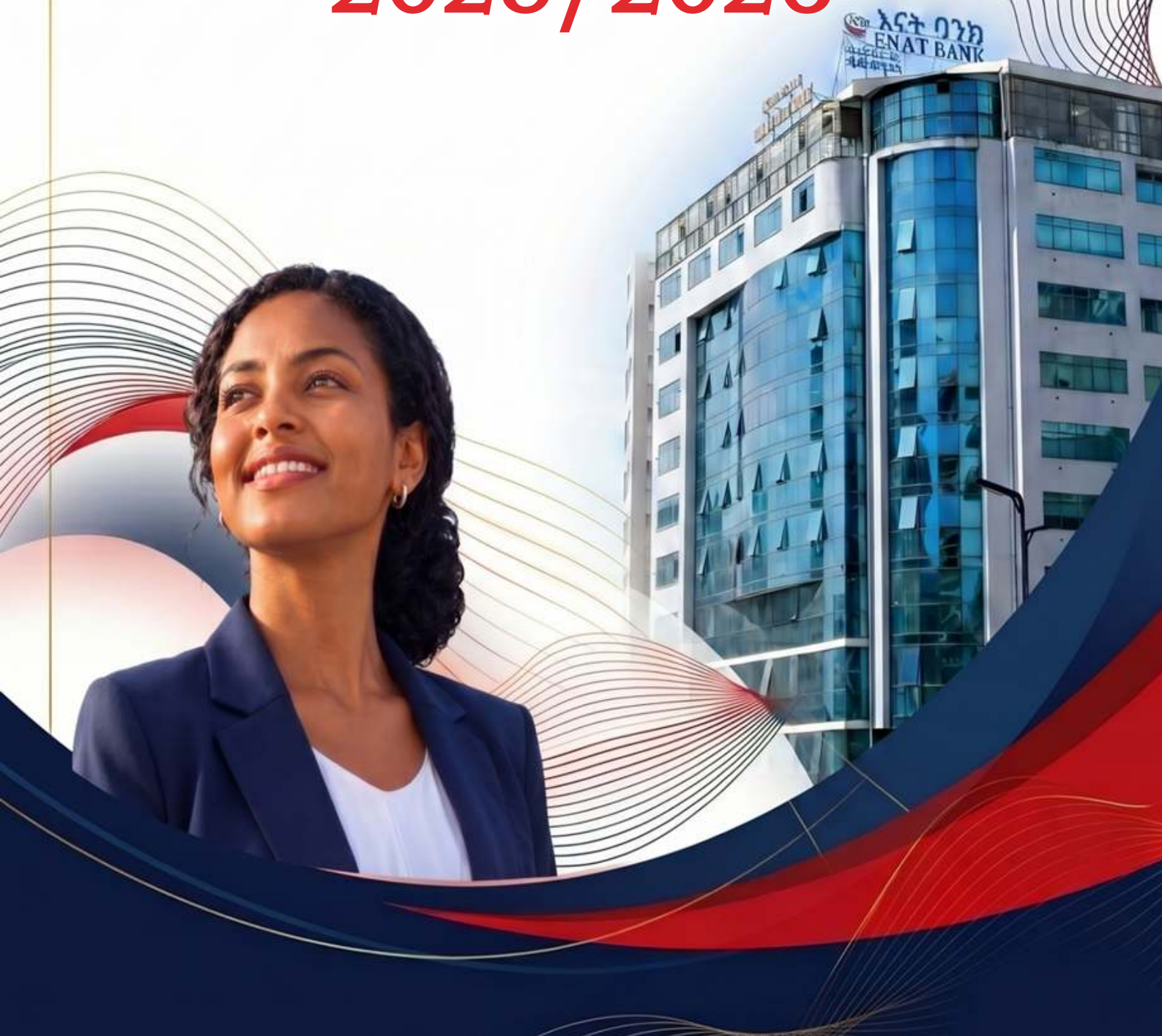
እናት

Annual Report

2025/2026



Contents

Annual Report 2025/26

01	Achievement Highlights	8
02	Corporate Governance	9
03	Transforming Banking through Digital Innovation	15
04	Human Capital Management	17
05	Outlet Expansion	17
06	Financial Performance	18
07	Women Banking Impact Report	20
08	Awards & Recognition	23
09	Corporate Social Responsibility	24
10	Major Events	25
11	Establishment of Call Center	26
12	Our Customers and Partners	27
13	Auditor's Report	29
14	Branch Contact Addresses	135

Our Vision, Mission and Core Values

VISION

Lead modern banking as Ethiopia's preferred bank, powering women's economic advancement.

MISSION

Empower women and families with tailored, modern banking solutions delivered through trusted partnerships and seamless channels, supporting long-term economic advancement.

Core values

01

Customer Centricity

Every decision is viewed through the customer lens first.

02

Integrity

The highest ethical standards in every interaction.

03

Respect & Inclusivity

Equal access for all and a celebration of diversity.

04

Excellence

Do it right the first time, with continuous improvement.

05

Innovation

Embrace new ideas, technologies and business models.

06

Collaboration

Teamwork across departments, ranks and geographies.

Message from the Board of Directors

Strategic renewal and disciplined execution



Aster Solomon
Chairperson, Board of Directors

Honorable Shareholders,

I am pleased to present Enat Bank's performance for the fiscal year ended 30 June 2026, a year of progress, reflection and strategic renewal.

Ethiopia's financial sector has changed significantly, driven by regulatory reform, rising competition, technology and the gradual opening of new frontiers. The Board remained committed to strong governance and oversight, with particular emphasis on financial sustainability, efficiency, customer experience, digital transformation, resource mobilization, human capital and risk management.

The Board comprises eleven members, seven of them women, and its composition did not change in 2025/26. Women hold 60% of the Bank's ownership and 64% of its Board, including the Chairperson. Risk policy is overseen by the Loan Review and Risk Sub-Committees, supported by the Risk and Compliance Department, while a Sharia Advisory Committee guides Ummi banking. The Bank's 2025/26 financial statements have been audited and prepared in accordance with IFRS.

A key milestone was the endorsement of the new Corporate Strategic Plan: a focused, measurable roadmap that strengthens our competitive position, deepens customer relationships, accelerates digital transformation and reinforces our founding purpose of advancing women's economic empowerment. In recognition of this commitment, the National Bank of Ethiopia named Enat Bank a "Market Leader" in its annual Gender Scorecard for the second consecutive year. The scorecard benchmarks performance in women's representation in leadership and the workforce, women's use of financial products, and financial innovation for women.

The Board approved the 2026/27–2028/29 Corporate Strategy in the current budget year.

The strategy is built on five themes: capital supremacy and market access, digital transformation and ecosystem build, women-

focused market leadership, operational excellence and efficiency, and risk governance and regulatory excellence. Among its targets are a listing on the Ethiopian Securities Exchange and 40% women in management, both by FY2028/29. The Board will keep its focus on disciplined execution, with clear measures, accountability and timely corrective action.

Going forward, we will improve profitability and cost efficiency, grow lower-cost deposits and diversify foreign currency sources, while keeping our loan portfolio diversified and prudently managed. Digital banking, digital lending and responsible innovation, including artificial intelligence (AI), will be backed by strong cyber-security and controls. We will keep investing in our people, improving customer experience and strengthening partnerships. The Board also supports the Bank's role in the emerging capital market, including the Gender Bond, planned as the first private-sector Gender Bond in Ethiopia, as well as a stronger Environmental, Social and Governance approach. The Bank's ESG program with German Sparkassenstiftung for International Cooperation (DSIK) identifies material ESG topics.

We are confident that Enat Bank has the people, foundation and ambition to become a stronger, more efficient, innovative, inclusive and sustainable bank that creates lasting value for shareholders while staying true to its purpose. On behalf of the Board, I thank our shareholders, customers, the National Bank of Ethiopia, our partners and, above all, the management and employees of Enat Bank.

Thank you.

Aster Solomon
Chairperson, Board of Directors

Message from the Chief Executive Officer

A year of growth, strengthening and preparation for a more competitive future



Ermias Andargie (PhD)
Chief Executive Officer

Dear Shareholders, Board Members, Customers, Partners and Colleagues,

Fifteen years ago, eleven Ethiopian women set out to establish a bank that places women at the center of financial services. This year, that vision reached new heights, with total assets growing by 35.0% to Birr 49.1 billion and paid-up capital reaching Birr 5.93 billion, meeting the National Bank of Ethiopia's minimum capital requirement ahead of the 30 June 2026 deadline.

The year was characterized by strong economic growth alongside significant challenges. Inflation eased to below 10% before a fuel-price shock pushed it to 11.7% in April 2026, while security conditions remained challenging in parts of the country. The regulatory landscape also evolved rapidly, with an increased minimum capital requirement, the introduction of a new risk-based capital directive, the entry of foreign banks, and the removal of the credit growth ceiling in July 2026. We welcome these reforms as important developments in Ethiopia's financial sector.

Net loans grew by 48.5% to Birr 30.48 billion, while deposits increased by 32.1%, or Birr 9.08 billion, to Birr 37.35 billion. Interest-free (Ummi) deposits rose by 159.2% to Birr 677 million.

Total revenue increased by 44.3% to Birr 8.19 billion. Interest income grew by 52.4%, while fee and commission income more than doubled, rising by 120.3% to Birr 1.66 billion. Profit before tax increased by 22.6% to Birr 1.02 billion.

Asset quality remained sound, with non-performing loans accounting for 2.8% of gross loans, compared with 2.9% in the previous year. The provision coverage ratio improved to 53%, up from 43%. Profit after tax reached Birr 713.5 million, slightly exceeding the previous year's result as the tax charge normalized. Total equity reached Birr 8.08 billion, while the capital adequacy ratio stood

at 14.0%, above the regulatory minimum of 11%. The Board will distribute a dividend to shareholders.

During the year, we redesigned our organizational structure to strengthen core functions and enhance specialization. We appointed dedicated leaders for information systems, operations, digital banking, risk management, and internal audit. We also strengthened recovery efforts and the credit-loss model while expanding our workforce by 6.1% to 2,194 colleagues, including 344 new permanent employees. Women account for 952 of our employees. Our branch network expanded to 225 branches.

In 2026, we launched four digital services: Ethiopian Airlines ticket payment, Eth-QR payment, Green PIN, and M-PESA integration. We also established Call Center 9845 to strengthen customer engagement and improve access to banking services. In addition, we acquired the building that serves as our head office, reinforcing our institutional foundation for future growth.

Our commitment to women's economic empowerment continued to deliver measurable results. Malefiya digital lending reached more than 23,400 customers, over 98% of whom are women. The platform recorded more than 133,300 loan accounts and disbursed over Birr 3.1 billion. In addition, our guarantee fund enabled 240 women entrepreneurs to access loans and create 709 jobs.

We conducted 235 financial literacy sessions, reaching 25,040 people. In collaboration with i-Capital Institute PLC, FSD Ethiopia, and FSD Africa, we signed a memorandum of understanding to launch Ethiopia's first private-sector Gender Bond. Furthermore, the National Bank of Ethiopia recognized Enat Bank as a "Market Leader" in its second annual Gender Scorecard, affirming our continued leadership in advancing gender-responsive financial services.

The Way Forward

We enter the 2026/27 financial year with the strongest capital base in our history and a new strategy designed to position Enat Bank as Ethiopia's preferred bank for modern banking, while advancing women's economic empowerment.

Our strategy sets ambitious targets for the coming years, including listing on the Ethiopian Securities Exchange, increasing women's share of our customer base to 70%, achieving 40% female representation in management, and introducing ten new digital products. These priorities will guide our efforts to strengthen competitiveness, accelerate digital transformation, improve operational excellence, and expand inclusive financial services.

My sincere gratitude goes to our shareholders, the Board of Directors, the National Bank of Ethiopia, our partners, our dedicated colleagues, and, above all, our valued customers. Your continued trust, commitment, and support have been instrumental in our progress. Together, we will build on these achievements and advance Enat Bank's mission of delivering modern, inclusive, and sustainable banking services for Ethiopia.

Thank you for being part of our journey.

Ermias Andargie (PhD)
Chief Executive Officer

01

Achievement Highlights

Five years of growth at a glance: 2021/22 to 2025/26

TOTAL ASSETS
Birr 49.1B
+35.0% vs 2024/25

DEPOSITS
Birr 37.3B
+32.1% vs 2024/25

NET LOANS
Birr 30.5B
+48.5% vs 2024/25

TOTAL REVENUE
Birr 8.2B
+44.3% vs 2024/25

PROFIT BEFORE TAX
Birr 1.02B
+22.6% vs 2024/25

PAID-UP CAPITAL
Birr 5.93B
+55.8% vs 2024/25

Five-year comparison

Total assets — Birr billion

2021/22	17.2
2022/23	22.8
2023/24	27.2
2024/25	36.4
2025/26	49.1

Deposits — Birr billion

2021/22	13.0
2022/23	17.8
2023/24	21.0
2024/25	28.3
2025/26	37.3

Net loans — Birr billion

2021/22	11.2
2022/23	15.0
2023/24	17.1
2024/25	20.5
2025/26	30.5

Total revenue — Birr billion

2021/22	2.2
2022/23	3.3
2023/24	4.3
2024/25	5.7
2025/26	8.2

Profit before tax — Birr million

2021/22	377
2022/23	724
2023/24	714
2024/25	836
2025/26	1,024

Paid-up capital — Birr billion

2021/22	1.9
2022/23	2.5
2023/24	3.0
2024/25	3.8
2025/26	5.9

02

Corporate Governance

Strong oversight in a year of major regulatory change

During the 2025/26 fiscal year, Enat Bank S.C. continued to strengthen its corporate governance framework, emphasizing accountability, transparency, regulatory compliance, and effective risk management. The Bank reinforced its senior management capacity across key operational, technological, risk management, and assurance functions, enhancing leadership effectiveness, institutional coordination, and accountability.

The Bank also advanced its Environmental, Social and Governance (ESG) agenda by integrating responsible business practices into its operations. In line with this commitment, Enat Bank is working to align ESG considerations with its strategic financing priorities to promote responsible lending, support environmentally and socially sustainable investments, and strengthen long-term financial and institutional resilience.

Furthermore, the Board's approval of the Corporate Strategy for the 2026/27–2028/29 fiscal years established a framework for aligning institutional priorities, resource allocation, and performance management with the Bank's long-term objectives. Through strengthened leadership, sound oversight, and sustainability-oriented decision-making, Enat Bank remains committed to responsible banking, women's economic empowerment, stakeholder confidence, and sustainable growth.

Board of Directors



Aster Solomon
Chairperson



Bewketu Tadesse (PhD)
Vice Chairperson



Yemenzwork Gerefie
Member



Wudalat Gedamu
Member



Emebet Tesfaye
Member



Yohannes Arega
Member



Mahder Chanie
Member



Abebech Sereke
Member



Bizuwork Mamo
Member



Abraham Adula
Member



Terefe Bedada
Member

Sharia Advisory Committee



Sheh Mohammed Mustefa
Chairperson



Sheh Yeikub Muhammed
Member



Sheh Nurelah Hammidin
Member

Senior Management Team



Ermias Andargie (PhD)
Chief Executive Officer



Tigist Abate
Chief Finance and Corporate Services Officer



Tefera Tolessa
Chief Information Officer



Lelise Temesgen
Chief Operation Officer



Tefera Gimbi
Chief Digital Banking Officer



Bealemlay Ayenew
Deputy Chief HR and Facility Officer



Henok Yilma
Deputy Chief Finance and Treasury Officer



Estifanos Sime
Deputy Chief Branch Banking Officer



Melese Gizaw
Executive Director, Risk & Compliance Department



Elizabeth Bedane
Executive Director, Internal Audit Department

Department Directors



Biruk Melaku
Executive Assistant to the CEO



Aklil Girma
Director, Marketing Communication & Customer Service Department



Tenagne Bassa
Director, Women Banking Solution Department



Haile Atfaye
Director, Human Capital Management Department



Bezabih Adugna
Director, Treasury Management Department



Yalemzewd Tadesse
Director, Corporate Credit Management Department



Dereje Tesfaye
Director, SME Credit Management Department



Etsegenet Gesit
Director, Finance and Accounts Department



Faris Ahmed
Director, Interest Free Banking Department



Tadelech Shiferaw
Director, International Banking Department



Yacob Niguse
Director, Strategy and Innovation Department



Mesfin Seyoum
Director, Digital Lending Operations Department



Hiwot Teshome
Director, Digital Banking Technology Department



Anteneh Alemayehu
Director, IT Infrastructure Management Department



Eleni Hailu
Director, Application Management Department

Department Directors (continued)



Milkyas Bogale
Director, Information System Security Department



Feyisa Tarekegn
Director, Legal Service Department



Muluken Kebede
Acting Director, Portfolio Management and Credit Follow-up Department



Binyam Yitbarek
Director, Procurement and Facility Management Department



Fisseha Yirgu
Director, Engineering and Building Management Department



Zelalem Addis
Director, Digital Banking Operations Department

District Directors



Abiy Edecha
Director, East Addis Ababa District



Habtamu Mengistu
Director, West Addis Ababa District



Fitsum Mulugeta
Director, Bahir Dar District



Hailemariam Maru
Director, Hawassa District



Solomon Amare
Director, Mekelle District

03

Transforming Banking through Digital Innovation

During the 2025/26 financial year, Enat Bank introduced four digital banking services to enhance customer convenience, security, and accessibility while supporting Ethiopia's digital transformation: Ethiopian Airlines Ticket Payment, Eth-QR, Green PIN, and M-PESA Integration.



Ethiopian Airlines Ticket Payment

Customers can purchase airline tickets and pay directly through the Bank's digital channels without visiting ticket offices or branches, making travel arrangements easier and more convenient.



Eth-QR Payments

Customers can pay merchants and service providers instantly by scanning QR codes through the Bank's mobile banking application. This reduces cash dependency, improves transaction convenience and security, and promotes a cashless economy and financial inclusion.



Green PIN

Customers can securely generate, retrieve, and change their ATM card PINs through digital channels. The service strengthens information security, enables self-service, reduces paper consumption, and supports environmental sustainability.



M-PESA Integration

Customers can seamlessly transfer funds between their Enat Bank accounts and M-PESA wallets, improving financial connectivity, transaction flexibility, and access to digital financial services.

Through these innovations, Enat Bank continues to modernize banking services, improve customer experience, strengthen digital financial inclusion, and contribute to Ethiopia's transition toward a secure and inclusive cashless economy.

04

Human Capital Management

Attracting, developing and retaining a skilled and adaptable workforce

2,194
Employees (+6.1%)

344
New permanent employees

952
Women employees

A redesigned organizational structure strengthened core functions and specialization. The Bank prioritized inclusive recruitment, retention and leadership development, with tailored programs on transformational leadership and empowering women.

05

Outlet Expansion

225
Branches nationwide

IFB window
Interest-free banking inside the branch network

The Bank expanded its branch network to 225 branches, bringing financial services closer to a larger and more diverse customer base, including individuals and small businesses in previously underserved areas. This wider reach advances financial inclusion by expanding access to savings, payments, and credit. Interest-free banking has also advanced, with two full-fledged Interest-Free Banking (IFB) branches now operational, alongside the provision of Sharia-compliant services through the IFB window model within the wider branch network. Together, these initiatives enable the Bank to serve a broader cross-section of society while expanding access to conventional and interest-free banking services.

06

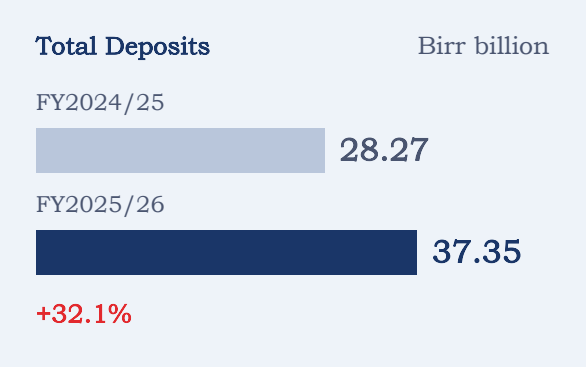
Financial Performance

Stronger balance sheet, higher earnings and a capital base above the regulatory minimum

6.1

Deposit

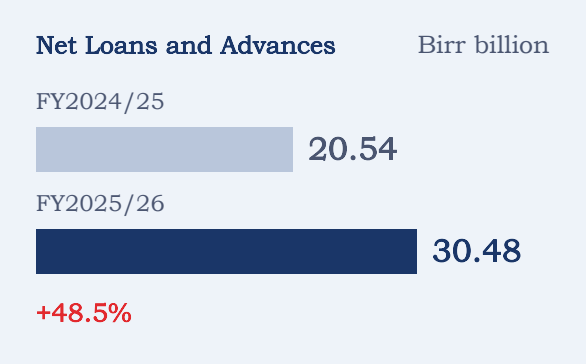
Deposits reached Birr 37.35 billion, up Birr 9.08 billion (32.1%). Interest-free (Ummi) deposits grew 159.2% to Birr 677 million, reflecting growing customer trust and wider branch and digital reach.



6.2

Loans and Advances

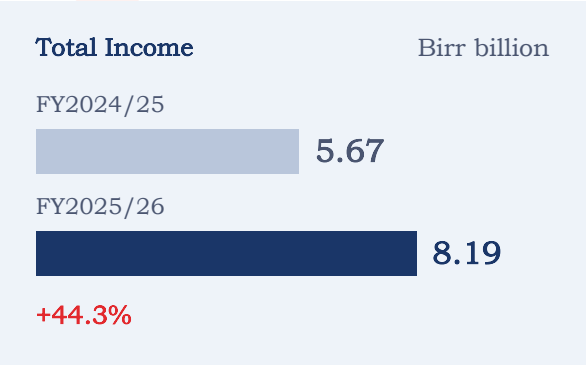
Net loans grew 48.5% to Birr 30.48 billion. Quality held: non-performing loans were 2.8% of gross loans (2.9% last year) and the allowance covers 53% of them, up from 43%.



6.3

Total Income

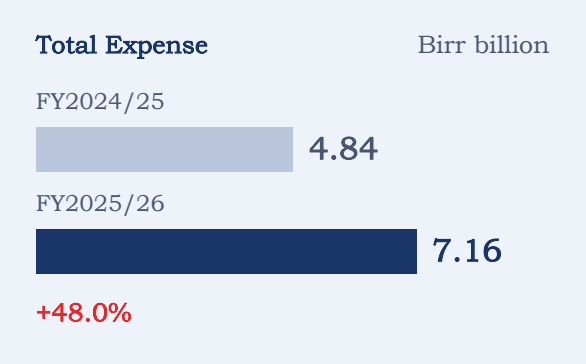
Total revenue (gross income) rose 44.3% to Birr 8.19 billion. Interest income grew 52.4% (72.4% of revenue) and fee income rose 120.3% to Birr 1.66 billion, while other income incl. FX fell 41.7% to Birr 0.60 billion. After interest expense, total operating income rose 31.5% to Birr 3.84 billion.



