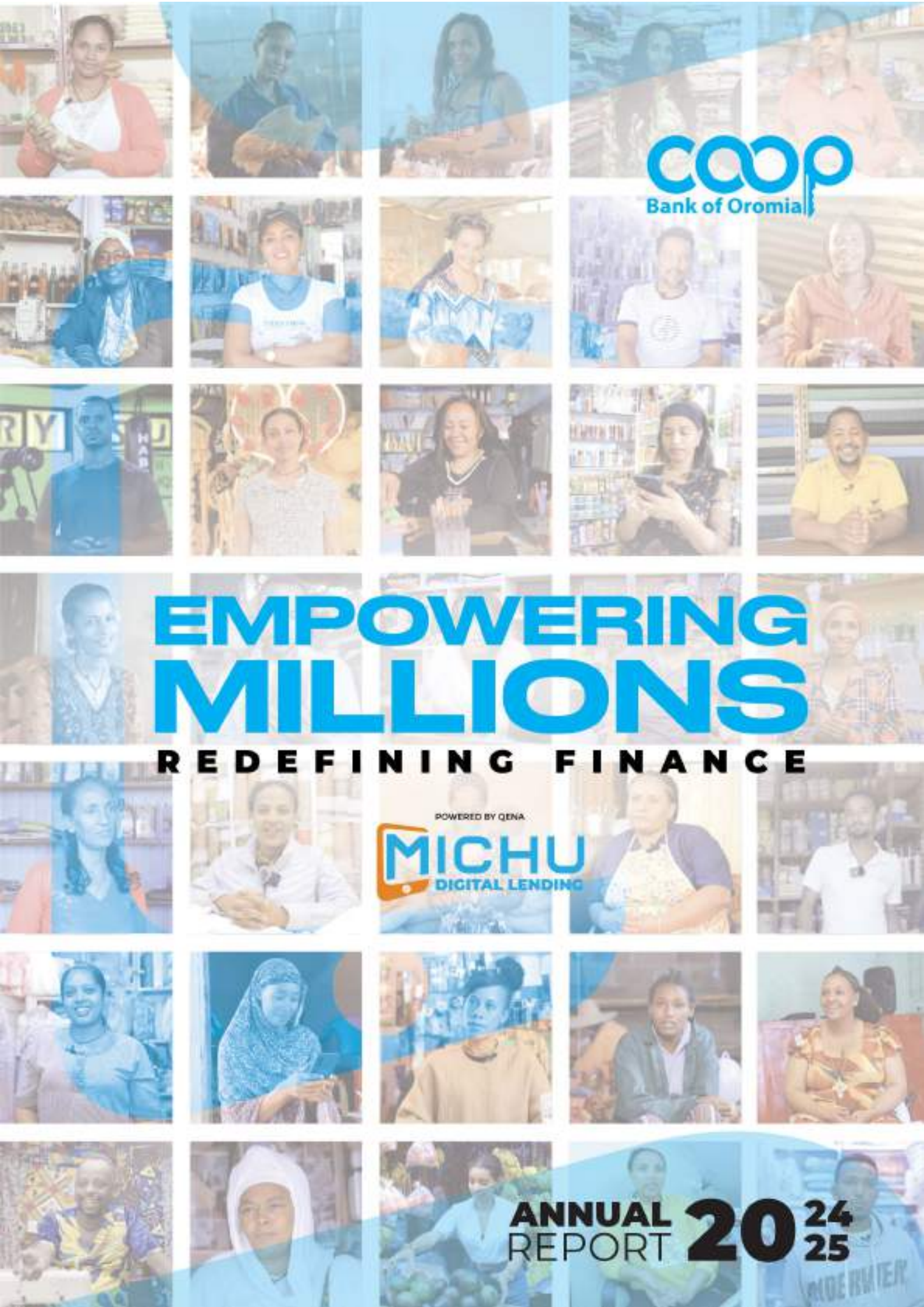


Coop Bank of Oromia

EMPOWERING MILLIONS

REDEFINING FINANCE

POWERED BY QENA

MICHU DIGITAL LENDING

ANNUAL REPORT 2024 25

PERFORMANCE

Dashboard

2025

Asset
197.35
BILLION ETB

Deposit Accounts
14.74
MILLION

Total Capital
17.45
BILLION ETB

Loans & Advances
117.13
BILLION ETB

Employees
15,011
7,505 Permanent

Coopay E-Birr

Merchants
207K

Subscribers
17.8M

POWERED BY QENA
MICHU DIGITAL LENDING

Accounts
1.5M

Disbursed
21.76B

Gross Profit
2
BILLION ETB

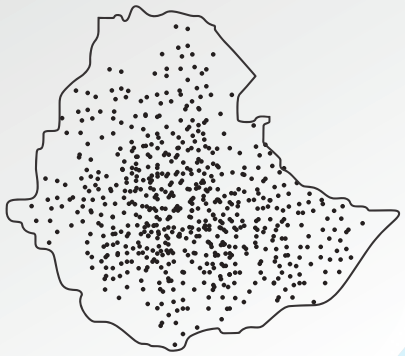
ATMs
180

CRMs
600

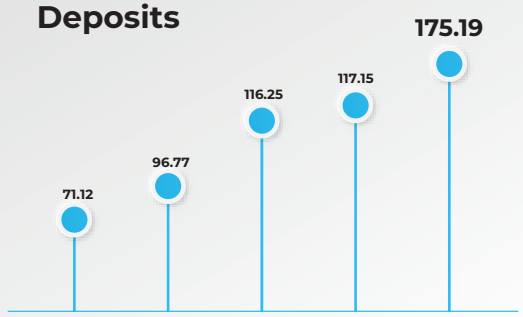
EARNING PER SHARE
14%

Branch Footprint
753

577
SERVING IN REGIONS AND RURAL AREAS



Deposits



CONTENT

Statement of the Board Chairperson 01

Reflections from the President 04

Board of Directors 07

C-Suite Management 08

Senior Management 09

Deposit 10

International Trade 11

Loans and Advances 12

Profit 13

Michu Digital Lending 14

Deposit Accounts 16

Our People 17

Digital Transformation 18

ESG Practices 19

Photo Gallery 21

Interest Free Banking 23

SAC Members Comment on IFB 24

IFB Deposits 25

IFB Deposit Accounts 26

IFB Financing 27

IFB Operating Income 28

Audit Report

Statement of the BOARD CHAIRPERSON

Coopbank's Digital-First approach continued to define its market presence, emphasizing innovation and an enhanced customer experience.

Meskerem Debebe
Chairperson, Board of Directors

Statement of the Board Chiarperson

Distinguished shareholders and stakeholders, on behalf of the Board of Directors, I am pleased to make these remarks and present the results of our operations for the fiscal year ending June 30, 2025. Despite a year marked by significant external challenges, we remained focused and resilient, adapting and continuing to deliver meaningful value to our stakeholders.

In the 2024/25 fiscal year, the global economy experienced moderate and uneven growth, reflecting the lingering effects of earlier disruptions and ongoing structural adjustments. According to the International Monetary Fund (IMF), global GDP is forecasted to expand by 3.2%, supported by gradual improvements in some regions but constrained by persistent challenges. Heightened trade tensions and policy uncertainty weighed on investment and trade flows, while high sovereign debt levels in many low and middle income countries continued to pose fiscal risks. Inflationary pressures remained elevated, with normalization delayed by underlying cost drivers and rising tariffs. At the same time, financial market vulnerabilities, including the repricing of volatile assets, highlighted potential stability concerns. Nonetheless, advancements in artificial intelligence (AI), progress in trade negotiations , and structural reforms in developing economies created meaningful opportunities to enhance productivity, strengthen resilience, and support more sustainable global growth.

During the reporting period, Ethiopia's economy underwent a significant structural shift, driven by ongoing liberalization measures and foreign exchange reforms implemented under the Homegrown Economic Reform Agenda (HGER 1.0) to foster a market oriented, private sector–led growth model. The economy expanded by 8.8%, supported by reforms that opened key sectors including banking, telecommunications, and trade to foreign participation, thereby attracting substantial foreign direct investment commitments. The launch of the Ethiopian Securities Exchange (ESX) in January 2025 further broadened investment opportunities, while the floating of the birr in July 2024 narrowed the gap between official and parallel exchange rates, improved access to foreign currency, and enhanced export competitiveness through a more market - determined exchange rate. Although these transitions created opportunities for greater efficiency and competitiveness, they also introduced notable risks, with inflationary pressures persisting despite signs of easing.

The success of the Homegrown Economic Reform Agenda ultimately depends on institutional capacity, geopolitical stability, and sustained multilateral support factors that underscore the need for strong policy coordination and effective implementation to sustain Ethiopia's economic transformation momentum.

The reporting year was particularly significant for Coopbank as it marked it's 20th anniversary, a milestone that was commemorated through a series of meaningful and memorable events. Under the banner of "Project 20 for 20 ", the Bank designed and executed 20 distinct initiatives aimed at celebrating its journey, deepening community impact, and showcasing its achievements over the past two decades. The anniversary celebrations were held in a joyful and ceremonial spirit, bringing together customers, employees, and stakeholders around a shared vision of growth and contribution. The initiatives reflected Coopbank's enduring commitment to social responsibility and its pivotal role in the financial sector. The celebrations also galvanized the entire Coopbank community, uniting staff and stakeholders in an unprecedented way. Notably, the Bank achieved a record-breaking level of resource mobilization within a single month, underscoring the trust and confidence that customers and partners continue to place in the institution.

Coopbank continued to demonstrate strong financial resilience, underpinned by careful planning in the fiscal year. Total assets reached ETB 197.35 billion, reflecting the Bank's solid financial foundation and capacity to support its growing operations . Total deposits reached ETB 175.19 billion by the end of June 2025, demonstrating the enduring confidence of our customers and stakeholders. The loan portfolio expanded by 18 percent to ETB 117.13 billion, driven by our commitment to key sectors including agriculture, domestic and international trade, and manufacturing, which are central to the country's economic growth. Our Interest Free Banking services achieved notable progress, reinforcing our efforts to promote inclusive, Sharia -compliant financial solutions. On the revenue front, the Bank generated ETB 20 billion, closing the year with a gross profit before tax of ETB 2 billion.

Coopbank's Digital -First approach continued to define its market presence, emphasizing innovation and an enhanced customer experience. A highlight of this strategy has been Michu, a digital lending platform providing collateral-free loans through smartphones to micro, small, and medium-sized enterprises, with over ETB 21.76 billion disbursed to 1.5 million accounts. Another testament to the Bank's innovation is DX Valley, where product innovations are developed internally and ideas from startups are nurtured into practical solutions. The continued growth of Coopay E -Birr further reflects the Bank's commitment to digital financial inclusion and its role in supporting sustainable economic development.

This year marked a significant transition as the previous Board of Directors completed their term and a new Board assumed leadership, with the handover carried out smoothly. The new Board has demonstrated a strong commitment to upholding governance principles, emphasizing transparency, accountability, and excellence. Throughout the year, the Board convened 13 regular meetings and 2 extraordinary meetings to deliberate on key agenda items and pass resolutions critical to the Bank's strategic direction, reinforcing Coopbank's foundation for sustainable growth. Amid increasing competition from new entrants and the anticipated arrival of foreign players, the Board remains focused on guiding the Bank to navigate these challenges while continuing to deliver long-term value to shareholders.

The concept design for Coopbank Business City, a landmark development comprising a business center, modern apartments, and a premium hotel on a 3-hectare site in the capital, has been successfully completed, and detailed design work is currently in progress. As part of the project, the riverside development along the river basin traversing the Bank's property is in a good progress. The 13-story building under construction in Adama City is advancing swiftly. Foundation filling and shoring have been completed, and formwork and metalwork for the third basement are now in progress. The construction of the six-story building in Harar City is progressing well, with final finishing works currently underway. The project is expected to be fully completed and ready for service within the next fiscal year.

As Coopbank charts its path forward, we remain steadfast in our commitment to innovation, sustainable growth, and delivering value that centers on our customers' needs. The initiatives and achievements of this year provide a strong foundation, equipping the Bank to embrace future opportunities and navigate emerging challenges with confidence. On behalf of the Board of Directors, I extend my heartfelt appreciation to our customers for their continued trust, to our shareholders for their unwavering support, and to my fellow Board members for their dedication. I also commend the Executive Management team and the entire Coopbank family for their tireless efforts, professionalism, and sense of ownership. Finally, we acknowledge the guidance of the National Bank of Ethiopia and the contributions of all stakeholders, whose support remains vital to Coopbank's ongoing success and its role in driving meaningful economic impact.

Thank you,

Meskerem Debebe
Chair Person

REFLECTION FROM THE CEO

> “Coopbank is well-positioned to seize future opportunities, deliver long-term value to stakeholders, and contribute meaningfully to Ethiopia’s inclusive and sustainable economic growth.”

Deribie Asfaw
CEO

It gives me great pleasure to present Coopbank's Annual Report for the fiscal year, a period marked by both significant achievements and important transitions. This report reflects the collective efforts of our employees, leadership team, Board of Directors, and stakeholders who have worked tirelessly to drive the bank forward. Despite a dynamic and evolving operating environment, Coopbank continued to demonstrate resilience, adaptability, and a strong sense of purpose in advancing its mission.

The year unfolded against a backdrop of notable economic shifts in the country. In July 2024, following the foreign exchange reforms implemented under the Homegrown Economic Reform Agenda, the Ethiopian birr has been floated, a major policy move that reshaped the financial landscape. While this created both opportunities and challenges, Coopbank remained agile in adjusting its strategies to align with the changing macroeconomic environment. The banking industry also experienced growing competitions, with new entrants preparing to enter the market and regulatory reforms accelerating sector transformation.

Coopbank's Financial Performance in Key Metrices

The total deposits of Coopbank reached ETB 175.19 billion by the end of June 2025, reflecting the continued trust and confidence of our customers and stakeholders. This represents a significant increase of 49.54 percent compared to the ETB 117.15 billion recorded in the same period last year. The conventional banking segment accounted for 84.44 percent of total deposits, while the Interest-Free Banking segment contributed 15.55 percent.

The Bank's loan portfolio reached ETB 117.13 billion by the end of June 2025, reflecting a robust growth of 18 percent compared to the previous year. This growth was largely driven by strategic lending to key sectors, including agriculture, domestic and international trade, and manufacturing, which remain central to the country's economic development. Through targeted financing and continued support to these priority sectors, Coopbank has reinforced its role as a reliable partner in driving sustainable economic growth.

By the end of June 2025, the Bank's base of customers reached 14.74 million, marking an increase of 10.48 percent over the previous year with 1.42 million new accounts added.

This growth reflects the Bank's ongoing commitment to expanding access to financial services, strengthening relationships with existing customers, and reaching new segments through both traditional channels and enhanced digital onboarding initiatives.

Coopbank reported a gross profit before tax of ETB 2 billion for the fiscal year. Total revenue for the year reached ETB 20 billion, while total expenses amounted to ETB 18 billion. As of June 2025, the Bank's total capital reached ETB 17.46 billion, reflecting a strong and stable financial foundation to support ongoing growth and strategic initiatives. This level of capitalization positions Coopbank well to navigate market challenges, support its expanding portfolio, and continue delivering value to its shareholders.

During the fiscal year, the Bank expanded its physical and digital presence to enhance customer convenience and financial inclusion. The bank's branch network by the end of June 2025 reached 753, of which 577 (76.6%) serving regional and remote communities. Among these, 69 eco-branches provide services powered by solar energy in rural areas. Additionally, over 500 smart branches now offer voucher-free withdrawals, deposits, and money transfers through dedicated tablets and QR codes scanned via smartphones, processing more than 6.45 million transactions during the year. Coopay E-Birr further strengthened the Bank's digital footprint, now supporting 207 thousand merchants and 36.4 thousand agents nationwide. These initiatives underscore Coopbank's commitment to leveraging technology to improve service delivery, expand financial inclusion, and engage effectively with both individual and institutional customers.

Coopbank has continued to lead Ethiopia's digital financial transformation through its groundbreaking Michu digital lending platform. As a pioneer in digital lending, Michu has expanded access to finance for micro, small, and medium-sized enterprises (MSMEs) while accelerating digital inclusion. The platform assesses both risk and growth potential, enabling informed, data-driven lending decisions and effectively addressing the challenges of MSME financing in the country. In the fiscal year, Michu served customers across 1.5 million accounts, of which 54.62 percent of total disbursements were made to female clients, with a total of 21.76 billion birr in loans disbursed. The platform's impact has also been recognized at the highest levels.

Major Milestones

This fiscal year, Coopbank marked its 20th anniversary with a landmark achievement through Project 20 for 20, reflecting the Bank's spirit of "We Play to Win" and its unwavering commitment to empowering communities and transforming lives. The initiative set an ambitious target of ETB 20 billion in incremental deposits, which was surpassed with a historic ETB 25.3 billion realized during the anniversary month. This milestone stands as a testament to the power of teamwork, dedication, and a customer-centric approach, with every branch and department contributing to the Bank's success.

Coopbank advanced several significant construction initiatives during the fiscal year, the Coopbank Business City (CBC) is set to become Ethiopia's largest mixed-use complex. Consultant engagements have been finalized, and pre-construction activities, including site clearing and river diversion, are progressing as planned. In addition, the Adama Office Building project has completed initial works such as excavation and installation of shoring piles, with groundwork now actively progressing. The Harar Office Building is advancing steadily, the project now has entered its final phase, with only finishing works remaining before completion.

Coopbank continues to harness innovation to enhance operational efficiency and deliver groundbreaking services. Within our innovation hub, several solutions have been developed to automate internal processes, including CoopStream, which digitizes the entire loan lifecycle from origination to approval, significantly reducing operating costs and improving efficiency. These initiatives reflect Coopbank's commitment to staying at the forefront of technological advancement, continuously innovating to anticipate customer needs and shape the future of banking in Ethiopia.

Looking ahead

Coopbank remains committed to sustainable growth, environmental, social, and governance (ESG) excellence, and deepening its impact across Ethiopia's financial landscape. The Bank will continue leveraging technology to enhance customer experience, expand financial inclusion, and strengthen operational efficiency, while integrating ESG principles into its core operations and strategic initiatives. Key programs, such as digital lending through Michu, and partnerships supporting the agricultural and cooperatives, and MSMEs will remain central to our mission of empowering communities and transforming lives. Coopbank will also maintain prudent risk management, robust governance, and operational discipline to navigate evolving economic conditions, growing competition, and regulatory developments. On behalf of the management team, I sincerely thank our valued customers, the National Bank of Ethiopia, partners, and all stakeholders for their unwavering support, trust, and collaboration. With our dedicated team and clear vision, Coopbank is well-positioned to seize future opportunities, deliver long-term value to stakeholders, and contribute meaningfully to Ethiopia's inclusive and sustainable economic growth.

Thank you,

Deribie Asfaw

CEO

Board of Directors

Meskerem Debebe
Chair Person

Abinet Tarekegn
Deputy Chair Person

Dr. Fikru Deksisa
Board Member

Meseret Assefa
Board Member

Aseffa Sumoro
Board Member

Dr. Yeshi Jima
Board Member

Dejene Dadi
Board Member

Tegistu Shiferaw
Board Member

Jemal Kedir
Board Member

Dereje Wedajo
Company secretariat

C-Suite Management

Deribie Asfaw
CEO

Aman Semir
Chief Transformatron and Strategy Officer (CTSO)

Muluneh Aboye
Chief Financial Officer (CFO)

Abdi Fekede
A/Chief Operating Officer (COO)

Tadele Tilahun
Chief People Officer (CPO)

Shimelis Legesse
Chief Information Officer (CIO)

Desalegn Tadesse
Chief Risk, Compliance and Legal Officer (CRCLO)

Tafesse Fana
Chief Internal Auditor (CIA)

Senior Management

Yohannes Ambisa
VP, Agri and Cooperative Business

Nebil Abdella
VP, Interest Free Banking

Lense Geleta
VP, Growth and Operations

Wondyifraw Assefa
VP, Credit Appraisal and Portfolio

Kidus Mulugeta
VP, Technology and Strategy

Anteneh Tadesse
Senior Director, Core Banking, Infrastructure and Data

Sisay Fikadu
Senior Director, Strategy and Transformation

Geleta Abate
Senior Director,Technology and Innovation

Abayneh Meseret
Senior Director, Products

Fekadu Deresse
Senior Director, Central Finfinne District

Fikreyohans Lemma
Senior Director, Building construction
Managment & Administration

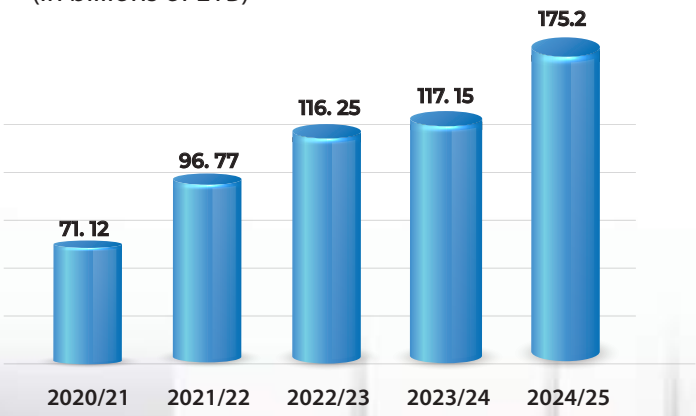
Deposits

Deposit mobilization serves as a critical pillar for sustainable banking growth and remains a foremost priority for the Bank. The bank has actively focused on strengthening its resource base by targeting a broad range of customer segments, maximizing the contribution of existing depositors, improving accessibility, fostering digital banking ecosystems, and implementing various resource mobilization initiatives.

