-25-29-15-09
3	Harar Hakim Branch	Harar	Around SHASH GARA)	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 Techno College	011-3-330114/09-16-60-72-25
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

No.	Branch Name	City	Location	Branch Phone number
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 ZOF 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	Welisso	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 Siga Bet	022-2-111272/09-17-03-75-19
13	Torban Gerba	Bisoftu 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 Akababy	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 መሉጌታ ገበየው ህንፃ አካባቢ	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	Jaleta Building around 44 Akababie ጃለታ ህንፃ	011-2-610601
26	Fitche	Fitche	Infront of Teferi SuperMarket (Beuftu Sellay Union) ፍቸ ልዕላዊ ከተማ መስቀል	011-1-609952/09-10-58-58-05
27	Burayu	Burayu	Infront of Burayu Mezegaja	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	Hujj Umar Ibrahim Building Near Ebisa Hotel	022-3-321419/09-21-85-40-06
30	Gimbi	Gibie	03 Kebele Akababie around አጠ ሻቅ	057-7- 712750/09-17-20-89-75
31	Nedjo	Nedjo	(ሶስት) Yarosan Hotel Akababie Ato Deme Melashe Building	057-7-741601/09-12-25-22-40
32	Bedele	Bedele	Megebe Letera Building Infront of Menhuriya	047-4-452006/09-10-19-24-19
33	Metu	Mettu	Near to Darsan Hotel Tewodros Tadas 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	METEHARA	Metehara	Adama Ras Hotel building	022-2-261297/09-10-40-45-48
40	Mendi	Mendi	Chencha 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	Chancho	Chancho	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	057-6-661786/09-12-07-10-72
49	Adama Ras	Adama	Around Kotebe College Fermata 1	022-2-[illegible]601/09-10-78-73-09
50	ANFO		Beside Agaro Police Station, Abeyot Building	[illegible]615/09-11-02-77-34

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No.	Branch Name	City	Location	Branch Phone Number
51	Gudar		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	011-6-688128/09-12-26-35-26
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
69	Shufune	Sululta	-	011-1-86-73-43/09-15-58-07-37
70	Kotta	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 Sansuki 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 Anada Adebabay	011-3-422198/09-31-68-82-18
74	Shenen Gibe	Jimma	Around Yatebabenu, Gaib building, in front of al-hadi building	0472-113947/09-13-90-67-96
75	Koye Feche	Oromia	At Kocho 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 Megafesha	011-4-30-38-30/09-13-09-62-80

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No.	Branch Name	City	Location	Branch Phone number
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 Adabe 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 Abotay 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. Gebriel Church	046-2-209620/09-11-74-60-61
10	Arab Sefer	Hawassa	In front of Wolliso Hotel Beside Misrak hotel	046-2-125205/09-28-68-19-86
11	Hawassa Menaheria	Hawassa	In front of Warqa 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	Aleta Wendo	In front of Menhariya Ayale Eankano 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	Jigjiga	Jigjiga	Hussein Eseyd Building	025-2-780505/09-11-03-44-67
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 Yeshi 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	CHENCHA	Chencha	Humbo town 02 Gebeya Sefer	046-7-780718/09-16-57-97-90
9	Gara Godo	Gara Godo	In front of Sky fuel Station	09-26-66-21-12
10	Humbo	Tebla	Bright College Kara Kore Campus Building	046-4-610880
11	Birbir	Birbir	Gofa Gebril round about to Gofa Camp	046-4-5[illegible]/09-10-57-93-32
12	Bekilo Segno	Wolayita	Around Yetebaberu, Gabi Building, in front of al-hadi building	046-4-70410

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No.	Branch Name	City	Location	Branch Phone number
13	Bole Awaissa	Bole	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	Derara Branch	Dilla	On Mersa 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	Mekaneyesus bethel building	047-1-350000/09-17-87-77-19
20	Dawro	Dawuro	Infront of Menhariya (Dawuro Limabe Mahuber)	047-3-450536/09-18-55-80-43
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 Chaffe	Menaharia 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	Romanite 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 Feteweyni H/SH/ Mahber Building	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-Hawlthy	034-4-407100/09-02-53-14-94
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
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 (as at 30 June 2025)

Note: The Branch POS List (145 terminals) and the Merchant POS List (81 terminals) show the Bank's POS register as at 30 June 2025, 226 terminals in total, all active at that date. During FY2025/26 the Bank terminated 205 terminals because they were outdated and difficult to handle, having shifted its strategy on POS terminals; 21 terminals (one at a branch and twenty at merchants) are in operation as at October 2026 (see Section 2.3.5). The district names in these lists follow the Bank's POS register; the Bank's twelve District Offices are listed in Table 13 (Section 2.1.2). Other branch, ATM and POS numbers in this Prospectus are stated as at October 2026 unless otherwise indicated.