6.4

Total Expense

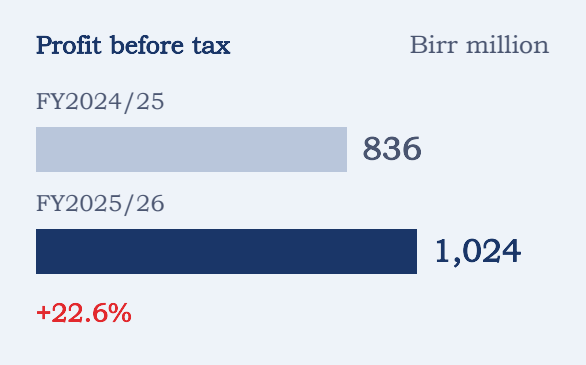
Total expense rose 48.0% to Birr 7.16 billion, led by interest expense (+57.8% to Birr 4.35 billion) and Birr 254 million of impairment charges. Operating expenses (staff, depreciation and other) rose 21.9% to Birr 2.56 billion.



6.5

Profit

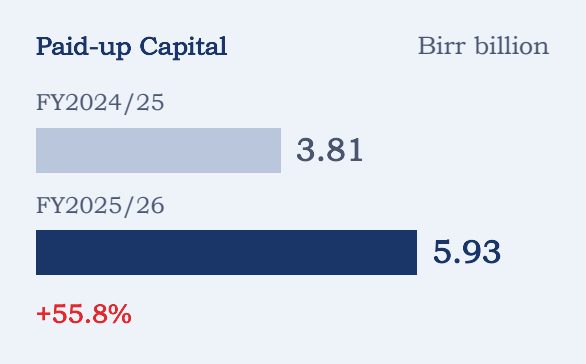
Profit before tax grew 22.6% to Birr 1.02 billion. The Board of Directors have no objection in paying and distributing the dividend to share holder for the FY 2025/2026.



6.6

Paid-up Capital

Paid-up capital rose 55.8% to Birr 5.93 billion, above the Birr 5 billion NBE minimum. Equity reached Birr 8.08 billion; capital adequacy is 14.0% (minimum 11%) and CET1 12.9% (minimum 7%).





DIGITAL PRODUCTS

Malefiya Digital Lending

23,400+
Customers served

133,300+
Loan accounts

Birr 3.1B+
Loans disbursed

98%+
Customers who are women



07

Women Banking Impact Report 2026

Women hold 60% of the Bank's ownership and 64% of its Board, including the Chairperson. This women-centred foundation drives a financial inclusion program that tackles the barriers women face, above all limited collateral.

60%

Women's share of Bank ownership

64%

Women on the Board, including the Chairperson

A guarantee fund that removes the collateral barrier

In the 2025/26 financial year, Enat Bank received Birr 596 million in partner funding under the SME Department: Birr 300 million from WEDP, Birr 200 million from KfW, and Birr 96 million for MSME post-conflict recovery, against signed contracts of Birr 192 million.

In parallel, the Bank's dedicated Risk Fund continued to address the collateral barriers women entrepreneurs face. It was initially supported by shareholders contributing 3-5% of their annual dividends and later strengthened through the Enat Gebeta initiative. The Fund mobilized Birr 41.7 million in 2025/26, with 78.4% from partners and 21.6% from shareholders. Backed by this guarantee fund, 240 women running micro and small businesses who previously lacked collateral accessed conventional loans. Their businesses went on to create 709 new jobs, 520 of them for women. These figures capture only the dedicated fund's impact, but they reflect the Bank's broader mission to unlock latent economic potential.

Because capital must be paired with capability, the Bank also conducted 235 financial literacy sessions, reaching 25,040 individuals and connecting them to local branches. It launched its landmark Women's Mentorship Program, which strengthens the pipeline of female leaders through structured guidance, professional development, and knowledge sharing.

Building on this momentum, the Bank unveiled Ethiopia's first-ever Gender Bond, drawing on the country's newly established capital market infrastructure. The bond will raise long-term capital from domestic, international, and development investors. Moving beyond collateral-based models, it will connect impact-driven investors with women-owned, women-led, and women-benefiting enterprises that need sustainable, long-term capital.

This commitment continues to earn national recognition. After being named Ethiopia's "First and Only Transformational Bank" last year, Enat Bank was officially named a "Market Leader" this year, a testament to our vision of driving a more inclusive financial ecosystem in Ethiopia.

240

Women MSE owners who accessed loans

709

New jobs created, 520 of them for women



25,040

People reached by 235 financial literacy sessions

08

Awards & Recognition

National and continental recognition for inclusion and leadership



NATIONAL BANK OF ETHIOPIA

Market Leader: Gender Scorecard 2026

The National Bank of Ethiopia named Enat Bank a “Market Leader” in the annual Gender Scorecard for the second consecutive time, which benchmarks women in leadership and the workforce, women’s use of financial products, and financial innovation for women.



6TH AFRICA MOST RESPECTED CEO AWARDS

Africa’s Most Respected CEO 2026

CEO Ermias Andargie (PhD) was honored at the 6th Africa Most Respected CEO Awards for visionary leadership, innovation and contribution to economic growth and sustainable development, a milestone for Enat Bank.

09

Corporate Social Responsibility (CSR)

Beyond banking: education and community, with special emphasis on women



EDUCATION

The New Face of Enat Library

The former Asko Library was fully renovated with the Bank's support, with upgraded reading areas, furniture and restrooms for students, researchers and the community: building the next generation.



COMMUNITY

Ummi Iftar in Dire Dawa

Through Enat Ummi Interest-Free Banking, the Bank provided Iftar support to low-income community members in Dire Dawa during Ramadan.



EDUCATION

Empowering Futures

Enat Bank donated educational materials to students from low-income families through the Ministry of Women and Social Affairs.

10

Major Events

Moments that brought the Bank closer to customers, partners and colleagues



PRESS BRIEFING

Announcing the Gender Bond Initiative

Enat Bank and its advisor i-Capital Africa Institute briefed the press. Chairperson Aster Solomon said the initiative strengthens the Bank's competitiveness by expanding into new areas, widening access to finance for women while attracting domestic and international investment.



MOU

A four-party partnership

Enat Bank, i-Capital Institute PLC, FSD Ethiopia and FSD Africa signed an MOU to launch the first private-sector Gender Bond in Ethiopia. It was signed by Ermias Andargie (PhD), Gemechu Waktola (PhD) and Ms. Hikmet Abdella; FSD Africa signed electronically.



SPECIAL EVENT

Annual Management Meeting

Executives, District Directors and Branch Managers met at Elilly International Hotel to evaluate performance and set strategic directions, noting progress in deposits, digital banking and inclusion.



PEOPLE

Women Leaders' Capacity-Building Workshop

Enat Bank continues to strengthen women's leadership and empower women to take on greater leadership responsibilities. A dedicated leadership workshop prepared senior women for expanded roles, reinforcing the Bank's commitment to inclusive leadership.

11

Establishment of Call Center 9845



9845

Call Center

Enat Bank has established Call Center 9845 to strengthen customer engagement and improve access to banking services. The initiative provides customers with a convenient channel to obtain information, seek assistance and communicate their concerns, reaffirming the Bank's commitment to responsive service, customer satisfaction and service excellence.

12

Our Customers and Partners

Partners across digital banking, industry, development and women's economic empowerment

Our Customers

Check Inn Hotel	Deliver ICT and Telecommunications Technology PLC	Chaka Buna PLC	Ethiopian Petroleum Supply Enterprise	Habesha Steel Mills PLC	Heal Venture Medical and Surgical
Hybrid Designs (Ride)	Mums for Mums	Kabana Leather	Meron Seid (Leather Exotica)	Muya Ethiopia (Abyssinian Crafts)	Panafric Global Logistics
Qawwa Coffee Export PLC	Sara Next Fashion Design	Tebita Ambulance	Technostyle PLC	Tibeb Design and Build PLC	Timex Trading PLC

Remittance partners

Western Union	MoneyGram	Ria Money Transfer	Dahabshiil

SWIFT CODE **ENATETAA**

Our Partners

Development Bank of Ethiopia

Arifpay

AWB

Child Wellbeing Media Center

Entrepreneurship Development Institute (EDI) Ethiopia

CAWEE

Ethiopian Airlines

EthSwitch

Financial Alliance for Women

Global Alliance for Banking on Values

Mastercard Foundation

Ethio telecom

Ministry of Labor and Skills

Telebirr

Partners Worldwide

Safaricom Ethiopia

Samaritan's Purse

UNECA

UN Women

UNCDF

UNICEF

Industrial Parks Development Corporation

Atlas Computer Technology

CVM (Comunità Volontari per il Mondo)

Sheger Entrepreneurs Association

Birara Genet

Biruh Addis Charitable Organization

Christian Horizons Ethiopia

KoderLab

EKHC

Tearfund

Ethiopian Diabetes Association

Ethiopian Medical Women's Association

Ethiopian Women in Water Association

Zicon

FANOS

HelpAge Ethiopia

13

Auditor's Report

2025/26 FY

(IFRS Financial Statements, 30 June 2026)

Corporate information

Company registration number	KK/AA/3/0006590/2006 E.C (Ethiopian Calendar)
License number	LBB/019/12 G.C (Gregorian Calendar)

Directors (As of 30 June 2026)

Aster Solomon Neway	Board of Directors (Chairperson)	Appointed April 2024
Bewketu Tadesse (PhD)	Board of Directors (Vice Chairperson)	Appointed April 2024
Wudalat Gedamu Teshale	Board of Directors (Member)	Appointed April 2024
Yohannes Arega Tefera	Board of Directors (Member)	Appointed April 2024
Abraham Adula Oga	Board of Directors (Member)	Appointed April 2024
Terefe Bedada Ettansa	Board of Directors (Member)	Appointed April 2024
Bizuwork Mamo Woldehana	Board of Directors (Member)	Appointed April 2024
Mahder Chanie Ayalew	Board of Directors (Member)	Appointed April 2024
Emebet Tesfaye Gebeya	Board of Directors (Member)	Appointed July 2024
Abebech Sereke Woldeabe	Board of Directors (Member)	Appointed July 2024
Yemenzwork Gerefie Nardos	Board of Directors (Member)	Appointed July 2024

Executive management (As of 30 June 2026)

Ermias Andargie Ayele (PhD)	Chief Executive Officer	Appointed January 2021
Tigist Abate Damte	Chief Finance and Corporate Services Officer	Appointed February 2021
Tefera Tolessa Wakjira	Chief, Information Systems	Appointed July 2025
Lelise Temesgen Tucho	Chief Operation Officer	Appointed July 2025
Tefera Gimbi Debele	Chief Digital Banking Officer	Appointed July 2025
Bealemlay Ayenew Feyissa	Deputy Chief, Human Resource and Facility Officer	Appointed July 2025
Henok Yilma Haileselassie	Deputy Chief, Treasury and Finance Officer	Appointed July 2025
Estifanos Sime Baruda	Deputy Chief, Branch Banking Officer	Appointed July 2025
Melese Gizaw Desta	Executive Director, Risk & Compliance Department	Appointed July 2025
Elizabeth Bedane Guraro	Executive Director, Internal Audit Department	Appointed July 2025
Biruk Melaku Andualem	Executive Assistant to the CEO	Appointed November 2020

Independent auditor

Tafesse, Shisema and Ayalew Certified Audit Partnership (TMS Plus)
Chartered Certified Accountants (UK) Authorized Auditors (ETH)
P.O. Box 110690
Addis Ababa, Ethiopia

Corporate office

Enat Bank Share Company
Kirkos Sub-City, Woreda 08, Around Bambiss Bridge, P.O. Box 18401
Addis Ababa, Ethiopia

Report of the directors

The directors submit their report together with the financial statements for the year ended 30 June 2026, to the members of Enat Bank ("the Bank"). This report discloses the financial performance and state of affairs of the Bank.

Incorporation and address

Enat Bank was incorporated in Ethiopia in 2011 by eleven visionary Ethiopian women who envisioned creating a full-fledged commercial bank with a special focus on women banking needs.

Principal activities

The mandate of the Bank is to provide banking services for all, with a special focus on facilitating greater access to and use of financial services for women, and creating value for shareholders. The Bank's inclusive business model involves women entrepreneurs in order to expand economic opportunities while creating value for Ethiopia's businesses, and society in general.

Results and dividends

The Bank's results for the year ended 30 June 2026 are set out in the statement of profit or loss and other comprehensive income. The profit for the year has been transferred to retained earnings. The summarized results are presented below.

	30 JUNE 2026 BIRR'000	30 JUNE 2025 BIRR'000
Net interest income	1,574,062	1,130,950
Profit / (loss) before tax	1,024,164	835,580
Tax (charge) / credit	(310,680)	(129,278)
Profit / (loss) for the year	**713,484**	**706,302**
Other comprehensive profit / (loss) net of taxes	117,254	37,705
Total comprehensive profit / (loss) for the year	**830,738**	**744,008**

Directors

The directors who held office during the year and to the date of this report are set out in the corporate information.

Aster Solomon — Board Chairperson

Statement of directors' responsibilities

In accordance with the Financial Reporting Proclamation No. 847/2014 and the Banking Business Proclamation No. 1159/2019, the Accounting and Auditing Board of Ethiopia (AABE) and the National Bank of Ethiopia (NBE) may require the Bank to prepare its financial statements in accordance with International Financial Reporting Standards (IFRS), regardless of any changes in their designation or subsequent replacements from time to time.

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

- exhibit clearly and correctly the state of its affairs;
- explain its transactions and financial position; and
- enable the National Bank to determine whether the Bank had complied with the provisions of the Banking Business Proclamation and regulations and directives issued for the implementation of the aforementioned Proclamation.

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

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

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

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

Signed on behalf of the Directors by:

Aster Solomon	Ermias Andargie (PhD)
Board Chairperson	CEO

Approved and Signed

Independent auditors' report

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ENAT BANK S.C.

Opinion

We have audited the financial statements of Enat Bank Share Company, which comprise the statement of financial position as at 30 June 2026, the statement of profit or loss and other comprehensive income, the statement of cash flows and statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 30 June 2026, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Ethiopian Code of Ethics for Professional Accountants, which is consistent with International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence, we have obtained, is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period, these matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

As described in notes 9 and 15 to the financial statements, the impairment losses have been determined in accordance with IFRS 9 Financial Instruments. This was considered a key audit matter as IFRS 9 is a complex accounting standard which requires significant judgment to determine the impairment loss.

IFRS 13 requires entities to measure fair value using observable inputs whenever possible, and unobservable inputs only when observable inputs are not available. In the case of the Bank's investment in EthSwitch Share Company, United Insurance S.C. and Ethiopian Securities Exchange the Bank used Level 2 fair value measurement, with comparable companies and market multiple approach i.e. EV/EBITDA multiples to arrive at fair value since the investees, that have been valued, do not have quoted prices. Detail of valuation is disclosed in note 16 to the financial statements.

To address this key audit matter, we have performed the following audit procedures:

- We assessed the Bank's valuation methodology and evaluated the reasonableness of the key assumptions used in the valuation model.
- We compared the Bank's valuation results to those of independent market participants.

We recommend that the Bank consider the following actions to mitigate the risk of material misstatement in the future:

- Consider using a valuation methodology that incorporates more observable inputs.
- Regularly monitor the performance of the investment and update the valuation model as needed.

We have communicated our concern and recommendations to management, and they have agreed to take the necessary actions.

Other Information

Management is responsible for the other information, comprising the Directors' Report, which does not include the financial statements our auditor's report thereon. Our opinion does not cover the other information, and we express no assurance conclusion on it.

Our responsibility is to read the other information and consider whether it is materially inconsistent with the financial statements our knowledge from the audit, or otherwise appears materially misstated. We have nothing to report in this regard.

Responsibilities of Directors for the Financial Statements

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRSs), and for such internal control as Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Directors either intends to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Report on other Legal and Regulatory Requirements

We have no comment to make on the report of your Board of Directors so far as it relates to these financial statements in accordance with the Commercial Code of Ethiopia of 2021 (Proclamation No. 1243/2021), and we recommend approval of the financial statements.

In addition we have no objection on the amount of dividend proposed by the directors and hence in accordance with article 349(3) of the Commercial Code of Ethiopia 2021 we recommend approval of the proposed dividend distribution.

TMS Plus Audit Service Limited Liability Partnership
Chartered Certified Accountants (UK) Addis Ababa
Authorized Auditors (ETH) Date 25 September 2026

Statement of profit or loss and other comprehensive income

	NOTES	30 JUNE 2026 BIRR'000	30 JUNE 2025 BIRR'000
Interest income	5	5,923,906	3,887,897
Interest expense	6	(4,349,844)	(2,756,947)
Net interest income		**1,574,062**	**1,130,950**
Fee and commission income	7	1,659,399	753,193
Fee and commission expense	7	-	-
Net fees and commission income		**1,659,399**	**753,193**
Net Gain on Foreign Exchange	8	288,923	-
Other operating income	8	313,113	1,032,657
Total operating income		**3,835,496**	**2,916,800**
Loan impairment charge	9	(199,535)	16,395
Impairment losses on other assets	10, 37a	(54,457)	-
Net operating income		**3,581,504**	**2,933,195**
Personnel expenses	11	(1,490,436)	(1,249,643)
Amortization and impairment of intangible asset	18	(12,039)	(23,760)
Depreciation and impairment of property, plant and equipment	20	(128,497)	(97,266)
Other operating expenses	12	(926,368)	(726,947)
Profit before tax		**1,024,164**	**835,580**
Income tax expense	13a	(310,680)	(129,278)
Profit after tax		**713,484**	**706,302**
Other comprehensive income (OCI) net on income tax			
Items that will not be subsequently reclassified into profit or loss:			
Remeasurement gain/(loss) on retirement benefits obligations	25a	23,740	(20,193)
Deferred tax (liability)/asset on remeasurement gain or loss	13e	(7,122)	6,058
Remeasurement gain / (loss) on equity investment	16a	143,765	74,058
Deferred tax (liability)/ asset on remeasurement of investment	13e	(43,130)	(22,217)
		117,254	**37,705**
Total comprehensive income for the period		**830,738**	**744,008**
Basic and Diluted earnings per share (Birr)	26	137	221

The notes on pages 7 to 68 are an integral part of these financial statements.

ENAT BANK SHARE COMPANY · IFRS FINANCIAL STATEMENTS · AS AT 30 JUNE 2026

Statement of financial position

	NOTES	30 JUNE 2026 BIRR'000	30 JUNE 2025 BIRR'000
ASSETS			
Cash and Cash Equivalents	14	5,704,836	3,219,826
Reserve with National Bank of Ethiopia	14a	1,748,913	2,009,460
Loans and Advance to customers (net)	15	30,484,909	20,535,466
Investment securities:			
At Fair value through OCI	16a	422,022	256,993
At Amortized cost	16b	2,408,770	2,337,816
Other assets	17	6,322,259	6,350,631
Intangible assets	18	31,704	35,423
Property, plant and equipment	20	884,105	684,634
Construction in progress	19	53,470	50,928
The right of use asset	21	929,383	805,334
Assets held for sale	22	83,632	70,565
Total assets		**49,074,003**	**36,357,076**
LIABILITIES			
Deposits from customers(Conv.)	23a	36,669,283	28,006,976
Interest Free Banking Deposit	23b	676,882	261,101
Current tax liabilities	13b	311,317	146,245
Borrowings	24a	2,386,665	1,834,715
Other liabilities	24b	753,984	511,930
Retirement benefit obligations	25	96,843	100,270
Deferred tax liabilities	13d	100,853	51,239
Total liabilities		**40,995,828**	**30,912,476**
EQUITY			
Share capital	26	5,928,975	3,805,137
Retained earnings	27	566,004	327,708
Legal reserve	28	973,093	794,722
Regulatory risk reserve	29	336,073	368,615
Special reserve	30	55,756	47,399
Other reserves	31	218,273	101,020
Total equity		**8,078,175**	**5,444,600**
Total equity and liabilities		**49,074,003**	**36,357,076**

The notes on pages 7 to 68 are an integral part of these financial statements.

The financial statements on pages 7 to 10 were approved and authorized for issue by the board of directors on date and were signed on its behalf by:

Aster Solomon	**Ermias Andargie (PhD)**
Board Chairperson	CEO

Statement of changes in equity

	NOTES	SHARE CAPITAL BIRR'000	RETAINED EARNINGS BIRR'000	OTHER RESERVES BIRR'000	LEGAL RESERVE BIRR'000	REGULATORY RISK RESERVE BIRR'000	SPECIAL RESERVE BIRR'000	TOTAL BIRR'000
As at 30 June 2024		**3,004,936**	**319,193**	**63,314**	**618,146**	**168,246**	**38,791**	**4,212,626**
Profit for the period			706,302					706,302
Other comprehensive income:								-
Fair Value Measurements of Equity investments				53,865				53,865
Remeasurement gain/(loss) on retirement benefits obligations	25a			(16,159)				(16,159)
Contribution of equity net of transaction costs	26	800,201						800,201
Dividend paid for share holders			(309,617)					(309,617)
Transfer to legal reserve	28		(176,576)		176,576			-
Transfer to regulatory risk reserve	29		(200,369)			200,369		-
Transfer to special reserve	30		(9,576)				9,576	-
Transfer to Loan loss Provision								-
Dividend tax paid - special reserve	30						(958)	(958)
Directors share from the profit			(1,650)					(1,650)
Collateral settlement								-
Transferred to Impairment allowance						-	(9)	(9)
Total comprehensive income for the period		**800,201**	**8,516**	**37,705**	**176,576**	**200,369**	**8,609**	**1,231,974**
As at 30 June 2025		**3,805,137**	**327,708**	**101,020**	**794,722**	**368,615**	**47,399**	**5,444,600**

Statement of changes in equity (continued)

	NOTES	SHARE CAPITAL BIRR'000	RETAINED EARNINGS BIRR'000	OTHER RESERVES BIRR'000	LEGAL RESERVE BIRR'000	REGULATORY RISK RESERVE BIRR'000	SPECIAL RESERVE BIRR'000	TOTAL BIRR'000
As at 1 July 2025		**3,805,137**	**327,708**	**101,020**	**794,722**	**368,615**	**47,399**	**5,444,600**
Profit for the period			713,484					713,484
Fair Value Measurements of Equity investments				100,636				100,636
Remeasurement gain/(loss) on retirement benefits obligations	25			16,618				16,618
Contribution of equity net of transaction costs	26	2,123,838						2,123,838
Dividend paid for share holders			(317,877)					(317,877)
Transfer to legal reserve	28		(178,371)		178,371			-
Transfer from regulatory risk reserve	29		126,342			(126,342)		-
Transfer to special reserve	30		(9,831)				9,831	-
Transfer to Loan loss Provision								-
Dividend tax paid - special reserve	30						(1,475)	(1,475)
Directors share from the profit			(1,650)					(1,650)
Collateral settlement								-
Impairment allowance - bank balances			311			(311)		-
Impairment allowance - reserve with National Bank of Ethiopia			87			(87)		-
Impairment allowance - Treasury bond & Ethiopian Government bonds			125			(125)		-
Transferred to Impairment allowance								-
Transfer from/to regulatory reserve - Other provision difference			(94,324)			94,324		-
Total comprehensive income for the period		**2,123,838**	**238,296**	**117,254**	**178,371**	**(32,541)**	**8,357**	**2,633,575**
As at 30 June 2026		**5,928,975**	**566,004**	**218,273**	**973,093**	**336,073**	**55,756**	**8,078,175**

The notes on pages 7 to 68 are an integral part of these financial statements.