This year, in celebration of the Bank's 20th Anniversary, the project '20 for 20' Deposit Mobilization Initiative has played a pivotal role in expanding the Bank's resource base and enhancing its brand visibility nationwide. This initiative has also reinforced customer confidence and strengthened the Bank's market position.

During the fiscal year 2024/25, Coopbank achieved a deposit increase of ETB 58.04 billion, bringing the total deposit balance to ETB 175.2 billion as of June 30, 2025.

Deposit Growth Trends
(in billions of ETB)



In terms of the Bank's deposit composition, there is a strong inclination towards saving deposits. Saving deposits, comprising 54.39% of the Bank's total deposit portfolio, highlight the Bank's commitment to building strong connections with communities by promoting a culture of saving.

This approach fosters financial inclusion by ensuring that a broader segment of the population, particularly in underserved areas, has access to secure and accessible banking services. Following savings deposits, demand deposits comprise 37.51% of the Bank's total deposit structure and coopbank held the highest share in demand deposits across all categories comparing with industry, private banks and peer banks, while fixed-time deposits contribute the remaining 8.10%.

Deposit Position Trend by Type
(in millions of ETB)

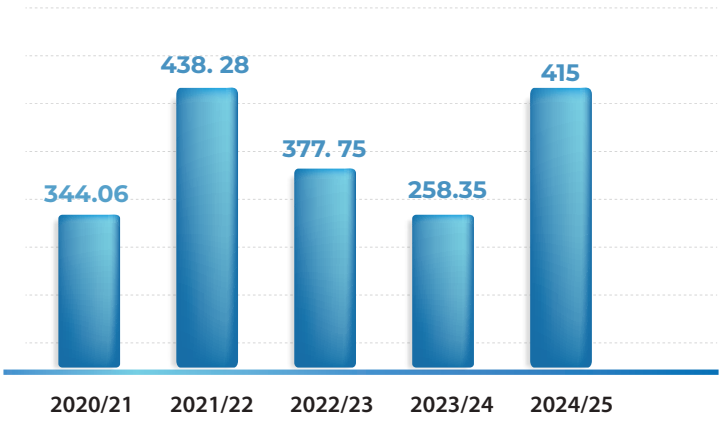
	2022/23	2023/24	2024/25
Demand	33,251.05	33,004.33	65,716.57
Saving	72,447.40	72,140.42	95,295.66
Fixed Time	10,549.62	12,007.19	14,183.32
Total	116,248.07	117,151.94	175.2

International Trade

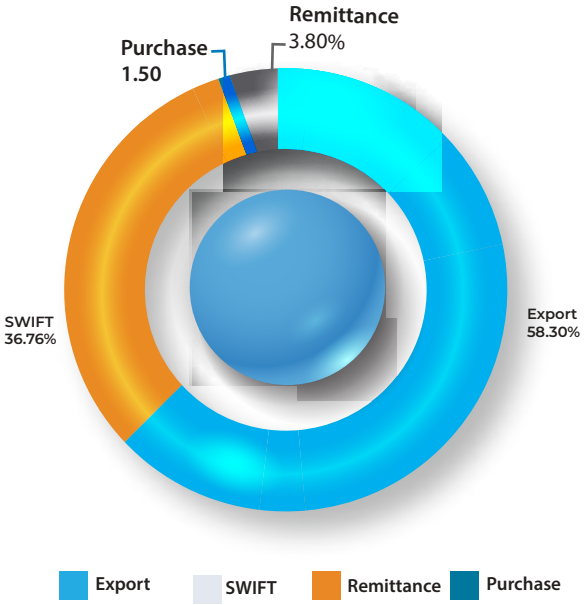
Foreign currency inflow remains a critical priority for Coopbank, as it is essential for supporting international operations and enhancing revenue. By fostering strong relationships with both local and international partners, maintaining excellence in service, and exploring diverse solutions, Coopbank is well-positioned to maximize its foreign currency earnings.

During the fiscal year, the Bank earned USD 415 million in forex inflows, demonstrating its resilience despite constraints in export earnings and limited access to foreign exchange. Coopbank continues to implement strategies to optimize forex operations and effectively navigate the current economic landscape to meet client needs.

Trend of Foreign Currency Mobilized
(in millions of USD)



Looking at FCY generation by source, it is evident that the majority over 95% was derived from exports and private transfers (SWIFT). During the reporting period, about 58.3% of the foreign currency was generated from exports, an increase Y-on-Y growth of 90% compared to the previous year, which notably impacted the Bank's overall foreign currency generation for the year in a positive manner. Meanwhile, private transfers (SWIFT) accounted for 36.76% of the total earnings during this period. In contrast, remittances and cash purchases constituted less than 5% of the overall foreign currency generation, highlighting a substantial year-on-year decline over the last couple of years.



Loans and Advances

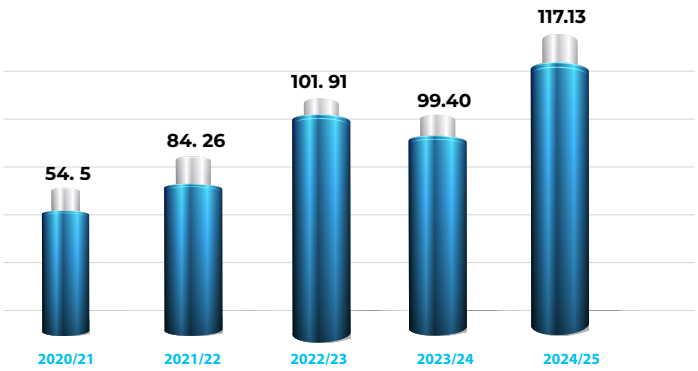
To meet the evolving financial needs of our customers and contribute meaningfully to national economic growth, Coopbank continued to play a pivotal role in financing key sectors of the economy during the fiscal year 2024/25. Despite a competitive environment and regulatory adjustments, the Bank disbursed ETB 24.85 billion in new loan disbursements, representing 85.6% of its annual target.

By the end of June 30, 2025, Coopbank's total outstanding loan portfolio reached ETB 117.13 billion, reflecting a 18.5% increase compared to the previous year. This growth underscores the Bank's continued commitment to supporting productive sectors and strengthening its contribution to Ethiopia's economic development.

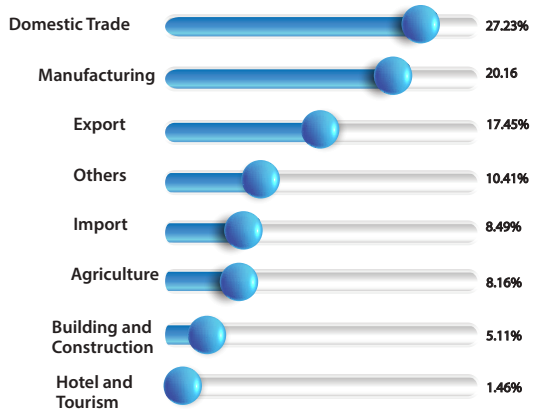
In terms of sectoral concentration, the largest portion of the Bank's funds was allocated to domestic trade and services, accounting for 27% of total loans. International trade followed with 25%, while manufacturing and production received 21%. The remaining 27% was distributed across agriculture, construction, housing, and other productive sectors, reinforcing the Bank's diversified credit portfolio and risk management framework.

This balanced approach reflects Coopbank's strategy of aligning its lending with national priorities,promoting trade, industrial growth, and entrepreneurship, while maintaining prudent credit practices to ensure sustainable portfolio quality and strong returns.

Loans and Advances Trend
(in billions of ETB)



Outstanding Loans and Advances
(in billions of ETB)



Gibe Didessa Wheat Factory

Profit

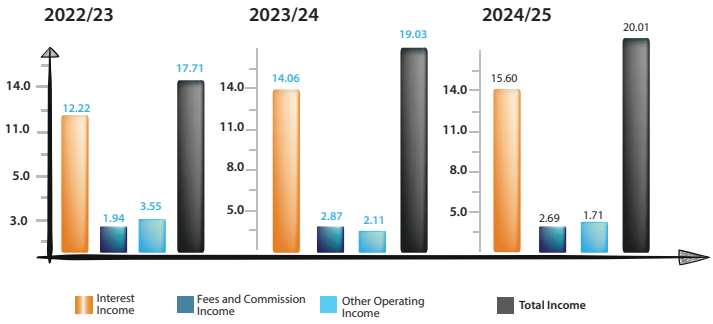
Profitability continues to be a key focus for Coopbank. Despite a challenging year, the Bank achieved profit, demonstrating its ability to maintain positive results amid difficult operating conditions.

In the ended fiscal year, the reported total revenue was ETB 20 billion, reflecting growth of 5% compared to the prior year. Interest income experienced a notable increase of 11%, reaching ETB 15.60 billion and constituting 78% of total income. In this fiscal year, the Bank also generated ETB 1.01billion from IFB sources, contributing 8.12% to overall income. Commissions and service charges performed strongly, yielding ETB 2.69 billion and representing 13% of total earnings. Furthermore, other sources, including gains from rate fluctuations, contributed ETB 127 million.

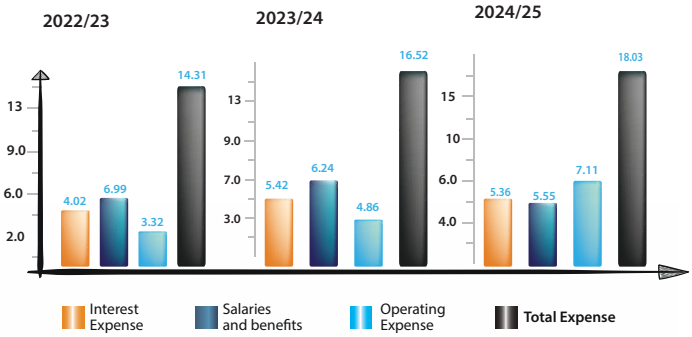
On the expense side, total expenses for the year ended June 30, 2025, reached ETB 18 billion, reflecting an overall increase of 9.13% compared to the previous year.
In terms of composition, interest expenses accounted for 29.7% of the total, showing a 1.1% decrease from the previous year. Personnel expenses, amounting to ETB 5.5 billion, represented 30.8% of total expenses, marking a 14.3% increase from last year.
The remaining 39.4% (approximately ETB 7.1 billion) was attributed to general and other operating expenses, which rose by 14.0% compared to the previous year.

At the end of June 2025, Coopbank achieved a gross profit before tax of ETB 2 billion.

Income trend by category
(in billions of ETB)



Expense trend by category
(in billions of ETB)

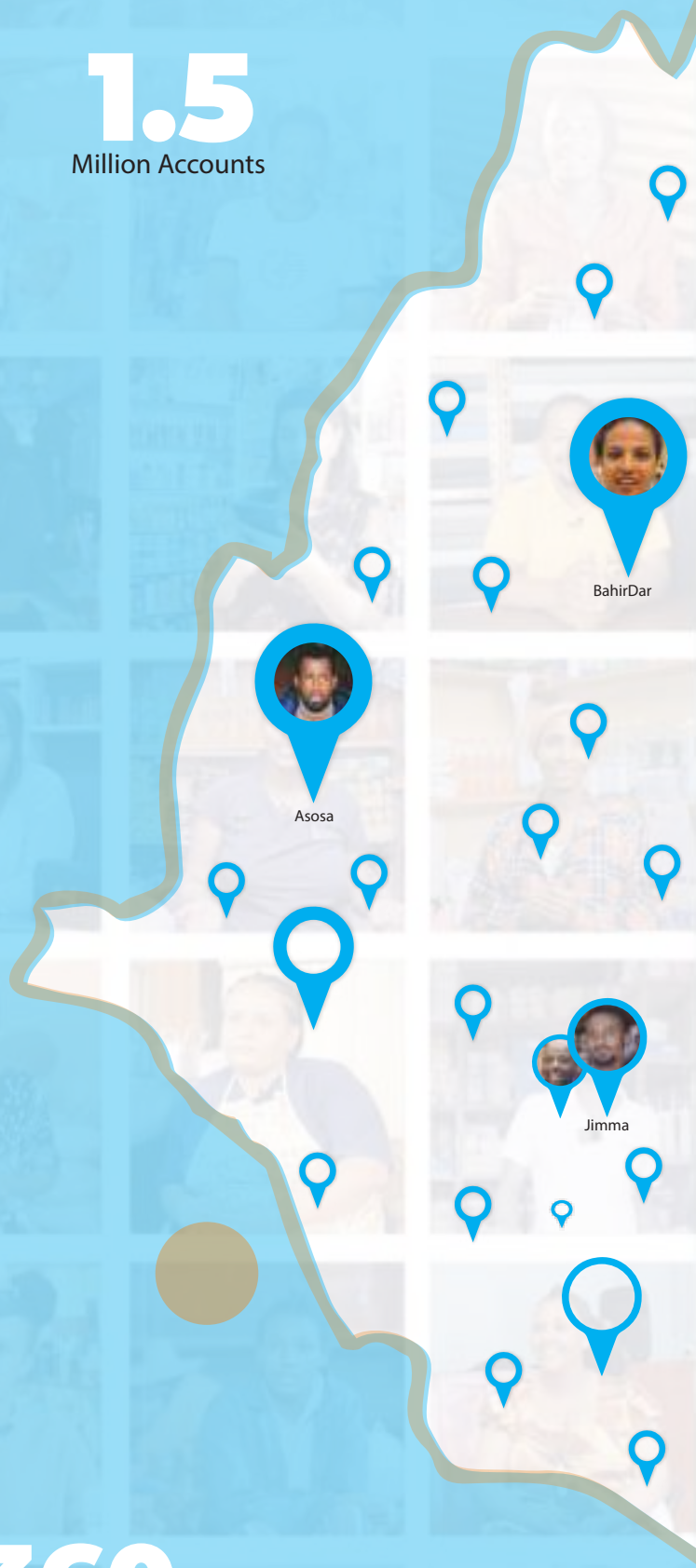


Coopbank continued to lead the digital transformation of Ethiopia's financial sector through its pioneering Michu digital lending platform, developed in partnership with Kifiya Financial Technology. As a trailblazer in digital credit services, the Bank has made significant progress in expanding access to finance and accelerating digital inclusion across all regions of the country. Michu leverages data analytics to assess the risk and growth potential of micro, small, and medium enterprises (MSMEs), enabling the Bank to make informed, risk-based lending decisions while maintaining strong credit quality.

During the fiscal year 2024/25, the platform achieved remarkable performance, registering 532,794 customers, and disbursed more than 21.76 billion on 1.5 million accounts , demonstrating both high adoption and repeat usage. A total of 292, 391 customers accessed the loan through Michu platform, with 61% of total disbursements made to female customers, underscoring Coopbank's role in promoting gender-inclusive finance. Likewise, 247,360 borrowers under the age of 36 accounted for 69.50% of the total disbursement, reflecting the platform's strong appeal among the productive youth segment. Overall, Michu disbursed ETB 21.76 billion in digital loans during the year, generating ETB 1.73 billion in revenue.

Through this innovative platform, Coopbank, in partnership with Kifiya, continues to advance financial inclusion and transform access to finance across all regions of Ethiopia, redefining banking accessibility for entrepreneurs while supporting the country's transition toward a fully digital economy.

1.5
Million Accounts



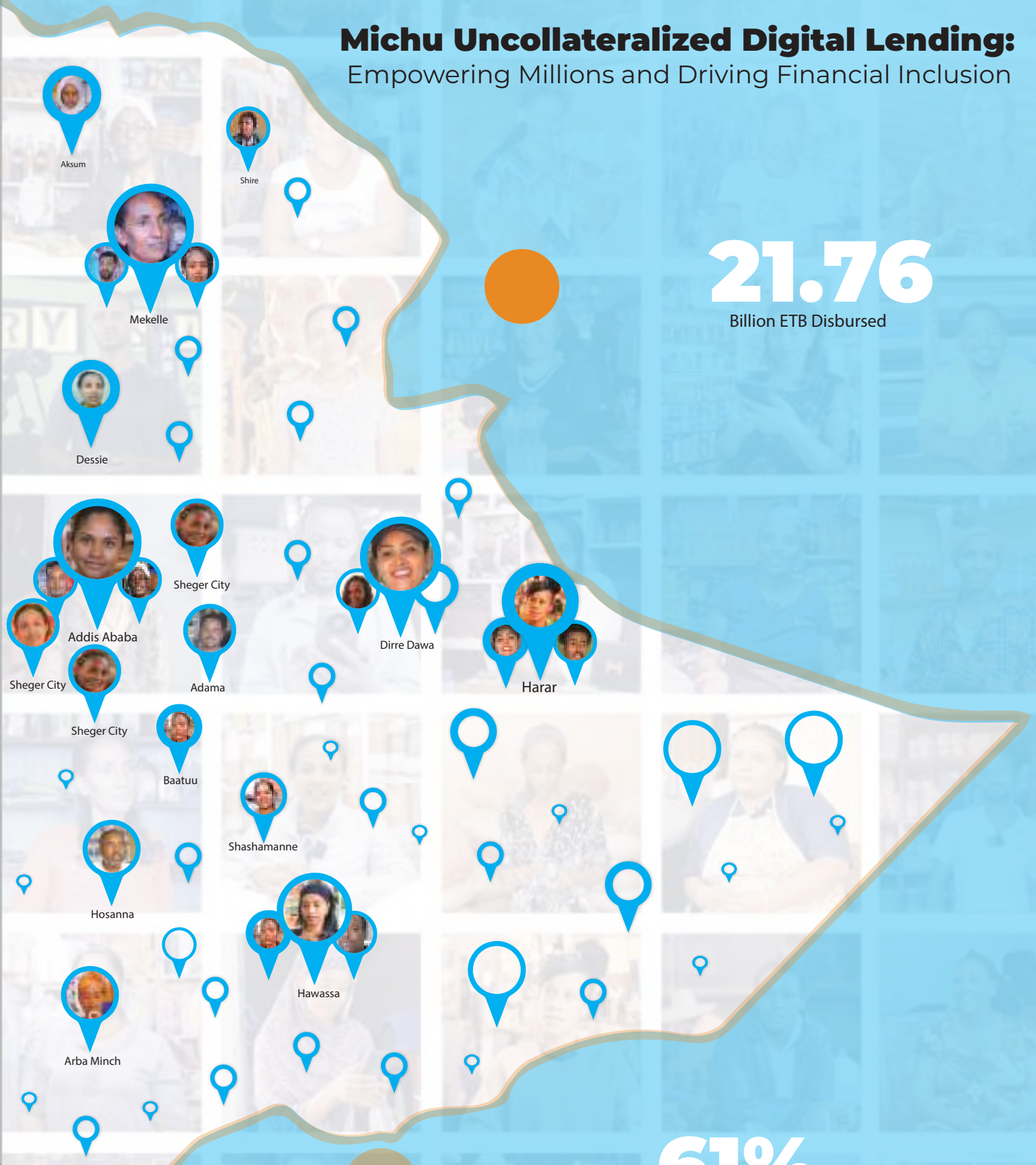
247,360
youth borrowers (under 36) 69.5%
of total disbursement

POWERED BY QENA

MICHU DIGITAL LENDING

Michu Uncollateralized Digital Lending:

Empowering Millions and Driving Financial Inclusion



21.76

Billion ETB Disbursed

61%

Of total disbursements made to female customers

Deposit Accounts

Expanding access to banking services remains central to Coopbank's mission of "Empowering Communities, Transforming Lives." Since its establishment, the Bank has pursued a purpose-driven agenda to transform lives by promoting financial inclusion and empowering communities particularly those in rural and underserved areas. Guided by this vision, Coopbank has prioritized reaching the unbanked and under-banked population through an extensive branch network, digital channels, agent banking, and cooperative-based outreach initiatives.

During the fiscal year 2024/25, Coopbank registered remarkable progress in customer acquisition and deposit mobilization. More than 75 percent of the Bank's branches are located in rural and semi-urban areas, enabling greater accessibility and deepening financial inclusion across all regions. These branches, supported by digital platforms such as Michu Digital Lending, Coopbank Mobile and Internet Banking, and the Agency Banking Network, have been instrumental in extending modern financial services to millions of Ethiopians.

In the reporting year, Coopbank opened 1.42 million new deposit accounts, bringing the total number of accounts to 14.74 million as of June 30, 2025 a 10.6 percent increase compared with the previous fiscal year.

This consistent growth reflects the Bank's unwavering commitment to broadening access to banking services, fostering customer trust, and building long-term relationships across its diverse customer segments.

This achievement also reinforces Coopbank's leadership position in financial inclusion. The Bank's growing customer base demonstrates not only its capacity to deliver accessible and reliable financial services but also its broader social impact in promoting savings culture and economic empowerment. Coopbank's success, however, is viewed not merely as an accomplishment but as an ongoing responsibility to close the financial inclusion gap and ensure that no community or cooperative is left behind.