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

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SIN	Branch/POS Name	Owning Branch	District	Cluster	Status
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 Tera 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
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	Mekelle Cluster	Active

S/N	Branch POS Name	Owning Branch	District	Cluster	Status
55	ALPA BRANCH POS	ALPA 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
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

S/N	Branch POS Name	Owning Branch	District	Cluster	Status
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
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 HUNIGNAW 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 (as at 30 June 2025)

S/N	Merchant POS	Owning Branch	District	Cluster	Deployed Location	Status
1	Rosemary 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 Hotel	Active
3	YIDNESU GEZU ALEMU POS	Gerji Branch	East Addis District	Bole Cluster	Sar Bet inside Kebede Ki Wold Butchery	Active
4	Samuel Maeresha POS	Summit Medhaniyalem Branch	East Addis District	Gioro Cluster	Summit 72 inside Samuel Beauty Salon & Spa	Active

S/N	Merchant POS	Owning Branch	District	Cluster	Deployed Location	Status
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 Mesoriya	East Addis District	Bole Cluster	Bole Bulbula inside Angla Vburger	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	Woloseffer inside Central Supermarket	Active
12	RANK FAMELY PLC POS	Woloseffer Branch	East Addis District	Bole Cluster	Woloseffer 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 Kedisko inside Eyuel Mulugeta Building Marettals 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	Gemet Branch	South Addis District	Kera Cluster	Bulgaria Mazoria inside Mussie Birhanu Building Matrerial	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 Madhanialem 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 (Lagesu Lamiso) POS	Shafeta Branch	South District	Hawassa Cluster	Hawassa Town Inside Burkitu Hotel	Active
28	DUGAMO 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	Hawassa Lake view Hotel POS	Hawassa Branch	South District	Hawassa Cluster	Hawassa Town Inside Lake view Hotel	Active
31	HAWASSA_ALETA LAND COFFEE PLC_POS	Hawassa Branch	South District	Hawassa Cluster	Hawassa 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
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

S/N	Merchant POS	Owning Branch	District	Cluster	Deployed Location	Status
38	Burje Yohannes - Zoe Pharmacy POS	Hawassa Menahria Branch	South District	Hawassa Cluster	Hawassa Town inside Zoe Pharmac	Active
39	Victoria Tadesse / Victoria Ligsur Store/	Balderas Branch	North Addis District	Kazanchis Cluster	Around Balderas Condominium inside Victoria Ligsur Store	Active
40	Yemimi supermarket POS	Hawassa Branch	South District	Hawassa Cluster	Hawassa 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	Tantodina Hotel P.L.C. POS	Shashemene Branch	South District	Hawassa Cluster	Shashemene Town inside Tantodina Hotel	Active
43	Bere YeharLimat POS	Arbaminch Branch	South District	Wolaita Cluster	Arbaminch 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	Binghen Academy POS	Kolfe Atena-Tera Branch	West Addis District	Merkato Cluster	Kolfe Atama-Tera inside Bingham Academy	Active
54	KUSHI HOTEL POS	West Addis District	Merkato Cluster	KUSHI HOTEL POS	Active	
55	Abreham Electronics POS	Bishoftu Branch	East District	Bishoftu Adama duster	Bishoftu Town inside Abreham Electronics	Active
56	Alema Farms POS	Torban Geiba Branch	East District	Bishoftu Adama duster	Bishoftu Town inside Alema Farms	Active
57	Tinsework Elicha Supermarket POS	Adama Branch	East District	Adama duster	Adama Town inside Tinsework Elicha Supermarket	Active
58	Kilole Hotel POS	Kurkura Branch	East District	Bishoftu Adama duster	Bishoftu Town inside Kilole Hotel	Active
59	Kuriftu Resort and Spa POS 1	Torban Geiba Branch	East District	Bishoftu Adama duster	Bishoftu Town inside Kuriftu Resort	Active
60	Kuriftu Resort and Spa POS 2	Torban Geiba Branch	East District	Bishoftu Adama duster	Bishoftu Town inside Kuriftu Resort	Active
61	Nardos Building Material POS	Torban Geiba Branch	East District	Bishoftu Adama duster	Bishoftu Town inside Nardos Building	Active
62	NORA RESORT POS	Ada'a Branch	East District	Bishoftu Adama duster	Adama inside NORA RESORT	Active
63	TK Resort POS 1 Reception	Bishoftu Branch	East District	Bishoftu Adama duster	Bishoftu Town inside TK Resort	Active
64	Lisak Resort POS 1	Bishoftu Branch	East District	Bishoftu Adama duster	Bishoftu Town inside Lisak Resort POS 1	Active
65	Kazanchis-Ker Ezhi Ethiopia Leather POS	Kazanchis Branch	North Addis District	Yeka Abado Cluster	Kazanchis inside Ker Ezhi Ethiopia Leather	Active
66	NIGIST GEBREMICHAEL POS	Bole-24 Branch	North Addis District	Kazanchis Cluster	NIGIST GEBREMICHAEL POS	Active
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	Filmemariam Gudeta Temitme POS	Cmc Michael Branch	North Addis District	Yeka Abado Cluster	Filmemariam Gudeta Temitme POS	Active