Statement of cash flows

	NOTES	30 JUNE 2026 BIRR'000	30 JUNE 2025 BIRR'000
Cash flows from operating activities			
Cash generated from operations	32	858,774	479,249
Withholding tax paid		(23,851)	-
Income tax paid	13c	(146,245)	(144,160)
Net cash (outflow)/inflow from operating activities		**688,679**	**335,089**
Cash flows from investing activities			
Purchase of investment securities	16b	(92,217)	(716,749)
Construction in progress	19	(2,542)	(3,090)
Purchase of intangible assets	18	(8,320)	-
Increase/Decrease/ in Reserve with NBE		260,547	(572,530)
Purchase of property, plant and equipment	20	(330,034)	(169,907)
Prepayments of Right of Use of Assets		(391,564)	-
Proceeds from the Disposal of PPE		4,199	-
Acquired asset-held for sale	22	-	40,976
Net cash (outflow)/inflow from investing activities		**(559,931)**	**(1,421,299)**
Cash flows from financing activities			
Proceeds from issues of shares	26	2,123,838	800,201
Dividend paid	27	(317,877)	(309,617)
Directors profit share paid	27	(1,650)	(1,650)
Transferred to Special reserve		-	(9,576)
Increase /(Decrease) in borrowing	24a	551,950	-
Net cash (outflow)/inflow from financing activities		**2,356,262**	**479,358**
Net increase/(decrease) in cash and cash equivalents		**2,485,009**	**(606,852)**
Cash and cash equivalents at the beginning of the year	14	3,219,826	3,826,678
Cash and cash equivalents at the end of the year	**14**	**5,704,835**	**3,219,826**

The notes on pages 7 to 68 are an integral part of these financial statements.

Notes to the financial statements

1 General information

Enat Bank SC (" the Bank") is a private commercial Bank domiciled in Ethiopia. The Bank became operational on 5 March 2013 in accordance with the provisions of the Commercial code of Ethiopia of 2021 and the Licensing and Supervision of Banking Business Proclamation No. 1159/2019. The Bank registered office is at:

Enat Bank Share Company

Kirkos sub-city,Woreda 08,Around Bambiss Bridge

P O Box 18401

Addis Ababa, Ethiopia

The bank is involved in provision of banking services for all, with a special focus of faciltating greater access to and use of financial services for women, and creating values for shareholders. The bank's inclusive business model initiative involves women entrepreneurs in order to expand economic opportunities while creating value for Ethiopia’s businesses, and society in general.

2 Summary of significant accounting policies

2.1 Introduction to summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.2 Basis of preparation

The financial statements for the period ended 30 June 2025 have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). Additional information required by National regulations is included where appropriate.

The financial statements comprise the statement of profit or loss and other comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and the notes to the financial statements.

The financial statements have been prepared in accordance with the going concern principle under the historical cost concept, except for the following;

- available-for-sale financial assets, certain classes of property, plant and equipment and investment property – measured at fair value
- assets held for sale – measured at fair value less cost of disposal, and
- defined benefit pension plans – plan assets measured at fair value.

All values are rounded to the nearest thousand, except when otherwise indicated. The financial statements are presented in thousands of Ethiopian Birr (Birr' 000).

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Bank's accounting policies. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions changed. Management believes that the underlying assumptions are appropriate and that the Bank's financial statements therefore present the financial position and results fairly. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 4.

2.2.1 Going concern

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

2.2.2 New standards and amendments to existing standards

The bank is currently assessing the potential impact of new and revised standards, including IFRS S1 & S2 effective 1 January 2024 and IFRS 18 (effective 1 January 2027),which will be applicable in future reporting periods. At this stage, management doesnt expect a material impact on the financial statements;however the assessment is ongoing.

IFRS 18 — Presentation and Disclosure in Financial Statements

IFRS 18, replaces IAS 1 presentation of financial statement, sets out significant new requirements for how financial statements are presented, with particular focus on:

The statement of profit or loss, including requirements for mandatory sub-totals to be presented. IFRS 18 introduces requirements for items of income and expense to be classified into one of five categories in the statement of profit or loss. This classification results in certain sub-totals being presented, such as the sum of all items of income and expense in the operating category comprising the new mandatory 'operating profit or loss' sub-total.

Aggregation and disaggregation of information, including the introduction of overall principles for how information should be aggregated and disaggregated in financial statements.

Disclosures related to management-defined performance measures (MPMs), which are measures of financial performance based on a total or sub-total required by IFRS Accounting Standards with adjustments made (e.g. 'adjusted profit or loss'). Entities will be required to disclose MPMs in the financial statements with disclosures, including reconciliations of MPMs to the nearest total or sub-total calculated in accordance with IFRS Accounting Standards.

IFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027 with earlier application permitted.

IFRS 19 Subsidiaries without Public Accountability:

This is a new standard which may be applied by subsidiaries which do not have public accountability.

It is a disclosure only standard and provides for reduced disclosures for qualifying subsidiaries to apply, while still remaining compliant with the recognition, measurement and presentation requirements of IFRS accounting standards. The reduced disclosures provided in IFRS 19 may be applied by the subsidiary in their consolidated, separate or individual financial statements, provided that the ultimate or any intermediate parent produces consolidated financial statements available for public use that comply with IFRS accounting standards. A subsidiary has public accountability, and may not apply IFRS 19, if its debt or equity instruments are traded in a public market or it is in the process of issuing such instruments for trading in a public market, or if it holds assets in a fiduciary capacity for a broad group of outsiders as one of its primary businesses.

The effective date of the amendment is for years beginning on or after 1 January, 2027.

2.3 SIGNIFICANT ACCOUNTING POLICIES

2.3.1 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Bank recognizes a financial instrument when it becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Subsequent measurement depends on the classification of the instrument in accordance with IFRS requirements and the Bank's business model for managing financial assets.

a. Recognition and initial measurement

The Bank shall initially recognize loans and advances, deposits, debt securities issued and subordinated liabilities on the date on which they are originated. All other financial instruments (including regular-way purchases and sales of financial assets) shall be recognised on the trade date, which is the date on which the Bank becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability shall be measured initially at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

b. Classification and subsequent measurement

i) Financial assets

On initial recognition, a financial asset shall be classified either as measured at either amortized cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL).

The Bank shall measure a financial asset at amortized cost if it meets both of the following conditions and is not designated at FVTPL:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI). `

A debt instrument shall be measured at FVOCI only if it meets both of the following conditions and is not designated at FVTPL:

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI.

On initial recognition, an equity investment that is held for trading shall be classified at FVTPL. However, for equity investment that is not held for trading, the Bank may irrevocably elect to present subsequent changes in fair value in other comprehensive income (OCI). This election is made on an investment-by-investment basis.

All other financial assets that do not meet the classification criteria at amortized cost or FVOCI, above, shall be classified as measured at FVTPL.

In addition, on initial recognition, the Bank may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise (see 2.3).

- Business model assessment

The Bank shall make an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realizing cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Bank's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and its strategy for how those risks are managed;
- how managers of the business are compensated (e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected); and
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Bank's stated objective for managing the financial assets is achieved and how cash flows are realized.

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis shall be measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

Financial assets shall not be reclassified subsequent to their initial recognition, except in the period after the Bank changes its business model for managing financial assets.

- Assessment of whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' shall be defined as the fair value of the financial asset on initial recognition. 'Interest' shall be defined as the consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are SPPI, the Bank considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Bank considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Bank's claim to cash flows from specified assets (e.g. non-recourse loans); and
- Features that modify consideration of the time value of money (e.g. periodical reset of interest rates).

ii) Financial liabilities

The Bank shall classify its financial liabilities, other than financial guarantees and loan commitments, as measured at amortized cost or FVTPL.

A financial guarantee is an undertaking/commitment that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified party fails to meet its obligation when due in accordance with the contractual terms.

Financial guarantees issued by the Bank are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of: the amount of the obligation under the guarantee, as determined in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets; and the amount initially recognised less, where appropriate, cumulative amortization recognized in accordance with the revenue recognition policies.

c. Impairment

At each reporting date, the Bank shall assess whether there is objective evidence that financial assets (except equity investments), other than those carried at FVTPL, are impaired.

The Bank shall recognize loss allowances for expected credit losses (ECL) on the following financial instruments that are not measured at FVTPL:

- financial assets that are debt instruments;
- lease receivables;
- financial guarantee contracts issued; and
- Loan commitments issued.

No impairment loss shall be recognised on equity investments.

The Bank shall measure loss allowances at an amount equal to lifetime ECL, except for the following, which are measured as 12-month ECL:

- debt investment securities that are determined to have low credit risk at the reporting date; and

- Other financial instruments (other than lease receivables) on which credit risk has not increased significantly since their initial recognition.

Loss allowances for lease receivables shall always be measured at an amount equal to lifetime ECL.

12-month ECL is the portion of ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Financial instruments for which a 12-month ECL is recognised are referred to as 'Stage 1 financial instruments'.

Life-time ECL is the ECL that result from all possible default events over the expected life of the financial instrument. Financial instruments for which a lifetime ECL is recognised but which are not credit-impaired are referred to as 'Stage 2 financial instruments'. For financial asset are credit-impaired at the reporting date referred to as 'stage 3 financial instruments'.

i) Measurement of ECL

ECL is a probability-weighted estimate of credit losses. It shall be measured as follows:

- for financial assets that are not credit-impaired at the reporting date (stage 1 and 2): as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Bank in accordance with the contract and the cash flows that the Bank expects to receive);
- for financial assets that are credit-impaired at the reporting date (stage 3): as the difference between the gross carrying amount and the present value of estimated future cash flows;
- for undrawn loan commitments: as the present value of the difference between the contractual cash flows that are due to the Bank if the commitment is drawn down and the cash flows that the Bank expects to receive; and
- For financial guarantee contracts: as the expected payments to reimburse the holder less any amounts that the Bank expects to recover.

ii) Expected credit losses

Expected credit losses are computed as a product of the Probability of Default (PD), Loss Given Default (LGD) and the Exposure at Default (EAD).

ECL = PD x LGD x EAD In applying the IFRS 9 impairment requirements, an entity needs to follow one of the approaches below:

- The general approach
- The simplified approach

The Simplified Approach:

The simplified approach is applied for trade receivables or contract assets resulting from transactions in the scope of IFRS 15 Revenue from customer contracts or lease receivables resulting from transactions in the scope of IFRS 16 Leases. The Bank has therefore applied the general approach.

The General Approach:

Under the general approach, at each reporting date, an entity recognizes a loss allowance based on either 12-month ECLs or lifetime ECLs, depending on whether there has been a significant increase in credit risk on the financial instrument since initial recognition.

The changes in the loss allowance balance are recognised in profit or loss as an impairment gain or loss. Essentially, an entity must make the following assessment at each reporting date:

Stage 1 – For credit exposures where there have not been significant increases in credit risk since initial recognition, an entity is required to provide for 12-month ECLs, i.e., the portion of lifetime ECLs that represent the ECLs that result from default events that are possible within the 12-months after the reporting date (12-month ECL as per formula below).

$$ECL12m = PD12m \times LGD12m \times EAD12m \times D12m$$

Stage 2 – For credit exposures where there have been significant increases in credit risk since initial recognition on an individual or collective basis, a loss allowance is required for lifetime (LT) ECLs, i.e., ECLs that result from all possible default events over the expected life of a financial instrument (ECL LT as per formula below).

$$ECL\ LT = LTST=1\ PDt \times LGDt \times EADt \times Dt$$

Stage 3 – For credit exposures that are credit impaired and in default. Similar to stage 2 assets a loss allowance is required for lifetime ECLs. However, the probability of default for these assets is presumed to be 100% less any determined recovery and cure rate.

Where: D – discounting factor and t – time

The table below shows the link between the regulatory risk classification and the IFRS 9 stage allocation.

National Bank Guidelines	Days Past due	IFRS 9 Stage allocation
Pass	0-30	1
Special mention	31-90	2
Substandard	91-180	3
Doubtful	181-365	3
Loss	Over 365	3

iii) Restructured financial assets

Where the terms of a financial asset are renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the borrower, then the Bank shall assess whether the financial asset should be derecognized and ECL are measured as follows:

- If the expected restructuring will not result in derecognition of the existing asset, then the expected cash flows arising from the modified financial asset are included in calculating the cash shortfalls from the existing asset
- If the expected restructuring will result in derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flow from the existing financial asset at the time of its derecognition. This amount is included in calculating the cash shortfalls from the existing financial asset that are discounted from the expected date of derecognition to the reporting date using the original effective interest rate of the existing financial asset.

iv) Credit-impaired financial assets

At each reporting date, the Bank shall assess whether financial assets carried at amortized cost, debt financial assets carried at FVOCI, and finance lease receivables are credit-impaired (referred to as 'Stage 3 financial assets').

A financial asset shall be considered 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the restructuring of a loan or advance by the Bank on terms that the Bank would not consider otherwise;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or

- The disappearance of an active market for a security because of financial difficulties.

A loan that has been renegotiated due to a deterioration in the borrower's condition shall be considered to be credit-impair unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment. In addition, a retail loan that is overdue for 90 days or more shall be considered credit-impaired even when the regulatory definition of default is different.

v) Presentation of allowance for ECL in the statement of financial position

Loss allowances for ECL shall be presented in the statement of financial position as follows:

- for financial assets measured at amortized cost: as a deduction from the gross carrying amount of the assets;
- for loan commitments and financial guarantee contracts: generally, as a provision;
- Where a financial instrument includes both a drawn and an undrawn component, and the Bank cannot identify the ECL on the loan commitment component separately from those on the drawn component: the Bank presents a combined loss allowance for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component. Any excess of the loss allowance over the gross amount of the drawn component is presented as a provision; and
- For debt instruments measured at FVOCI: no loss allowance is recognised in the statement of financial position because the carrying amount of these assets is their fair value. However, the loss allowance shall be disclosed and is recognised in the fair value reserve.

vi) Write-off

Loans and debt securities shall be written off (either partially or in full) when there is no reasonable expectation of recovering the amount in its entirety or a portion thereof. This is generally the case when the Bank determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. This assessment shall be carried out at the individual asset level.

Recoveries of amounts previously written off shall be included in 'impairment losses on financial instruments' in the statement of profit or loss and OCI.

Financial assets that are written off could still be subject to enforcement activities in order to comply with the Bank's procedures for recovery of amounts due.

vii) Non-integral financial guarantee contracts

The Bank shall assess whether a financial guarantee contract held is an integral element of a financial asset that is accounted for as a component of that instrument or is a contract that is accounted for separately.

Where the Bank determines that the guarantee is an integral element of the financial asset, then any premium payable in connection with the initial recognition of the financial asset shall be treated as a transaction cost of acquiring it. The Bank shall consider the effect of the protection when measuring the fair value of the debt instrument and when measuring ECL.

Where the Bank determines that the guarantee is not an integral element of the debt instrument, then it shall recognize an asset representing any prepayment of guarantee premium and a right to compensation for credit losses.

d. Derecognition

i) Financial assets

The Bank shall derecognize a financial asset when:

- The contractual right to the cash flows from the financial asset expires (see also (1.4)), or
- It transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred; or
- Bank neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognized) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI shall be recognised in profit or loss.

Any cumulative gain/loss recognised in OCI in respect of equity investment securities designated as at FVOCI shall not be recognised in profit or loss on derecognition of such securities.

Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Bank shall be recognised as a separate asset or liability.

ii) Financial liabilities

The Bank shall derecognize a financial liability when its contractual obligations are discharged or cancelled, or expire.

e. Modifications of financial assets and financial liabilities

i) Financial assets

If the terms of a financial asset are modified, then the Bank shall evaluate whether the cash flows of the modified asset are substantially different.

If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset shall be deemed to have expired. In this case, the original financial asset shall be derecognized (see 2.3) and a new financial asset shall be recognised at fair value plus any eligible transaction costs. Any fees received as part of the modification shall be accounted for as follows:

- fees that are considered in determining the fair value of the new asset and fees that represent reimbursement of eligible transaction costs shall be included in the initial measurement of the asset; and
- Other fees are included in profit or loss as part of the gain or loss on derecognition.

If cash flows are modified when the borrower is in financial difficulties, then the objective of the modification is usually to maximize recovery of the original contractual terms rather than to originate a new asset with substantially different terms.

If the Bank plans to modify a financial asset in a way that would result in forgiveness of cash flows, then it shall first consider whether a portion of the asset should be written off before the modification takes place.

Where the modification of a financial asset measured at amortized cost or FVOCI does not result in derecognition of the financial asset, then the Bank shall first recalculate the gross carrying amount of the financial asset using the original effective interest rate of the asset and recognizes the resulting adjustment as a modification gain or loss in profit or loss. Any costs or fees incurred and fees received as part of the modification adjust the gross carrying amount of the modified financial asset and shall be amortized over the remaining term of the modified financial asset.

Where such a modification is carried out because of financial difficulties of the borrower, then the gain or loss shall be presented together with impairment losses. In other cases, it shall be presented as interest income calculated using the effective interest rate method.

ii) Financial liabilities

The Bank shall derecognize a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms shall be recognised at fair value. The difference between the carrying amount of the financial liability derecognized and consideration paid is recognised in profit or loss. Consideration paid shall include non-financial assets transferred, if any, and the assumption of liabilities, including the new modified financial liability.

Where the modification of a financial liability is not accounted for as derecognition, then the amortized cost of the liability shall be recalculated by discounting the modified cash flows at the original effective interest rate and the resulting gain or loss is recognised in profit or loss. Any costs and fees incurred are recognised as an adjustment to the carrying

amount of the liability and amortized over the remaining term of the modified financial liability by re-computing the effective interest rate on the instrument.

f. Offsetting

Financial assets and financial liabilities shall be offset and the net amount presented in the statement of financial position when, and only when, the Bank currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

Income and expenses shall be presented on a net basis only when permitted under IFRS, or for gains and losses arising from a group of similar transactions such as in the Bank's trading activity.

g. Designation at fair value through profit or loss

i) Financial assets

At initial recognition, the Bank may designate certain financial assets as at FVTPL because this designation eliminates or significantly reduces an accounting mismatch, which would otherwise arise.

ii) Financial liabilities

The Bank shall designate certain financial liabilities as at FVTPL in either of the following circumstances:

- the liabilities are managed, evaluated and reported internally on a fair value basis; or
- the designation eliminates or significantly reduces an accounting mismatch that would otherwise arise.

2.3.2 Net interest income

a. Effective interest rate and amortized cost

Interest income and expense are recognised in profit or loss using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or

- the amortized cost of the financial liability.

When calculating the effective interest rate for financial instruments other than credit-impaired assets, the Bank estimates future cash flows considering all contractual terms of the financial instrument, but not expected credit losses. For credit-impaired financial assets, a credit-adjusted effective interest rate is calculated using estimated future cash flows including expected credit losses.

The calculation of the effective interest rate includes transaction costs and fees and points paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability

The Bank's loan-related transaction costs are insignificant and have no material impact on the effective interest rate. Accordingly, the effective interest rate was calculated considering transaction costs collected upfront from customers, with no significant difference from the contractual interest rate.

b. Amortized cost and gross carrying amount

The 'amortized cost' of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any expected credit loss allowance.

The 'gross carrying amount of a financial asset' is the amortized cost of a financial asset before adjusting for any expected credit loss allowance.

c. Calculation of interest income and expense

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortized cost of the liability.

However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

For financial assets that were credit-impaired on initial recognition, interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of the asset. The calculation of interest income does not revert to a gross basis, even if the credit risk of the asset improves.

d. Presentation

Interest income and expense presented in the statement of profit or loss and OCI include:

- interest on financial assets and financial liabilities measured at amortized cost calculated on an effective interest basis;

- interest on debt instruments measured at FVOCI calculated on an effective interest basis;

- the effective portion of fair value changes in qualifying hedging derivatives designated in cash flow hedges of variability in interest cash flows, in the same period as the hedged cash flows affect interest income/expense; and

- The effective portion of fair value changes in qualifying hedging derivatives designated in fair value hedges of interest rate risk.

Interest income and expense on all trading assets and liabilities are considered to be incidental to the Bank's trading operations and are presented together with all other changes in the fair value of trading assets and liabilities in net trading income.

Interest income and expense on other financial assets and financial liabilities at FVTPL are presented in net income from other financial instruments at FVTPL.

2.3.3 Foreign currency translation

a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Bank operates ('the functional currency'). The functional currency and presentation currency of the Bank is the Ethiopian Birr (Birr).

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at exchange rates of monetary assets and liabilities denominated in currencies other than the Bank's functional currency are recognised in profit or loss within other (loss)/income. Monetary items denominated in foreign currency are translated using the closing rate as at the reporting date.

Changes in the fair value of monetary securities denominated in foreign currency classified as available for sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in other comprehensive income.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets measure at fair value, such as equities classified as available for sale, are included in other comprehensive income.

2.3.4 Recognition of income and expenses

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Bank and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

The Bank, earns income from interest on loans given for domestic trade and services, building and construction, manufacturing, agriculture and personal loans. Other incomes includes margins on letter of credits and performance gaurantees.

2.3.5 Interest and similar income and expense

For all financial instruments measured at amortised cost and interest bearing financial assets classified as available– for–sale interest income or expense is recorded using the Effective Interest rate (EIR), which is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or financial liability. The calculation takes into account all contractual terms of the financial instrument (for example, prepayment options) and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the Effective Interest Rate (EIR), but not future credit losses.

The carrying amount of the financial asset or financial liability is adjusted if the Bank revises its estimates of payments or receipts. The adjusted carrying amount is calculated based on the original EIR and the change in carrying amount is recorded as 'Interest and similar income' for financial assets and Interest and similar expense for financial liabilities.

Once the recorded value of a financial asset or a group of similar financial assets has been reduced due to an impairment loss, interest income continues to be recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

2.3.6 Fees, Commissions and Service Charge

Fees, commission income, and service charges are recognized based on the nature of the services provided and the Bank's performance obligations. Fees and commissions that are integral to the effective interest rate of a financial asset or financial liability are included in the measurement of the effective interest rate in accordance with IFRS 9.

Other fees, commissions, and service charges that are not integral to the effective interest rate are recognized as the related services are performed. Where the Bank's performance obligation is satisfied immediately and the contractual obligation concludes at the time the service is rendered, the related fees, commissions, and service charges, including applicable service charges, are recognized immediately in profit or loss.