To maintain this momentum, Coopbank continues to enhance its customer onboarding experience, simplify account-opening procedures, and strengthen its digital service channels to provide convenient, secure, and inclusive banking solutions. These efforts are a reflection of the Bank's enduring mission to empower communities, transform lives, and make banking accessible to every Ethiopian

Our People

At the Cooperative Bank of Oromia, we recognize that our people are the heart of our success. Our employees bring together diverse skills, knowledge, and experience that drive innovation, productivity, and sustainable growth across the organization. To strengthen this foundation, we continually invest in their development through targeted training programs, workshops, and digital learning opportunities ensuring they remain equipped to meet evolving customer needs and excel in a rapidly changing financial landscape.

During the fiscal year 2024/25, Coopbank delivered essential developmental and technical training to 14,587 employees, aligning their capabilities with the Bank's strategic vision and operational priorities. These initiatives enhanced technical expertise, leadership effectiveness, and digital competence across all levels of the organization.

In line with our growth objectives, the Bank also expanded its workforce, recruiting 154 new employees comprising 52 semi-professionals, 48 managerial and supervisory staff, and 45 professionals and administrative personnel. With these additions, Coopbank's core staff reached 7,505, and together with 7,506 outsourced staff, the Bank's total human capital stood at 15,011 as of June 30, 2025.

This continued investment in talent reflects Coopbank's commitment to building a high-performing, inclusive, and future-ready workforce capable of supporting the Bank's expanding operations and digital transformation agenda. Looking ahead, Coopbank remains dedicated to nurturing employee potential, promoting leadership development, and fostering a culture of collaboration and excellence that continues to define its success.

Celebrating dedication and vision! Coopbank Head Office, Finfinne District, and surrounding branches mark Staff Day and 'Beyond the Horizon – Project 20 for 20' at Millennium Hall

Digital Transformation in Banking

Coopbank continues to prioritize digital transformation as a key strategic initiative to remain competitive, improve operational efficiency, and meet the evolving needs of its customers. The Bank's digital platforms offer convenience and accessibility, enabling customers to conduct transactions ranging from fund transfers and bill payments to savings and loan services, while promoting financial inclusion, particularly among underserved communities.

During the fiscal year, Coopbank strengthened its technological infrastructure and service delivery capacity, positioning itself as one of Ethiopia's most digitally progressive financial institutions. The expansion of platforms such as Coopay E-Birr, Michu 2.0, Farmpass, Furtuu, Coop Remit, Coop Stream, Smart Branch, and SACCO-Link marked important milestones in this digital journey.

During the fiscal year, the Coopay E-Birr platform achieved significant milestones in digital adoption and financial inclusion, reaching 17,826,986 active users, including customers and external agents, onboarding 164,330 merchants, and registering 13,170 subscribers. By year-end, the platform had processed a total of 1.3 billion transactions with a cumulative value of ETB 3.4 trillion.

In addition to traditional ATM functions, as of June 30, 2025, a total of 600 modern cash recycler ATMs were operational across various parts of the country, handling 14.6 million transactions with a total value of ETB 18.13 billion. The total number of issued cards reached 811,324, underscoring the Bank's commitment to expanding access to convenient banking services.

To enhance services for Savings and Credit Cooperative Societies (SACCOS), the SACCO-Link platform was deployed, onboarding 55 SACCOs, SACCO unions, and multipurpose unions, including 20 fully integrated cooperatives. These institutions collectively mobilized over ETB 270 million in deposits. In partnership with Mastercard, the Farmpass platform onboarded 513,303 farmers, 993 primary cooperatives, and 52 cooperative unions across various value chains, including coffee, barley, wheat, poultry, beans, honey, dairy, and fattening.

Coopbank further strengthened its focus on agricultural transformation and financial inclusion through a partnership with Rabo Partnerships (RP). Together, they piloted a digital input financing solution that uses remote sensing data and advanced credit analytics to streamline access to agri-input loans for smallholder farmers. Integrated with the Farmpass platform, the system simplifies loan applications, reduces paperwork, and enables real-time tracking, automated credit assessments, and instant disbursement of funds for key agricultural inputs such as fertilizers, seeds, and crop protection.

CoopApp and CoopApp Alhuda further expanded the Bank's digital reach, facilitating transactions totaling ETB 10.3 billion during the reporting period.

In pursuit of innovation, Coopbank launched the 'Dx Valley' startup incubation center to foster technological growth and entrepreneurial development. Through 'Dx Valley 2.0, Sofumer Knowledge Cave' multiple entrepreneurs developed products and startups aligned with the Bank's strategic objectives, reinforcing Coopbank's commitment to economic growth and supporting innovative solutions.

TRANSACTIONS VALUE

Environmental, Social, and Governance (ESG) Commitment

Strategic Alignment

Aligned with its Vision 2030 "Transforming Coopbank into a Future-Ready, Trillion-Birr Asset Financial Powerhouse, Leading the way in Financial Inclusion, Sustainability and Community Empowerment" Coopbank embeds sustainability at the heart of its five-year Segment-Led Shift@Scale (S^3) Strategy. This positions the Bank as a leader in inclusive growth and sustainable finance, integrating environmental stewardship, social inclusion, and governance excellence as key drivers of long-term value creation.

The Bank pursues strategic objectives that include expanding financial inclusion for underserved communities, cooperatives, MSMEs, and farmers through innovative digital platforms; embedding ESG principles across all operations and preparing for ISSB-aligned IFRS S1 and S2 reporting; delivering customer-centric technology solutions such as the Michu digital lending platform, Furtuu, and Farmpass to connect clients to sustainable markets; strengthening governance, operational efficiency, and proactive risk management; and empowering communities through cooperative values, eco-conscious initiatives, and SCALE principles.

Serving seven strategic segments Agriculture and Cooperatives, Retail, MSMEs, Interest-Free Banking, NGOs, Government and Institutions, and Corporates (ARMING "C") Coopbank drives measurable impact through digital transformation, agri-finance platforms, and eco-friendly branch operations. Robust ESG governance, led by the Board Sustainability Committee and the Directorate of Sustainability, ensures that sustainability and climate considerations are fully integrated into all strategic decisions. The Bank's approach is fully aligned with national frameworks and the UN Sustainable Development Goals, demonstrating that sustainability is a core business driver rather than a peripheral activity.

Achieving these objectives involves navigating a range of risks. Credit risk arises from lending to diverse segments, particularly MSMEs and agricultural cooperatives, while operational risk stems from the challenges of digital adoption, cybersecurity, and process efficiency. Market and economic risks, including macroeconomic volatility, inflation, and foreign exchange fluctuations, can affect performance. Regulatory and compliance risks require adaptation to evolving national standards and ISSB-aligned ESG reporting requirements. Climate and ESG risks, including environmental impacts on agricultural clients and potential climate-related operational disruptions, are also carefully managed. Through proactive risk management, robust governance, and a commitment to inclusive and sustainable growth, Coopbank continues to strengthen its position as Ethiopia's most resilient, innovative, and socially responsible financial institution.

Coopbank remains steadfast in its commitment to responsible banking, embedding Environmental, Social, and Governance (ESG) principles across all operations. Guided by its purpose of "Empowering Communities and Transforming Lives," the Bank promotes sustainable finance, ethical governance, and inclusive social development, aligned with Ethiopia's national priorities and the United Nations Sustainable Development Goals (SDGs).

Environmental Stewardship: Coopbank has strengthened its sustainability efforts through renewable energy and green operations. Over 100 eco-branches now run entirely on solar power, generating 1,206 kilowatts, while 600 solar-powered Cash Recycling Machines (CRM)s add another 600 kilowatts totaling 1,806 kilowatts of clean energy. Digital channels, including 10,000 POS machines and the Coopay E-Birr platform, facilitated ETB 3.84 trillion in transactions for 18 million customers, reducing paper use and carbon emissions.

Environmental, Social, and Governance (ESG) Commitment ...

More than 6.45 million transactions were conducted via smart tablets and QR-code systems, improving efficiency and environmental performance. Back-office operations, such as loan management, trade services, and legal workflows, are fully digitized via ERP platforms, further reducing paper use and manual processes.
Coopbank also supports Ethiopia's clean transport agenda by partnering with Dire Dawa City to replace diesel taxis with electric vehicles and promotes climate-smart agriculture by financing 4,375 farmers with ETB 270 million and connecting over 525,000 farmers and 1,000 cooperatives through its Farm Pass and Digital Agri-input Financing platforms. These initiatives reduce deforestation, enhance smallholder resilience, and foster sustainable development.
Social Impact: Coopbank employs 15,011 staff (permanent and outsourced), with women representing 20% and increasingly in leadership roles. Through the CoopAmbition Academy, over 700 employees have been trained across 35 courses. Additionally, 52 staff members received ESG training, reinforcing the Bank's commitment to sustainable growth while enhancing employee competence and alignment with Coopbank's strategic ambitions.

Innovative products like Michu Digital Loan and Michu Kiya have facilitated the disbursement of ETB 21.76 billion to over 1.5 million MSMEs, with 80% of the beneficiaries being youth and women.
The Bank expanded Sharia-compliant finance, mobilizing ETB 27 billion in deposits and providing ETB 15.7 billion in financing for IFB clients, while investing ETB 30 million in education, healthcare, humanitarian aid, and environmental programs, complemented by voluntary initiatives such as blood donations, road clean-ups, and Ramadan Iftar programs.

Governance Excellence: Coopbank's Board of Directors ensures strong ESG oversight, with 30% female representation above national standards. The Board Sustainability Committee and Sustainability Directorate integrate environmental and social risk management into the Bank's strategy.

As a member of the UN Global Compact and the Africa Business Leaders Coalition, Coopbank upholds global standards on human rights, labor, environment, and anti-corruption, supported by robust Whistleblowing, AML, and Fraud Risk Management policies. Data privacy and cybersecurity are prioritized through advanced encryption, staff training, and proactive fraud monitoring.

By integrating the UNGC's Ten Principles into its operations, Coopbank advances climate resilience, gender equality, and inclusive growth. These alliances have strengthened ESG governance, fostered green innovation, and reinforced the Bank's leadership in Africa's sustainable finance landscape.

Through these initiatives, Coopbank demonstrates that sustainability is not a side objective but a core driver of long-term growth, resilience, and inclusive impact, committed to green finance, community empowerment, and responsible governance for a sustainable and equitable financial future in Ethiopia.

Coopbank Staff, Banking Smart, Living Green, Growing a Greener Tomorrow

Coopbank signs agreement with E4Impact to fuel innovation, empower entrepreneurs, and drive impact

6th Cooperatives Day Celebration
Cooperatives Expo 2024

Ethiopia's First Blockchain-Based Remittance Service Launch Event

Coopbank kicks off construction of its landmark building in Adama

Addis Ababa Mayor and Top Officials Visit Coopbank's Booth at #ETEX2025

Official Launch Event of SMART Branches

In collaboration with NIDP, TECH5, and Visa, Coopbank launches the country's first Digital Fayda Wallet!

Official Launch of Coopay e-Birr Electric Bill Payments Following Agreement with Ethiopian Electric Utility

Founder Obbo Haile Gabre Lube visits Coopbank HQ, celebrating the bank's achievements and inspiring the team for greater success

CEO Unveils Strategic Direction for 'Project 20 for 20' at Millennium Hall, Engaging HO and Addis Ababa Area Offices & Branches

Giving Life: Staff Donate 1,000+ ml Nationwide!

Grand Cleaning Day in Adama City

Celebrating Women's Day and the Bank's Anniversary with Finfinnee Branch Women Managers & HO Team

Customer Session Held in Adama and Surrounding Areas as Part of Project 20 for 20 Initiative

A special visit to KIFIYA to honour their invaluable partnership

A special visit to E-Birr to honour their invaluable partnership

Top Performers and Valued Customers Recognized in Coopbank's Project 20 for 20

Humanitarian Visit as Part of Our 20th Anniversary

Iftar Program with Coopbank Alhuda Customers

Coopbank's 20th Anniversary Closing Ceremony at Sheraton Addis, Honoring Regional & Federal Officials, Top Customers, Stakeholders, Board Members, and Our Bank Family

INTEREST FREE BANKING REPORT

Shaikh Salih Nur Ahmed
SAC CHAIRPERSON

Ustaz Kamil Shemsu Siraj
SAC DEPUTY CHAIRPERSON

Dr. Kamal Haji Galato
SAC Member

Dr Mohammed Salih Jamal
SAC Member

Dr Jibril Qamar Adam
SAC Member

Sheik Jamal Aliyi
SAC Member

To the Shareholders, Customers, and Other Stakeholders of Cooperative Bank of Oromia S.C

In accordance with its mandate under the Terms of Reference, Charter, and the National Bank of Ethiopia (NBE) Directive, the Shariah Advisory Committee (SAC) of Coopbank continued to diligently oversee and guide the operations of the Bank's Interest-Free Banking (IFB) services to ensure full compliance with Islamic principles. Throughout the fiscal year 2024/25, the Committee reviewed key matters, issued fatwas, and provided guidance on product development, operational practices, and Shariah compliance.

The SAC provided comprehensive direction on product innovation and operational matters, emphasizing that digital banking solutions can be adopted as long as they maintain clear segregation between conventional and IFB services and remain under appropriate Shariah oversight. The Committee reaffirmed that financing transfers are permissible when structured in strict accordance with Shariah principles and free from riba (interest).

Regarding staff financing arrangements, the SAC reiterated the importance of adhering to the fixed-price nature of Murabaha contracts while encouraging management to explore alternative, Shariah-compliant structures that allow for greater flexibility and inclusiveness.

The Committee also endorsed Coopbank's efforts to introduce innovative Shariah-compliant digital products, particularly those targeting SMEs and underserved segments, provided that profit structures remain fair, transparent, and aligned with market conditions.

Based on its review and the information presented throughout the year, the Committee confirms that Coopbank's Interest-Free Banking operations for the fiscal year ended June 30, 2025, were conducted in full compliance with Shariah principles.

The Committee commends the Board of Directors, management, and staff for their continued dedication to ethical and interest-free banking and encourages the Bank to maintain its focus on innovation, customer awareness, and strong Shariah governance to sustain Coopbank Alhuda's leadership in the field of Islamic finance.

The Shariah Advisory Committee
Cooperative Bank of Oromia (Coopbank Alhuda)
Fiscal Year 2024/25

IFB Deposits

Coopbank has focused on building and strengthening relationships with clients seeking interest-free or Sharia-compliant banking solutions. Recognizing the importance of trust and engagement, the Bank is committed to delivering comprehensive financial literacy programs in collaboration with various stakeholders. Additionally, Coopbank Alhuda hosts customer engagement sessions across diverse communities to better understand clients' unique financial needs and preferences.

To meet the expectations of IFB clients, tailored products aligned with Sharia principles are being introduced. By actively listening to customers and addressing their specific requirements, the Bank aims to foster loyalty, build strong partnerships, enhance resource mobilization, and promote financial inclusion within this segment.

In the current fiscal year, IFB deposits accounted for approximately 16% of the Bank's total deposit portfolio, underscoring the significance of this segment in the overall financial ecosystem. Continued efforts are being made to revitalize strategies, strengthen engagement with IFB clients, and intensify deposit mobilization to sustain growth in the market.

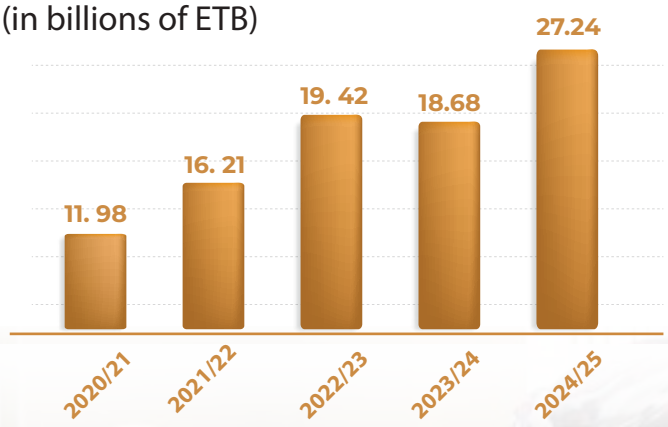
The composition of deposits for the fiscal year reflects a diverse mix of account types, including Wadia current, Wadia savings, and Mudarabah investment accounts.

The majority of funds, 83%, were sourced from Wadia savings accounts, indicating strong customer preference for savings instruments. Wadia current accounts contributed 15% of the total deposits, providing transactional and operational liquidity. The remaining portion was derived from Mudarabah investment accounts, highlighting the growing interest in profit-sharing investment products among clients.

IFB Deposit Position Trend by Type
(in millions of ETB)

	2022/23	2023/24	2024/25
Wadia Current	2,659.36	2,817.72	3,967.10
Wadia Saving	16,284.61	15,808.64	22,617.62
Mudarabah Investment	473.015	54.82	660.97
Total	19,416.99	18,681.18	27,245,69

IFB Deposit Growth Trends
(in billions of ETB)



IFB Deposit Accounts

Recognizing the significant unbanked population in need of interest-free banking solutions, have remained deeply committed to fostering financial inclusion. Through a network of outlets and the introduction of Sharia-compliant products, we have made substantial strides in reaching our broader communities. During the year under review, our efforts to grow the customer base within the Interest-Free Banking (IFB) segment saw impressive results.

We onboarded over 422,555 new IFB customers, accounting for more than 29% of all new deposit accounts opened during the year. As of June 30, 2025, the total number of IFB deposit account holders reached 4.11 million, solidifying Coopbank's position as the leading private commercial bank in this segment. Notably, IFB accounts now represent 28% of the Bank's total deposit accounts.

1st

Coopbank Alhuda Hits 4.11 Million Accounts as of June 2025

IFB Financing

At Coopbank's Alhuda segment, committed to directing our resources into Sharia-compliant economic sectors, reinforcing our position as a leading private bank in providing impactful financing across these areas. During the reporting period, we allocated a total of ETB 1,777.21 in loans, culminating in an impressive financing volume of ETB 15.79 billion by year-end. This allocation represents approximately 13% of the Bank's overall loan portfolio, showcasing strong commitment to interest-free, Sharia-compliant financing and supporting sustainable growth within our communities.

When examining the sectoral distribution of our financing, the Domestic Trade and Service emerged as the frontrunner, capturing 35% of our total allocations. This was closely followed by manufacturing at 15%, Export Financing at 11.9%, and building and construction at 10%. The remaining economic sectors collectively made up 28.1% of our total financing, highlighting our commitment to promoting sustainable economic growth across a diverse range of industries.

Coopbank Alhuda's Financed Projects: Share Water Bottle

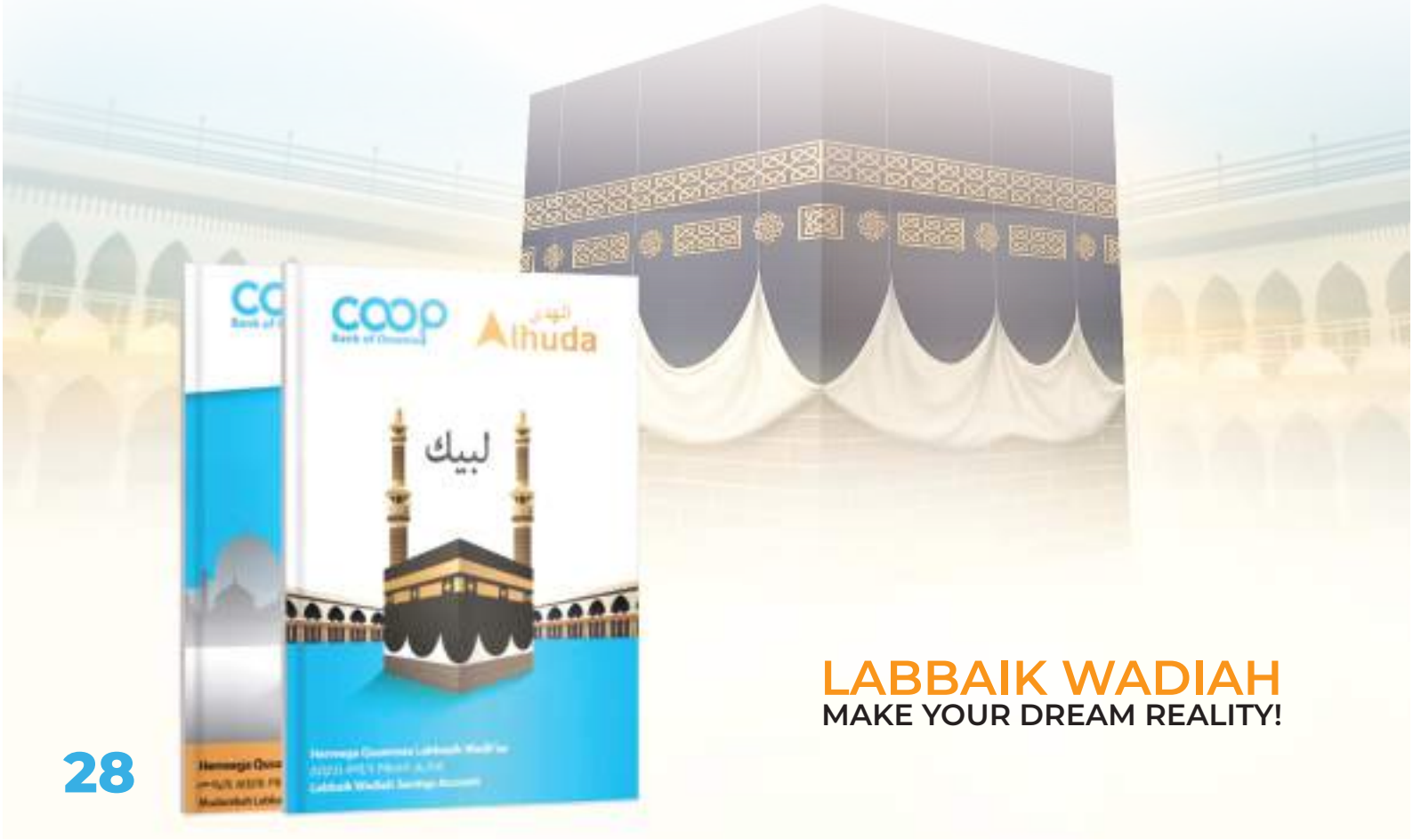
Coopbank Alhuda's Financed Projects: Dire Dawa Steel Factory

Coopbank Alhuda's Financed Projects: Alpha Wheat Factory

IFB Operating Income

The IFB segment has proven to be a significant contributor for enhancing Coopbank's profitability, showcasing remarkable growth in operations and financing year after year. In the concluded fiscal year, IFB segment generated an impressive total income of ETB 1 billion. Although this reflects a slight decrease from last year's income of ETB 1.23 billion attributable to a reduction in the financing portfolio and various challenges it still underscores the segment's strong performance and resilience. A significant portion of this income is driven by Murabahah financing, which remains a cornerstone of our revenue generation in this segment.