S/N	Merchant POS	Owning Branch	District	Cluster	Deployed Location	Status
72	ADDIS HEWOT 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 Mechanialem	East Addis District	Gore Cluster	Summit Mechanialem 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 International Plc	Semien Hotel Branch	West Addis District	Piassa Cluster	Semien Hotel inside Paragon International Hotel and Spa	Active
76	Gize Psychatric Speciality Clinic	Signal Branch	North Addis District	Kazanchis Cluster	Kotebe kidanemeheret 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	Gelersa Nano Branch	West District	Sheger Cluster	Gelersa Nono Brandy Ashewa meda inside KB resort	Active
79	Safari Mil Hyper Market	Bahir Dar Branch	North District	Bahir Dar Cluster	Bahirdar Town inside Safari Mil Hyper Market	Active
80	Victory Hotel POS	hosanaxana mobile	Central Ethiopia District	Hossaena Cluster	Hossaena Town inside Victory Hotel POS	Active
81	Negasa Gudisa pos	Gerji Branch	East Addis District	Bole bras 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 supremeco urt
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 , Benyiam Lechebo	Hossahina	Guarantee	5,000,000.00	Execution	100%	Supreme court
5	Berhan Bank vs Yiabzer Isayas Construction	Bole Medhaniale m	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 Medhaniale m 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%	Plassa 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%	Plassa FFIC
12	Berhan banK 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 Legase, 2, Adane Halle	European Union	Possessory action	undefined	Ajourned for receiving the statement of defense of the defendant	90%	Bole FFIC
14	Berhan Bank vs Labor union (5 individulas)	HR	Representation	undefind	Ajourned for investigation	100%	Bole FHC
15	Berhan Bank vs Mekuanent Tadesse	HR	Representation	undefind	Ajourned for investigation	100%	Bole FHC
16	Berhan Bank vs Gezachew Esheta	HR	Judicial jurisdiction of court to entertain a manager	undefind	Ajourned for investigation	80%	Bole FHC
17	Berhan Bank vs Eyosiyas Bezabeh	Metti	ESL	284,000.00	Ajourned for	100%	Gambela 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.
					statement of defense of the defendant		
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	Misganew 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 the buyers will not accessed.	18,261,749.00	It has been adjourned to summon the 2nd and 3rd defendants	70%	Federal High court Lideta Court
24	1) Elias Beshae 2. Bereke alemu Vs merical yega real state 2) maheit 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%	Bahrdar city werdea 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.
27	Alemtehay Chane(A.B.KI,M.Tena biru) 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 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%	Wolyeta zone High court
41	Tabor Ceramic vs Berhan Bank	IBD	LC	61,160$	We have submitted statement of defense	70%	Kerkos 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.
42	Oromoya irregation and pastoralasid 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 for the 1st defendant.	90%	Behir Dar High court.

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; Testahun Desse; and Miliku Mekonin	Shafeta & Debo	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 Haliu	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	Hailemariyam 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	Hailemariyam was found guilty and sentenced to 9 years of rigorous imprisonment. Accused Melay was sentenced to 3 years of rigorous imprisonment.	**Decided**
5	Emias 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)	-	07/02/2016	Aggravated breach of trust and destruction of properties	846,486.70	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 Mengste and 18 suspects	Head Office (security guard)	Addis Ababa City Police Commission, Addy Abeba Police Office	23/11/2013 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

No	Name of Suspect(s)	Branch	Investigating Police Office	Date Instituted	Subject Matter	Amount Involved (ETB)	Current Status	Proposed Future Action
10	Birbir	The Dagim Melese	Bibir 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	Usuman Umar; Mariam Hamuaa; and Dessalegn Fantaye	Chencha	Arbaminch 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
14	Demeke Beyazeign Mehret	South District	Hawassa City Police Department	20/06/2025	Aggravated breach of trust	-	-	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