Where the Bank has a continuing performance obligation over a specified contractual period, such as commissions and service charges on Letters of Credit and commissions on Letters of Guarantee, the fees are generally collected upfront and are initially recognized as deferred (unearned) income. The income is subsequently recognized on a straight-line basis over the contractual period, reflecting the transfer of services to the customer and the expiry of the Bank's contractual obligation.

Accordingly, the recognition of fees, commissions, and service charges depends on the nature of the underlying service and the period over which the Bank satisfies its contractual performance obligation.

2.3.7 Other Operating Income

Other operating income comprises income earned from activities other than interest income and fee and commission income. This category includes net gains on foreign exchange dealings, dividend income, SWIFT charges, loan-related fees that are not integral to the effective interest rate, and other miscellaneous operating income.

Other operating income is recognized in accordance with the nature of the underlying transaction. Income from services for which the Bank's performance obligation is satisfied immediately is recognized when the related service is rendered. Where fees are collected upfront and there is no continuing contractual obligation, the related income is recognized immediately. Dividend income is recognized when the Bank's right to receive payment is established, while net gains on foreign exchange dealings are recognized when the related foreign exchange transactions are executed.

2.3.7.1 Dividend income

This is recognised when the Bank’s right to receive the payment is established, which is generally when the shareholders approve and declare the dividend.

2.3.8 Foreign exchange revaluation gains or losses

These are gains and losses arising on settlement and translation of monetary assets and liabilities denominated in foreign currencies at the functional currency’s spot rate of exchange at the reporting date. This amount is recognised in the income statement and it is further broken down into realised and unrealised portion.

The monetary assets and liabilities include financial assets within the cash and bank balances, foreign currencies deposits received and held on behalf of third parties .

2.3.9 Cash and cash equivalents

Cash and cash equivalents comprise balances with less than three months’ maturity from the date of acquisition, including cash in hand, deposits held at call with Banks and other short-term highly liquid investments with original maturities of three months or less from the date of aquisition that are subject to an insignificant risk of changes in ther fari

value and are used by the bank in the management of its short term commitments. Cash and cash equivalents are carried at amortized cost less impairment in the statement of financial position.

For the purposes of the cash flow statement, cash and cash equivalents include cash and restricted balances with National Bank of Ethiopia.

2.3.10 Property, plant and Equipment

Property, plant and equipment are tangible assets that are owned and used by the Bank in the course of its business activities and are expected to provide economic benefits for more than one year

a. Initial Measurment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property, plant and equipment if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Bank recognises such parts as individual assets with specific useful lives and depreciates them accordingly. All other repair and maintenance costs are recognised in income statement as incurred.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised.

b. Subsequent Measurement

After initial recognition, items of propery, plant and equipment are carried at cost less any accumulated depreciation and accumulated imperiment losses.

Depreciation is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Asset category	Useful Life in Years	Residual values
Buildings	50	5% of cost
Computer and Hardwares	7	1% of Cost
Motor vehicles	10	5% of cost
Furniture and fittings		
Short-lived	5	1% of Cost
Medium -lived	10	1% of Cost
Other and office equiment		
Short-lived	5	1% of Cost
Medium -lived	10	1% of Cost
Long-lived	20	1% of Cost

The Bank commences depreciation when the asset is available for use.

Capital work-in-progress is not depreciated as these assets are not yet available for use. They are disclosed when reclassified during the year.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in income statement when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

2.3.11 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in income statement in the period in which the expenditure is incurred .

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at

least at each financial year-end. Changes in the expected useful life, or the expected pattern of consumption of future economic benefits embodied in the asset, are accounted for by changing the amortisation period or methodology, as appropriate, which are then treated as changes in accounting estimates. The amortisation expenses on intangible assets with finite lives is presented as a separate line item in the income statement.

Amortisation is calculated using the straight–line method as below

Description	Years	Residual value
Software	6	Nil

2.3.12 Non-current assets (or disposal groups) held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit or loss.

2.3.13 Impairment of non-financial assets

The Bank assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Bank estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Bank bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Bank's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Bank estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the income statement.

2.3.14 Other assets

Other assets are generally defined as claims held against other entities for the future receipt of money. The other assets in the Bank's financial statements include the following:

(a) Prepayment

(b) Other receivables

Other receivables are recognised upon the occurrence of event or transaction as they arise and cancelled when payment is received.

The Bank's other receivables are rent receivables and other receivables from debtors.

(c) Office Supplies

Office supllies stated at cost, cost being determind on moving average bases.

2.3.15 Fair value measurement

The Bank measures financial instruments classified as available-for-sale at fair value at each statement of financial position date. Fair value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed are, summarised in the following notes:

- Disclosures for valuation methods, significant estimates and assumptions Notes 3 and Note 4.6.1
- Quantitative disclosures of fair value measurement hierarchy Note 4.6.2

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Bank.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Bank uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is

directly or indirectly observable.

- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is

unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Bank determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Bank's management determines the policies and procedures for both recurring fair value measurement, such as available-for-sale financial assets.

For the purpose of fair value of disclosures, the Bank has determined classes of asset and liabilities on the basis of the nature, characterstics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.3.16 Employee benefits

The Bank operates various post-employment schemes, including both defined benefit and defined contribution pension plans and post employment benefits.

(a) Defined contribution plan

The Bank operates two defined contribution plans;

i) pension scheme in line with the provisions of Ethiopian pension of private organisation employees proclamation

715/2011. Funding under the scheme is 7% and 11% by employees and the Bank respectively;

ii) provident fund contribution, funding under this scheme is 2% by only the Bank ;

Both schemes are based on the employees' salary. Employer's contributions to this scheme are charged to profit or loss and other comprehensive income in the period in which they relate.

(b) Defined benefit plan

The liability or asset recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets.

The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation.

The current service cost of the defined benefit plan, recognised in the income statement in employee benefit expense, except where included in the cost of an asset, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes curtailments and settlements.

Past-service costs are recognised immediately in income.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

(c) Termination benefits

Termination benefits are payable to executive directors when employment is terminated by the Bank before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Bank recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

(d) Profit-sharing and bonus plans

The Banks recognises a liability and an expense for bonuses and profit-sharing based on a formula that takes into consideration the profit attributable to the company's shareholders after certain adjustments. The Bank recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

2.3.17 Provisions

Provisions are recognised when the bank has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Bank expects some or all of a provision to be

reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in income statement net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as other operating expenses.

2.3.18 Share capital

Incremental costs directly attributable to the issue of new shares or options or to the acquisition of a business are shown in equity as a deduction, net of tax, from the proceeds.

2.3.19 Earnings per share

The Bank presents basic earnings per share for its ordinary shares. Basic earnings per share are calculated by dividing the profit or loss attributable to ordinary shareholders of the Bank by the weighted average number of shares outstanding during the period.

2.3.20 Legal reserve

The legal reserve which is a statutory reserve to which no less than 25% of the net profits after taxation shall be transferred each year until such fund is equal to the capital. When the legal reserve equals the capital of the bank , the amount to be transferred to the legal reserve account shall be 10% of the annual net profit.

2.3.21 IFRS 16 - Leases

The Bank assesses whether a contract is, or contains a lease, at the inception of the contract

A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

In order to assess whether a contract is, or contains a lease, management determine whether the asset under consideration is ”identified”, which means that the asset is either explicitly or implicitly specified in the contract and that the supplier does not have a substantial right of substitution throughout the period of use. Once management has concluded that the contract deals with an identified asset, the right to control the use thereof is considered. To this end, control over the use of an identified asset only exists when the Bank has the right to substantially obtain all of the economic benefits from the use of the asset as well as the right to direct the use of the asset

In circumstances where the determination of whether the contract is or contains a lease requires significant judgement, the relevant disclosures are provided in the significant judgments and sources of estimation uncertainty section of these accounting policies.

The Bank as a lessee

A lease liability and corresponding right-of-use asset are recognised at the lease commencement date, for all lease agreements for which the Bank is a lessee, except for short-term leases of 12 months or less, or leases of low value assets. For these leases, the Bank recognises the lease payments as an operating expense (note 14) on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The various lease and non-lease components of contracts containing leases are accounted for separately, with consideration being allocated to each lease component on the basis of the relative stand-alone prices of the lease components and the aggregate stand-alone price of the non-lease components (where non-lease components exist).

However, as an exception to the preceding paragraph, the Bank has elected not to separate the non-lease components for leases of land and buildings.

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Bank uses its incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise the following:

- fixed lease payments, including in-substance fixed payments, less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the Bank under residual value guarantees;
- the exercise price of purchase options, if the Bank is reasonably certain to exercise the option;
- lease payments in an optional renewal period if the Bank is reasonably certain to exercise an extension option; and
- penalties for early termination of a lease, if the lease term reflects the exercise of an option to terminate the lease.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability (or right-of-use asset). The related payments are recognised as an expense in the period incurred and are included in operating expenses.

The lease liability is presented as a separate line item on the Statement of Financial Position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect lease payments made.

Interest charged on the lease liability is included in finance costs.

The Bank remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) when:

- there has been a change to the lease term, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- there has been a change in the assessment of whether the Bank will exercise a purchase, termination or extension option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- there has been a change to the lease payments due to a change in an index or a rate, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised is count rate is used);
- there has been a change in expected payment under a residual value guarantee, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate;
- a lease contract has been modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised payments using a revised discount rate.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recognised in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Right-of-use assets

Lease payments included in the measurement of the lease liability comprise the following:

- the initial amount of the corresponding lease liability; — any lease payments made at or before the commencement date;
- any initial direct costs incurred;
- any estimated costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, when the Bank incurs an obligation to do so, unless these costs are incurred to produce inventories; and less any lease incentives received.

When the Bank incurs an obligation for the costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying assets to the condition required by the terms and conditions of the lease, a provision is recognised in the Statement of Financial Position

in Provisions.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset.

However, if a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Bank expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Depreciation starts at the commencement

date of a lease.

The useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate. Each part of a right-of-use asset with a cost that is significant in relation to the total cost of the asset is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

Measurement and recognition of leases as a lessee

At lease commencement date, the Bank recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Bank, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Bank depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Bank also assesses the right-of-use asset for impairment when such indicators exist. At the commencement date, the Bank measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Bank incremental borrowing rate. i.e. The minimum saving interest rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments, variable payments and amounts expected to be payable certain to be exercised. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of- use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Bank has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

Extension options for leases

When the bank has the option to extend a lease, management uses its judgement to determine whether or not an option would be reasonably certain to be exercised. Management considers all facts and circumstances including their past practice and any cost that will be incurred to change the asset if an option to extend is not taken, to help them determine the lease term. The extension of lease payments have not been included in the lease liabilities as it is not reasonably certain the extension option will be exercised.

The Bank as a lessor

Leases for which the bank is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. Lease classification is made at inception and is only reassessed if there is a lease modification

Lease payments from operating leases are recognised on a straight-line basis over the term of the relevant lease, or on another systematic basis if that basis is more representative of the pattern in which the benefits form the use of the underlying asset are diminished. Operating lease income is included in other operating income.

Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and are expensed over the lease term on the same basis as the lease income.

2.3.22 Income taxation

a) Current income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in Ethiopia. Management periodically evaluates positions taken in tax returns with respect to situations in which

applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

b) Deferred tax

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except where they arise from the initial recognition of goodwill or from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Deferred tax assets are recognised for all deductible temporary differences and the carry-forward of unused tax losses and tax credits to the extent that it is probable that future taxable profits will be available against which such temporary differences, tax losses or tax credits can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the reporting date and are expected to apply in the period when the asset is realised or the liability is settled.

Current and deferred tax are recognised in profit or loss, except when they relate to items recognised in other comprehensive income or directly in equity, in which case the related tax is also recognised in other comprehensive income or directly in equity, respectively.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity, or on different taxable entities where there is an intention to settle current tax balances on a net basis.

3 Significant accounting estimates and assumptions

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

Other disclosures relating to the Bank's exposure to risks and uncertainties includes:

- Capital management Note 4.5
- Financial risk management and policies Note 4
- Sensitivity analyses disclosures Note 4.2.7

a) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Bank based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances beyond the control of the Bank. Such changes are reflected in the assumptions when they occur.

b) Impairment losses on loans and receivables

Regarding impairment of financial instruments the bank needs to do the detail presented in Note 2.3.1 of this financial statement.

3.1 Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 4.6 for further disclosures.

3.2 Depreciation and carrying value of property, plant and equipment

The estimation of the useful lives of assets is based on management's judgement. Any material adjustment to the estimated useful lives of items of property and equipment will have an impact on the carrying value of these items.

3.3 Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Bank is not yet committed to or

significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

In assessing whether there is any indication that an asset may be impaired, the Bank considers the following indications:

(i) External information

- there are observable indications that the asset's value has declined during the period significantly more than would be expected as a result of the passage of time or normal use.
- significant changes with an adverse effect on the Bank have taken place during the period, or will take place in the near future, in the technological, market, economic or legal environment in which the Bank operates or in the market to which an asset is dedicated.
- market interest rates or other market rates of return on investments have increased during the period, and those increases are likely to affect the discount rate used in calculating an asset's value in use and decrease the asset's recoverable amount materially.

(ii) Internal information

- evidence is available of obsolescence or physical damage of an asset.
- significant changes with an adverse effect on the Bank have taken place during the period, or are expected to take place in the near future, in the extent to which, or manner in which, an asset is used or is expected to be used. These changes include the asset becoming idle, plans to discontinue or restructure the operation to which an asset belongs, plans to dispose of an asset before the previously expected date, and reassessing the useful life of an asset as finite rather than indefinite.
- evidence is available from internal reporting that indicates that the economic performance of an asset is, or will be, worse than expected.

3.4 Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The amount of such provisions is

based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

4 Financial risk management

4.1 Introduction

Risk is inherent in the Bank's activities, but is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Bank's continuing profitability and each individual within the Bank is accountable for the risk exposures relating to his or her responsibilities. The Bank is exposed to credit risk, liquidity risk and market risk. It is also subject to country risk and various operating risks.

The independent risk control process does not include business risks such as changes in the environment, technology and industry. The Bank's policy is to monitor those business risks through the Bank's strategic planning process.

4.1.1 Risk management structure

The Board of Directors has overall responsibility for the establishment and oversight of the Bank's risk management framework.

The Board has established the Loan Review and Risk sub-Committee, which are responsible for developing and monitoring Bank's risk management policies.

The Bank's risk management policies are established to identify and analyze the risks faced by the Bank, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

Risk management policies and systems are reviewed regularly to reflect changes in the regulation, market conditions, products and services offered. The Bank, through its training and procedures and policies for management, aims to develop a constructive control environment, in which all employees understand their roles and obligations.

The Bank's Board of Directors is responsible for monitoring compliance with the Bank's risk management policies and procedures, and for reviewing the adequacy of the risk management framework in relation to the risks faced by the Bank. The Bank's Board of Directors is assisted in these functions by the Risk and Compliance Department.

The Risk and Compliance Department undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the Risk sub Committee.

4.1.2 Risk measurement and reporting systems

4.1.3 Risk mitigation

Risk controls and mitigants, identified and approved for the Bank, are documented for existing and new processes and systems. The adequacy of these mitigants is tested on a periodic basis through administration of control self-assessment questionnaires, using an operational risk management tool which requires risk owners to confirm the effectiveness of established controls. These are subsequently audited as part of the review process.

4.2 Credit risk

Credit risk is the risk of financial loss to the Bank if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Bank's loans and advances to customers and other banks and other financial assets.

Exposure to credit risk is managed through periodic analysis of the ability of borrowers and potential borrowers to determine their capacity to meet principal and interest thereon, and restructuring such limits as appropriate. Exposure to credit risk is also mitigated, in part, by obtaining collateral, commercial and personal guarantees.

The Bank structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower, or groups of borrowers, and to term of the financial instrument and economic sectors.

The National Bank of Ethiopia (NBE) sets credit risk limit for a single borrower, one related party and all related parties to not exceed 25% and 35% of Bank's total capital amount as of the reporting quarterly period respectively.

Credit management is conducted as per the risk management policy and guideline approved by the board of directors and the Risk Management Committees. Such policies are reviewed and modified periodically based on changes and expectations of the markets where the Bank operates, regulations, and other factors.

In measuring credit risk of Financial assets at amortized cost to various counter parties, the Bank considers the character and capacity of the obligor to meet contractual obligation, current exposures to the counter party/obligor and its likely future development, credit history of the counter party/obligor; and likely recover ratio in case of default obligations – value of collateral and other solutions.

In the estimation of credit risk, the Bank estimates the following parameters:

(a) Probability of Default (PD)

This is the probability that an obligor or counterparty will default over a given period, usually one year. This can be calculated on portfolio by portfolio basis or collectively depending on availability of historical data.

(b) Loss Given Default (LGD)

Loss Given Default is defined as the portion of the loan determined to be irrecoverable at the time of loan default (1– recovery rate).

The Bank methods for estimating LGD includes both quantitative and qualitative factors.

(c) Exposure at Default (EAD)

This represents the amount that is outstanding at the point of default. Its estimation includes the drawn amount and expected utilisation of the undrawn commitment at default.“

4.2.1 Credit quality analysis

The following table sets out information about the credit quality of financial assets measured at amortised cost, FVOCI debt investments (2026) and available-for-sale debt assets (2025). Unless specifically indicated, for financial assets, the amounts in the table represent gross carrying amounts.

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

IN BIRR'000	2026				2025			
Loans and advances to customers at amortised cost	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Stage 1 – Pass	28,891,182			28,891,182	19,174,028	-	-	19,174,028
Stage 2 – Special mention		1,189,225		1,189,225	-	1,012,630	-	1,012,630
Stage 3 - Non performing			867,281	867,281	-	-	612,053	612,053
Total gross exposure	**28,891,182**	**1,189,225**	**867,281**	**30,947,688**	**19,174,028**	**1,012,630**	**612,053**	**20,798,710**
Loss allowance	(188,505)	(10,069)	(264,205)	(462,779)	(186,142)	(18,704)	(58,398)	(263,244)
Net carrying amount	**28,702,677**	**1,179,155**	**603,076**	**30,484,909**	**18,987,886**	**993,926**	**553,655**	**20,535,466**

IN BIRR'000	2026			2025		
Other financial assets	Gross exposure	Loss allowance	Net carrying amount	Gross exposure	Loss allowance	Net carrying amount
Cash and balances with banks	5,705,146	(311)	5,704,836	5,229,286	(315,875)	4,913,411
Reserve with National Bank of Ethiopia	1,749,000	(87)	1,748,913			
Investment securities (debt instruments)	2,831,041	(125)	2,830,916	2,594,809	(155,267)	2,439,542
Other receivables and financial assets	6,322,259		6,322,259	6,350,631	(7,456)	6,343,175
Totals	**16,607,447**	**(523)**	**16,606,924**	**14,174,726**	**(478,599)**	**13,696,127**

Credit Quality Analysis Disclosures for On Balance Sheet facilities.

Title				2026
	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Normal	28,891,182	-	-	28,891,182
Watch	-	1,189,225	-	1,189,225
Non-Performing	-	-	867,281	867,281
Total Exposure	**28,891,182**	**1,189,225**	**867,281**	**30,947,688**
Loss Allowance	(188,505)	(10,069)	(264,205)	(462,779)
Carrying Amount	**28,702,677**	**1,179,155**	**603,076**	**30,484,909**

4.2.2 Collateral held

The Bank holds collateral against certain of its credit exposures. The following table sets out the principal types of collateral held against different types of financial assets.

Nature of security in respect of loans and receivables

	Secured against real estate	Bank guarantees	Equitable Mortgage	Shares	Others
30 June 2026			Birr'000		
Agriculture		-	210,703	-	414,275
Construction	13,969	-	2,196,874	-	2,334,973
Domestic trade and services	57,139	-	4,340,108	30,315	5,714,252
Emergency staff loan	-	-	-	-	3,492
Export	50,543	-	3,583,241	5,102	2,905,638
Hotel and Tourism	-	-	104,646	-	-
Import	-	-	4,853,143	-	1,226,710
Industry	-	-	2,465,463	32,682	1,049,168
Personal	6,519	-	945,620	225	753,355
Staff Personal Loan	-	-	5,406	-	122,445
Staff residential loan	60,569	-	1,116,561	-	7,881
Staff vehicle loan	-	-	-	-	267,117
Transport	-	-	732,774	-	10,114,104
	188,738	**-**	**20,554,539**	**68,323**	**24,913,409**

4.2.3 ii) Investment securities designated as at FVTPL

At 30 June 2026, the Bank had no exposure to credit risk of the investment securities designated as at FVTPL

4.2.4 Amounts arising from ECL

i) Inputs, assumptions and techniques used for estimating impairment

See accounting policy in Note 2.3.1

ii) Significant increase in credit risk

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Bank considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Bank's historical experience and expert credit assessment and including forward-looking information.

The objective of the assessment is to identify whether a significant increase in credit risk has occurred for an exposure by comparing:

- the remaining lifetime probability of default (PD) as at the reporting date; with
- the remaining lifetime PD for this point in time that was estimated at the time of initial recognition of the exposure (adjusted where relevant for changes in prepayment expectations).
- the Bank uses three criteria for determining whether there has been a significant increase in credit risk:
- quantitative test based on movement in PD;
- qualitative indicators; and
- a backstop of 30 days past due,

iii) Credit risk grades

The Bank allocates each exposure to a credit risk grade based on a variety of data that is determined to be predictive of the risk of default and applying experienced credit judgement. Credit risk grades are defined using qualitative and quantitative factors that are indicative of risk of default. These factors vary depending on the nature of the exposure and the type of borrower.

Credit risk grades are defined and calibrated such that the risk of default occurring increases exponentially as the credit risk deteriorates so, for example, the difference in risk of default between credit risk grades 1 and 2 is smaller than the difference between credit risk grades 2 and 3. Each exposure is allocated to a credit risk grade on initial recognition based on available information about the borrower. Exposures are subject to ongoing monitoring, which may result in an exposure being moved to a different credit risk grade. The monitoring typically involves use of the following data;

a. Term loan exposures

Information obtained during periodic review of customer files – e.g. audited financial statements, management accounts, budgets and projections. Examples of areas of particular focus are: gross profit margins, financial leverage ratios, debt service coverage, compliance

- Data from credit reference agencies, press articles, changes in external credit ratings
- Actual and expected significant changes in the political, regulatory and technological environment of the borrower or in its business activities
- Internally collected data on customer behaviour – e.g. utilisation of credit card facilities
- Affordability metrics

b. Overdraft exposures

- Payment record – this includes overdue status as well as a range of variables about payment ratios
- Utilisation of the granted limit
- Requests for and granting of forbearance
- Existing and forecast changes in business, financial and economic conditions

i) Generating the term structure of PD

Credit risk grades are a primary input into the determination of the term structure of PD for exposures. The Bank collects performance and default information about its credit risk exposures analysed by type of product and borrower as well as by credit risk grading. The Bank employs statistical models to analyse the data collected and generate estimates of the remaining lifetime PD of exposures and how these are expected to change as a result of the passage of time.

ii) Determining whether credit risk has increased significantly

The Bank assesses whether credit risk has increased significantly since initial recognition at each reporting date. Determining whether an increase in credit risk is significant depends on the characteristics of the financial instrument and the borrower. What is considered significant differs for different types of lending.