Additionally, commissions and charges associated with our IFB operations have made meaningful contributions to our overall financial performance.
On the expenditure front, the IFB segment incurred operational expenses of ETB 178.4 million during the financial year, primarily related to profit expenses for Mudarabah Savings and Mudarabah Fixed.



AUDITED
REPORT

2024/25

Cooperative Bank of Oromia Share Company

CONTENTS

Directors, Professional Advisors and Registered Office	3
Correspondent Banks	4
Directors' Report	5
Statement of Directors' Responsibilities	6
Independent Auditor's Report	7-8
Statement of Profit or Loss and Other Comprehensive Income	9
Statement of Financial Position	10
Statement of Changes in Equity	11
Statement of Cash Flows	12
Notes to the Financial Statements	13-119

Cooperative Bank of Oromia S.C

Directors, professional advisers and registered office
For the year ended 30 June 2025

Company Registration Number LBB/008/2004

Directors

Ad.Meskerem Debebe	Chairperson	25-Mar-2025
Ob.Abinet Tarekeg	Deputy chairperson	25-Mar-2025
Dr Fikru Deksisa	Director	25-Mar-2025
Ob.Deribie Asfaw	Director	25-Mar-2025
Ad.Meseret Assefa	Director	25-Mar-2025
Ob.Jemal Kedir	Director	25-Mar-2025
Ob.Dejene Dadi	Director	25-Mar-2025
Ob.Tegistu Shiferaw	Director	25-Mar-2025
Ob.Assefa Sumoro	Director	25-Mar-2025
Dr.Yeshi Jima	Director	04-Jun-2025
Ob.Dereje Wedajo	Board secretary	16-Nov-2024

Executive management

Ob.Deribie Asfaw	Chief Executive Officer	14-Dec-2015
Ob. Aman Semir	Chief Transformation and Strategy Officer	1-May-2016
Ob. Desalegn Tadesse	Chief Risk, Compliance and Legal Officer	1-May-2016
Ob. Tafesse Fana	Chief Internal Audit officer	27-May-2016
Ob. Muluneh Aboye	Chief Finance Officer	16-Mar-2022
Ob. Tadele Tilahun	Chief People Officer	16-May-2022
Ob. Shimelis Legesse	Chief Information Officer	15-Dec-2022
Ob. Abdi Fekede	A/Chief Operating Officer	01-Oct-2024
Ob.Wondyifraw Assefa	VP, Credit Appraisal and Portfolio	27-May-2016
Ob.Yohannes Ambisa	VP, Agri and Cooperative Business	17-Apr-2007
Ob.Kidus Mulugeta	VP, Technology and Strategy	21-May-2018
Ob.Nebil Abdella	VP, Interest Free Banking	15-Feb-2022
Ad.Lense Geleta	VP, Growth and Operation	1-Oct-2022

Independent auditor
Kokeb & Melkamu Audit Partnership
Chartered Certified Accountants /UK/ and Authorized Auditors (Ethiopia)
P.O Box 33645
Telephone:+251-11-616-69-56
Fax:251-11-552-26-88
kokmelk@@ethionet.et
Addis Ababa, Ethiopia

Corporate Registered Office
Cooperative Bank of Oromia S.C
Bole Rwanda, Coop Transitional HQ Building
P.O Box 16936
Telephone: +251-11-515-02-29
E-Mail: coopbank@ethionet.et
Website: www.coopbankoromia.com.et
Addis Ababa, Ethiopia

Company Secretary
Obbo Dereje Wedajo

Principal bankers
National Bank of Ethiopia

Correspondent Banks

Name	Address
MashreqBank PSC	New York, USA
Bank of China Limited	Beijing, China
Commerzbank AG	Frankfurt am Main, Germany
DZ BANK AG Deutsche	Frankfurt am Main, Germany
UniCredit SPA	Rome, Italy
Bank of Beirut SAL	Beirut, Lebanon
Bank of Beirut (UK) Ltd	London, United Kingdom
Aktif Yatirim Bankasi AS	Istanbul, Turkey
Bank of Africa-Mer Rouge	Djibouti, Djibouti
CAC International Bank	Djibouti, Djibouti
East Africa Bank	Djibouti, Djibouti
Ecobank Kenya Limited	Nairobi, Kenya
Equity Bank. (Kenya) Limited	Nairobi, Kenya
Exim Bank (Djibouti). S A	Djibouti, Djibouti
KCB Bank Kenya Limited	Nairobi, Kenya
SALAAM African Bank	Djibouti, Djibouti
CITIBANK N.A	

The Directors' Report

The Directors submit their report together with the financial statements for the period ended June 30, 2025, to the shareholders of Cooperative Bank of Oromia Share Company ("CBO or the Bank"). This report discloses the financial performance and the state of affairs of the bank.

Incorporation and Address

Cooperative Bank of Oromia share company hereinafter may be called CBO or the Bank was established in Ethiopia in 2004 in accordance with the Commercial Code of Ethiopia of 1960 (which was latter replaced by Commercial Code of Ethiopia of 1243/2021) and licensed by the National Bank of Ethiopia to engage in banking services in accordance with the Banking Business Proclamation No. 84/1994 (as amended by Proclamation No.1360/2025). The Bank commenced operations in 2005 and is domiciled in Ethiopia.

Principal activities

The bank is principally engaged in redefining the banking experience through innovative financial products that allow customers to bank smarter and live better

Operating Results

The Bank's results for the year ended June 30, 2025, are set out on the statement of profit or loss and other comprehensive income. The profit for the year has been transferred to Retained Earnings, Legal Reserve, and Risk Reserve. The high-level summarized results are presented below.

	30 June 2025	30 June 2024
	Birr'000	Birr'000
Revenue (Interest Income, Com. and operating income)	20,011,568	17,549,133
Profit before tax	1,980,152	2,514,483
Income tax expense	(415,440)	(899,031)
Profit for the year	1,564,712	1,615,452
Other comprehensive income / (loss) net of taxes	80,165	16,737
Total comprehensive income / (loss) for the year	**1,644,877**	**1,632,190**

Adde Meskerem Debebe
Chairperson of the Board of Directors
Addis Ababa, Ethiopia

Statement of the Director's Responsibilities

The Bank's directors are responsible for the preparation and fair presentation of these financial statements in conformity with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), The Commercial Code of Ethiopia 2021 the directives issued by the National Bank of Ethiopia and Internal control as the Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Bank is required keep such records as are necessary to:

a) Exhibit clearly and correctly the state of its affairs;

b) Explain its transactions and financial position; and

c) Enable the Accounting and Audit Board of Ethiopia to determine whether the Bank has complied with the provisions of the financial reporting proclamation and directives issued for the implementation of the 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.

The directors believe 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 for the reporting year.

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 Bank will not remain a going concern for at least twelve months from the date of this statement.

Signed on behalf of the Directors by:

Adde Meskerem Debebe	**Deribie Asfaw**
Chairperson of the Board of Directors	CEO
30 September 2025	30 September 2025

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF

COOPERATIVE BANK OF OROMIA (S.C.)

Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Cooperative Bank of Oromia (S.C.) as at June 30, 2025, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

We have audited the financial statements of the Bank, which comprise the Statement of Financial Position as at June 30, 2025, and Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity, and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

Based on the report of the Bank's Sharia Advisory Board, we note that the activities of the Interest-Free Banking Division have been conducted in accordance with Sharia principles and are compliant with the applicable directives of the National Bank of Ethiopia.

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 Bank within the meaning of the Code of Ethics for Professional Accountants issued by the International Federation of Accountants (IFAC) and have fulfilled our other responsibilities under those relevant ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of these financial statements in accordance with the International Financial Reporting Standards and the Banking Business Proclamation No. 592/2008, Banking (Amendment) Proclamation 1159/2019, and directives and circulars issued by the National Bank of Ethiopia, 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.

In preparing the financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing as applicable matters related to going concern, and using the going concern basis of accounting.

Those charged with governance are responsible for overseeing the Bank's financial reporting process.

Key Audit Matters

IFRS 9 was considered a key audit matter due to the subjectivity in determining whether the significant loans meet the criteria for non-impairment classification, the complexity of credit risk assessment, and the potential impact on loan loss provisions, profitability, and capital adequacy ratios. We found that management's assessment was supported by reasonable assumptions; however, the Bank remains sensitive to future changes in credit quality and earnings performance, requiring ongoing monitoring.

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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, whether the financial statements are properly prepared in accordance with IFRS, and the relevant provisions of the Commercial Code of Ethiopia 2021, the Banking Business Proclamation No. 592/2008, and the Banking (Amendment) Proclamation 1159/2019, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, and not a guarantee that an audit conducted in accordance with ISA(s) will always detect a material statement 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 based on these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also;

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risks of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concluding on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that immaterial uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.

We have communicated with management of the Bank regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identified during our audit.

Report on Other Legal and Regulatory Requirements

1. We have no comment to make on the report of your Board of Directors insofar as it relates to the financial statements and pursuant to Article 349 (1, 2, & 3) of the Commercial Code of Ethiopia 2021. We recommend the approval of the financial statements.
2. Based on the auditors' duty to inform the annual general meeting on the loans taken by the bank's board members, we noted that two board members took loans from the Bank.

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No.	Name	Approved loan	Outstanding Principal	Interest	Total Outstanding
1	Obbo Deribie Asfaw	13,798,827	7,997,843	13,713	8,011,556
2	Obbo Abinet Tarekegne	4,600,000	3,680,724	2,798	3,683,522
Total		18,398,827	11,678,568	16,511	11,695,078

The above loans had been granted before the individuals were selected for board membership. The annual general meeting should decide on the loans, whether they should be settled now or follow the contract.

3. The Bank's Board of Directors, after deducting tax, legal reserve, and other deductions, has recommended to the General Assembly of Shareholders that Birr 1,044,291,070 be distributed as dividend payments. As the proposed dividends are subject to shareholder approval, we have no reservations about the proposal.

Kokeb & Melkamu Audit Service LLP
Chartered Certified Accountants (UK)
Authorized Auditors in Ethiopia

Addis Ababa
October 31, 2025

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Cooperative Bank of Oromia S.C

Statement of profit or loss and other comprehensive income

For the year ended 30 June 2025

	Notes	30 June 2025 Birr'000	30 June 2024 Birr'000
Interest income	5	15,605,470	14,063,006
Interest expense	6	(5,362,169)	(5,424,962)
Net interest income		**10,243,301**	**8,638,044**
Commission income	7	2,691,309	2,105,301
Commission expense	7	(657,793)	(320,848)
Net fees and commission income		**2,033,515**	**1,784,453**
Other operating income	8	1,714,790	1,380,826
Total operating income		**13,991,606**	**11,803,323**
Loan and other asset impairment	9	(705,566)	(582,834)
Net Operating Income		**13,286,040**	**11,220,489**
Personnel expenses	10	(5,553,321)	(4,858,456)
Amortization of intangible assets	19	(93,782)	(58,942)
Depreciation of property, plant, and equipment	20	(696,321)	(518,608)
Other operating expenses	11	(4,431,516)	(3,485,781)
Net loss on foreign exchange	7.1	(530,947)	215,782
Total Operating Expense		**(11,305,888)**	**(8,706,006)**
Profit before tax		**1,980,152**	**2,514,483**
Income tax expense	12a	**(415,440)**	**(899,031)**
Profit for the year		**1,564,712**	**1,615,452**
Other comprehensive income (OCI) net of income tax			
Items that will not be subsequently reclassified into profit or loss:			
Re-measurement gain/loss on retirement benefits obligations	25	(38,174)	9,157
Deferred tax (liability)/asset on remeasurement gain or loss		28,634	13,208
Revaluation gain-equity investment	16	98,300	48,156
Deferred tax (liability)/asset on remeasurement gain or loss		(29,490)	(53,784)
Net effect of gain/loss		59,270	16,737
Total comprehensive income for the period		**1,623,982**	**1,632,190**
Basic earnings per share (Birr)	28	**14**	**15**

The notes on pages [14] to [120] are an integral part of these financial statements.

Cooperative Bank of Oromia S.C

Statement of financial position

For the year ended 30 June 2025

	Notes	30 June 2025 Birr'000	30 June 2024 Birr'000
ASSETS			
Cash and balances with banks	13	41,926,074	17,294,778
Loans and advances to customers	14	98,143,433	81,942,607
Interest-free Financing	15	15,328,042	14,054,933
Investment securities:			
Financial asset at fair value through OCI	16	482,760	348,175
Financial assets at Amortized cost	17	14,081,294	7,929,949
Other assets	18	15,162,853	7,495,391
Right-of-use assets	20b	2,799,553	2,995,943
Intangible assets	19	660,984	603,047
Property, plant and equipment	20	8,057,163	6,468,851
Non-Current Asset Held for Sale	20a	544,310	424,199
Deferred tax Asset	12e	166,192	141,033
Total assets		**197,352,658**	**139,698,907**
LIABILITIES			
Deposits from customers (Conv)	21	146,748,610	96,969,646
Interest-free banking deposit	21	27,245,690	18,680,741
Due to other banks	22	1,201,247	1,511,020
Borrowing from NBE	23	-	2,500,000
Current tax liabilities	12c	396,034	706,081
Lease liabilities	20b	473,821	499,898
Other liabilities	24	3,117,414	2,316,779
Retirement benefit obligation	25	358,840	263,394
Deferred tax liability	12f	351,024	307,215
Total liabilities		**179,892,680**	**123,754,774**
EQUITY			
Share capital	26	11,865,240	11,160,763
Share premium	27	8,672	8,672
Retained earnings	29	1,044,291	850,085
Legal reserve	30	3,116,351	2,810,049
Risk reserve	31	1,421,491	1,110,632
Donated capital	32	3,932	3,932
Total equity		**17,459,978**	**15,944,133**
Total liabilities and equity		**197,352,658**	**139,698,907**

The notes on pages [14] to [120] are an integral part of these financial statements.

The financial statements were approved and authorized for issue by the board of directors on October 31, 2025 and were signed on its behalf by:

Adde Meskerem Debebe
Chairperson of the Board of Directors

Deribie Asfaw
CEO

Cooperative Bank of Oromia S.C
Statement of changes in equity
For the year ended 30 June 2025

Adde Meskerem Debebe
Chairperson of the Board of Directors

Deribie Asfaw
CEO

	Notes	Share capital	Share premium	Retained earnings	Legal reserve	Donated capital	Risk Reserve	Total
		Birr'000	Birr'000	Birr'000	Birr'000	Birr'000	Birr'000	Birr'000
As at 1 July 2023		**10,016,082**	**8,672**	**1,295,485**	**2,406,186**	**3,932**	**1,143,592**	**14,873,949**
Profit for the period	28			1,615,452				1,615,452
Suspended Interest Income	5			(359,874)	-	-	359,874	-
Reversal of RRR (Loan provision)				-			(440,990)	(440,990)
Fair value gain-Equity investment	16			-			48,156	48,156
Total comprehensive income for the period		**10,016,082**	**8,672**	**2,551,063**	**2,406,186**	**3,932**	**1,110,632**	**16,096,567**
Issue of shares	26	1,144,681	-	-	-	-	-	1,144,681
Dividend Paid		-		(1,295,485)	-	-	-	(1,295,485)
Director's share of profit	24	-	-	(1,630)	-	-	-	(1,630)
Transfer to legal reserve		-	-	(403,863)	403,863	-	-	-
		1,144,681	**-**	**(1,700,978)**	**403,863**	**-**	**-**	**(152,434)**
As at 30 June 2024		**11,160,763**	**8,672**	**850,085**	**2,810,049**	**3,932**	**1,110,632**	**15,944,133**
As at 01 July 2024		**11,160,763**	**8,672**	**850,085**	**2,810,049**	**3,932**	**1,110,632**	**15,944,133**
Profit for the period	28			1,564,712				1,564,712
Suspended Interest Income	5			126,944	-	-	(126,944)	-
Reversal of RRR (Loan provision)				(339,503)			339,503	-
Fair value gain-Equity investment	16						98,300	98,300
Total comprehensive income for the period		**11,160,763**	**8,672**	**2,202,239**	**2,810,049**	**3,932**	**1,421,491**	**17,607,146**
Dividend Capitalized	26	504,372	-	-	-	-	-	504,372
Capitalized in Cash	26	200,106	-	-	-	-	-	200,106
Dividend Paid		-		(850,086)	-	-	-	(850,086)
Director's share of profit	24	-	-	(1,560)	-	-	-	(1,560)
Transfer to legal reserve		-	-	(306,302)	306,302	-	-	-
		704,478	**-**	**(1,157,948)**	**306,302**	**-**	**-**	**(147,168)**
As at 30 June 2025		**11,865,240**	**8,672**	**1,044,291**	**3,116,352**	**3,932**	**1,421,491**	**17,459,978**

The notes on pages [14] to [120] are an integral part of these financial statements.

Cooperative Bank of Oromia S.C
Statement of cash flows
For the year ended 30 June 2025

	Notes	30 June 2025 Birr'000	30 June 2024 Birr'000
Cash flows from operating activities			
Cash generated from operations	33	37,135,761	6,599,640
Directors allowance	34c	(1,630)	(1,491)
Profit tax paid	12c	(706,081)	(792,988)
Defined benefit paid	25a	(23,383)	(22,941)
Net cash (outflow)/inflow from operating activities		**36,404,667**	**5,782,220**
Cash flows from investing activities			
Purchase/ collection of NBE bills and bonds	17	(6,509,260)	1,529,166
Purchase of equity investments	16	(36,285)	(60,343)
Purchase of property, plant, and equipment	20	(2,353,862)	(2,902,032)
Right-of-use assets	20b	(565,930)	(1,383,859)
Purchase of Intangible Asset	19	(151,719)	(356,983)
Net cash (outflow)/inflow from investing activities		**(9,617,056)**	**(3,174,050)**
Cash flows from financing activities			
Payment of Lease liabilities	20b	(40,527)	(13,317)
Settlement of NBE borrowings	23	(2,500,000)	(683,000)
Dividend Paid	26	(345,714)	(625,740)
Proceeds from issues of shares	26	200,106	474,936
Net cash (outflow)/inflow from financing activities		**(2,686,135)**	**(847,121)**
Net increase/(decrease) in cash and cash equivalents		**24,101,476**	**1,761,049**
Cash and cash equivalents at the beginning of the year	13	17,295,475	15,750,205
Effects of exchange rate movement on cash and cash equivalents	7	530,947	(215,782)
Cash and cash equivalents at the end of the year	13	**41,927,899**	**17,295,475**

The notes on pages [14] to [120] are an integral part of these financial statements.

1. General Information about Reporting Entity

Cooperative Bank of Oromia SC ("CBO or the Bank") is a private commercial bank domiciled in Ethiopia. The Bank was established on 24 October 2004 in accordance with the provisions of the Commercial Code of Ethiopia of 1960(which was latter replaced by Commercial Code of Ethiopia of 1243/2021) and licensed by the National Bank of Ethiopia to engage in banking services in accordance with the Banking Business Proclamation No. 84/1994(as amended by Proclamation No.1360/2025).

Vision ''Leading the way in financial inclusion, sustainability, and community empowerment for a brighter future.

2. Summary of Significant Accounting Policies

2.1 Introduction to the summary of significant accounting policies

The principal accounting policies applied in preparing 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 year ended June 30, 2025 (the Financial Statements) have been prepared in accordance with International Financial Reporting Standards (IFRS) is issued by the International Accounting Standards Board (IASB). Additional information required by the national regulations is included where appropriate.

The financial statements comprise;

- Statement of Profit or Loss and Other Comprehensive Income
- Statement of Financial Position
- Statement of Changes in Equity
- Statement of Cash Flows
- Notes to the Financial Statements

2.2.1 Statement of compliance

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires directors to exercise their judgment in applying the bank's accounting policies. Changes in assumptions may significantly impact on the financial statements in the period the assumptions changed. Directors believe 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 2.2.5.