As a general indicator, credit risk of a particular exposure is deemed to have increased significantly since initial recognition if, based on the Bank's quantitative modelling:

The credit risk may also be deemed to have increased significantly since initial recognition based on qualitative factors linked to the Bank's credit risk management processes that may not otherwise be fully reflected in its quantitative analysis on a timely basis. This will be the case for exposures that meet certain heightened risk criteria, such as placement on a watch list. Such qualitative factors are based on its expert judgment and relevant historical experiences.

As a backstop, the Bank considers that a significant increase in credit risk occurs no later than when an asset is more than 30 days past due. Days past due are determined by counting the number of days since the earliest elapsed due date in respect of which full payment has not been received. Due dates are determined without considering any grace period that might be available to the borrower.

If there is evidence that there is no longer a significant increase in credit risk relative to initial recognition, then the loss allowance on an instrument returns to being measured as 12-month ECL. Some qualitative indicators of an increase in credit risk, such as delinquency or forbearance, may be indicative of an increased risk of default that persists after the indicator itself has ceased to exist. In these cases, the Bank determines a probation period during which the financial asset is required to demonstrate good

behaviour to provide evidence that its credit risk has declined sufficiently. When contractual terms of a loan have been modified, evidence that the criteria for recognising lifetime ECL are no longer met includes a history of up-to-date payment performance against the modified contractual terms.

The Bank monitors the effectiveness of the criteria used to identify significant increases in credit risk by regular reviews to confirm that:

- the criteria are capable of identifying significant increases in credit risk before an exposure is in default;

- the criteria do not align with the point in time when an asset becomes 30 days past due;

- the average time between the identification of a significant increase in credit risk and default appears reasonable;

- exposures are not generally transferred directly from 12-month ECL measurement to credit- impaired; and

- there is no unwarranted volatility in loss allowance from transfers between 12-month PD (Stage 1) and lifetime PD (Stage 2).

iii) Definition of default

The Bank considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Bank in full, without recourse by the Bank to actions such as realising security (if any is held);

- the borrower is more than 90 days past due on any material credit obligation to the Bank.

- Overdrafts are considered as being past due once the customer has breached an advised limit or been advised of a limit smaller than the current amount outstanding; or

- it is becoming probable that the borrower will restructure the asset as a result of bankruptcy due to the borrower’s inability to pay its credit obligations.

In assessing whether a borrower is in default, the Bank considers indicators that are:

- qualitative: e.g. breaches of covenant;

- quantitative: e.g. overdue status and non-payment on another obligation of the same issuer to the Bank; and

- based on data developed internally and obtained from external sources.

- Inputs into the assessment of whether a financial instrument is in default and their significance may vary over time to reflect changes in circumstances.

The definition of default largely aligns with that applied by the Bank for regulatory capital purposes

Incorporation of forward-looking information

The Bank incorporates forward-looking information into both the assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and the measurement of ECL.

For each segment, the Bank formulates three economic scenarios: a base case, which is the median scenario, and two less likely scenarios, one upside and one downside. For each sector, the base case is aligned with the macroeconomic model's information value output, a measure of the predictive power of the model, as well as base macroeconomic projections for identified macroeconomic variables for each sector. The upside and downside scenarios are based on a combination of a percentage error factor of each sector model as well as simulated optimistic and pessimistic macroeconomic projections based on a measure of historical macroeconomic volatilities.

In line with the expected, as well as experienced, Expected Credit Loss forward - looking volatility arising from the economic impact of the Covid 19 global crisis, the Bank has conducted, and overlaid, additional scenario analysis on the macroeconomic overlay model. This includes application of higher probability weights on the downside scenario, lower probability weights on the upside scenario, as well as stress tests on macroeconomic projections. The Bank continues to monitor the economic impact of Covid 19 on it's credit risk profile as well as forward - looking Expected Credit Loss estimates and shall update the same on it's IFRS 9 forward - looking estimates as and when significant changes in the overall macroeconomic environment are experienced.

External information considered includes economic data and forecasts published by Business Monitor International, an external and independent macroeconomic data body. This is in addition to industry – level, semi – annual NPL trends across statistically comparable sectors.

Periodically, the Bank carries out stress testing of more extreme shocks to calibrate its determination of the upside and downside representative scenarios. A comprehensive review is performed at least annually on the design of the scenarios by a panel of experts that advises the Bank's senior management.

The Bank has identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses.

The key drivers for credit risk for each of the Bank's economic sectors is summarized below:

Sector/Product	Macroeconomic factors						
Cluster 1 Agriculture, Consumer Loans & Interest Free Financing	Import cover months	Current account bal, USD	G&S bal, USD	Nominal Effective Exchange Rate Index	CPI inflation, 2010=100, eop	Trade, goods bal, USD	Goods imp, USD
Cluster 2 Domestic Trade Services, Mining and Energy, Transport, Health, Merchandise & Financial Services	CPI inflation, 2010=100, eop	Import cover months	Services exp, LCU	Current account bal, USD	Capex, LCU	Total revenue, LCU	
Cluster 3 Building and Construction,Hotel and Tourism, Manufacturing and Production, Industry,Real Estate & Housing and Construction	Import cover months	G&S imp, LCU	Private final cons, LCU	Budget bal, USD	Services imp, USD	Trade, goods bal, USD	
Cluster 4 Export, Import, Advance against Import Bills & International Trade	Nominal Effective Exchange Rate Index	Use of IMF credit/cap, USD	Total revenue, USD	Capex, USD	Total expend, USD	LCU/USD, eop	Total govt debt, LCU

Indicator	30-Jun-24	30-Jun-25	30-Jun-26
CPI inflation, 2010=100, eop	944.06	1,067	1,195
CPI inflation, 2010=100, avg	964.37	1,127	1,276
Total debt service, LCU	**98,864,143,239**	**195,771,067,239**	**315,190,348,840**
Total debt service, USD	**1,462,645,000**	**1,688,140,000**	**2,070,855,000**
Total debt service/cap, USD	**11.23**	**12.59**	**15.09**

Indicator	30-Jun-24	30-Jun-25	30-Jun-26
Use of IMF credit, LCU	173,964,221,650	353,471,027,200	450,363,006,000
Use of IMF credit, USD	1,703,500,000	2,485,000,000	2,724,000,000
Use of IMF credit/cap, USD	13.01	18.56	19.86
Total govt debt, LCU	**4,831,770,464,500**	**7,092,427,370,000**	**8,528,988,000,000**
Total govt debt, USD	**56,080,000,000**	**50,175,000,000**	**51,610,000,000**
Total govt debt/cap, USD	**430.98**	**374.98**	**376.30**
G&S exp, LCU	613,920,500,000	700,861,500,000	803,019,500,000
G&S exp, USD	9,217,423,626	6,657,107,086	5,297,772,455
G&S imp, LCU	1,301,269,500,000	1,484,423,500,000	1,687,460,000,000
G&S imp, USD	19,542,132,909	14,098,507,327	11,140,321,060
G&S bal, LCU	(823,414,009,200)	(1,212,724,966,200)	(1,746,386,743,750)
G&S bal, USD	(12,017,000,000)	(11,171,000,000)	(11,409,500,000)
Transport & comms nom GVA, LCU	348,182,000,000	418,931,000,000	509,268,000,000
Transport & comms nom GVA, USD	5,192,643,199	3,957,960,611	3,348,856,134
Finance, public sector nom GVA, LCU	1,775,622,500,000	2,095,806,500,000	2,360,882,500,000
Finance, public sector nom GVA, USD	26,168,338,725	20,136,675,501	15,542,266,542
Trade, accom & food nom GVA, LCU	1,600,576,000,000	1,916,969,500,000	2,137,322,500,000
Trade, accom & food nom GVA, USD	23,490,796,639	18,429,095,862	14,079,757,031
Utilities nom GVA, % GDP	0.58	0.51	0.47
Budget bal, LCU	(227,042,000,000)	(239,859,500,000)	(349,953,000,000)
Budget bal, USD	(3,435,244,621)	(2,301,468,806)	(2,261,925,704)
Goods imp, LCU	1,229,003,419,800	2,250,866,360,800	3,495,783,871,000
Goods imp, USD	17,475,000,000	20,221,000,000	22,839,000,000
Goods exp, LCU	325,231,662,650	771,227,727,650	1,315,885,537,750
Goods exp, USD	4,525,500,000	6,697,500,000	8,595,500,000
Trade, goods bal, LCU	(903,799,057,650)	(1,479,638,633,150)	(2,179,898,333,250)

Indicator	30-Jun-24	30-Jun-25	30-Jun-26
Trade, goods bal, USD	(12,950,000,000)	(13,523,500,000)	(14,243,500,000)
STER, Economic Growth	20.00	10.00	15.00
Services imp, LCU	435,786,095,400	636,996,178,900	938,076,939,750
Services imp, USD	6,569,500,000	5,712,500,000	6,156,000,000
Services exp, LCU	516,129,843,200	903,868,545,200	1,371,588,529,250
Services exp, USD	7,502,000,000	8,064,500,000	8,990,000,000
Current account bal, USD	(4,373,000,000)	(3,110,000,000)	(3,055,000,000)
Trade, services bal, LCU	80,343,747,800	266,872,366,300	433,511,589,500
Trade, services bal, USD	932,500,000	2,352,000,000	2,834,000,000
Broad money (% GDP) - Sovereign Scorecard	19.08	17.55	17.25
Import cover months	1.44	2.18	2.58
Real GDP, USD (PPP) constant 2010	260,680,512,078	280,868,102,602	302,764,565,715
Nominal GDP, LCU	10,237,224,000,000	12,810,021,000,000	15,166,203,500,000
Nominal GDP/cap, USD	1,159	908.50	728.29
Nominal GDP, USD	151,010,901,099	121,238,539,526	99,893,205,132
Nominal GDP, USD (PPP)	413,416,542,668	457,383,695,022	501,069,643,065
Real GDP, LCU (2010 prices)	1,115,869,000,000	1,202,284,000,000	1,296,014,000,000
Real GDP, USD (2010 prices)	77,439,276,593	83,436,320,231	89,941,011,548
Real GDP/cap, LCU	8,556	8,985	9,444
Real GDP/cap, USD (2010 prices)	593.80	623.54	655.42
Private final cons, LCU	8,153,314,500,000	10,338,613,000,000	12,286,377,500,000
Private final cons/cap, LCU	62,422	77,214	89,479
Private final cons, USD	120,076,607,802	97,695,959,563	80,936,930,713
Private final cons/cap, USD	921.75	732.03	590.10
Private final cons, LCU (2010 prices)	809,576,500,000	868,142,000,000	912,745,000,000
Private final cons, USD (2010 prices)	56,183,134,855	60,247,473,906	63,342,840,884

Indicator	30-Jun-24	30-Jun-25	30-Jun-26
Private final cons/cap, LCU (2010 prices)	6,207	6,489	6,652
Govt final cons, LCU	600,553,500,000	693,678,500,000	788,168,500,000
Govt final cons/cap, LCU	4,602	5,182	5,741
Govt final cons, USD	8,981,237,743	6,598,424,767	5,201,128,032
Govt final cons/cap, USD	69.01	49.46	37.93
Govt final cons, LCU (2010 prices)	91,139,000,000	96,639,000,000	100,024,500,000
Govt final cons, USD (2010 prices)	6,324,880,635	6,706,570,620	6,941,518,155
Govt final cons/cap, LCU (2010 prices)	698.78	722.42	729.06
Savings, LCU	2,259,646,500,000	2,813,748,000,000	2,727,280,000,000
Savings/cap, LCU	17,269	21,049	19,881
Lending rate, %, avg	14.63	14.75	13.69
Lending rate, %, eop	14.75	14.75	12.63
M1, LCU	584,105,000,000	660,745,000,000	747,570,000,000
M1, LCU	584,105,000,000	660,745,000,000	747,570,000,000
M2, LCU	1,932,335,000,000	2,247,120,000,000	2,613,620,000,000
M2, LCU	1,932,335,000,000	2,247,120,000,000	2,613,620,000,000
Total employment	**38,138,900**	**39,189,350**	**48,031,600**
Total revenue, LCU	**802,382,500,000**	**1,229,344,000,000**	**1,839,128,000,000**
Total revenue, USD	**11,941,431,529**	**11,047,662,877**	**12,048,698,831**
Total expend, LCU	**1,029,424,500,000**	**1,469,203,000,000**	**2,189,081,000,000**
Total expend, USD	**15,376,676,150**	**13,349,128,070**	**14,310,623,946**
Current expend, LCU	617,737,500,000	860,970,500,000	1,256,472,000,000
Current expend, USD	9,287,824,333	7,813,575,990	8,228,997,676
Capex, LCU	411,687,500,000	608,233,500,000	932,609,000,000
Capex, USD	6,088,857,870	5,535,561,747	6,081,626,858
Budget bal, LCU	(227,042,000,000)	(239,859,500,000)	(349,953,000,000)
Budget bal, USD	(3,435,244,621)	(2,301,468,806)	(2,261,925,704)

Indicator	30-Jun-24	30-Jun-25	30-Jun-26
LCU/USD, avg	68.60	110.50	151.87
LCU/USD, eop	90.98	140.81	165.33
Nominal Effective Exchange Rate Index	29.94	19.38	13.34
Real effective exchange rate index	172.76	126.17	96.29
Political Risk Index	59.37	59.44	58.57
Central bank policy rate, %, eop	11.00	15.00	15.50

Scenario probability weightings

AS AT JUNE	2026					2025
Scenario	Optimistic (upside)	Base	Downturn (downside)	Upside	Median/Central	Downside
Cluster 1	0%	90%	10%	9%	91%	0%
Cluster 2	10%	80%	10%	0%	100%	0%
Cluster 3	10%	70%	20%	48%	52%	0%
Cluster 4	10%	70%	20%	9%	91%	0%

Predicted relationships between the key indicators and default rates on various portfolios of financial assets have been developed based on analysing semi – annual historical data over the past 5 years.

4.2.5 Modified financial assets

The contractual terms of a loan may be modified for a number of reasons, including changing market conditions, customer retention and other factors not related to a current or potential credit deterioration of the customer. An existing loan whose terms have been modified may be derecognised and the renegotiated loan recognised as a new loan at fair value in accordance with the accounting policy set out.

When the terms of a financial asset are modified and the modification does not result in derecognition, the determination of whether the asset's credit risk has increased significantly reflects comparison of: its remaining lifetime PD at the reporting date based on the modified terms; with the remaining lifetime PD estimated based on data on initial recognition and the original contractual terms.

When modification results in derecognition, a new loan is recognised and allocated to Stage 1 (assuming it is not credit-impaired at that time).

The Bank renegotiates loans to customers in financial difficulties (referred to as 'forbearance activities') to maximise collection opportunities and minimise the risk of

default. Under the Bank's forbearance policy, loan forbearance is granted on a selective basis if the debtor is currently in default on its debt or if there is a high risk of default, there is evidence that the debtor made all reasonable efforts to pay under the original contractual terms and the debtor is expected to be able to meet the revised terms.

The revised terms usually include extending the maturity, changing the timing of interest payments and amending the terms of loan covenants. Both retail and corporate loans are subject to the forbearance policy. The Bank Credit Committee regularly reviews reports on forbearance activities.

For financial assets modified as part of the Bank's forbearance policy, the estimate of PD reflects whether the modification has improved or restored the Bank's ability to collect interest and principal and the Bank's previous experience of similar forbearance action. As part of this process, the Bank evaluates the borrower's payment performance against the modified contractual terms and considers various behavioural indicators.

Generally, forbearance is a qualitative indicator of a significant increase in credit risk and an expectation of forbearance may constitute evidence that an exposure is credit-impaired. A customer needs to demonstrate consistently good payment behaviour over a period of time before the exposure is no longer considered to be credit-impaired/in default or the PD is considered to have decreased such that the loss allowance reverts to being measured at an amount equal to Stage 1.

4.2.6 Measurement of ECL

The key inputs into the measurement of ECL are the term structure of the following variables:

- probability of default (PD);

- loss given default (LGD); and

- exposure at default (EAD).

ECL for exposures in Stage 1 is calculated by multiplying the 12-month PD by LGD and EAD. Lifetime ECL is calculated by multiplying the lifetime PD by LGD and EAD.

The methodology of estimating PDs is discussed above under the heading 'Generating the term structure of PD'.

LGD is the magnitude of the likely loss if there is a default. The Bank estimates LGD parameters based on the history of recovery rates of claims against defaulted counterparties. The LGD models consider the structure, collateral, seniority of the claim, counterparty industry and recovery costs of any collateral that is integral to the financial asset.

For loans secured by retail property, LTV ratios are a key parameter in determining LGD. LGD estimates are recalibrated for different economic scenarios and, for real estate lending, to reflect possible changes in property prices. They are calculated on a discounted cash flow basis using the effective interest rate as the discounting factor.

EAD represents the expected exposure in the event of a default. The Bank derives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract and arising from amortisation. The EAD of a financial asset is its gross carrying amount at the time of default. For lending commitments, the EADs are potential future amounts that may be drawn under the contract, which are estimated based on historical observations and forward-looking forecasts. For financial guarantees, the EAD represents the amount of the guaranteed exposure when the financial guarantee becomes payable. For some financial assets, EAD is determined by modelling the range of possible exposure outcomes at various points in time using scenario and statistical techniques.

As described above, and subject to using a maximum of a 12-month PD for Stage 1 financial assets, the Bank measures ECL considering the risk of default over the maximum contractual period (including any borrower's extension options) over which it is exposed to credit risk, even if, for credit risk management purposes, the Bank considers a longer period.

The maximum contractual period extends to the date at which the Bank has the right to require repayment of an advance or terminate a loan commitment or guarantee.

'However, for overdrafts that include both a loan and an undrawn commitment component, the Bank measures ECL over a period longer than the maximum contractual period if the Bank's contractual ability to demand repayment and cancel the undrawn commitment does not limit the Bank's exposure to credit losses to the contractual notice period. These facilities do not have a fixed term or repayment structure and are managed on a collective basis. The Bank can cancel them with immediate effect but this contractual right is not enforced in the normal day-to-day management, but only when the Bank becomes aware of an increase in credit risk at the facility level. This longer period is estimated taking into account the credit risk management actions that the Bank expects to take, and that serve to mitigate ECL. These include a reduction in limits, cancellation of the facility and/or turning the outstanding balance into a loan with fixed repayment terms.

Where modelling of a parameter is carried out on a collective basis, the financial instruments are grouped on the basis of shared risk characteristics that include:

- instrument type;

- credit risk grading;

- collateral type;

- LTV ratio for retail mortgages;

- date of initial recognition;

- remaining term to maturity;

- industry; and

- Geographic location of the borrower.

The groupings are subject to regular review to ensure that exposures within a particular group remain appropriately 'homogeneous.

4.2.7 Statement of prudential adjustments

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

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

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

- Provisions for loans recognised in the income statement should be determined based on the requirements of IFRS. However, the IFRS provision should be compared with provisions determined under the NBE Directives and the expected impact/changes in other reserves should be treated as

follows:

'- Prudential provisions is greater than IFRS provisions; the excess provision resulting should be transferred from the general reserve (retained earnings) account to a "regulatory risk reserve". '- Prudential provisions is less than IFRS provisions; IFRS determined provision is charged to the statement of comprehensive income. The cumulative balance in the regulatory risk reserve is thereafter reversed to the general reserve account.

4.2.8 Concentrations of credit risk

The Bank monitors concentrations of credit risk by economic sector. An analysis of concentrations of credit risk from loans and advances, loan commitments, financial guarantees and investment securities is shown below;

	NOTE	AMOUNT MILLIONS OF ETB 2026	AMOUNT MILLIONS OF ETB 2025
Carrying amount	15	30,484,909	20,535,466
Amount committed/guaranteed		30,947,688	20,798,710
Concentration by sector			
Agriculture		650,039	590,390
Industry		3,374,589	2,781,407
Construction		2,936,237	2,444,449
Domestic Trade and Services		4,931,866	4,041,496
Personal loans		1,135,071	803,234
Export		5,899,663	4,504,869
Import		4,735,520	1,937,468
Transportation		6,113,026	2,604,429
Emergency Staff Loan		1,435	2,864
Staff Residential Loan		1,147,569	829,507
Staff Vehicle Loan		22,673	184,421
Hotel and Tourism		-	74,177

4.2.9 Offsetting financial assets and financial liabilities

The Bank does not offset financial assets against financial liabilities.

Net interest income

IN MILLIONS OF ETB	2026	2025
Interest income	5,923,906	3,887,897
Interest expense	(4,349,844)	(2,756,947)
Net interest income	**1,574,062**	**1,130,950**

4.3 Liquidity risk

Liquidity risk is the risk that the Bank cannot meet its maturing obligations when they become due, at reasonable cost and in a timely manner. Liquidity risk arises because of the possibility that the Bank might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances. Such scenarios could occur when funding needed for illiquid asset positions is not available to the Bank on acceptable terms.

Liquidity risk management in the Bank is solely determined by Asset and Liability Committee, which bears the overall responsibility for liquidity risk. The main objective of the Bank's liquidity risk framework is to maintain sufficient liquidity in order to ensure that we meet our maturing obligations.

4.3.1 Management of liquidity risk

Cash flow forecasting is performed by the finance department. The finance department monitors rolling forecasts of liquidity requirements to ensure it has sufficient cash to meet operational needs.

The Bank has incurred indebtedness in the form of borrowings. The Bank evaluates its ability to meet its obligations on an ongoing basis. Based on these evaluations, the Bank devises strategies to manage its liquidity risk.

Prudent liquidity risk management implies that sufficient cash is maintained and that sufficient funding is available o meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk damage to the Bank’s reputation.

4.3.2 Financing arrangements

The Bank has access to the following undrawn borrowing facilities at the end of the reporting period:

	30 JUNE 2026 BIRR'000	30 JUNE 2025 BIRR'000
Expiring beyond one year (borrowings)	2,386,665	1,834,715
	2,386,665	**1,834,715**

4.3.3 Maturity analysis of financial liabilities

The table below analyses the Bank’s financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. The cash flows presented are the undiscounted amounts to be settled in future.

	weighted average interest rate (%)	0 - 30 days	31 - 90 days	91 - 180 days	181 - 365 days	Over 1 year
30 June 2026			**Birr'000**			
Demand deposits		1,105,966	418,467	524,236	524,236	2,956,924
Savings deposits	7.15	2,525,504	916,892	1,238,614	1,238,614	9,925,122
Time deposits	20.60	4,523,666	2,053,392	3,813,547	3,897,957	1,683,028
Debt securities issued		-	-	-	-	-
Borrowings		-	-	-	-	2,386,665
Other liabilities		281,433	7,708	70,015	126,713	6,596
Total financial liabilities		**8,436,569**	**3,396,458**	**5,646,413**	**5,787,520**	**16,958,335**
		0 - 30 days	**31 - 90 days**	**91 - 180 days**	**181 - 365 days**	**Over 1 year**
30 June 2025			**Birr'000**			
Demand deposits		933,055	326,569	419,875	419,875	2,565,902
Savings deposits		2,019,460	757,297	1,009,730	1,009,730	7,825,407
Time deposits		2,195,114	3,727,434	2,704,696	2,320,300	149,010
Debt securities issued		-	-	-	-	-
Borrowings		-	-	-	-	1,834,715
Other liabilities		274,842	1,386	10,782	1,775,723	53,929
Total financial liabilities		**5,422,472**	**4,812,687**	**4,145,083**	**5,525,628**	**12,428,964**

4.4 Market risk

Market risk is defined as the risk of loss risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market risk factors such as interest rates, foreign exchange rates, equity prices, credit spreads and their volatilities. Market risk can arise in conjunction with trading and non-trading activities of a financial institutions.

The Bank does not ordinarily engage in trading activities as there are no active markets in Ethiopia.

4.4.1 Management of market risk

The main objective of Market Risk Management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

4.4.2 Management of market risk

Market risk is monitored by the risk management department on regularly, to identify any adverse movement in the underlying variables.

(i) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will be affected by changes in market interest rates. Borrowings obtained at variable rates give rise to interest rate risk.

The Bank's exposure to the risk of changes in market interest rates relates primarily to the Bank's obligations and financial assets with floating interest rates. The Bank is also exposed on fixed rate financial assets and financial liabilities. The Bank's investment portfolio is comprised of treasury bills, Ethiopian government bonds and cash deposits.

The table below sets out information on the exposures to fixed and variable interest instruments.

30 June 2026	Fixed	Floating	Non-interest bearing	Total
		Birr'000		
Assets				
Cash and balances with banks	3,055,029	2,501,818	1,896,901	7,453,748
Loans and receivables	30,484,909	-	-	30,484,909
Total	**33,539,938**	**2,501,818**	**1,896,901**	**37,938,657**
Liabilities				
Deposits from customers	37,346,166			37,346,166
Debt securities issued	-	-	-	-
Borrowing	2,386,665			2,386,665
Other liabilities	753,984	-	-	753,984
Total	**40,486,815**	**-**	**-**	**40,486,815**

30 June 2025	Fixed	Floating	Non-interest bearing	Total
		Birr'000		
Assets				
Cash and balances with banks	2,315,509	766,486	2,147,291	5,229,286
Loans and receivables	20,548,782	-	-	20,548,782
Total	**22,864,291**	**766,486**	**2,147,291**	**25,778,069**
Liabilities				
Deposits from customers	28,383,455	-	-	28,383,455
Debt securities issued	-	-	-	-
Other liabilities	3,951,378	-	-	3,951,378
Total	**32,334,833**	**-**	**-**	**32,334,833**

(ii) Foreign exchange risk

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to the changes in foreign exchange rates.

The Bank is exposed to exchange rate risks to the extent of balances and transactions denominated in a currency other than the Ethiopian Birr. The Bank's foreign currency bank accounts act as a natural hedge for these transactions. Management has set up a policy to manage the Bank's foreign exchange risk against its functional currency.

The table below summarises the impact of increases/decreases of 10% on equity and profit or loss arising from the Bank's foreign denominated borrowings and cash and bank balances.

The total foreign currency denominated assets and liabilities exposed to risk as at year end is shown below.

	30 JUNE 2026 BIRR'000	30 JUNE 2025 BIRR'000
Cash and bank balances	7,453,748	5,229,286
Deposit from customers	37,346,166	28,268,077
	44,799,914	**33,497,363**

4.5 Capital management

The Bank's objectives when managing capital are to comply with the capital requirements set by the National Bank of Ethiopia, safeguard its ability to continue as a going concern, and to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

4.5.1 Regulatory capital

Capital adequacy and use of regulatory capital are monitored by management employing techniques based on the guidelines developed by the National Bank of Ethiopia for supervisory purposes. The required information is filed with the National Bank of Ethiopia on a monthly basis.

i) In accordance with the National Bank of Ethiopia (NBE) Directive SBB/78/2021 (Minimum Capital Requirement for Banks), all commercial banks operating in Ethiopia were required to raise their minimum paid-up capital to ETB 5Billion by June 30, 2026.
During the financial year ended June 30, 2026, the Enat Bank S.C successfully completed its capital enhancement campaign by issuing additional shares to both existing shareholders and newly onboarded investors.

ii) As per the Risk Based Capital Adequacy Requirements For the Bank Directive No SBB/95/2025 , the Bank has to maintain capital to risk weighted assets ratio of 11% at all times.

'The Bank is also required to maintain a legal reserve which is a statutory reserve to which not less than 25% of the net profits after taxation shall be transferred each year until such fund is equal to the capital. When the legal reserve account equals the capital of the Bank, the amount to be transferred to the legal reserve account shall be determined by NBE Directives.

The Bank's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The impact of the level of capital on shareholders' return is also recognized and the Bank recognizes the need to maintain a balance between the higher returns that might be possible with greater gearing and the advantages and security afforded by a sound capital position. 'There have been no material changes in the Bank's management of capital during the period.

4.5.2 Capital adequacy ratio

In implementing current capital requirements, the National Bank of Ethiopia requires banks to maintain a prescribed ratio of total capital to total risk-weighted assets. Banks are expected to assess the Credit risk, Market risk and the Operational risk of the risk weighted assets to derive the ratios. The Capital adequacy and use of regulatory capital are monitored regularly by management employing techniques based on the guidelines

developed by the Basel Committee, as implemented by the National Bank of Ethiopia for supervisory purposes.

According to the Risk Based Capital Adequacy Requirements For the Bank Directive No SBB/95/2025 of the National Bank of Ethiopia, the Bank has to maintain capital to risk weighted assets ratio of 11% at all times, the risk weighted assets being calculated as per the provisions of Directive No SBB/95/2025 issued on November 10, 2025.A bank shall, at all times, maintain the following minimum capital adequacy ratio for each component of tier of capital and the total regulatory capital:

- CET1 ratio: seven percent (7 %) of risk-weighted assets;
  - Tier 1 capital ratio: nine percent (9%) of risk-weighted assets; and .
  - Total capital (Tier 1 Capital plus Tier 2 Capital) ratio: eleven percent (11%) of risk-weighted assets..

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

In implementing current capital requirements, the National Bank of Ethiopia requires banks to maintain a prescribed ratio of total capital to total risk weighted assets. Banks are expected to assess the Credit risk, Market risk and the Operational risk of the risk weighted assets to derive the ratios. The Capital adequacy and use of regulatory capital are monitored regularly by management employing techniques based on the guidelines developed by the Basel Committee, as implemented by the National Bank of Ethiopia for supervisory purposes

30,June 2026

Common Equity Tier 1 (CET1) Capital: Instruments and Reserves:

Common Shares/stock issued by the bank that meet the criteria for inclusion in CET1 capital	5,928,975
Legal / Statutory reserve	794,722
CET1 Capital Before Deductions	**6,723,697**
Goodwill and other intangible assets	31,704

Investments in the Capital of Banking, Financial and Insurance Entities that are Outside the Scope of Regulatory Consolidation	10,628
Total Deductions from CET1	**42,332**
CET 1 Capital after Deductions	**6,681,365**
Tier 2 Capital: Instruments and Provisions	
Certain loan loss provisions such as general provisions/general loan-loss reserve (up to 1.25 percentage point of Credit Risk RWA)	582,481
Tier 2 Capital	**582,481**
TOTAL ELIGIBLE CAPITAL BASE	**7,263,847**
On balance Credit Risk	38,481,444
Off balance Credit Risk	8,139,102
Operational Risk	5,208,205
Market Risk	15,565
Total Risk Weighted Asset	**51,844,316**
Total Eligible Capital to Risk Weighted Asset Ratio(Minimum 11%)	**14.01%**
Common Equity Tier 1 to Risk Weighted Asset(Minimum 7%)	**12.89%**
Total Tier 1 Capital to Risk Weighted Asset (Minimum 9%)	**12.89%**

4.5.2.1 Operational risks

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the banks processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements.. Operational risks arise from all of the bank's operations and are faced by all business entities.

The bank's objective is to manage operational risk so as to balance and avoidance of financial losses and damage to the bank's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation to address operational risk is assigned to the management within each business unit. This responsibility is supported by the development of overall bank standards for the management of operational risk which includes but not limited to:-

- Requirements for appropriate segregation of duties, including the independent authorization of transactions

'-Compliance with regulatory and other legal requirements ,

'-Documentation of controls and procedures ,

'-Requirements for the reporting of operational losses and proposed remedial action,

'-Training and professional development,

'-Insurance coverage etc.

4.6 Fair value of financial assets and liabilities

IFRS 13 requires an entity to classify measured or disclosed fair values according to a hierarchy that reflects the significance of observable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, which comprises of three levels as described below, based on the lowest level input that is significant to the fair value measurement as a whole.

4.6.1. Valuation models

IFRS 13 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable input reflect market data obtained from independent sources; unobservable inputs reflect the Bank's market assumptions.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.

- Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) .This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active, or other valuation technique in which all significant inputs are directly or indirectly observable from market data.

In conclusion, this category is for valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs). This category includes all assets and liabilities for which the valuation technique includes inputs not based on observable date and the unobservable inputs have a significant effect on the asset or liability's valuation. This category includes instruments that are valued based on quoted prices for similar

instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

4.6.2 Financial instruments not measured at fair value - Fair value hierarchy

The following table summarises the carrying amounts of financial assets and liabilities at the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorised. The amounts are based on the values recognised in the statement of financial position.

	Carrying amount	Fair value
30 June 2026	**Birr'000**	**Birr'000**
Financial assets		
Cash and balances with banks	5,705,146	5,705,146
Loans and receivables	30,484,909	30,484,909
Investment securities	2,830,792	2,830,792
Total	**39,020,847**	**39,020,847**
Financial liabilities		
Deposits from customers	37,346,166	37,346,166
Debt securities issued	-	-
Borrowings	2,386,665	2,386,665
Other liabilities	753,984	753,984
Total	**40,486,815**	**40,486,815**
	Carrying amount	**Fair value**
30 June 2025	**Birr'000**	**Birr'000**
Financial assets		
Cash and balances with banks	5,229,286	5,229,286
Loans and receivables	20,535,466	20,535,466

	Carrying amount	Fair value
30 June 2025	**Birr'000**	**Birr'000**
Investment securities	2,594,809	2,594,809
Total	**28,359,562**	**28,359,562**
Financial liabilities		
Deposits from customers	28,268,077	28,268,077
Debt securities issued	0	-
Borrowings	1,834,715	1,834,715
Other liabilities	2,346,645	2,346,645
Total	**32,449,438**	**32,449,438**

The bank Equity investment in Eth-Switch s.c with a cost of 62.4 million, in United Insurance s.c with a cost of 10.6 million and in Ethiopian Securities Exchange with a cost of 12.9 million have been measured for Fair value.

5 Interest income

	30 JUNE 2026 BIRR'000	30 JUNE 2025 BIRR'000
Interest on term loans	3,291,135	2,335,874
Interest on import and export facilities	1,557,355	704,019
Interest on overdraft	635,878	497,161
Interest on deposits with domestic banks and NBE	223,843	167,861
Interest on NBE bills	206,474	171,182
Interest earned on correspondents	9,220	11,800
	5,923,906	**3,887,897**

6 Interest expense

	30 JUNE 2026 BIRR'000	30 JUNE 2025 BIRR'000
Interest on certificate of deposits	(2,765,865)	(1,680,989)
Interest on customer savings	(1,049,018)	(817,465)
Interest on Borrowing	(534,961)	(258,493)
	(4,349,844)	**(2,756,947)**

7 Net fees and commission income

	30 JUNE 2026 BIRR'000	30 JUNE 2025 BIRR'000
Fee and commission income		
Service charge	476,565	578,972
Financial guarantee contracts issued	944,011	634,783
Commission on letters of credit	234,997	117,343
Cashier payment order	205	202
Commission on managed funds	3,622	864
	1,659,399	**753,193**
Fee and commission expense		
	-	-
Net fees and commission income	**1,659,399**	**753,193**

8 Other operating income

	30 JUNE 2026 BIRR'000	30 JUNE 2025 BIRR'000
Other income	271,345	47,125
Correspondent charges	-	15
Dividend income	16,233	16,169
Postage and processing fees	33	4
Swift charges	24,084	5,429
Penalty Charge Income	1,418	463
	313,113	**69,205**
Gain on exchange rate fluctuation	924,337	1,500,285
Loss on exchange rate fluctuation	(635,414)	(1,115,806)
Net gain on foreign exchange	**288,923**	**384,479**

The significant net foreign exchange growth income mainly reflecting of exchange rate changes following the implementation of Foreign Exchange Directive No. FXD/01/2024, effective 29,July 2024, which introduced a market -based exchange rate regime in Ethiopia.

9 Loan impairment charge

	30 JUNE 2026 BIRR'000	30 JUNE 2025 BIRR'000
Loans and receivables - charge for the year (note 15a.)	(199,535)	-
Loans and receivables - reversal of provision		16,395
	(199,535)	**16,395**
Loan impairment charge (9a.)		
Loan Impairment Allowance – Previous Year	263,244	279,638
Loan Impairment Allowance for the Year	462,779	263,244
Impairment Charge / (Reversal) for the Year	**(199,535)**	**16,395**

10 Impairment losses on other assets (note 17a.)

	30 JUNE 2026 BIRR'000	30 JUNE 2025 BIRR'000
Other assets - charge for the year	(54,457)	(17,944)
Other assets - reversal of impairment losses	-	-
	(54,457)	**(17,944)**

11 Personnel expenses

	30 JUNE 2026 BIRR'000	30 JUNE 2025 BIRR'000
Short term employee benefits :		
Salaries and wages	(773,660)	(744,221)
Staff allowances	(358,099)	(284,478)
Overtime	(1,414)	(2,030)

	30 JUNE 2026 BIRR'000	30 JUNE 2025 BIRR'000
Bonus	(92,348)	-
Pension costs – Defined contribution plan	(100,044)	(97,276)
Other staff expenses	(137,902)	(99,366)
	(1,463,467)	**(1,227,372)**
Long term employee benefits :		
Pension costs - Defined benefit plans	(26,969)	(22,271)
	(26,969)	**(22,271)**
	(1,490,436)	**(1,249,643)**

12 Other operating expenses

	30 JUNE 2026 BIRR'000	30 JUNE 2025 BIRR'000
Depreciation expenses - Right of use of Asset	(265,838)	(218,225)
Office supplies and sundry	(108,886)	(91,276)
Advertisement and Publicity	(35,550)	(63,938)
Commissions	(3,221)	(1,683)
Electricity, telephone and internet	(37,777)	(26,359)
Travelling expenses	(743)	(681)
Repairs and maintenance	(26,495)	(23,232)
Event organization expense	(2,565)	(2,736)
Fuel and lubricants	(13,388)	(11,036)
Per diem administration	(18,033)	(10,348)
Representation allowance	(6,376)	(5,345)
Insurance	(7,493)	(6,324)
Legal and professional fees	(134,181)	(78,576)
Entertainment	(23,922)	(20,492)
Director fees	(1,210)	(1,320)
Correspondent costs	(2,735)	(1,653)
Bank charges	(63,815)	(22,673)
Subscription and Publication	(586)	(528)

	30 JUNE 2026 BIRR'000	30 JUNE 2025 BIRR'000
Wages for non employees	(3,027)	(1,566)
Management and Board Meeting	(4,132)	(1,370)
Women loan expense	-	-
Audit fees	(1,208)	(585)
Donations	(9,568)	(11,035)
Postage and stamps	(415)	(364)
Security expenses	(153,526)	(125,601)
Depreciation_ Land Lease	(1,678)	-
	(926,368)	**(726,947)**

13 Company income and deferred tax

13a Current income tax

	30 JUNE 2026 BIRR'000	30 JUNE 2025 BIRR'000
Company income tax	311,317	146,245
Prior year (over)/under provision	-	-
Deferred income tax/(credit) to profit or loss	(638)	(16,967)
Total charge to profit or loss	**310,680**	**129,278**
Tax (credit) on other comprehensive income	(50,252)	(16,159)

13b Reconciliation of effective tax to statutory tax

The tax on the Bank's profit before income tax differs from the theoretical amount that would arise using the statutory income tax rate as follows:

	30 JUNE 2026 BIRR'000	30 JUNE 2025 BIRR'000
Profit before tax	1,024,164	835,580
Add: Disallowed expenses		
Donation	9,568	11,035
Hardship Allowance	49,407	21,523
Leave pay Accrual	28,134	32,004
Entertainment	23,922	20,492
Gmnasium & Other Sports	306	
Maternity & Weeding Payment	1,354	
Severance pay temporary difference	26,969	22,271
Provision for loans and advances as per IFRS	199,535	(16,395)
Depreciation for accounting purpose	128,497	97,266
Amortization for accounting purpose	12,039	23,760
Other Provision IFRS	54,457	-
Share Selling Agent Payment	3,221	1,683
Penalty	13,054	15,875
Employee benefit loan	-	14,541
		-
Total disallowable expenses	**550,464**	**244,055**
Less: Allowable		
Depreciation and amortization for tax purpose	248,985	134,818
Interest income on deposit with other bank	-	167,803
Severance pay-paid	6,656	-
Provision for loans and advances for tax NBE 80%	58,554	102,179
Dividend taxed at source	16,233	16,169
Income Earned on Government Bonds	48,347	38,239
Income Earned on Treasury Bonds	158,126	132,943
Total allowable expenses	**536,903**	**592,152**

	30 JUNE 2026 BIRR'000	30 JUNE 2025 BIRR'000
Taxable profit	**1,037,725**	**487,483**
Current tax at 30%	**311,317**	**146,245**

13C CURRENT INCOME TAX LIABILITY	30 JUNE 2026 BIRR'000	30 JUNE 2025 BIRR'000
Balance at the beginning of the year	(146,245)	(144,160)
Current year provision	(311,317)	(146,245)
WHT Notes utilized	-	-
Payment during the year	146,245	144,160
Balance at the end of the year	(311,317)	(146,245)

13d Deferred income tax

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. Deferred tax assets/liability of ETB 58,692 and ETB 51,239 for the bank recognized as at June 30,2026 and June 30,2025 respectively.

	30 JUNE 2026 BIRR'000	30 JUNE 2025 BIRR'000
The analysis of deferred tax assets/(liabilities) is as follows:		
To be recovered after more than 12 months	(100,853)	(51,239)
To be recovered within 12 months	-	-
	(100,853)	**(51,239)**

13e Deferred income tax assets and liabilities, deferred income tax charge/(credit) in profit or loss ("P/L), in equity and other comprehensive income are attributable to the following items:

DEFERRED INCOME TAX ASSETS/(LIABILITIES):	AT 1 JULY 2025	(CREDIT)/ CHARGE TO P/L	EFFECT OF OPENING BALANCE RESTATEMENT	CREDIT/ (CHARGE) TO EQUITY	30 JUNE 2026
	BIRR'000	BIRR'000	BIRR'000	BIRR'000	BIRR'000
Property, plant and equipment	(21,283)	(7,453)			(28,736)
Post employment benefit obligation	27,490	8,091		(7,122)	28,459
Equity Securities	(57,446)			(43,130)	(100,576)
Total deferred tax assets/(liabilities)	**(51,239)**	**638**	**-**	**(50,252)**	**(100,853)**

Deferred tax liabilities were recognized on taxable temporary differences arising between the carrying amounts of property, plant and equipment (PPE), Post employment benefit Obligation and Equity Securities under IFRS and their corresponding tax bases under Ethiopian tax legislation.

14 Cash and balances with banks

	30 JUNE 2026 BIRR'000	30 JUNE 2025 BIRR'000
Cash in hand	670,282	554,323
Balance held with NBE payment & settlement account	148,204	137,831
Deposits with local banks	2,384,842	1,761,186
Deposits with foreign banks	2,501,818	766,486
	5,705,146	**3,219,826**
Impairment allowance-bank balances	(311)	
	5,704,836	**3,219,826**

The reserve balance represents the minimum reserve requirement maintained with the National Bank of Ethiopia (NBE) in compliance with NBE directives. This balance is not available for use in the Bank's day-to-day operations and is therefore excluded from cash and cash equivalents. Accordingly, it has been presented separately from 'Cash and balance with banks.' The comparative figures for June 30, 2025 have been reclassified to conform with the current period presentation.

Reconciliation Balance held with National Bank of Ethiopia June 30, 2025

Description	Amount
Balance held with National Bank of Ethiopia as previously reported	2,147,291
Reclassification of restricted NBE reserve balance	(2,009,460)
Balance held with National Bank of Ethiopia – as restated	137,831

14a. Reserve with National Bank of Ethiopia

	30 JUNE 2026 BIRR'000	30 JUNE 2025 BIRR'000
Reserve with National Bank of Ethiopia	1,749,000	2,009,460
Impairment allowance - reserve with National Bank of Ethiopia	(87)	
	1,748,913	**2,009,460**

The reserve account balance maintained with the National Bank of Ethiopia is restricted for current use.

MATURITY ANALYSIS	30 JUNE 2026 BIRR'000	30 JUNE 2025 BIRR'000
Current	5,704,836	3,219,826
Non-Current	1,748,913	2,009,460
	7,453,748	**5,229,286**

In the comparative disclosures for June 30, 2025, the impairment allowance for cash and cash equivalents amounting to ETB 438.14 was aggregated within "Impairment Allowance for Other Assets total amount ETB 17,944. To comply with IFRS 7 and IAS 1 disclosure requirements, this comparative balance has been disaggregated and separately disclosed under cash and cash equivalents. This is a disclosure reclassification only and has no impact on prior-period reported earnings, assets, or equity.