2.2.2 Basis of measurement

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

1. Equity instruments are designed at fair value through other comprehensive income.

2. Non-current assets held for sale - measured at the lower of their carrying amounts and fair value less cost of disposal; and
3. The liability for defined benefit obligations is recognized at the present value of the defined benefit obligation, plus unrecognized actuarial gains, less unrecognized past service cost and unrecognized actuarial losses.

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

2.2.3 Going concern

The bank has adequate resources to continue in operation for the near future. For this reason, the management continues to adopt the going concern assumption in preparing the financial statements. The current credit facilities and adequate resources of the company provide sufficient funds to meet the present requirements of its existing businesses and operations.

2.2.4 Comparatives

Except otherwise required, all amounts are reported or disclosed with comparative information. Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

2.2.5 Estimates and Assumptions uncertainties

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.

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 fiscal 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.

2.2.5.1 Judgements

In applying the bank's accounting policies, the directors made the judgments, which have the most significant effect on the amounts recognized in the financial statements.

Estimates where management has applied judgments are:

- Impairment losses /Allowance for financial instruments;
- Defined benefit plan; key actuarial assumptions;
- Useful lives of tangible and Intangible assets;
- Valuation of unquoted equities;
- Litigation claims provisions and contingencies;
- Determination of income taxes

Estimates and judgements are continually evaluated and based on historical experience and other factors, including expectations of future events believed to be reasonable under the circumstances.

Estimates and the underlying assumptions and judgements are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

2.2.6 Classification and Impairment of Financial Assets

The classification of financial assets includes the assessment of the business model within which the assets are held and the assessment of whether the contractual terms of the financial asset are solely payments of principal and interest on the principal amount outstanding.

The impairment of financial instruments includes the assessment of whether credit risk on the financial asset has increased significantly since initial recognition and incorporation of forward-looking information in the measurement of expected credit losses (ECL).

The measurement of the expected credit loss allowance for financial assets measured at amortised cost and FVOCI is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g., the likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation techniques used in measuring ECL is further detailed in note 4(c)(viii) which also sets out key sensitivities of the ECL to changes in these elements.

Several significant judgments are also required in applying the accounting requirements for measuring ECL, such as:

- Determining criteria for a significant increase in credit risk;
- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL; and
- Establishing groups of similar financial assets for the purposes of measuring ECL.

Detailed information about the judgments and estimates made by the Bank in the above areas is set out in Note 2.2.5.

2.3 Changes in accounting policies and disclosures

I. New standards, amendments, and interpretations effective and adopted during the year

A number of new standards, amendments to standards, and interpretations are effective for annual periods beginning after 1 July 2025, and earlier applications are permitted and have not been applied in preparing these financial statements.

New Standards or amendments	Effective Date
The amendments to IAS 21, The Effects of Changes in Foreign Exchange Rates,	January 1, 2025

- **The Effects of Changes in Foreign Exchange Rates Amendments to (IAS 21)**

  These amendments provide guidance on how to determine a spot exchange rate when the currency of a foreign operation or transaction is not exchangeable for another currency. The new guidance clarifies what a "lack of exchangeability" means and how to account for this situation to ensure financial statements still accurately reflect the effects of foreign currency fluctuations

  The bank has not yet applied to prepare these financial statements for 2025.

II. New Standards, amendments, interpretations issued but not yet effective.

New Standards or amendments	Effective Date
Amendments to IFRS 9 and IFRS 7 regarding power purchase arrangements	January 1, 2026
New Standard IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027

- **Amendments to IFRS 9 and IFRS 7 regarding power purchase arrangements**

  In January 2025, the IASB amended IFRS 9 and IFRS 7 to address accounting challenges for power purchase agreements (PPAs) involving nature-dependent electricity (e.g. solar, wind). The changes clarify that the own-use exemption applies if an entity is a net-purchaser of electricity over a reasonable (≤12-month) period, even if excess electricity must be resold due to market rules. They also allow variable volumes to be designated in hedge accounting, improving alignment between PPAs and forecast energy use. To enhance transparency, IFRS 7 now requires new disclosures on contract risks, unrecognised commitments, expected cash flows, and hedging terms.

2.4 Foreign Currency Translation

2.4.1 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).

2.4.2 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 recognized in profit or loss. 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 analyzed between translation differences resulting from changes in the amortized cost of the security and other changes in the carrying amount of the security.

Translation differences related to changes in amortized cost are recognized in profit or loss, and other changes in carrying amount are recognized in other comprehensive income.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the spot exchange rate at the date on which the fair value is determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated using the spot exchange rate at the date of the transaction.

2.5 Financial instruments – recognition and measurement

2.5.1 Financial assets

Initial recognition and measurement

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).

I. Financial asset measured at amortized cost

The Bank measures 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.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI).

II. Financial assets measured at fair value through other comprehensive income

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.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI.

On initial recognition, an equity investment 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. This election is made on an investment-by-investment basis.

III. Financial instruments measured at fair value through profit or loss

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

Business model assessment

The Bank assesses 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 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 after 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 this assessment, 'principal' is 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).

The Bank holds a portfolio of long-term fixed-rate loans for which the Bank has the option to propose to revise the interest rate at periodic reset dates. These reset rights are limited to the market rate at the time of revision. The borrowers have an option to either accept the revised rate or redeem the loan at par without penalty. The Bank has determined that the contractual

cash flows of these loans are solely payments of principal and interest because the option varies the interest rate in a way that is considered for the time value of money, credit risk, other basic lending risks, and costs associated with the principal amount outstanding.

Debt instruments measured at amortized cost

Debt instruments are measured at amortized cost if they are held within a business model whose objective is to hold for the collection of contractual cash flows, where those cash flows represent solely payments of principal and interest. After initial measurement, debt instruments in this category are carried at amortized cost. Interest income on these instruments is recognized in interest income using the effective interest rate method. The effective interest rate is the rate that discounts estimated future cash payments or receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. Amortized cost is calculated by taking into account any discount or premium on acquisition, transaction costs, and fees that are an integral part of the effective interest rate.

Impairment on debt instruments measured at amortized cost is calculated using the expected credit loss approach. Loans and debt securities measured at amortized cost are presented net of the allowance for credit losses (ACL) in the statement of financial position.

Debt instruments measured at FVTPL

Debt instruments are measured at FVTPL if assets:

i) Are held for trading purposes;

ii) Are held as part of a portfolio managed on a fair value basis; or

iii) Whose cash flows do not represent payments that are solely payments of principal and interest.

These instruments are measured at fair value in the Statement of Financial Position, with transaction costs recognized immediately in the Statement of Profit or Loss and Other Comprehensive Income as part of Non-interest income. Realized and unrealized gains and losses are recognized as part of Non-interest income in the Statement of Profit or Loss and Other Comprehensive Income.

Debt instruments designated at FVTPL

Financial assets classified in this category are those that have been designated by the Bank upon initial recognition, and once designated, the designation is irrevocable. The FVTPL designation is available only for those financial assets for which a reliable estimate of fair value can be obtained.

Financial assets are designated at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets designated at FVTPL are recorded in the Statement of Financial Position at fair value. Changes in fair value are recognized in Non-interest income in the Statement of Profit or Loss and Other Comprehensive Income.

Equity instruments

Equity instruments are classified into one of the following measurement categories:

- Fair value through profit or loss (FVTPL); or
- Elected at fair value through other comprehensive income (FVOCI)

Equity instruments measured at FVTPL

Equity instruments are measured at FVTPL, unless an election is made to designate them at FVOCI upon purchase, with transaction costs recognized immediately in the Statement of profit or loss and other comprehensive income as part of Non-interest income. After initial recognition, the changes in fair value are recognized as part of non-interest income in the Statement of Profit or Loss and Other Comprehensive Income.

Equity instruments measured at FVOCI

At initial recognition, there is an irrevocable option for the Bank to classify non-trading equity instruments at FVOCI. This election is used for certain equity investments for strategic or longer-term investment purposes. This election is made on an instrument-by-instrument basis and is not available to equity instruments that are held for trading purposes.

Gains and losses on these instruments, including when derecognized/sold, are recorded in OCI and are not subsequently reclassified to the Statement of Profit or Loss and Other Comprehensive Income. As such, there is no specific impairment requirement. Dividends received are recorded in Interest income in the Statement of Profit or Loss and Other Comprehensive Income. Any transaction costs incurred upon purchase of the security are added to the cost basis of the security and are not reclassified to the Statement of Profit or Loss and Other Comprehensive Income on sale of the security.

Reclassifications

If the business model under which the bank holds financial assets changes, the financial assets affected are reclassified.

The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in business model that results in reclassifying the bank.

During the current financial year and previous accounting period, there was no change in the business model under which the bank holds financial assets. Therefore, no reclassifications were made.

Derecognition of Financial Assets

The bank derecognizes a financial asset when:

- The contractual right to the cash flows from the financial asset expires, 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;
- 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 recognized in OCI shall be recognized in profit or loss.

Any cumulative gain/loss recognized in OCI in respect of equity investment securities designated as at FVOCI shall not be recognized 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 recognized as a separate asset or liability.

2.5.2 Financial Liabilities

A. Initial recognition and measurement

All financial liabilities are recognized initially at fair value and, in the case of other financial liabilities, net of directly attributable transaction costs.

The bank's financial liabilities include customers' deposits, margin held on letters of credit, and other liabilities. Interest expenditure is recognized in interest and similar expenses.

B. Subsequent measurement

Financial instruments issued by the bank, that are not designated at fair value through profit or loss but are classified as financial liabilities at amortized cost, where the substance of the contractual arrangement results in the bank having an obligation either to deliver cash or another financial asset to the holder, or to satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares.

After initial measurement, financial liabilities at amortized cost are subsequently measured at amortized cost using the effective interest rate (EIR). Amortized cost is calculated by considering any discount or premium on the issue and costs that are an integral part of the EIR.

The bank’s financial liabilities carried at amortized cost comprise customer deposits, margin held on letters of credit, and other liabilities.

C. Derecognition of Financial Liabilities

Financial liabilities are derecognized when they have been redeemed or otherwise extinguished.

2.5.3 Modifications of Financial Assets and Financial Liabilities

I. Financial Assets

If the terms of a financial asset are modified, the Bank evaluates 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 are deemed to have expired. In this case, the original financial asset is derecognized, and a new financial asset is recognized at fair value.
If the terms of a financial asset were modified because of financial difficulties of the borrower and the asset was not derecognized, then impairment of the asset was measured using the pre-modification interest rate.

II. Financial Liabilities

The Bank derecognizes 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 is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in profit or loss.

2.5.4 Offsetting

Financial assets and liabilities are offset, and the net amount is presented in the statement of financial position when, and only when, the Bank has a legal right to offset the amounts and intents either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Income and expenses are 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.

2.5.5 Amortized Cost Measurement

The 'amortized cost' of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount recognized and the maturity amount, minus any reduction for impairment.

2.5.6 Fair Value Measurement of Financial Instruments

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 in the principal or, in its absence, the most advantageous market to which the Bank has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Bank measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Bank uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

There is no active market or observable prices except for the foreign currency market to measure the Bank's financial assets or financial liabilities at fair value. Fair value of financial assets and financial liabilities is determined at each reporting date for disclosure in the financial statement purposes only.

2.5.7 Impairment of financial assets

The impairment charge in the Profit or Loss Statement includes the change in expected credit losses and including those arising from fraud. Expected credit losses are recognized for loans and advances to customers, other financial assets held at amortized cost, financial assets measured at fair value through other comprehensive income, and certain loan commitments and financial guarantee contracts.

Expected credit losses are calculated as an unbiased and probability-weighted estimate using an appropriate probability of default, adjusted to consider a range of possible future economic scenarios, and applying this to the estimated exposure of the bank at the point of default after considering the value of any collateral held, repayments, or other mitigates of loss and including the impact of discounting using the effective interest rate.

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; loans and advances to banks and customers.
- Lease receivables.
- Financial guarantee contracts issued
- Loan commitments issued.

No impairment loss shall be recognized 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 results 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 recognized are referred to as Stage 1 financial instruments.

Lifetime ECL is the ECL that results from all possible default events over the expected life of the financial instrument. Financial instruments for which a lifetime ECL is recognized but which are not credit-impaired are referred to as Stage 2 and which are credit-impaired, referred to Stage 3, financial instruments.

A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments, ECLs are measured at an amount equal to the 12-month ECL. More details on the determination of a significant increase in credit risk are provided in note 2.2.5.

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 (stages 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. Restructured/Renegotiated loans:

Renegotiated loans or advances refer to loans that have been refinanced, rescheduled, rolled over, or otherwise modified at favorable terms and conditions for the borrower because of weaknesses in the borrower's financial condition or ability to repay.

Non-Performing Loans are restructured when the result of analysis on the obligor's financial capacity witnesses the need to modify/change the original terms and conditions of the loan contract in order to recover the outstanding loan. As per the Bank's loan management procedure, any NPL (defaulted loan) is worked out and restructured by taking either of the following changes or combined options.

- Extension of the repayment period with the consent of the concerned parties (borrower and guarantor);
- Changing the form of the loan fully or partially (e.g., overdraft to a term loan);
- Requesting additional collateral or a change of collateral;
- Cross-collateralizing multiple loans;
- Including additional covenants;
- Arranging transfer of loans from one borrower to another borrower upon request by the borrower, based on the mutual agreement of both the borrower and the would-be buyer of the loan, when an acceptable agreement is submitted to the Bank and a new buyer of the loan is deemed to be better than the actual customer;
- Persuading owners, shareholders, and directors/managers of borrowers to enter into a personal guarantee contract with the Bank;

- An existing loan whose terms have been modified may be derecognized and the renegotiated loan recognized as a new loan at fair value in accordance with the accounting policy. Once a non-performing loan has been restructured, it does not remain in the same category of loan status as prior to the restructuring. However, the status (category) is turned to "substandard), without prejudice to the standard definition of substandard when:

I. Renegotiated term loans equivalent of all past due interest is paid by the borrower in cash at the time of renegotiation, and the following payments are made by the borrower on a consistent and timely basis in accordance with the restructured terms of the loan or advance.

- Loans with monthly or quarterly installment payments, at least 3(three) consecutive repayments.
- Loans with semi-annual installment repayments, at least 2 (two) installments.
- Loans with annual installment repayments, at least one repayment.

II. Renegotiated non-performing overdraft facilities equivalent of all past due interest is paid by the borrower in cash at the time of renegotiation, and the account shows at a minimum:

- A nil balance at least once
- A turnover rate of once the approved limit is reached.

III. 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;
- 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-impaired 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.

IV. Default but not impaired loans:

According to the NBE's directive No. SBB/90/2024, non-performing (defaulted) loan refers to loans or advances whose credit quality has deteriorated such that full collection of principal and/or interest in accordance with the contractual terms and conditions is in question. Loans with a pre-established repayment program are non-performing (impaired) when principal and/or interest is due or uncollectible for 90 consecutive days or more.

Overdrafts and other advances that do not have a pre-established repayment program are non-performing (defaulted) when

- The debt remains outstanding for 90 consecutive days or more beyond the scheduled payment date or maturity
- The debt exceeds the borrower's approved limit for 90 consecutive days or more.
- Interest is due and uncollected for 90 consecutive days or more.
- For overdrafts,
  - The account has been inactive for 90 consecutive days or more or

- Deposits are insufficient to cover the interest capitalized during 90 consecutive days or
- The account fails to show a debit balance of 5% or less from the approved limit at least once over 360 days preceding the date of loan review

▪ While managing credit risk, default is considered to have occurred with regard to a particular obligor when either or both of the following two events have occurred.

Loans secured by cash or cash substitute guarantees and/or sources of payment that are enough to cover the carrying value are deemed default but not impaired, which means, with no losses incurred.

V. 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 assessment shall be carried out at the individual asset level.

The Bank determines the write-off of a loan or group of loans demonstrating non-recoverability. This determination is made after performing an analysis of the financial conditions from the date of default and the likelihood of recovering such loans.

As per the credit procedure, a loan is written off when the Bank exhausts all means to recover the outstanding loan. It is uncertain to know how long it will take to get a court verdict on the litigation to recover the outstanding amount of defaulted loans from other attachable properties registered in the name of the defaulters. Hence, doesn't consider the time limit for write-offs. Defaulted loans are written off immediately after exhausting all means to recover the loan.

After having fully exhausted all possible means for the recovery of loans and advances and after ascertaining that the property held as collateral does not cover the loan in full; and after having ascertained that there is no other attachable property to cover the remaining balance fully or partially, the recovery area shall compile evidence to support that the loan or part of the loan it proposes to write-off is unrecoverable.

Loan write-offs can be initiated for the following reasons:

- Absence of attachable property;
- Insolvency of the borrower;
- Declaration of bankruptcy of the borrower by a court;
- Higher Cost of Recovery than the Realizable Value of the Property;
- Defects in Documentation – if the Bank has no legal ground to sue the borrower because of defects in the contract;
- Court decision; and
- Statute limitations.

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.

VI. 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 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 recognized 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 recognized in the fair value reserve.

2.5.8 Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position, where the bank has a legally enforceable right to offset the recognized amounts, and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

The bank has also entered into arrangements that do not meet the criteria for offsetting but still allow for the related amounts to be set off in certain circumstances, such as bankruptcy or the termination of a contract.

2.5.9 Impairment losses on loans and advances

The estimation of potential credit losses is inherently uncertain and depends upon many factors, including general economic conditions, changes in individual customers' circumstances, structural changes within industries that alter competitive positions, and other external factors such as legal and regulatory requirements.

Impairment is measured for all accounts identified as non-performing. All relevant considerations that have a bearing on the expected future cash flows are considered which include but not limited to, future business prospects for the customer, realizable value of securities, the bank's position relative to other claimants, and the existence of any court injunctions placed by the borrower. Subjective judgments are made in this cash flow determination process in value and timing, and may vary from one person to another and team to team. Judgments may also change with time as the latest information becomes available.

The bank reviews its loans and advances at each reporting date to assess whether an allowance for impairment should be recognized in profit or loss. Judgment by the directors is required in the estimation of the amount and timing of future cash flows when determining the level of allowance required. Such estimates are based on assumptions about several factors, and actual results may differ, resulting in future changes in the allowance.

The following are key estimations that the directors have used in the process of applying the bank's accounting policies and that have the most significant effect on the amounts recognized in financial statements:

Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and determining the forward-looking information relevant to each scenario.

When measuring ECL, the Bank uses reasonable and supportive forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

I. **Probability of Default (PD):** Probability of default (PD) estimates the possibility of a loan facility moving from the performing status (stage 1) to the non-performing status (stage 3). For impairment purposes, the PD parameter is estimated using a transition matrix multiplication approach that estimates the movement of loan amounts from one bucket to the next between two subsequent time periods.

II. **The Loss Given Default (LGD):** is a measure of how much (in the form of a percentage) the bank is expected to lose if default events occur. This can be estimated using either collateral, in instances where the customer has collateral against the debt instrument that they have undertaken with the bank, or an analysis of the historical cash collections after the default event, for cases where the debt instrument is not secured.

III. **Exposure at Default (EAD):** EAD modelling estimates annual outstanding exposure on each loan facility over the remaining lifetime from the reporting period. The EAD for each period is calculated based on the contractual cash flows of each loan account using the reducing balance method.

The exposure at default assumed by management is the mid-year EAD for facilities with monthly and quarterly repayment schedules. This is to reflect the assumption of uniform distribution of default events throughout the year. For semi-annual and annual repayment schedules, exposure at default will be assumed by management to be the reporting date EAD.

IV. **Significant Increase in Credit Risk (SICR):** SICR is based on migration from stage 1 to stage 2. As per the bank's loan listing classification, these are loans that experience migration from "Pass" to "Special Mention" because of arrears of over 30 days past due.

2.5.10 Statement of prudential Adjustments-On-Balance Sheet Exposures

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

Banks would be required to make provisions for loans as prescribed in the relevant IFRS Standards when IFRS is adopted. However, Banks would be required to comply with the following:

a. Provisions for loans recognized in the profit or loss account should be determined based on the requirements of IFRS.
However, the IFRS provision should be compared with provisions determined under prudential guidelines, and the expected impact/changes in general reserves should be treated as follows:
• Prudential Provisions is greater than IFRS provisions; the excess provision resulting should be transferred from the retained earnings account to a "regulatory risk reserve"

b. Prudential Provisions are less than IFRS provisions; IFRS IFRS-determined provision is charged to the statement of comprehensive income. The cumulative balance in the regulatory risk reserve is thereafter reversed to the retained earnings account.

The Bank has complied with the following minimum prudential provision percentages requirements of the directives against the outstanding principal amount of each loan or advance, classified in accordance with the criteria for the classification of loans or advances as laid out under Article 6 of this Directive No. SBB/90/2024:

Classification Category		Minimum Prudential Provision
7.3.1	"Pass"	1%
7.3.2	"Special Mention"	3%
7.3.3	"Sub-standard"	20%
7.3.4	"Doubtful"	50%
7.3.5	"Loss"	100%

2.5.11 Prudential Provisioning Requirements for Off-balance Sheet Exposures

All banks shall maintain a Provision for Loan Losses Account, which is created by charges to provision expense in the profit and loss statement and shall be maintained at a level adequate to absorb potential losses from off-balance sheet exposures, including letter of credit (such as sight or acceptance letter of credit), guarantee (such as performance bond or bid bond guarantees) and commitment to loan or advance.

All banks shall maintain the prudential provisions against the total off-balance sheet exposure (amount of cash margin or value of eligible collateral shall not be deducted while computing such exposure value for provisioning purposes).

Banks shall maintain the following minimum prudential general provision percentages against the total off-balance sheet exposure amount:
Guarantee;

- Guarantee with no counter guarantee: 2%
- Guarantee with counter guarantee by foreign bank or foreign insurance company with an A rating as per sub-article 2.5.3 of this Directive: 1%

Commitment to provide loan and advance: 2%
Letter of credit: 2%
Other off-balance sheet exposures: 2%

2.6 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.

Cash and cash equivalents are carried at amortized cost in the statement of financial position.

2.7 Loans and Advances

Loans and advances are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and that the Bank does not intend to sell immediately or in the near term.

2.8 Debt Securities

Government securities and coupons, and corporate bonds are non-derivative financial assets with fixed or determinable payments and fixed maturity that the Bank has the positive intent and ability to hold to maturity, and which are not designated as at fair value through profit or loss. They are measured at amortized cost-plus accrued interest.

2.9 Property, Plant and Equipment

2.9.1 Recognition and measurement

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such a 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 recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. All other minor repair and maintenance costs are recognized or expensed in Profit or Loss as incurred.

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

Property and equipment are derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset or at the expiration of a lease contract for right-of-use assets. Gains or losses are determined by comparing the net proceeds from disposal with the carrying amount of the items.

Gains and losses arising on disposal of an item of property and with the carrying amount of the item and are recognized within 'other operating income' in profit or loss.

The Bank does not have property, plant, and equipment or real assets pledged as collateral.

2.9.2 Depreciation

Depreciation is recognized in the income statement on a straight-line basis to write down the cost of items of property and equipment to their residual values over the estimated useful lives.

The estimated useful lives for the current and comparative periods of significant items of property and equipment are as follows:

Asset class	Depreciation rate (years)	Residual values (%)
Buildings	50	5%
Motor vehicles	10	5%
Computer and data storage	7	1%
Furniture & fittings	10-20	1%
Equipment	5-10	1%

The Bank commences depreciation when the asset is available for use and ceases at the earlier of the date that the asset is derecognized or classified as held for sale in accordance with IFRS 5. Capital work-in-progress is not depreciated as these assets are not yet available for use. Upon completion, it is transferred to the relevant asset category. Freehold land is not depreciated.

The residual values, useful lives, and methods of depreciation are reviewed and adjusted if appropriate at each reporting date. Changes in the expected useful life, residual values or methods of depreciation are accounted for as changes in accounting estimates.

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each date of the statement of financial position. Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell, or value in use.
Minor repairs and maintenance costs are expensed as incurred.

2.9.3 De-recognition

An item of property and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included within other operating income in the income statement in the period the asset is derecognized.

2.10 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 amortization and accumulated impairment losses.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite life are amortized over the useful economic life. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year-end.

Subsequent expenditure on software assets is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. Unless otherwise, all other expenditure is expensed as incurred.

The amortization expenses on intangible assets with finite life are presented as a separate item in the Profit or Loss.

Amortization is recognized in the income statement on a straight-line basis calculated over the estimated useful life of the intangible assets, from the date that it is available for use, since this most closely reflects the expected pattern of consumption of future economic benefits embodied in the asset. The Banks' intangible assets' residual values over their estimated useful lives, as follows:

- Computer software----------8 years
- Core application software-------8 years
- Intangibles-contract based------contract period

The useful lives of the assets are reviewed annually for any changes in circumstances. The assets are tested annually for impairment or at such time where there is an impairment trigger, or changes in circumstances indicate that their carrying value may not be recoverable.
Costs associated with maintaining intangible asset programmed are recognized as an expense as incurred. However, expenditure that enhances or extends the benefits of the asset beyond their original specification and life is recognized as a capital improvement and added to the original cost of the intangible asset/software. Internally generated intangibles, excluding capitalized development costs, are not capitalized, and the related expenditure is reflected in Profit or Loss in the period in which the expenditure is incurred.

2.11 Investment Property

Investment property is property held either to earn rental income, capital appreciation, or both, and is not intended to be sold in the normal course of business. All investment properties are recognized at cost less accumulated depreciation and cumulative impairment losses.

When the use of a property changes such that it is reclassified as property, plant, and equipment, its carrying value at the date of reclassification becomes its cost for subsequent accounting.

2.12 Non-Current Assets Held for Sale

Non-current assets 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 recognized for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognized for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognized. A gain or loss not previously recognized by the date of the sale of the non-current asset is recognized at the date of de-recognition.

Non-current assets are not depreciated or amortized while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal bank classified as held for sale continue to be recognized.

Collateral valuation

The bank seeks to use collateral, where possible, to mitigate its risks on financial assets. The collateral comes in various forms, such as cash via bank guarantees and real estate. The fair value of collateral is generally assessed, at a minimum, at inception and based on the bank's reporting schedule.

To the extent possible, the bank uses active market data for valuing financial assets held as collateral. Other financial assets, which do not have a readily determinable market value, are valued using models.

Repossessed collateral

Repossessed collateral represents financial and non-financial assets acquired by the bank in settlement of overdue loans.

The bank’s policy is to determine whether a repossessed asset is best used for its internal operations or should be sold.

Assets determined to be used for internal operations are initially recognized at the lower of their repossessed value or the carrying value of the original secured asset and included in the relevant assets depending on the nature and the bank’s intention in respect of recovery of these assets, and are subsequently re-measured and accounted for in accordance with the accounting policies for these categories of assets.

Assets that are determined to be sold are immediately transferred to assets held for sale at their fair value at the repossession date in line with the bank’s policy.

2.13 Leases

I. Bank as a Lessee

At commencement or on modification of a contract containing a lease component, the bank allocates consideration on the contract to each lease component on the basis of its relative stand-alone price. However, for the lease of branches and office premises, the bank has elected not to separate non-lease components and accounts for lease and non-lease components as a single lease component.

The Bank recognizes a right-of-use (ROU) asset and a lease liability at the commencement date of a lease. The ROU asset is initially measured at cost, comprising the initial amount of the lease liability, lease payments made at or before commencement, any initial direct costs, and an estimate of restoration obligations. Subsequently, ROU assets are measured at cost less accumulated depreciation and impairment losses, and adjusted for lease modifications. Depreciation is charged on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

Lease liabilities are initially measured at the present value of future lease payments, discounted using the interest rate implicit in the lease or, if not readily determinable, the Bank's incremental borrowing rate. Lease payments include fixed payments, in-substance fixed payments, variable lease payments linked to an index or rate, expected payments under residual value guarantees, and amounts payable under purchase, renewal, or termination options that the Bank is reasonably certain to exercise. Lease liabilities are subsequently measured at amortized cost using the effective interest method and remeasured when lease terms or payment assumptions change, with corresponding adjustments to ROU assets.

The Bank applies exemptions for short-term leases (12 months or less) and leases of low-value assets, recognizing lease payments as expenses on a straight-line basis over the lease term. Non-lease components are not separated from lease components for premises leases.

ROU assets are presented within "Property and Equipment" and lease liabilities within "Other Liabilities" in the statement of financial position. Restoration costs, where required under lease agreements, are recognized as part of the ROU asset and provided for as liabilities.

II. Bank as a Lessor

At inception or on modification of a contract containing a lease component, the bank allocates the consideration in the contract to each lease component based on its relative stand-alone selling prices.

When the bank acts as a lessor, it determines at lease inception whether the lease is a finance lease or an operating lease.

To classify each lease, the bank assesses whether the lease transfers all the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the bank considers certain indicators, such as whether the lease is for a major part of the economic life of the asset.

The bank applies the derecognition and impairment requirements in IFRS 16 to the net investment in the lease. The bank regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

2.14 Investment in associates

Associates are all entities over which the Bank has significant influence but not control or joint control. Significant influence is the power to participate in the financial and operating policy

decisions of the investee, but is not control or joint control over those policies. This is generally the case where the Bank holds between 20% and less than 50% of the voting rights of the entity. In assessing the existence of significant influence, the Bank considers, among other parameters, whether there is;

- Representation on the board of directors or equivalent governing body of the investee;
- Participation in the policy-making process and material transactions between the investor and the investee;
- Provision of essential technical information by the investor to the investee

Equity method

Under the equity method of accounting, the investments are initially recognized at cost and adjusted thereafter to recognize the Bank's share of the post-acquisition profits or losses of the investee in profit or loss, and the Bank's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates are recognized as a reduction in the carrying amount of the investment. In addition, when there has been a change recognized directly in the equity of the associate or joint venture, the Bank recognizes its share of any changes, when applicable, in the statement of change in equity.

When the Bank's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Bank does not recognize further losses, unless it has incurred an obligation or made payments on behalf of the other entity.

Unrealized gains on transactions between the Bank and its associates are eliminated to the extent of the Bank's interest in these entities. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Bank.

In certain instances, the requirement that significant influence arises from a 20% or more investments can be invalidated where an entity can demonstrate that it does not have significant influence, or there is a demonstrable presence of significant influence in an investment of less than 20% based on the above assessment criteria.

Investment in associates is accounted for using the equity method of accounting. The initial investment is recognized at the cost of acquisition, and any share of profit or loss from the investment is reflected as changes in the value of the investment.

2.15 Other assets

Other assets are 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:

I. Prepayments

Prepayments are payments made in advance for services to be enjoyed in the future. The amount is initially capitalized in the reporting period in which the payment is made and subsequently amortized over the period in which the service is to be enjoyed.

II. Other receivables

Other receivables are recognized upon the occurrence of an event or transaction as they arise and are cancelled when payment is received. The Bank's other receivables are rent receivables and other receivables from debtors.

III. Inventory

For the Bank, inventories would normally comprise materials and supplies not directly used at the time of their purchase, such as stationery and printing materials, uniforms, CPO, passbooks, office supplies, and other general supplies.

The cost of inventories of items that are ordinarily interchangeable and have not been produced and segregated for specific projects is determined by using the first-in, first-out (FIFO) or weighted average cost formula. The Bank uses the FIFO method for measuring its inventories. The cost of inventory is recognized as an expense when the inventory is used.

2.16 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 or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. A recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are independent of those from other assets or Banks 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 considered. 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 cover 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 recognized impairment losses no longer exist or have decreased. If such an indication exists, the bank estimates the assets or the CGU's recoverable amount. A previously recognized 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 recognized.

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognized in profit or loss in respect of cash-generating units and are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro-rata basis.

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 recognized for the asset in prior years. Such a reversal is recognized in the profit or loss.

2.17 Deposits from Banks and Customers

Deposits and borrowings are the Bank's sources of debt funding. These liabilities are initially measured at fair value minus incremental direct transaction costs, and subsequently measured at their amortized cost using the effective interest method.

2.18 Provisions

Provisions are recognized when the bank has a present obligation (legal or constructive) a because of a past event, an outflow of resources embodying economic benefits will probably 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 recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in profit or loss 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 recognized as other operating expenses.

2.19 Employee Benefits

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

I. Defined Contribution Plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognized

as an expense in the income statement when they are due in respect of service rendered before the end of the reporting period.

Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available. Contributions to a defined contribution plan that are due more than 12 months after the end of the reporting period in which the employees render the service are discounted to their present value at the reporting date.

The Bank operates two defined contribution plans.

- **Pension scheme** in line with the provisions of the Ethiopian Private Organization Employees' Pension Proclamation No. 1268/2022. Funding under the scheme is 7% and 11% by employees and the Bank, respectively.
- **Provident fund contribution**, funding under this scheme is 8% and 12% by employees and the bank, respectively, 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.

II. Defined Benefit Plan

The liability recognized 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 the terms of the related pension obligation.

The cost of the defined benefit pension plan is determined using actuarial valuation. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates, and future pension increases.

The current service cost of the defined benefit plan, recognized in the Profit or Loss 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. Post-service costs are recognized immediately in Profit or Loss.

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.

III. Retirement Benefits

The bank has a comprehensive remuneration system based on HR policy. It combines a fixed salary that reflects the individual's role and level of responsibility, along with other benefits. According to the Law, in case of unjustified dismissal, employers are obligated to pay their employees compensation based on the years of service.

IV. Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the bank has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

V. Profit-sharing and Bonus plans

The bank recognizes a liability and expenses for bonuses and profit-sharing. The bank recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

2.20 Share Capital (Paid up 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.

2.21 Legal Reserve

The legal reserve is a statutory reserve required by the regulators. The Bank has to transfer annually 25% of its annual net profit as a legal reserve until such reserve equals its capital. When the legal reserve equals the capital of the Bank, the amount to be transferred to the legal reserve shall be 10% of the annual net profit. See NBE Directive No. SBB/4/95.

2.22 Government Grants

Government grants are recognized where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset.

When the bank receives grants of non-monetary assets, the asset and the grant are recorded at nominal amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset by equal annual instalments.

2.23 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.

2.24 Recognition of Income and Expenses

Interest income and expense for all interest-bearing financial instruments are recognized within “interest income” and “interest expense” in the consolidated and separate income statements using the effective interest method.

Interest income and expenses are recognized in the profit or loss statement when it is probable that economic benefits will flow to or from the bank in accordance with contractual terms. This recognition occurs provided that the amounts can be reliably measured, regardless of when the cash is actually received or paid.

The bank generates income from a diverse range of sources. Key contributors include interest on loans and advances to customers, service charges, and commissions. Additionally, the bank earns interest from deposits with local and correspondent banks, as well as from various investments in NBE (National Bank of Ethiopia) bills and equity. Other income sources encompass foreign currency transactions, dividends, rental income, and miscellaneous income.

2.24.1 Net Interest

A. Effective interest rate

The effective interest method is a method of calculating the amortized cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability (or, where appropriate, a shorter period) to the net carrying amount of the financial asset or liability. When calculating the effective interest rate, the bank estimates future cash flows considering all contractual terms of the financial instruments but not future credit losses.

Interest income and expense are recognized in profit or loss using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash flows (payments or receipts) over the expected life of a financial instrument to either the gross carrying amount of the financial asset or the amortized cost of the financial liability. This method ensures that the interest income or expense reflects the actual cost or return over the instrument's life.

In calculating the effective interest rate, all transaction costs, as well as any fees and points paid or received that are integral to the financial instrument, are considered. Transaction costs include incremental costs directly attributable to acquiring or issuing a financial asset or liability. This comprehensive approach captures the true economic cost or return associated with the financial instrument

For all government bills, bonds, and interest-bearing financial assets measured at amortized cost, interest income or expense is recorded using the Effective Interest Rate (EIR). The carrying amount of the government bills and bonds 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 Income' for financial assets and 'Interest expense' for financial liabilities.

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 under 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' represents the amortized cost before considering any expected credit loss allowances. This is essentially the unadjusted value of the asset, reflecting the initial measurement plus or minus adjustments for principal repayments and cumulative amortization, but without reductions for credit losses. It provides a starting point for assessing the asset's value before incorporating credit risk adjustments.

C. Calculation of interest income and expense

The effective interest rate of a financial asset or financial liability is calculated on initial recognition of a financial asset or a financial liability. 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.

For financial assets that become credit-impaired after initial recognition, interest income is calculated using the effective interest rate applied to the amortized cost of the asset. If the asset later recovers and is no longer credit-impaired, the calculation of interest income switches back to a gross basis. However, for financial assets that were credit-impaired at the time of initial recognition, the interest income calculation remains on an amortized cost basis, even if the credit risk improves.

2.24.2 Fees and commission income, and expense

Fees and commission income and expenses that are integral to the effective interest rate on a financial asset or liability are included in the measurement of the effective interest rate. Other fees and commission income (commission on foreign transactions, advising commission, extension commission) are recognized as the related services performed.

When a loan commitment is not expected to result in the drawdown of a loan, loan commitment fees are recognized on a straight-line basis over the commitment period.
Other fees and commission expenses related to transactions and service fees are expensed as the services are received.

In determining the disaggregation of fees and commissions, the bank has considered how the nature, amount, timing, and uncertainty of revenue and cash flows are affected by economic factors. It has been determined that the above disaggregation by product type provides useful information that does not aggregate items that have substantially different characteristics and is not too detailed.

2.24.3 Interest paid on borrowings and deposits

Interest paid on borrowings and deposits is calculated on a 365-day' basis in a year and recognized on an accrual basis. Interest on lease liabilities is accounted for as per IFRS 16 Leases.

2.24.4 Dividend income

This is recognized when the bank's right to receive the payment is established, which is generally when the shareholders approve and declare the dividend.

2.24.5 Rental Income

Rental income is respect of operating leases is accounted for on a straight-line basis over the lease terms on ongoing leases.

2.24.6 Foreign exchange revaluation gains or losses

These are gains and losses arising from 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 recognized in the Profit or Loss, and it is further broken down into realized and unrealized portions.
The monetary assets and liabilities include financial assets within cash and cash equivalents and foreign currency deposits.

2.25 Income Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognized in the income statement, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

Significant estimates are required in determining the provision for income taxes because uncertainties exist regarding 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 a range of factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.

I. 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 based on the tax laws enacted or substantively enacted at the end of the reporting period in Ethiopia. The directors periodically evaluates positions taken in tax returns regarding situations in which applicable tax regulations are subject to interpretation. It establishes provisions where appropriate based on amounts expected to be paid to the tax authorities.

II. Deferred tax

Deferred tax is recognized as temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill; deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction

other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the Statement of Financial Position date and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled.

Deferred 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 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 either the same taxable entity or different taxable entities, where there is an intention to settle the balances on a net basis.

In determining the amount of current and deferred tax, the bank considers the impact of tax exposures, including whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the bank to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities would impact tax expense in the period in which such a determination is made.

2.26 Related Parties

This relates to transactions entered between the bank and its related parties.

2.27 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, financial instruments, and non-financial assets that are measured at fair values are disclosed are, summarized in the following notes:

- Disclosures for valuation methods, significant estimates, and assumptions Note 2.2.5 and Note 3.7.1
- Quantitative disclosures of fair value measurement hierarchy Note 3.7.1
- Financial instruments (including those carried at amortized cost) Note 3.7.1

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 assets or liability

For all other financial instruments, fair value is determined using valuation techniques. In these techniques, fair values are estimated from observable data with respect to similar financial instruments, using models to estimate the present value of expected future cash flows or other

valuation techniques, using inputs existing at the dates of the consolidated statement of financial position.

In cases when the fair value of unlisted equity instruments cannot be determined reliably, the instruments are carried at cost less impairment. The fair value for loans and advances as well as liabilities to banks and customers, is determined using a present value model based on contractually agreed cash flows, considering credit quality, liquidity, and costs.

The fair values of contingent liabilities and irrevocable loan commitments correspond to their carrying amounts.

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, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized 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 recognized in the financial statements regularly, the bank determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (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 Director determines the policies and procedures for both recurring fair value measurement, such as available for sale financial assets.

For fair value disclosures, the bank has determined classes of assets and liabilities based on the nature, characteristics, and risks of the asset or liability and the level of the fair value hierarchy as explained above.

3. Financial Risk Management

3.1 Introduction

This note explains the bank's exposure to financial risks and how these risks could affect the bank's future financial performance. The bank has documented financial risk management policies. These policies set out the bank's overall business strategies and its risk management philosophy. The bank's overall financial risk management programme seeks to minimize potential adverse effects on the financial performance of the bank.

The Board of Directors provides written principles for overall financial risk management and written policies covering specific areas, such as credit risk, market risk (including foreign exchange risk, interest rate risk, and equity price risk), and liquidity risk. Such written policies are reviewed annually by the Board of Directors, and periodic reviews are undertaken to ensure that the bank's policy guidelines are complied with. Risk management is carried out by the bank's Risk, Compliance, and Legal Process under the policies approved by the Board of Directors.

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 everyone within the bank is accountable for the risk exposures relating to his or her responsibilities.

The Bank is exposed to the following financial risks from financial instruments, for which it conducts regular risk management efforts:

- Credit risk
- Liquidity risk
- Market risk
- Operational risk
- Capital management

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.

3.1.1 Risk Management Structure

The Bank has established a comprehensive risk management structure that ensures risks are identified, assessed, and managed at every level of the organization. At the highest level, the Board of Directors holds ultimate responsibility for setting the tone and providing oversight. The Board ensures that the Bank's risk and compliance management activities are effective, aligned with regulatory expectations, and consistent with the Bank's long-term strategic objectives.

Supporting the Board, the Risk and Compliance Management Sub-Committee plays a pivotal role in shaping the Bank's risk strategy. This committee develops the risk framework, policies, and appetite statements that guide decision-making across the organization. It is also tasked with monitoring compliance with laws and regulations, carrying out compliance reviews and testing, and reporting on risk exposures to both executive management and the Board.

The executive Management is responsible for translating the Board's strategy into action. This includes embedding risk principles into daily operations, allocating resources, and ensuring that risk priorities are implemented effectively across all business lines. Management also ensures that operational and strategic decisions remain consistent with the Bank's defined risk appetite.

The Bank follows a three-line defense model:

I. First line – Business units that own and manage risks directly in their operations.
II. Second line – The Risk and Compliance functions, which provide oversight, develop policies, and monitor adherence.
III. Third line – Internal Audit, which provides independent assurance on the effectiveness of the Bank's risk management framework.