15 Loans and advances

	30 JUNE 2026 BIRR'000	30 JUNE 2025 BIRR'000
Agriculture	650,039	590,390
Industry	3,374,589	2,781,407
Construction	2,936,237	2,444,449
Domestic Trade and Services	4,931,866	4,041,496
Personal loans	1,135,071	803,234
Export	5,899,663	4,504,869
Import	4,735,520	1,937,468
Transportation	6,113,026	2,604,429
Emergency Staff Loan	1,435	2,864
Staff Residential Loan	1,147,569	829,507
Staff Vehicle Loan	22,673	184,421
Hotel and Tourism	-	74,177
Gross amount	**30,947,688**	**20,798,710**
Less: Impairment allowance (note 4.2.1)	462,779	263,244
	30,484,909	**20,535,466**
Maturity analysis		
Current	6,744,902	4,939,176
Non-Current	23,740,007	15,596,290
	30,484,909	**20,535,466**

15 a Impairment allowance on loans and advance to customers

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

LOSS ALLOWANCE FOR IMPAIRMENT	AS AT JULY 2025	WRITTEN OFF LOANS	CHARGE / FOR THE YEAR	AS AT JUNE 2026
	ETB'000	ETB'000	ETB'000	ETB'000
Agriculture	3,621		761	**4,382**
Construction	31,407		4,249	**35,656**
Domestic Trade And Services	70,270		158,647	**228,917**
Export	5,143		1,226	**6,369**
Import	17,474		(1,705)	**15,769**
Industry	25,466		(1,376)	**24,089**
Personal Loans	12,165		(6,629)	**5,536**
Staff Loans	2,492		(289)	**2,203**
Transport	28,305		28,704	**57,008**
Other	66,902		15,948	**82,850**
Total	**263,244**	-	**199,535**	**462,779**

16 Investment securities

16a Fair value through other comprehensive income

	30 JUNE 2026 BIRR'000	30 JUNE 2025 BIRR'000
Equity Investments	256,993	64,194
Fair valuation gain	143,765	192,799
Additional Investment	21,263	
	422,022	**256,993**

	30-Jun-2025		30-Jun-2026		
	Beginning Carrying Value	Revaluation Gain	Beginning Carrying Value	Revaluation Gain	Recognised Under OCI
Ethiowich Share Company	177,232	72,533	249,764	146,825	146,825

	30-Jun-2025		30-Jun-2026		
	Beginning Carrying Value	Revaluation Gain	Beginning Carrying Value	Revaluation Gain	Recognised Under OCI
United Insurance Share Company	15,147	1,525	16,672	(3,391)	(3,391)
Ethiopian Securities Exchange	12,988	(1,168)	11,820	331	331
	205,367	**72,890**	**278,256**	**143,765**	**143,765**

16b Amortized cost

Treasury bond & Ethiopian Government bonds	2,408,895	2,337,816
Less individual allowance for impairment	(125)	
	2,408,770	**2,337,816**
Gross amount	**2,830,792**	**2,594,809**

MATURITY ANALYSIS	30 JUNE 2026 BIRR'000	30 JUNE 2025 BIRR'000
Current	-	-
Non-Current	2,830,792	2,594,809
	2,830,792	**2,594,809**

The Bank hold equity investments in Eth-switch of 1.94% (of the subscribed capital of the investee as of June 30, 2026) and United Insurance Share Company of 1.18% (30 June 2024 of the total subscribed capital of the investee). And the bank also holder an investment of 12,988,000.00 of Ethiopian security exchenge.These investments are unquoted equity securities measured at fair value.

17 Other assets

	30 JUNE 2026 BIRR'000	30 JUNE 2025 BIRR'000
Financial assets		
Items in course of collection	1,157,443	929,779
Uncleared effects	20,256	717,941
Sundry receivables	3,679,491	4,257,045

	30 JUNE 2026 BIRR'000	30 JUNE 2025 BIRR'000
Guarantee related account	1,190,996	-
Credit supplies	258,292	-
	6,306,479	5,904,764
Less :		
Impairment allowance on other assets	(71,878)	(17,944)
Breakdown of Impairment allowance on other assets		
At the beginning of the year	(17,944)	(29,152)
Other assets - charge for the year	(53,934)	
Other assets - reversal of impairment losses	-	11,208
At the end of the year	**(71,878)**	**(17,944)**

Non-financial assets

Prepaid staff benefit	19,545	134,635
Other Asset	-	272,287
Prepayments	24,953	14,449
Office supplies	42,735	42,237
Claims on Head Office and Branches	426	203
	87,659	**463,810**

Gross amount	**6,322,259**	**6,350,631**

MATURITY ANALYSIS	30 JUNE 2026 BIRR'000	30 JUNE 2025 BIRR'000
Current	6,234,601	5,886,820
Non-Current	87,659	463,810
Impairment allowance on other assets		
	6,322,259	**6,350,631**

17a Impairment allowance on other assets

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

	30 JUNE 2026 BIRR'000	30 JUNE 2025 BIRR'000
Balance at the beginning of the year	17,944	29,152
(Reversal)/charge for the year (note 10)	53,934	(11,208)
Balance at the end of the year	**71,878**	**17,944**

Reclassification and Representation of Other Assets / Receivables

During the current financial year (2026), the Bank reassessed the classification and presentation of its receivables to better reflect their underlying economic substance in accordance with IFRS 9 (Financial Instruments) and IAS 1 (Presentation of Financial Statements).

In the previous reporting period (June 2025), Sundry Receivables were presented under Non-Financial Assets. Following a review of the contractual terms, these balances represent contractual rights to receive cash or another financial asset. Consequently, Sundry Receivables have been reclassified from Non-Financial Assets to Financial Assets in the current year, and comparative figures for June 2025 have been reclassified accordingly to ensure consistency and comparability.

To provide more relevant and reliable financial information, Guarantee Related Accounts and Credit Supplies, which were previously included within Sundry Receivables / Other Receivables, have been disaggregated and presented as separate line items on the face of the financial statements / notes.

17b Office Supplies

A breakdown of the items included within Office Supply is as follows:

	30 JUNE 2026 BIRR'000	30 JUNE 2025 BIRR'000
Stationary stock account	17,422	18,674
Other stock	10,729	7,615
Stock accounts	12	1,904
Uniform stock	4,218	3,452
Cheque book stock	1,374	1,963
Revenue stamp loans	27	30
Revenue stamp accounts	10	10
ATM debit card (enat card)	8,942	8,589
	42,734	**42,237**

18 Intangible Assets

	30 JUNE 2026 BIRR'000	30 JUNE 2025 BIRR'000
Cost:		
Balance at the begging of the period	130,290	130,290
Acquisitions	8,320	-
Reclassifications	-	-
Balance at the end of the period	**138,611**	**130,290**
Accumulated amortisation and impairment losses		
Balance at the begging of the period	94,867	71,107
Amortisation for the year	12,039	23,760
Impairment losses	-	-
Balance at the end of the period	**106,906**	**94,867**
Net book value	**31,704**	**35,423**

The Bank's management performed an impairment test of its intangible assets as at the reporting date. Based on the results of the test, management concluded that no intangible assets were impaired. Accordingly, no impairment loss was recognized during the reporting period.

19 Construction in progress

COST:	30 JUNE 2026 BIRR'000	30 JUNE 2025 BIRR'000
Balance at the begging of the period	50,928	47,838
Addition for the period	2,542	3,090
Reclassifications		-
Balance at the end of the period	**53,470**	**50,928**

The construction-in-progress balance comprises design and architect fees, as well as other costs directly attributable to the construction project.

	Motor vehicles	Premises	Office and other equipment	Furniture and fittings	Computer and accessories	Total

20 Property, plant and equipment

	BIRR'000	BIRR'000	BIRR'000	BIRR'000	BIRR'000	BIRR'000
Cost:						
As at 1 July 2024	**144,888**	**39,997**	**207,431**	**263,827**	**209,063**	**865206.6015**
Additions	6,650	63,364	43,872	**21,744**	**34,277**	**169906.5568**
Disposals	-	-	(1,772)	(218)	(1,468)	**(3,458)**
Reclassification	-	-	-	-	-	-
As at 30 June 2024	**151,538**	**103,360**	**249,531**	**285,353**	**241,872**	**1,031,655**
As at 1 July 2025	**151,538**	**103,360**	**249,531**	**285,353**	**241,872**	**1,031,655**
Additions	57,695		68,893	24,352	179,094	**330,034**
Disposals	(2,094)	-	(2,047)		(59)	**(4,199)**
Reclassification	-	-	-	-	-	-
As at 30 June 2026	**207,140**	**103,360**	**316,377**	**309,704**	**420,908**	**1,357,490**

Accumulated depreciation

As at 30 June 2024	**43,392**	**4,015**	**69,619**	**60,906**	**74,706**	**252,638**
Charge for the year	12,469	826	31,206	25,829	26,936	**97,266**
Disposals		-	(1,456)	(180)	(1,246)	**(2,883)**
Reclassification	-	-	-	-	-	-
	55,861	**4,841**	**99,368**	**86,555**	**100,396**	**347,021**
As at 30 June 2025	**55,861**	**4,841**	**99,368**	**86,555**	**100,396**	**347,021**
Charge for the year	14,562	1,964	41,380	28,825	41,767	**128,497**
Disposals	(1,989)	-	(91)		(53)	**(2,133)**
Reclassification	-	-	-	-	-	-
As at 30 June 2026	**68,434**	**6,804**	**140,657**	**115,379**	**142,110**	**473,385**
Net book value As at 30 June 2025	**83,208**	**97,694**	**120,413**	**173,150**	**115,787**	**590,251**
Net book value As at 30 June 2026	**138,706**	**96,556**	**175,720**	**194,325**	**278,798**	**884,105**

Management has reviewed the useful lives and residual values of property, plant and equipment at the reporting date. Based on the impairment assessment performed, the carrying amounts of property, plant and equipment do not exceed their recoverable amounts. Hence, management is of the opinion that no additional impairment allowance is required to be recognized during the reporting period.

As at the reporting date, no items of property, plant and equipment were pledged as security for borrowings or other liabilities. In addition, the Bank has no restrictions on the title of its property, plant and equipment.

21 THE RIGHT OF USE ASSET	30 JUNE 2026 BIRR'000	30 JUNE 2025 BIRR'000
Land Lease		
Cost:		
As at 1 July 2025	100,653	100,653
Acquisitions		
Accumulated depreciation	(11,007)	(9,330)
As at 30 June 2026	**89,646**	**91,323**

21 THE RIGHT OF USE ASSET	30 JUNE 2026 BIRR'000	30 JUNE 2025 BIRR'000
Office Rent		
Cost:		
As at 1 July 2025	714,011	687,816
Acquisitions	125,726	26,195
Reclassifications	-	-
As at 30 June 2026	**839,738**	**714,011**
Net book value as at 30 June 2026	**929,383**	**805,334**

22 Assets held for sale

	30 JUNE 2026 BIRR'000	30 JUNE 2025 BIRR'000
Balance as at the beginning of the year	70,565	111,541
Transfer to/from property, plant and equipment		(40,976)
Addition	13,068	-
Disposals	-	-
Fair value gain/(loss) on assets held for sale	-	-
Balance at the end of the year	**83,632**	**70,565**

Assets classified as held for sale comprise properties acquired through foreclosure of collateral. The Bank has no intention of using these properties in its operations and has therefore classified them as non-current assets held for sale. The properties are available for immediate sale in their present condition, and management has committed to a plan to dispose of them through an active programme to identify willing buyers. The properties are actively marketed at prices considered reasonable in relation to their current fair values. Although the disposal of certain properties has not been completed within 12 months due to prevailing market conditions beyond the Bank's control, management remains committed to the disposal plan and continues to actively market the assets. These assets have been valued by the Bank's in-house engineers responsible for collateral valuation using the market approach with Level 3 inputs. There is no cumulative income or expense recognised in other comprehensive income relating to assets classified as held for sale.

	30 JUNE 2026 BIRR'000	30 JUNE 2025 BIRR'000
23 a Deposits from customers(Conv.)		
Demand deposits	5,070,448	4,608,899
Savings deposits	15,627,246	12,416,902
Time deposits	15,971,589	10,981,175
	36,669,283	**28,006,976**
23 b Interest Free Deposit		
IFB Savings	459,382	204,723
IFB Current	217,500	56,378
	676,882	**261,101**

The bank still have no deposit products which has a feature of profit sharing. Regarding, the impact of interest free deposit, it consists below 1% of the total deposit. Hence the financial impact of interest free deposit on the bank is very minimal.

	30 JUNE 2026 BIRR'000	30 JUNE 2025 BIRR'000
24 a Borrowing		
Development Bank of Ethiopia	786,665	430,440
Money Market	1,600,000	1,404,276
	2,386,665	**1,834,715**
Break Down of Borrowing		
The bank obtain borrowing from Develoment Bank of Ethiopia		

The Bank has borrowed a fund from Development Bank Ethiopia which DBE sourced the fund is from WEDP and KFW.The interest rate for the fund from WEDP is 11% and the Bank can only borrow such fund only to women borrowers. In addition, the maximum that one woman can borrow is up to 10 million whatever the business sector that she is engaged. The interest rate for the fund that sourced from KFW is 12% with out discriminating between genders. In addition the maximum that a borrower can take is 20 million.

Borrowing from Development Bank of Ethiopia (24 a.1)

Beginning Balance	**430,440**	**408,088**
Additional Borrowing for the period	467,000	279,557
Matured and paid during the period	-179,824	-296,546
Interest paid for the period	69,049	39,341
Endig Balance DBE	**786,665**	**430,440**
Borrowing from Money Market (24 a.2)		
Beginning Balance	**1,400,000**	**768,830**
Additional Borrowing for the period	197,745,000	72,690,462
Matured and paid during the period	197,545,000	72,059,292
Endig Balance Money Market	**1,600,000**	**1,400,000**

	30 JUNE 2026 BIRR'000	30 JUNE 2025 BIRR'000
24 b Other liabilities		
Financial liabilities		
Other payable	244,144	30,352
Audit fee	1,208	585
Blocked current account	168,670	70,522
Dividend payable	1,302	20,974
Director fees payable	1,650	1,650
Lease Liabilities	67,102	69,878
Ethiopian Disaster Risk	8,389	-
	492,464	**193,961**
Non-financial liabilities		
Unearned Income	54,081	157,430
Tax payable	40,904	42,395
Sales tax on interest paid	28,370	10,037
VAT Payable	27,346	24,919

	30 JUNE 2026 BIRR'000	30 JUNE 2025 BIRR'000
Dividend tax payable	-	
Defined contribution liabilities	8,563	7,683
Withholding tax payable	5,741	1,528
Graduate Tax	184	63
Leave days accrual	83,649	62,317
Stamp duty payables	1,065	1,009
Court Cases	11,617	10,587
	261,519	**317,969**
Gross amount	**753,984**	**511,930**

24 b.1 Lease Liability

	30 JUNE 2026 BIRR'000	30 JUNE 2025 BIRR'000
Cost:		
Land lease	67,102	69,157
Office rent	-	721
As at 30 June 2025	**67,102**	**69,878**

MATURITY ANALYSIS	30 JUNE 2026 BIRR'000	30 JUNE 2025 BIRR'000
Current	686,882	442,052
Non-Current	67,102	69,878
	753,984	**511,930**

Reclassification and Representation of Financial Liabilities

During the financial year ended June 30, 2026, the Company revised and reclassified the presentation of certain line items within its Financial Liabilities and Non-Financial Liabilities to comply with IAS 1: Presentation of Financial Statements and to better reflect the contractual and economic nature of these obligations.

Specifically, items such as Other payables, Blocked current accounts, Dividend payables, Director fees payables, and Lease liabilities, which were previously presented under Non-Financial Liabilities in the 2025 Annual Report, have been reclassified into Financial Liabilities. Conversely, Unearned Income has been reclassified from Financial Liabilities to Non-Financial Liabilities. Additionally, borrowing details have been further disaggregated for enhanced transparency.

This comparative reclassification has been applied retrospectively to the figures presented for June 30, 2025. This adjustment is strictly presentation-related and has zero impact on total liabilities, net assets, profit, or cash flows reported for 2025. The effect of the reclassification on the comparative Statement of Financial Position as of June 30, 2025, is presented below:

Reclassification Schedule

AS REPORTED JUNE (2026)		AS REPORTED JUNE (2025)	
Financial liabilities		**Financial liabilities**	
Description	**Amount**	**Description**	**Amount**
Other payable	30,352	Unearned Income	30,446
Audit fee	585	Audit fee	585
Blocked current account	70,522	Borrowing	1,834,715
Dividend payable	20,974	**Total**	**1,865,746**
Director fees payable	1,650		
Lease Liabilities	69,878		
Ethiopian Disaster Risk			-
Total	**193,961**		
Non-financial liabilities		**Non-financial liabilities**	
Description	**Amount**	**Description**	**Amount**
Unearned Income	157,430	Other payable	167,923
Tax payable	42,395	Blocked current account	70,522
Sales tax on interest paid	10,037	Tax payable	42,395
VAT Payable	24,919	Sales tax on interest paid	10,037
Dividend tax payable		VAT Payable	24,919
Defined contribution liabilities	7,683	Dividend payable	20,974

AS REPORTED JUNE (2026)		AS REPORTED JUNE (2025)	
Withholding tax payable	1,528	Defined contribution liabilities	7,683
Graduate Tax	63	Withholding tax payable	1,528
Leave days accrual	62,317	Graduate Tax	63
Stamp duty payables	1,009	Director fees payable	1,650
Court Cases	10,587	Leave days accrual	62,317
Total	**317,968**	**Stamp duty payables**	**1,009**
		Lease Liabilities	69,878
		Total	**480,898**
Borrowing			
Description	**Amount**		
Development Bank of Ethiopia	430,440		
Money Market	1,404,276		
Total	**1,834,716**		
Grand Total	**2,346,645**	**Grand Total**	**2,346,644**

25 Retirement benefit obligations

	30 JUNE 2026 BIRR'000	30 JUNE 2025 BIRR'000
Defined benefits liabilities:		
Severance pay	96,843	100,270
Liability in the statement of financial position	**96,843**	**100,270**
Income statement charge included in personnel expenses:		
Severance costs Note 25(a)	96,843	(100,270)
Total defined benefit expenses	**96,843**	**(100,270)**
Remeasurements for:		
Remeasurement Note 25(a)	23,740	(20,193)
(gains)/losses		
Deferred tax liability (asset)/ on remeasurement (gains)/losses	(7,122)	6,058
`	**16,618**	**(14,135)**

The income statement charge included within personnel expenses includes current service cost, interest cost, past service costs on the defined benefit schemes.

MATURITY ANALYSIS	30 JUNE 2026 BIRR'000	30 JUNE 2025 BIRR'000
Current	-	-
Non-Current	96,843	100,270
	96,843	**100,270**

25a Severance pay

The Bank operates an unfunded severance pay plan for its employees who have served the Bank for 5 years and above and are below the retirement age (i.e. has not met the requirement to access the pension fund). The final pay-out is determined by reference to current benefit's level (monthly salary) and number of years in service and is calculated as 1 month salary for the first year in employment plus 1/3 of monthly salary for each subsequent in employment to a maximum of 12 months final monthly salary.

Below are the details of movements and amounts recognized in the financial statements:

	30 JUNE 2026 BIRR'000	30 JUNE 2025 BIRR'000
A Liability recognized in the financial position	96,843	100,270

B AMOUNT RECOGNIZED IN THE PROFIT OR LOSS	30 JUNE 2026 BIRR'000	30 JUNE 2025 BIRR'000
Current service cost	12,135	9,456
Interest cost	14,834	12,815
	26,969	**22,271**

curren service cost and interest cost of the period is calculated based on the projection made by the Acturials while calculating severance pay of June 30, 2026.

The movement in the defined benefit obligation over the years is as follows:

	30 JUNE 2026 BIRR'000	30 JUNE 2025 BIRR'000
At the beginning of the year	(100,270)	(59,617)
Current service cost	(12,135)	(20,193)
Interest cost	(14,834)	(22,271)
Remeasurement (gains)/ losses	23,740	1,811
Benefits paid	6,656	-
Actuarial(Gains/Losses on experience Liabilities	-	-
At the end of the year	**(96,843)**	**(100,270)**

The significant actuarial assumptions were as follows:

i) Financial Assumption Long term Average

	30 JUNE 2026 BIRR'000	30 JUNE 2025 BIRR'000
Discount rate	16.00%	14.40%
Inflation rate		12.20%
Salary Increase rate	14.00%	14.20%
Net pre-retirement rate		**0.18%**

ii) Mortality in Service

The rate of mortality assumed for employees are those according to the British A49/52 ultimate table published by the Institute of Actuaries of England. These rates combined are approximately summarized as follows:

Age	Mortality rate Male	Mortality rate Females
20	0.306%	0.223%
25	0.303%	0.228%
30	0.355%	0.314%

Age	Mortality rate – Male	Mortality rate – Females
35	0.405%	0.279%
40	0.515%	0.319%
45	0.450%	0.428%
50	0.628%	0.628%
55	0.979%	0.979%
60	1.536%	1.536%

25b Retirement benefit obligations (Contd)

iii) Withdrawal from Service

The withdrawal rates are as summarized below :

Age	Annual rate of resignation
20	0.00%
25	5.400%
30	2.900%
35	3.400%
40	5.000%
45	4.500%
50	5.200%

iv) Health/Disability from Service

The Disability rates are as summarized below :

Age	Male	Females
20	0.04%	0.04%
25	0.04%	0.04%
30	0.04%	0.04%
35	0.04%	0.04%
40	0.06%	0.05%
45	0.11%	0.08%
50	0.20%	0.14%
55	0.35%	0.25%
60	0.57%	0.42%

26 Ordinary share capital

	30 JUNE 2026 BIRR'000	30 JUNE 2025 BIRR'000
Authorized:		
Ordinary shares of Birr 1000 each	15,000,000	15,000,000
Issued and fully paid:		
Ordinary shares of Birr 1,000 each	5,928,975	3,805,137

Earning per share

Basic earnings per share(EPS) is calculated by dividing the profit after taxation by weighted average number of ordinary shares in issue during the year

	30 JUNE 2026 BIRR'000	30 JUNE 2025 BIRR'000
Profit attributable to shareholders	713,484	706,302
Weighted average number of ordinary shares in issue	5,214	3,196
Basic and diluted earnings per share of Birr 1,000	137	221

27 Retained earnings

	30 JUNE 2026 BIRR'000	30 JUNE 2025 BIRR'000
At the beginning of the year	327,708	319,193
Profit/ (Loss) for the year	713,484	706,302
Transfer to legal reserve	(178,371)	(176,576)
Transfer to special reserve	(9,831)	(9,576)
Transfer to regulatory reserve As per order of NBE		(56,250)
Transfer from regulatory reserve loan loss provision difference	126,865	(144,119)

	30 JUNE 2026 BIRR'000	30 JUNE 2025 BIRR'000
Dividend provided for share holders	(317,877)	(309,617)
Directors share on profit	(1,650)	(1,650)
Transfer to regulatory reserve loan loss provision difference	(94,324)	-
At the end of the year	**566,004**	**327,708**

28 Legal reserve

	30 JUNE 2026 BIRR'000	30 JUNE 2025 BIRR'000
At the beginning of the year	794,722	618,146
Transfer from profit or loss	178,371	176,576
At the end of the year	**973,093**	**794,722**

The NBE Directive No. SBB/4/95 requires the Bank to transfer annually 25% of its annual net profit to its legal reserve account until such account equals its capital. When the legal reserve account equals the capital of the Bank, the amount to be transferred to the legal reserve account will be 10% (ten percent) of the annual net profit.

29 Regulatory risk reserve

	30 JUNE 2026 BIRR'000	30 JUNE 2025 BIRR'000
At the beginning of the year	368,615	168,246
Transfer to retained earnings (Note 27)	(126,342)	200,369
Transfer (from) retained earnings (Note 27)	94,324	
Transferred to loan provision	(523)	-
At the end of the year	**336,073**	**368,615**

The Regulatory risk reserve is a non-distributable reserves required by the regulations of the National Bank of Ethiopia(NBE) to be kept for impairment losses on loans and receivables in excess of IFRS charge as derived using the incurred loss model.