Periodic assessments are carried out to ensure that risk management processes remain effective and up to date. This helps the Bank capture its overall risk exposure, monitor emerging risks, and understand both the short-term and long-term impact of those risks on financial performance and stability.

In addition, the Bank's risk management practices are guided by the regulatory framework of the National Bank of Ethiopia (NBE). Compliance with NBE directives on risk management, liquidity, and capital adequacy is a key priority, ensuring that the Bank not only safeguards its operations but also contributes to the stability of the wider financial system.

3.1.2 Risk Measurement and Reporting Systems

The Bank employs a comprehensive risk measurement and reporting framework designed to capture both expected and unexpected losses across its portfolios. Expected losses represent those that are likely to occur under normal operating circumstances, while unexpected losses reflect potential adverse outcomes under stressed conditions. These are estimated using statistical and econometric models that incorporate historical default data, probability of default (PD), loss given default (LGD), and exposure at default (EAD). The models are continuously updated to reflect prevailing macroeconomic conditions and forward-looking information, thereby ensuring alignment with the principles of IFRS 9.

To complement model-based estimates, the Bank regularly conducts stress testing and scenario analysis, including worst-case scenarios, to assess resilience under extreme but plausible events such as significant interest rate shifts, foreign exchange volatility, or sector-specific shocks. The results of these exercises inform capital planning, liquidity management, and the setting of internal risk appetite limits.

Monitoring and controlling risks is primarily undertaken through a robust limits and thresholds framework approved by the Board and implemented across business units. These limits reflect the Bank's overall business strategy, risk appetite, and prevailing market conditions, with a focus on both concentration risks and exposures in specific economic sectors and geographic regions. Breaches of risk limits trigger escalation procedures to senior management and, where required, to the Risk and Audit Committees of the Board.

The Bank's risk reporting systems ensure timely, accurate, and comprehensive communication of risk exposures. Reports are generated regularly for executive management and the Board, covering credit, market, liquidity, and operational risks are used to provide early warning signals and facilitate proactive management actions.

Through this integrated approach, the Bank seeks to ensure that risk measurement and reporting are not only regulatory compliant but also aligned with international best practices, supporting sustainable growth while safeguarding the Bank's financial soundness.

3.1.3 Risk Mitigation

Risk controls and mitigations, identified and approved for the bank, are documented for existing and new processes and systems.

These mitigations' adequacy is tested periodically through the administration of control self-assessment questionnaires, using a risk management tool that requires risk owners to confirm the effectiveness of established controls. These are subsequently audited as part of the review process.

Financial instruments are classified in the statement of financial position in accordance with their legal form and The Bank's classification of its financial assets is summarized in the table below;

30-Jun-25	Notes	Assets at fair value through OCI Birr'000	Financial assets at amortized cost Birr'000	Total Birr'000
Cash and balances with banks	13		41,927,898	41,927,898
Loans and advances to customers	14 &15		117,132,108	117,132,108
Investment securities		-		-
-Financial asset at fair value through OCI	16	482,760		482,760
-Financial assets at Amortized cost	17		14,081,459	14,081,459
Other assets	18	-	10,798,000	10,798,000
Total financial asset		**482,760**	**183,939,465**	**184,422,225**

30-Jun-24	Notes	Assets at fair value through OCI Birr'000	Financial assets at amortized cost Birr'000	Total Birr'000
Cash and balances with banks	15		17,295,475	17,295,475
Loans and advances to customers	16		95,997,540	95,997,540
Investment securities		-		-
-Financial asset at fair value through OCI	17	348,175		348,175
-Financial assets at Amortized cost	17		7,929,949	7,929,949
Other assets	18	-	4,232,280	4,232,280

Total financial asset	**348,175**	**125,455,244**	**125,803,419**

The majority of the bank's financial assets are in the form of loans and advances to customers, suggesting that lending is a core activity for the bank.

3.2 Credit Risk

Credit risk represents the single largest risk exposure for the Bank and refers to the risk of financial loss if a customer, counterparty, or issuer of a financial instrument fails to meet their contractual obligations. This risk arises primarily from the Bank's core lending activities—loans and advances to customers, placements with other banks, investments in debt securities, and off-balance sheet commitments such as guarantees and letters of credit.

The Bank employs a multi-layered approach to managing credit risk, starting with a thorough assessment of the borrower's financial condition, repayment capacity, cash flow projections, and the quality of collateral offered. Borrowers are subject to periodic credit reviews, and where necessary, exposures are restructured to ensure sustainable repayment capacity. Credit decisions are supported by a risk-rating framework that aligns with international standards and categorizes exposures according to their probability of default and expected loss.

To mitigate credit risk, the Bank obtains collateral and credit enhancements, including real estate, movable assets, financial guarantees, and personal or corporate guarantees. Collateral is subject to regular valuation and legal enforceability reviews to ensure it provides adequate coverage in the event of default.

The Bank also manages concentration risk by diversifying its loan portfolio across sectors, regions, and customer groups. Limits are established for single borrowers, groups of connected borrowers, and industry sectors. These are monitored regularly to avoid undue reliance on any single counterparty or sector. The National Bank of Ethiopia (NBE) requires that the Bank's exposures to a single borrower, a related party, and all related parties should not exceed 15%, 25%, and 35% of the Bank's total capital, respectively, as at the reporting period. The Bank strictly adheres to these prudential limits.

Credit risk management is guided by a comprehensive Credit Risk Management Policy and Guideline approved by the Board of Directors and supported by the Risk Management and Compliance Committees. These policies are reviewed periodically to reflect changes in market dynamics, customer behavior, regulatory requirements, and macroeconomic conditions. Furthermore, the Bank employs early warning systems and regular stress testing to anticipate deterioration in credit quality and take proactive measures, including intensified monitoring, restructuring, or provisioning.

Through this structured framework, the Bank seeks to balance the pursuit of profitable lending opportunities with prudent risk management practices, ensuring both regulatory compliance and the long-term sustainability of its loan portfolio.

3.2.1 Credit risk exposure

i. Maximum exposure to credit risk before collateral held or other credit enhancement

The Bank's maximum exposure to credit risk at 30 June 2025 and 30 June 2024 is represented by the net carrying amounts in the statement of financial position.

	Notes	30 June 2025 Birr'000	30 June 2024 Birr'000
Cash and balances with banks(net)	13	41,926,074	17,294,778
Loans and advances to customers(net)	14&15	113,471,475	95,997,540
Investment securities			
-Financial asset at fair value through OCI	16	482,760	348,175
-Financial assets at Amortized cost	17	14,081,293	7,929,949
Other assets(net)	18	10,169,248	4,232,280
Total financial asset(net)		**180,130,850**	**125,802,722**
Credit risk exposure relating to off-balance sheet items is as follows:			
Loan commitments	36	617,621	3,211,690
Guarantees	35b	663,761	763,118
Letter of Credit	35b	8,832,085	98,392
Total OBS items		**10,113,467**	**4,073,200**
		Lorem ipsum	
		190,244,317	**129,875,922**

The bank has been employing robust risk management practices in place to assess and mitigate credit risk.

ii. Assets obtained by taking possession of collateral

Details of financial and non-financial assets obtained by the Bank by taking possession of collaterals held as security against loans and advances to customers at the year-end are shown below**.**

	30 June 2025 Birr'000	30 June 2024 Birr'000
Acquired;	544,310	424,199
	544,310	**424,199**

The Bank's policy is to pursue timely realization of the collateral in a timely manner. The Bank does not generally use the non-cash collateral for its own operations. The majority of repossessed assets relate to exposures in the real estate sector, which may be subject to market price volatility. The Bank monitors the concentration of such assets to ensure timely disposal and or transfer to PPE by following regulatory procedure and reducing holding risks

3.2.2 Expected Credit Loss Measurement

The loss allowance recognized in the period is impacted by a variety of factors, as described below:

- Transfers between Stage 1 and Stages 2 or 3 due to financial instruments experiencing significant increases (or decreases) of credit risk or becoming credit-impaired in the period, and the consequent "step up" (or "step down") between 12-month and Lifetime ECL;
- Additional allowances for new financial instruments recognized during the period, as well as releases for financial instruments derecognized in the period;
- Impact on the measurement of ECL due to changes in PDs, EADs, and LGDs in the period, arising from regular refreshing of inputs to models;
- Impacts on the measurement of ECL due to changes made to models and assumptions;
- Discounts unwind within ECL due to the passage of time, as ECL is measured on a present value basis;
- Financial assets derecognized during the period, and write-offs of allowances related to assets were write-off.

A. Inputs, Assumptions, and Techniques used for estimating impairment

IFRS 9 outlines a 'three-stage' model for impairment based on changes in credit quality since initial recognition, as summarized below:

- A financial instrument that is not credit-impaired on initial recognition is classified in 'Stage 1' and has its credit risk continuously monitored by the bank.
- If a SICR since initial recognition is identified, the financial instrument is moved to 'Stage 2' but is not yet deemed to be credit impaired.
- If the financial instrument is credit-impaired, the financial instrument is then moved to 'Stage 3'.
- Financial instruments in Stage 1 have their ECL measured at an amount equal to the portion of lifetime expected credit losses that result from default events possible within the next 12 months. Instruments in Stages 2 or 3 have their ECL measured based on expected credit losses on a lifetime basis.
- A pervasive concept in measuring ECL in accordance with IFRS 9 is that it should consider forward-looking information.
- POCI financial assets are those financial assets that are credit-impaired on initial recognition. Their ECL is always measured on a lifetime basis (Stage 3).

B. Significant Increase in Credit Risk

The bank continuously monitors all assets subject to ECL. To determine whether an instrument or a portfolio of instruments is subject to 12-month and Lifetime ECL, the bank assesses whether there has been a significant increase in credit risk since initial recognition.

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 bank considers a financial instrument to have experienced a significant increase in credit risk when one or more of the following quantitative, qualitative or backstop criteria have been met.

The quantitative criteria are based on either absolute or relative changes in credit quality. In both cases, the bank is expected to specify the percentage change for either 12-month or lifetime PDs in comparison to the corresponding 12-month or lifetime PDs as calculated at origination, respectively, that would indicate a significant increase in credit risk since origination.

I. Forward Transitions: Days Past Due

Transition from Stage 1 to Stage 2 is based on the 30-day past due presumption.

Stage	Days Past Due
1	0 – 29
2	30 – 89
3	90+

II. Forward Transitions: Watch list & Restructure

The bank classifies accounts that are included on their watch list or have been restructured as Stage 2 if the significant driver for the account being a watch-listed or restructured is due to a significant increase in credit risk.

III. Forward transitions: Classification

In addition to the days past due, the bank classifies accounts as either 'Performing', 'Substandard', 'Doubtful', or 'Loss'.

This classification is considered together with days past due in determining the stage classification. The table below summarizes the account classification and days past due.

Classification	Days Past Due
Performing (Current + Watch list)	0 – 89
Substandard	90- 179
Doubtful	180 – 360
Loss	365+

The internal rating systems described above focus more on credit-quality mapping from the inception of the lending.

Current: Relates to assets classified as "Investment Grade" (no evident weakness).

Watch list: Relates to items for which there is evidence of a weakness in the financial or operating condition of the obligor that requires management's close attention.

Substandard: There is a well-defined weakness in the financial or operating condition of the obligor that jeopardizes the timely repayment of its obligations.

Doubtful: There are all of the weaknesses that are normally seen in a substandard credit, with the additional characteristic that these weaknesses make full repayment unlikely.

Loss: These assets are considered uncollectible and of such little value that they should be fully written off.

A backstop is applied, and the financial instrument is considered to have experienced a significant increase in credit risk if the borrower is more than 30 days past due on its contractual payments.

C. Credit Risk Grades and Exposure

The Bank manages its credit risk exposure by assigning each facility a credit risk grade at the time of initial recognition and updating it through continuous monitoring. These grades reflect the likelihood of default and are determined through a combination of quantitative measures (such as financial ratios, repayment history, and sectoral performance) and qualitative judgment (including management assessment, industry outlook, and borrower behavior).

The grading framework is designed to capture the fact that the risk of default does not increase linearly but rather escalates exponentially as financial health deteriorates. For instance, the difference in creditworthiness between a grade Pass and Special Mention may be relatively modest, whereas the difference between Substandard and Doubtful can indicate a significant deterioration in repayment capacity.

Every exposure is subject to ongoing monitoring, which includes:

- Review of audited financial statements, management accounts, and projections,
- Analysis of gross profit margins, leverage, and debt service capacity,
- Consideration of sectoral or macroeconomic changes (e.g., political, regulatory, technological),
- Internal behavioral data such as repayment patterns, limit utilization, and requests for restructuring,
- Cross-checks with external credit reference agencies and other available market information.

This continuous monitoring helps the Bank to detect early signs of weakness and to take remedial actions in time.

i. Loan and Advance by Sector

The Bank's loan book is well diversified across sectors, though lending continues to be concentrated in various sectors, and the Bank analyzes credit risk concentration by sector. The analysis of credit risk concentration as of the reporting date of the financial statement is described as follows;

	30 June 2025 Birr'000	30 June 2024 Birr'000
Agriculture	9,423,993	6,637,496
Manufacturing	20,045,228	15,902,058
Export	17,242,642	15,728,189
Merchandise	725,370	1,394,537
Import	8,670,393	4,875,115
Domestic trade and service	31,537,799	27,517,943

Building and construction	4,217,988	3,900,647
Consumer	10,691,324	8,945,110
Murabaha-Agriculture	169,058	158,817
Murabaha-Manufacturing	4,078,582	3,085,968
Murabaha-Export	3,503,089	3,472,291
Murabaha-Import	1,140,618	1,040,825
Murabaha-Domestic trade and service	4,543,870	4,125,520
Murabaha-Building and construction	1,428,341	1,859,549
Murabaha-Consumer	814,537	707,680
	118,232,831	**99,351,747**

The loan portfolio is diversified in all economic sectors. However, the lion's share of the outstanding loan is concentrated in the prime economic sectors such as Domestic Trade and Services, Manufacturing, Export, Consumer Loan, Agriculture, and Import.

This distribution demonstrates the Bank's strategy of supporting a wide spectrum of the economy while maintaining sectoral caps and diversification in line with regulatory requirements and internal risk appetite.

ii. Loan and Advances by Credit Quality (Per NBE Guidelines)

The quality of the Bank's loan portfolio, as measured by the National Bank of Ethiopia's impairment guidelines, is presented below;

Classification/status	Range	30 June 2025 Birr'000	30 June 2024 Birr'000
Pass/Current/Performing	From 1 to 29 days	110,233,827	91,212,520
Special Mention	From 1 to 29 days	1,322,696	4,716,805
Substandard	From 90 to 179 days	2,610,467	1,350,285
Doubtful	From 180 to 360 days	1,746,612	998,939
Loss	Over 360 days	2,319,229	1,073,197
Total		**118,232,831**	**99,351,747**

The above figures represent the Bank's gross credit risk exposure, before considering the effect of collateral or other credit enhancements. They therefore reflect the worst-case exposure at the reporting date.

Management remains confident that the Bank's proactive credit review processes, collateral management practices, and risk governance structure provide adequate safeguards against unexpected losses.

iii. Term Loan Exposures

Information obtained during periodic review of customer files – e.g., audited financial statements, management accounts, budgets, and projections.

Term loans constitute the largest portion of the loan book, reflecting the Bank's role in financing long-term investments, especially in manufacturing, exports, and infrastructure-related projects. These exposures are monitored through periodic borrower reviews, including:

- Financial performance metrics (profitability, leverage, debt service coverage),
- Borrower's compliance with covenants,
- Business environment and regulatory changes,
- Forward-looking projections and stress-testing of repayment capacity.

Facility	30 June 2025 Birr'000	30 June 2024 Birr'000
Conventional	77,751,313	65,582,864
IFB Financing	12,270,335	11,802,635
	90,021,648	**77,385,499**

iv. Overdraft Exposures

Overdrafts, which provide short-term liquidity to clients, are assessed and monitored based on:

- Repayment history and overdue status;
- Degree of utilization of approved limits;
- Request for extensions or restructuring;
- Sensitivity to market and economic fluctuation

Facility	30 June 2025 Birr'000	30 June 2024 Birr'000
Conventional	24,803,424	20,010,112
IFB Financing	3,407,759	2,620,507
	28,211,183	**22,630,619**

D. Generating the term structure of PD

Credit risk grades are a primary input into determining the term PD structure for exposures. The bank collects performance and default information about its credit risk exposures, analyzed by product and borrower, and by credit risk grading.

The bank employs statistical models to analyze 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.

E. 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.

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 from 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 return 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 behavior to provide evidence that its credit risk has declined sufficiently. When contractual terms of a loan have been modified, evidence that the criteria for recognizing 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 can identify 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 transferred directly from the 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).

F. 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 realizing 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 because 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 aligns with that applied by the bank for regulatory capital purposes.

G. Incorporation of Forward-Looking Information in the ECL Models

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

External information considered includes economic data and forecasts published by Fitch Solutions, formerly known as Business Monitor International, an external and independent market intelligence and research institution. 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 macroeconomic variables and credit risk and credit losses.

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

Sector/Product	Macroeconomic factors
Cluster 1 Agriculture Consumer Loans Overdraft Interest Free Financing	M2, USD Nominal GDP, USD (PPP), % y-o-y STER, Economic Growth
Cluster 2 Domestic Trade Services Mining and Energy Transport Health Merchandise Financial Services	Savings per capita, LCU Nominal GDP, LCU Transport & communications nominal GVA, LCU Broad money (% of GDP) - Sovereign Scorecard Legacy STPR, Policy Continuity Legacy Long-Term Political Risk Index

Cluster 3 Building and Construction Hotel and Tourism Manufacturing and Production Industry Real Estate Housing and Construction	PR, Security Risk M1, % of GDP Consumer price index inflation, 2010=100, eop Total employment M2, % of GDP Real GDP growth, % y-o-y Foreign reserves ex gold, EUR
Cluster 4 Export Import Advance against Import Bills International Trade	Political Risk Index Lending rate, %, ave Central bank policy rate, %, eop M1, USD Goods debit (Imports)

The bank defined a statistically significant correlation threshold with macroeconomic of 50%.

The economic scenarios used included the following key indicators for Ethiopia:

Indicator	30-Jun-23	30-Jun-24	30-Jun-25
Consumer price index inflation, 2010=100, ave	763.82	959.96	1,131.52
Exports of goods and services, USD	10,163.16	9,435.45	7,190.30
Government domestic debt, LCU	1,711,834.87	2,095,039.47	2,425,405.02
Nominal GDP, LCU	7,328,259.08	9,765,072.05	12,050,982.17
Private final consumption, LCU	5,727,253.20	7,799,889.06	9,755,080.10
Total domestic demand, LCU	7,845,345.56	10,393,227.73	12,862,804.41
Savings, LCU	1,385,282.44	2,086,867.44	2,442,686.12
Population	124.94	128.11	131.32
Consumer price index inflation, 2010=100, eop	766.97	941.15	1,076.88
M1, LCU	518,230.82	583,000.41	659,488.15
M2, LCU	1,665,828.13	1,926,860.26	2,240,723.49
Current expenditure, LCU	548,963.66	616,751.84	790,988.13
Goods imports, USD	16,010.83	16,138.52	17,587.94
Goods exports, USD	3,711.59	3,672.11	4,361.86
Current account balance, USD	(4,970,521,099.44)	(4,599,280,813.34)	(4,141,870,833.33)
Import cover months	0.63	0.88	1.35
Total household spending, LCU	5,529,948.12	7,514,793.45	9,371,209.76
Nominal GDP, USD	137,853.99	144,927.85	113,766.06
Real GDP, LCU (2010 prices)	1,042,657.89	1,112,745.44	1,189,776.91
Real GDP, USD (2010 prices)	72,358.56	77,222.51	82,568.35
Real GDP per capita, USD (2010 prices)	579.13	602.77	628.76
Nominal GDP, USD (PPP)	374,678.95	409,756.75	443,051.80
Private final consumption, USD	107,737.00	115,761.68	92,091.83
Private final consumption per capita, USD	862.29	903.59	701.28
Government final consumption, LCU	499,796.37	606,562.84	717,917.21
Government final consumption, USD	9,401.81	9,002.27	6,777.42
Exports of goods and services, LCU	540,269.49	635,749.74	761,652.05
Exports of goods and services per capita, USD	81.34	73.65	54.75
Imports of goods and services, LCU	1,174,311.47	1,330,983.64	1,573,370.11
Imports of goods and services, USD	22,090.31	19,753.73	14,853.24
Total domestic demand, USD	147,581.05	154,250.60	121,429.98

Total domestic demand per capita, USD	1,181.18	1,204.02	924.69
Unemployment, % of labour force, ave	3.49	3.37	3.22
Real effective exchange rate index	27.66	15.90	7.42
Total revenue, LCU	637,726.67	791,545.69	1,021,869.42
Total revenue, USD	11,996.46	11,747.69	9,646.85
Total expenditure, LCU	855,217.12	1,025,425.24	1,327,659.92
Total expenditure, USD	16,087.73	15,218.80	12,533.64
Current expenditure, USD	10,326.71	9,153.49	7,467.24
Budget balance, LCU	(216,720,442,067.66)	(233,713,193,754.65)	(305,432,803,680.29)
Budget balance, USD	(4,076,790,443.84)	(3,468,643,288.24)	(2,883,406,958.41)
Services imports, USD	7,541.96	7,895.97	8,468.47
Services exports, USD	7,195.79	7,756.70	8,609.65
Total reserves ex gold, USD	1,232.59	1,758.28	2,928.57
Total external debt stock, USD	31,935.96	37,352.61	43,600.93
Long-term external debt stock, USD	31,548.30	35,913.35	39,271.68
Public external debt stock, USD	30,446.77	34,659.41	39,271.68
Total government debt, USD	60,346.92	54,840.89	44,573.15
Total debt service, USD	1,775.59	1,954.54	2,507.64
M2, USD	124.94	128.11	131.32
Nominal GDP, USD (PPP), % y-o-y	124.94	128.11	131.32
STER, Economic Growth	30,480.84	22,948.56	16,877.63
Savings per capita, LCU	11.51	9.32	8.12
Transport & communications nominal GVA, LCU	33.17	17.32	10.00
Broad money (% of GDP) - Sovereign Scorecard	0.01	0.02	0.02
PR, Security Risk	7,328,259.08	9,765,072.05	12,050,982.17
M1, % of GDP	278,272.35	356,111.53	484,703.56
M2, % of GDP	22.73	19.73	18.59
Real GDP growth, % y-o-y	79.07	78.85	78.54
Foreign reserves ex gold, EUR	7.07	5.97	5.47
Political Risk Index	766.97	941.15	1,076.88
Lending rate, %, ave	22.73	19.73	18.59
Central bank policy rate, %, eop	5.92	6.72	6.92
M1, USD	1,135.37	1,641.05	2,739.51

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 7 years.
The below scenario weightings have been observed:

Summary of scenario weightings			
Scenario	**Base**	**Downturn (downside)**	**Optimistic (upside)**
Cluster 1	73.33%	6.67%	20.00%
Cluster 2	73.33%	13.33%	13.33%
Cluster 3	66.67%	13.33%	20.00%
Cluster 4	66.67%	13.33%	20.00%

Other forward-looking considerations not otherwise incorporated within the above scenarios, such as the impact of any regulatory, legislative or political changes, have also been considered, but are not deemed to have a material impact and therefore no adjustment have

been made to the ECL for such factors. This is reviewed and monitored for appropriateness on an annual basis.