Where the loan loss impairment determined using the National Bank of Ethiopia (NBE) guidelines is higher than the loan loss impairment determined using the incurred loss model under IFRS, the difference is transferred to regulatory risk reserve and it is non-distributable to the owners of the Bank.

Where the loan loss impairment determined using the National Bank of Ethiopia (NBE) guidelines is less than the loan loss impairment determined using the incurred loss model under IFRS, the difference is transferred from regulatory risk reserve to the retained earning to the extent of the non-distributable reserve previously recognized.

30 Special reserve

	30 JUNE 2026 BIRR'000	30 JUNE 2025 BIRR'000
At the beginning of the year	47,399	38,791
Collateral settlement		(9)
Transfer (from) / to retained earnings	9,831	9,576
Dividend tax paid on last year reserve	(1,475)	(958)
At the end of the year	**55,756**	**47,399**

After approval by the annual general meeting, 3% of the net profit for the year is transferred to a special reserve to cover female loan defaults guaranteed without collateral.

31 Other reserve

	30 JUNE 2026 BIRR'000	30 JUNE 2025 BIRR'000
At the beginning of the year	101,020	63,314
Fair Value Measurements of Equity investments	100,636	53,865
Remeasurement gain/(loss) on retirement benefits obligations	16,618	(16,159)
At the end of the year	**218,273**	**101,020**

32 Cash generated from operating activities

	NOTES	30 JUNE 2026 BIRR'000	30 JUNE 2025 BIRR'000
Cash generated from operating activities			
Profit before tax		1,024,164	835,580
Adjustments for non-cash items:			
Depreciation of property, plant and equipment	20	128,496	97,266
Depreciation expenses - Right of use of Asset		265,838	
Amortization of intangible assets	18	12,039	23,760
Gain/(Loss) on disposal of property, plant and equipment	20	-	(673)
Impairment on loans and receivables	15	199,535	(16,395)
Retirement Benefit liability	25	(26,969)	(20,193)
Impairment on other asset	17	54,457	-
Net gain or loss on foreign exchange	8	-	-
Amortization of right use of asset	21		
Interest on borrowings			
Depreciation of Land lease	12	1,678	
Change in working capital			
-Increase in loans and advances to customer	15	(10,148,978)	(3,440,801)
-Increase in other asset	17,21	28,371	(5,044,550)
-Increase /Decrease/ in other liabilities	24 b	242,054	608,803
-Increase in deposits from customer and IFB	23	9,078,089	7,436,451
-Decrease/ (Increase) in remeasurement		-	-
Total		**858,774**	**479,249**

In the statement of cash flows, profit on sale of property, plant and equipment (PPE) comprise:

	30 JUNE 2026 BIRR'000	30 JUNE 2025 BIRR'000
Proceeds on disposal property, plant and equipment	(4,199)	-
Net book value of property, plant and equipment disposed (Note 19)		575
Gain/(loss) on disposal of property, plant and equipment	(4,199)	(575)
Gain/(loss) on sale of property, plant and equipment Inventory Items		(97.22)
	(4,199)	**(673)**

33 Related party transactions

A number of transactions were entered into with related parties in the normal course of business. These are disclosed below:

33a Transactions with related parties

	30 JUNE 2026 BIRR'000	30 JUNE 2025 BIRR'000
Loans disbursed to		
Key management	8,360	3,756
Board Members	2,779	2,995
	11,139	**6,751**

33b Key management compensation

Key management has been determined to be the members of the Board of Directors and the Executive Management of the Bank. The compensation paid or payable to key management for is shown. There were no sales or purchase of goods and services between the Bank and key management personnel as at 30 June 2026.

	30 JUNE 2026 BIRR'000	30 JUNE 2025 BIRR'000
Salaries and other short-term employee benefits	19,546	16,758
Post-employment benefits	1,370	1,024
Termination benefits		-
Sitting allowance (Representation Allowance)	486	390
Other expenses (Provident fund contribution)	2,369	3,488
	23,771	**21,660**

Compensation of the Bank's key management personnel includes salaries, non-cash benefits and contributions to the post-employment defined benefits plans.

34 Directors and employees

i) The number of employees at the end of fisical year was as follows:

	30 JUNE 2026 NUMBER	30 JUNE 2025 NUMBER
Professionals and High Level Supervisors	290	291
Semi-professional, Administrative and Clerical	1,846	1,721
Technician and Skilled	58	55
	2,194	**2,067**

ii) The table below shows the number of employees (excluding directors), who earned over Birr 10,000 as emoluments in the year and were within the bands stated.

	30 JUNE 2026 NUMBER'000	30 JUNE 2025 NUMBER'000
10,000 - 30,000	1,446	1,380
30,001 - 50,000	450	430
50,001 - 100,000	207	234
Above 100,000		23
	2,103	**2,067**

35 Contingent liabilities

35a Claims and litigation

Since the previous calendar year, the bank has been involved in a total of 32 litigation cases. 17 cases were concluded in favor of the bank, while the remaining 15 cases are still pending before courts. Among the pending cases, none is expected to result in a probable liability to the bank.

35b Guarantees and letters of credit

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

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

	30 JUNE 2026 BIRR'000	30 JUNE 2025 BIRR'000
Guarantees Issued	15,797,915	11,667,949
Letters of credit	1,440,955	747,772
	17,238,870	**12,415,721**
Performance and advance Guarantees issued to construction companies		
Performance	3,730,471	2,883,454
Advance	9,391,810	6,911,798
	13,122,281	**9,795,252**
Others		
Suppliers	1,071,602	527,503
Retention	218,039	86,944
Customs	230,588	190,833

	30 JUNE 2026 BIRR'000	30 JUNE 2025 BIRR'000
Bid bond	1,155,405	1,067,417
	2,675,634	1,872,697
	15,797,915	**11,667,949**

Some of the guarantees and advances cast significant uncertainty which may adversely affect the Bank Financial situation unless current economic environment is changed.

36 Commitments

The Bank has commitments, not provided for in these financial statements being unutilized facilities.

	30 JUNE 2026 BIRR'000	30 JUNE 2025 BIRR'000
Loans approved but not disbursed	-	-
Unutilized facilities	723,582	482,991
	723,582	**482,991**

37 Events after the reporting period

The Bank has assessed events that occurred after the reporting period and up to the date of authorization of these financial statements. Based on this assessment, the Managment concluded that there were no events that occurred after the reporting period which require adjustment to, or disclosure in, these financial statements in accordance with International Accounting Standard (IAS) 10 – Events After the Reporting Period.

Enat Bank's network of 225 branches, with office phone numbers and email addresses.

S/N	BRANCH NAME	OFFICE PHONE	BRANCH EMAIL
1	Etege-Taitu Main	011-51-53-857/ 0115151639	etegetaitu@enatbanksc.com
2	Nigist-Saba Bole Medehanealem	0116-180461/0116-180570/011-6-18- 03-54	nigistesaba@enatbanksc.com
3	Abebech-Gobena Megenaga	0116-6739990116674002/ 0116673999	abebechgobena@enatbanksc.com
4	Derartu Tullu Mexico	0115-572536/0115-572532	derartutulu@enatbanksc.com
5	Sindu Gebru Merkato	0112-732205	sinidugebru@enatbanksc.com
6	Dr. Catherine Hamlin Meskel Flower	0114-700933/0114-701440	cathrinehamlin@enatbanksc.com
7	Hawassa	0462123083/3054/3086	hawassa@enatbanksc.com
8	Mekelle	034-2415195/034-2415200//251342415172	Mekelle@enatbanksc.com
9	Sylvia Pankhurst Senga Tera	0115576863/93	sylviapankhrust@enatbanksc.com
10	Bahir Dar	058-2266561/058-2266585	bahirdar@enatbanksc.com
11	Dire Dawa	025-2110296	diredawa@enatbanksc.com
12	Adama	022-2120176/0222120188	adama@enatbanksc.com
13	Shewareged Gedle Kality	011-4717466/0114717455	shewaregedgele@enatbanksc.com
14	Yekake Wordot Gojam Berenda	0112-732735/0112-732691	yekakewerdot@enatbanksc.com
15	Muluemebet Emru-Haya Hulet	011-6672378/011-6672297	mulumebetemiru@enatbanksc.com
16	Dinkinesh Lucy Wenber Tera	011-2734717/0112-737505	dinkneshlucy@enatbanksc.com
17	Fatuma Roba Furi	0113-802030/0113-802119	fatumaroba@enatbanksc.com
18	Dr. Jember Tefera Bole	01166-95942/0116-64-00-10	jembertefera@enatbanksc.com
19	Nigist Eleni Saris	0114-708367/011-4708876	nigisteleni@enatbanksc.com
20	Mary Armede Addisu Gebeya	0111-268753/011-1268567	meryarmide@enatbanksc.com
21	Shashemene	0462-119894/0462-115508	shashemene@enatbanksc.com
22	Artist Bizunesh Bekele-Bethel	011-3697338	bizuneshbekele@enatbanksc.com
23	Sr. Zebider Zewde Lafto	0114-711806/011-4711572	sisterzebider@enatbanksc.com
24	Tsion Michael Andom Lideta	0115-579013/0115-579011/12	tsionmichael@enatbanksc.com

S/N	BRANCH NAME	OFFICE PHONE	BRANCH EMAIL
35	Gondar	0582117795/0582117796	gondor@enatbanksc.com
36	Shashemene Arada Branch	046-211-14-39/ 0462112143	shashemenesub@enatbanksc.com
37	Emahoy Weletemariam Gelaw-Yeka Abado	0118-550791/	emahoyweletemariam@enatbanksc.com
38	Debre Birhan	011-637-6368/5553	debrebirhan@enatbanksc.com
39	Mekhoni	0346642835/7955	Mekhoni@enatbanksc.com
40	Yetnebersh Nigussie Jacros	0116-671978/0116-671697	yetnebershnigussie@enatbanksc.com
41	Emahoy Tsegiemariam Gebru Haile Garment	0118-550787	hailegarment@enatbanksc.com
42	Zewdie Abegaz Atikilt Tera	011-1267347/0111267814	zewdieabegazatkilttera@enatbanksc.com
43	Dire Dawa Sabian	025-4115385/0254-115384	enatsabianbranch@enatbanksc.com
44	Sr. Birknesh Kebede Bole Bulbula	011-471-43-66/0114-714819	sisterbirkneshkebede@enatbanksc.com
45	Adigrat	034-2450540/034-2457396	Adigrat@enatbanksc.com
46	Humera	034-2484083/034-2485958	humera@enatbanksc.com
47	Bishoftu	011-4302026/011-4308951	bishoftu@enatbanksc.com
48	Togo Wuchale	O258820311/0258820359	togochale@enatbanksc.com
49	Tsehay Yitbarek Lebu	0114625215/0114625125	tsehayyitbarek@enatbanksc.com
50	Axum	034-2756622/034-2756621	Axum@enatbanksc.com
51	Jigjiga	025-2787230/025-2782632	jigjiga@enatbanksc.com
52	Harar	025-646-7908	harar@enatbanksc.com
53	Shire	0342443621/22	shire@enatbanksc.com
54	Adwa	0342719521/034-2719522/034- 2719523	Adwa@enatbanksc.com
55	Mekelle Qedamay Woyane	034-2408871/034-2409836	kedamayweyane@enatbanksc.com
56	Dire Dawa Greek Camp Sub Branch	0252113246/0252115731	diredawagreekcamp@enatbanksc.com
57	Martha Gebretsadik Wollo Sefer	0114-702534/0114-700918	Marthagebretsadik@enatbanksc.com
58	Sr. Zenawit Ayele Wossen	0116-680933/0116-680467	sisterzenawitayele@enatbanksc.com
59	Tana	058-3208747/058-3208748	bahirdartana@enatbanksc.com

S/N	BRANCH NAME	OFFICE PHONE	BRANCH EMAIL
60	Jemo	011-4625816/0114-	jemo@enatbanksc.com
69	Captain Amsale Gualu Africa Avenue	011-5583054/011-5584820	captainamsalegualu@enatbanksc.com
70	Assela	022-2389907/022-2385147	assela@enatbanksc.com
71	Etege Mintewab Ehil Berenda	0112-734958/0112735263	etegemintwab@enatbanksc.com
72	Aster Ganno Gullele	011-2-73-78-55/011-2-73-20-75	asterganno@enatbanksc.com
73	Nigist Zewditu Kolfe Atena Tera	011-2739701/0112-739661	nigistzewditu@enatbanksc.com
74	Dr. Mulualem Gessese 22 Lem	011-6663503/ 0116-663965	drmulualemgessesse@enatbanksc.com
75	Hossana	0461781852/0461781369	hossana@enatbanksc.com
76	Dessie	0333126441/0333-126443	dessie@enatbanksc.com
77	Hon. Dr. Asegedech Asfaw Ayat Tafo	011-6390976/0116391731	honorarydrasegedechasfaw@enatbanksc.com
78	Injibara	0582-271432/0582-270415/582271406/	injibara@enatbanksc.com
79	Debre Berhan Tebassie	0116375934/0116375933	debrebirhantebassie@enatbanksc.com
80	Meki	022118069/0221181838	meki@enatbanksc.com
81	Modjo	0222-367-963/0222-364-132	modjo@enatbanksc.com
82	Tulu Dimtu	0114354887	tuludimtu@enatbanksc.com
83	Engidazer Nega Teklehaimanot	0115-578602/0115-578808	artistengidazernega@enatbanksc.com
84	Woreta	058-4461318	woreta@enatbanksc.com
85	Jimma	0472-111509/047 2111920	jimma@enatbanksc.com
86	Holeta	011-2610873	holeta@enatbanksc.com
87	Hanamariam	011-439-69-63/ 011-462-44-21	hanamariam@enatbanksc.com
88	Adama Boset	022-2124051/022-211-0665	adamaboset@enatbanksc.com
89	Sululta	011-161-74-85/011-161-78-42	sululta@enatbanksc.com
90	Dangila	0582211484/0582212148	dangila@enatbanksc.com
91	Bahir Dar Ghion	0583201570	bahirdarghion@enatbanksc.com
92	Hawassa Tabour	046212-16-11/ 0462120773	hawassatabor@enatbanksc.com
93	Zemi Yenus Figa	0118553092	zemiyenus@enatbanksc.com
94	Dr. Segenet Kelemu Lamberet	011 6733056/0116734748	drsegentkelemu@enatbanksc.com

S/N	BRANCH NAME	OFFICE PHONE	BRANCH EMAIL
95	Dr. Artist Negatwa kelekay-Beklobet	0118-552619	doctorartistnegatwakelkay@enatbanksc.com
103	Agaro	0472210698/472213982	Agaro@enatbanksc.com
104	Etege Seblewongel Gurd Shola	0116676625/0116677859	EtegeSeblewongel@enatbanksc.com
105	Bedele	0474452147/0474452501	bedele@enatbanksc.com
106	Mettu	0471417722/0471419935	mettu@enatbanksc.com
107	Halaba Kulito	0465-560434/0465561572	Halaba@enatbanksc.com
108	Debre Work	0581-781351/0581781872	Debrework@enatbanksc.com
109	Finote Selam	0587-752193/0587-752326	Finoteselam@enatbanksc.com
110	Hawassa Areb Sefer	0462217842/0462217342	Hawasaarebsefer@enatbanksc.com
111	Debre Markos	0581781351/0581781872	Debremarkos@enatbanksc.com
112	Dilla	0461315720/0461319746	dilla@enatbanksc.com
113	Bule Hora	0464-431735/0464431689	bulehora@enatbanksc.com
114	Gefersa Nano	0112-601681/0112-6201190	gefersanono@enatbanksc.com
115	Hirna	0254411867	Hirna@enatbanksc.com
116	Merawi	0583301512/0583301300	merawi@enatbanksc.com
117	Gambella Baro Mado	0471515463/0471516827	gambella@enatbanksc.com
118	Bonga	0473-312149/047-3311914	Bonga@enatbanksc.com
119	Ambo	0112602438/0112602410	ambo@enatbanksc.com
120	Bahir Dar Beale Egziabher	0583206157/0583207314	bahirdarbealeegziabher@enatbanksc.com
121	Bale Robe	022-244-2336	balerobe@enatbanksc.com
122	Bahir Dar Papyurs	0583205427	bahirdarpapyrus@enatbanksc.com
123	Jawi	0582-780487/0582780267	jawi@enatbanksc.com
124	Gondar Marak	0582113466/0582114716	gondarmaraki@enatbanksc.com
125	Debre Tabor	0581-413538/0581-415188	debretabor@enatbanksc.com
126	Bure	0587-741554/0587-741609	Bure@enatbanksc.com
127	Bahir Dar Depo	0583-209943/0582-205099	bahirdardipo@enatbanksc.com
128	Mizan Teferi	0471-352777/0471352903	MizanAman@enatbanksc.com
129	Tarcha	0473-450986/0473-450742	tercha@enatbanksc.com
130	Novelist Tsehaye Melaku Addey Abeba Stadium	0111-6356757/01116357072	novlisttsehaymelaku@enatbanksc.com

S/N	BRANCH NAME	OFFICE PHONE	BRANCH EMAIL
131	Dr. Tewabech Bisahw Gofa Gebriel	0114-704826/0114-706389	drtewabechbishaw@enatbanksc.com
137	Dr. Artist Maritu Legesse Semien Hotel	0111-712443/0111-712098	artistmaritulegesse@enatbanksc.com
138	Motta	0585-546688/0585-546586	motta@enatbanksc.com
139	Hawassa Atote	0462-219060/7797	hawassaatote@enatbanksc.com
140	Shashemene Awasho	0462-113390/0462-113391	shashemeneawasho@enatbanksc.com
141	Prof. Yeweyenhareg Feleke Ayer Tena	0113-694238/011-3694093	profyeweyenharegfeleke@enatbanksc.com
142	Burayu	0112-625996/0112-625863	Burayu@enatbanksc.com
143	Artist Asnakech Worku Atlas	0116-684597/0116685347	DRARTISTASTERAWEKE@enatbanksc.com
144	Etenesh Wondmagegnehu Ferensay Legasion	0111-549356/011-154-8752	eteneshwondimagegnehu@enatbanksc.com
145	Adama Boku Shenen	0222-117760/0222117591	ADAMABOKUSHENEN@enatbanksc.com
146	Jinka	0467-752762	Jinka@enatbanksc.com
147	Prof. Fetien Abay Alem Bank	0113-695598/0113-695315	PROF.FETIENABAY@enatbanksc.com
148	Woldia	0334-313446	WOLDIA@enatbanksc.com
149	Batu	0461-419711	BATU@enatbanksc.com
150	Hadero	0464-320645/0464-320377	Hadero@enatbanksc.com
151	Hosena Gombora	0461-782023/0461786994	HossanaGombora@enatbanksc.com
152	Durame	0465-542366/0465-542347	durame@enatbanksc.com
153	Betelehm Tilahun Meknisa	0113-699084/011-3-69-80-78	BetelehemTilahun@enatbanksc.com
154	Pro,Aster Tsegaye Akaki Gebaya	0114378353/0114397185	Prof.AsterTsegaye@enatbanksc.com
155	Doyogena	0462440394/0462440661	Doyogena@enatbanksc.com
156	Butajira	0461451968/0461459646	Butajira@enatbanksc.com
157	Adea Bishofitu	0114301509/0114306917	AdeaBishoftu@enatbanksc.com
158	Tsehay Roeschli Kotebe	0116675020/0116676187	TsehayRoeschliKotebe@enatbanksc.com
159	Woliso	113663795//0113663796	Woliso@enatbanksc.com
160	Negelle Arsi	046 328 9630/046 1162843	NegeleArsi@enatbanksc.com
161	Dodola Branch	0222-405414	Dodola@enatbanksc.com
162	Hassassa	0223360542/0223360947	Hassasa@enatbanksc.com
163	Sebeta	01136-18250/0113618185	Sebeta@enatbanksc.com

S/N	BRANCH NAME	OFFICE PHONE	BRANCH EMAIL
164	Welete	011-	Welete@enatbanksc.com
171	ChachI Tadesse Ayat zone -3	0116390355/0116391654	ChachiTadesse@enatbanksc.com
172	Rahel Zewdie sleeuagen Bulbula 93 mezoria	'0114436869/	rahelzewdiesleewagen@enatbanksc.com
173	Mekiya Mamiyo Bole Dildiy	011-689-02-89/1924	mekiyamamiyo@enatbanksc.com
174	Nekemte	057-660-8071/057-660-6812	Nekemte@enatbanksc.com
175	Nekemte Jitu	057-660-7589/057-660-7207	nekemtejitu@enatbanksc.com
176	Mekelle Adi-Shimdihun	0342403471/0342401974	adishimidhun@enatbanksc.com
177	Abi-Adi	Nill	AbiAdi@enatbanksc.com
178	Bichena	058-665-1716/51	Bichena@enatbanksc.com
179	Duribete	058-223-0704/0868	Durbete@enatbanksc.com
180	Bahirdar Abune Hara	058-220-09-97/0362	bahirdarabunehara@enatbanksc.com
181	Dembacha	058-773-0875/96	dembecha@enatbanksc.com
182	Debre markos menaharia	058-178-65-75/058-178-38-97	debremarkosmnaheria@enatbanksc.com
183	Addis Kidam	058-450-04-14/08/20	Addiskedam@enatbanksc.com
184	Ginchi	0112-581-920/ 0112581921	ginchi@enatbanksc.com
185	Mekele Quiha	0342403186/0342401280	Quiha@enatbanksc.com
186	Logiya	0586630822/0586630807	Logya@enatbanksc.com
187	Mekele Lachi	0342413990/0342413991	Lachi@enatbanksc.com
188	Chore Bege	Nill	chorabege@enatbanksc.com
189	Wukro	N/A	Wukiro@enatbanksc.com
190	Ambassador Konjit Singiorgis Bole Rewanda	0116663844/0116663443	ambkongitsinegiorgis@enatbanksc.com
191	Aleta wondo	0462242448/0462242372	AletaWondo@enatbanksc.com
192	Yirgachaffe	0463321277/0463322126	yirgacheffe@enatbanksc.com
193	Dr Ayelech Bekele Gerji Mebrat Hail	011-646-80-56/011-646-77-72	DrAyelechBekele@enatbanksc.com
194	Mekelle Hawzen Adebabay	0342416728/0342417306	mekellehawzenadebabay@enatbanksc.com
195	Adama Wonji Mazeria	0222111390/0222112237	adamawonjimazoria@enatbanksc.com
196	Bahir Dar Stadium Sub Branch	0583205569/	bahirdarstadium@enatbanksc.com
197	Bole Bulbula Mariam Mazoria	0112735223/0112735482	bolebulbulamaryammazoria@ enatbanksc.com
198	Shewa Robit	0133 6640848/ 01336641541	Shewarobit@enatbanksc.com
199	Sendafa	0116860500/0116740089	sendafa@enatbanksc.com