H. Modified Financial Assets

The contractual terms of a loan may be modified for many 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 derecognized and the renegotiated loan recognized 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 recognized 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 maximize collection opportunities and minimize 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, if 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 behavioral indicators.

Forbearance is a qualitative indicator of a significant increase in credit risk, and an expectation of forbearance may constitute evidence that exposure is credit-impaired. A customer needs to demonstrate consistently good payment behavior over a period 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.

I. 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 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.

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 amortization.

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 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 considering 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 banked based on 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 banks are subject to regular review to ensure that exposures within a particular bank remain appropriately homogeneous.

J. Loss Allowance

The following tables show reconciliations of loans and advances to customers at amortized cost (on balance sheet exposures) as of June 30, 2025.

In Birr'000

	2024			
Loans and advances to customers at amortized cost (on balance sheet exposures)	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Balance as at 1 July 2024	**857,013**	**71,831**	**2,182,613**	**3,111,456**
Transfer to stage 1 (12 months ECL)	494,831	(31,393)	(463,437)	-
Transfer to stage 2 (Lifetime ECL not credit impaired)	(4,526)	41,841	(37,315)	-
Transfer to stage 3 (Lifetime ECL credit impaired)	(23,556)	(7,823)	31,378	-
Net re-measurement of loss allowance	(429,525)	(6,443)	1,122,206	686,238
New financial assets originated or purchased	417,331	4,576	146,289	568,196
Financial assets derecognized	(147,814)	(27,873)	(750,279)	(925,966)
Balance as at 30 June 2025	**1,163,754**	**44,715**	**2,231,455**	**3,439,924**

In Birr'000

	2024			
Loans and advances to customers at amortized cost (on balance sheet exposures)	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Balance as at 1 July 2023	**589,914**	**109,979**	**1,297,228**	**1,997,122**
Transfer to stage 1 (12 months ECL)	181,382	(50,134)	(131,249)	-
Transfer to stage 2 (Lifetime ECL not credit impaired)	(16,367)	27,081	(10,713)	-
Transfer to stage 3 (Lifetime ECL credit impaired)	(41,190)	(18,738)	59,928	-
Net re-measurement of loss allowance	19,904	8,771	1,079,820	1,108,496
New financial assets originated or purchased	252,628	19,597	247,646	519,872
Financial assets derecognized	(129,260)	(24,725)	(360,049)	(514,034)
Balance as at 30 June 2024	**857,013**	**71,831**	**2,182,613**	**3,111,453**

During the year, impairment charges across sectors showed mixed results. While clusters such as Agriculture, Manufacturing, and Building & Construction experienced higher provisions in line with increased credit activity and portfolio growth, the Export, Import, and Merchandise sectors recorded notable reversals. This improvement was largely attributable to favorable macroeconomic conditions, as reflected in declining sector risk indicators (FLI), coupled with improved repayment behavior.

The increase in the total loss allowance demonstrates the Bank's cautious stance toward credit risk, while the reversals in some portfolios underline improvements in asset quality and a supportive economic environment.

In Birr'000

	2025			
Emergency Overdraft Letter of Credit and financial guarantee contracts (off balance sheet exposures)	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Balance as at 30 July 2024	**264**	**-**	**4,164**	**4,428**
Transfer to stage 1 (12 months ECL)	1,325		(1,325)	-
Transfer to stage 2 (Lifetime ECL not credit impaired)	(0.1)	0.1	-	-
Transfer to stage 3 (Lifetime ECL credit impaired)	(1.6)	-	1.6	-
Net re-measurement of loss allowance	(1,315)	-	3,584	2,268
New financial assets originated or purchased	448	-	29	477
Financial assets derecognized	(30)		(499)	(530)
Balance as at 30 June 2025	**690**	**0.1**	**5,953**	**6,644**

In Birr'000

	2024			
Emergency Overdraft Letter of Credit and financial guarantee contracts (off balance sheet exposures)	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Balance as at 1 July 2023	**166**	**-**	**1,621**	**1,787**
Transfer to stage 1 (12 months ECL)	688		(688)	-
Transfer to stage 2 (Lifetime ECL not credit impaired)	-	-	-	-
Transfer to stage 3 (Lifetime ECL credit impaired)	(2)	-	2	-
Net re-measurement of loss allowance	(682)	-	3,297	2,615
New financial assets originated or purchased	98	-	97	195
Financial assets derecognized	(4)		(165)	(169)
Balance as at 30 June 2024	**264**	**-**	**4,164**	**4,428**

The following table provides a reconciliation for June 30, 2025, between amounts shown in the above tables reconciling opening and closing balances of loss allowance per class of financial instrument, and the 'impairment losses on financial instruments' line item in the consolidated statement of profit or loss and other comprehensive income.

In Birr'000

	2025			
Other financial assets (debt instruments)	Cash and balances with banks	Investment securities (debt instruments)	Other receivables and financial assets	Total
Balance as at 1 July 2024	**697**	**363**	**304,229**	**305,289**
Net remeasurement of loss allowance	1,128	(198)	317,880	318,810

New financial assets originated or purchased	-	-	-	-
Balance as at 30 June 2025	**1,825**	**165**	**622,109**	**624,099**

In Birr'000

			2024	
Other financial assets (debt instruments)	Cash and balances with banks	Investment securities (debt instruments)	Other receivables and financial assets	Total
Balance as at 1 July 2023	**627.76**	**472.96**	**403,597.68**	**404,698.40**
Net remeasurement of loss allowance	69.25	(110.31)	(99,368.38)	(99,409.44)
New financial assets originated or purchased	-	-	-	-
Balance as at 30 June 2024	**697.01**	**362.65**	**304,229.3**	**305,288.96**

The following table provides a reconciliation between amounts shown in the above tables reconciling opening and closing balances of loss allowance per class of financial instrument, and the 'impairment losses on financial instruments' line item in the consolidated statement of profit or loss and other comprehensive income.

In Birr'000

2025	Loans and advances to customers at amortized cost	Investment securities (debt instruments)	Other financial assets	Total charge/(credit)
Net remeasurement of loss allowance	686,238	(198)	317,880	1,003,920
New financial assets originated or purchased	520,133	-	-	520,133
Financial assets derecognized	(925,966)	-	-	(925,966)
Amounts directly written off during the year	-	-	-	
Recoveries of amounts previously written off	-	-	-	
Balance as at 30 June 2025	**328,468**	**(198)**	**317,880**	**646,150**

In Birr'000

2024	Loans and advances to customers at amortized cost	Investment securities (debt instruments)	Other financial assets	Total charge/(credit)
Net remeasurement of loss allowance	1,108,495	(110.31)	(99,368)	1,009,016
New financial assets originated or purchased	519,872	-	-	519,872
Financial assets derecognized	(514,034)	-	-	(514,034)
Amounts directly written off during the year	-	-	-	
Recoveries of amounts previously written off	-	-	-	
Balance as at 30 June 2024	**1,114,332**	**(110.31)**	**(99,368)**	**1,014,853**

3.2.3 Credit-related commitments

These instruments' main purpose is to ensure that funds are available to a customer as required. Guarantees and standby letters of credit carry the same credit risk as loans.

Documentary and commercial letters of credit – which are written undertakings by the bank on behalf of a customer authorizing a third party to draw drafts on the bank up to a stipulated amount under specific terms and conditions – are collateralized by the underlying shipments of goods to which they relate and therefore carry less risk than a direct loan.

Commitments to extend credit represent unused portions of authorizations to extend credit in the form of loans, guarantees, or letters of credit. Regarding credit risk on commitments to

extend credit, the bank is potentially exposed to loss in an amount equal to the total unused commitments.

However, the likely amount of loss is less than the total unused commitments, as most commitments to extend credit are contingent upon customers maintaining specific credit standards. The bank monitors the term to maturity of credit commitments because longer-term once have more credit risk than shorter-term ones.

3.2.4 Credit quality analysis

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

The Bank monitors the credit quality of its loan portfolio and other financial assets on a continuous basis to ensure that any signs of deterioration are identified and addressed at an early stage. Credit risk is assessed and managed in line with the ECL (Expected Credit Loss) framework under IFRS 9, which requires classification of exposures into three stages:

- Stage 1 (Pass): Assets with no significant increase in credit risk since origination. These are performing exposures with low risk of default.
- Stage 2 (Special Mention): Assets that have experienced a significant increase in credit risk since initial recognition but are not yet credit impaired.
- Stage 3 (Non-performing): Credit-impaired assets, which include substandard, doubtful, and loss categories.

The tables below provide details of the Bank's credit quality analysis, including gross exposures; loan and advance, and other off-balance sheet exposures, associated loss allowances, and net carrying amounts.

	2025				2024
Loans and advances to customers at amortized cost	**Stage 1**	**Stage 2**	**Stage 3**	**Total**	**Total**
Stage 1 – Pass	110,233,827	-	-	110,233,827	85,732,373
Stage 2 – Special mention	-	1,322,696	-	1,322,696	5,511,254
Stage 3 - Non-performing	-	-	6,676,308	6,676,308	8,772,417
Total gross exposure	**110,233,267**	**1,322,696**	**6,648,765**	**118,232,831**	**100,016,045**
Loss allowance	(1,163,754)	(44,715)	(2,231,455)	(3,439,924)	(3,111,456)
Net carrying amount	**109,070,073**	**1,277,981**	**4,444,853**	**114,792,907**	**96,904,589**
	2024				**2023**
Loans and advances to customers at amortized cost	**Stage 1**	**Stage 2**	**Stage 3**	**Total**	**Total**
Stage 1 – Pass	85,732,373	-	-	85,732,373	93,950,052

Stage 2 – Special mention	-	5,511,254	-	5,511,254	4,716,805
Stage 3 - Non-performing	-	-	8,772,417	8,772,417	3,406,214
Total gross exposure	85,732,373	5,511,254	8,772,417	**100,016,045**	102,073,071
Loss allowance	(857,013)	(71,831)	(2,182,613)	(3,111,456)	(1,997,121)
Net carrying amount	**84,875,360**	**5,439,423**	**6,589,804**	**96,904,589**	**100,075,950**

Improvement in asset quality: A notable trend is the decline in Stage 2 loans. This improvement suggests that earlier signs of stress were either resolved or downgraded, and that the overall quality of the portfolio has improved.

Non-performing loans (Stage 3): Stage 3 exposures declined slightly. While this remains an area of management focus, the reduction reflects effective recovery measures, restructuring efforts, and stricter credit underwriting standards.

Loss allowances: The total allowance for expected credit losses increased. This increase is consistent with the growth in gross exposures, but the coverage ratio (loss allowance as % of gross exposure) has remained stable, reflecting prudent provisioning practices.

The Bank continues to apply a forward-looking approach to credit risk assessment, incorporating not only historical performance and borrower-specific data but also macroeconomic forecasts and stress-testing outcomes. The decline in non-performing and special mention loans reflects the effectiveness of ongoing monitoring, recovery efforts, and proactive engagement with clients.

Although the Bank's Non-Performing Loan (NPL) ratio currently slightly exceeds the National Bank of Ethiopia's (NBE) regulatory threshold of 5%, management continues to take proactive measures to reduce the level of non-performing assets and strengthen overall portfolio quality.
Management remains confident that the Bank's risk governance framework, supported by the use of early warning indicators and stress testing, positions it well to manage credit quality under both normal and stressed conditions.

	2025				2024
Emergency Overdraft, Letter of Credit and financial guarantee contracts	**Stage 1**	**Stage 2**	**Stage 3**	**Total**	**Total**
Stage 1 – Pass	10,548,173	-	-	10,548,173	1,595,379
Stage 2 – Special mention	-	1,713	-	1,713	2,203
Stage 3 - Non-performing	-	-	59,534	59,534	-
Total gross exposure	**10,548,173**	**1,713**	**59,534**	**10,609,421**	**1,639,222**
Loss allowance	(690)	(0.09)	(5,953)	(6,644)	(4,428)
Net carrying amount	**10,547,483**	**1,713**	**53,581**	**10,602,777**	**1,634,794**

	2024				2023
Emergency Overdraft, Letter of Credit and financial guarantee contracts	**Stage 1**	**Stage 2**	**Stage 3**	**Total**	**Total**
Stage 1 – Pass	1,595,379	-	-	1,595,379	1,271,393
Stage 2 – Special mention	-	2,203	-	2,203	-
Stage 3 - Non-performing	-	-	41,639	41,639	-
Total gross exposure	**1,595,379**	**2,203**	**41,639**	**1,639,222**	**2,492,576**
Loss allowance	(264)	(0.11)	(4,164)	(4,428)	(1,788)
Net carrying amount	**1,595,115**	**2,203**	**37,475**	**1,634,794**	**2,490,788**

		2025		
Other financial assets (debt instruments)		**Gross exposure**	**Loss allowance**	**Net carrying amount**
Cash and balances with banks	12 Month ECL	41,927,898	(1,825)	41,926,073
Investment securities (debt instruments)	12 Month ECL	14,081,459	(165)	14,081,294
Other receivables and financial assets	12 Month ECL	10,798,000	(628,753)	10,169,248
Emergency staff loans		1,113,575	(6,006)	1,107,569
Totals		**67,920,933**	**(636,749)**	**67,284,184**
		2024		
Other financial assets (debt instruments)		**Gross exposure**	**Loss allowance**	**Net carrying amount**
Cash and balances with banks	12 Month ECL	17,295,475	(697)	17,294,778
Investment securities (debt instruments)	12 Month ECL	7,930,312	(363)	7,929,949
Other receivables and financial assets	12 Month ECL	426,231	(304,229)	122,002
Emergency staff loans		777,712	(4,200)	773,512
Totals		**26,429,730**	**(309,489)**	**26,120,241**

The gross exposure for Other Financial Assets increased significantly. This growth is primarily driven by a substantial increase in "Cash and balances with banks" and "Investment securities (debt instruments)," which more than doubled over the period, reflecting a significant change in the Bank's liquidity and investment portfolio management.

The total loss allowance for expected credit losses decreased. This decline is largely attributable to a reduction in the loss allowance for "Other receivables and financial assets" despite a major increase in their gross exposure. This indicates an improvement in the credit quality of these specific assets during the year. The loss allowance for "Cash and balances with banks" and "Investment securities" increased in line with the growth of their respective gross exposures.

3.2.5 Credit Concentrations

The bank monitors concentrations of credit risk by social sector. An analysis of concentrations of credit risk at June 30, 2025, and June 30, 2024. The bank concentrates all its financial assets in Ethiopia.

	Public Enterprise	Cooperative	Private	Others
30 June 2025	**Birr'000**	**Birr'000**	**Birr'000**	**Birr'000**
Cash and balances with banks	15,536,963	-	26,390,936	-
Loans and advances to customers	1,139,931	9,822,328	107,270,572	-
Investment securities:				
Financial asset at FVOCI	-	-	482,760	-

Financial assets at Amortized cost	12,157,420	-	1,924,039	-
Other assets:		-	10,798,000	-
	28,834,314	**9,822,328**	**146,866,306**	-
	Public Enterprise	**Cooperative**	**Private**	**Others**
30 June 2024	**Birr'000**	**Birr'000**	**Birr'000**	**Birr'000**
Cash and balances with banks	12,470,324	-	5,069,278	-
Loans and advances to customers	957,891	8,253,760	90,140,097	-
Investment securities:				
Financial asset at FVOCI	-	-	348,175	-
Financial assets at Amortized cost	7,929,949	-	-	-
Other assets:		-	2,310,520	-
	21,358,164	**8,253,760**	**97,868,070**	-

3.2.6 Management of Credit risk and Collateral Held and their financial effect

In measuring credit risk of loans and receivables to various counterparties, the bank considers the character and capacity of the obligor to pay or meet contractual obligations, current exposures to the counterparty and its future developments, credit history of the obligor, and the recovery ratio in case of default obligations-value of collateral, and other ways out.

Our credit exposure comprises corporate and retail loans and receivables, which are developed to reflect the needs of our customers.

The bank's policy is to lend mainly based on our customers' repayment capacity through quantitative and qualitative evaluation. However, we ensure that our loans are backed by collateral to reflect the risk of the obligors and the nature of the facility.

The general creditworthiness of a customer tends to be the most relevant indicator of the credit quality of a loan extended to it. However, collateral provides additional security, and the Bank generally requests that corporate borrowers provide it. Staff loans are secured to the extent of the employee's continued employment in the Bank.

The Bank may take collateral in the form of a first charge over real estate, liens, and guarantees. The Bank does not sell or repledge the collateral in the absence of default by the owner of the collateral. In addition to the Bank's focus on creditworthiness, the Bank aligns with its credit policy guide to periodically update the validation of collateral held against all loans to customers.

For impaired loans, the Bank obtains appraisals of collateral because the fair value of the collateral is an input to the impairment measurement.

The fair value of the collateral is based on the last revaluations carried out by the Bank's in-house engineers. The valuation technique adopted for properties is in line with the Bank's valuation manual, and the revalued amount is similar to the fair values of properties with similar size and location.

The fair value of collaterals other than properties, such as share certificates, cash, NBE bills etc. as disclosed at the carrying amount, as management is of the opinion that the cost of the process of establishing the fair value of the collateral exceeds the benefits accruable from the exercise.

According to the credit procedure of the Bank, collateralized building and other real properties are revalued every five years. However, a revaluation of collateral may be undertaken at any time if either of the following conditions materializes.

- If a sudden price decline of the property held as collateral is ascertained or suspected.
- When a report is received evidencing that the property held as collateral has sustained damages or master plan changes that affect the value of the collateral.
- When noticeable construction is added to the collateral held.
- When the Bank decides to foreclose the collateral.

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 securities in respect of loans and advances;

30 June 2025	Secured against real estate	Machinery	Vehicles	Other
	Birr'000	Birr'000	Birr'000	Birr'000
Agriculture	1,923,963	38,297	390,925	4,337,727
Manufacturing	6,266,510	276,896	331,447	12,287,813
Export	4,339,873	156,240	248,734	5,815,111
Merchandise	22,697	-	41,426	1,322,882
Import	4,939,402	30,256	113,673	2,730,924
DTS	19,545,007	605,596	3,326,799	9,838,349
Building and Con.	3,295,232	34,465	345,752	6,188,359
Consumer	8,198,557	272,029	2,202,418	1,077,822
	48,531,240	**1,413,780**	**7,001,173**	**43,598,987**

30 June 2024	Secured against real estate	Machinery	Vehicles	Other
	Birr'000	Birr'000	Birr'000	Birr'000
Agriculture	1,882,444	288,761	515,832	472,711
Manufacturing	17,650,914	94,903	264,350	119,296
Export	11,960,435	22,735	169,347	1,622
Merchandise	1,149,669	46,822	56,525	49,832
Import	4,911,033	-	44,636	15,620
DTS	28,719,457	275,587	5,296,441	145,283
Building and Con.	9,352,067	296,156	228,136	14,265
Consumer	10,016,441	12,329	1,088,523	11,011
	85,642,460	**1,037,293**	**7,663,790**	**829,641**

As can be seen from the above table, the value of collateral held by the Bank as a security for loans granted is measured when the loans are initially granted.

In conducting the credit analysis of a loan case, the collateral coverage ratio is considered apart from the loan granted on a clean basis. The borrower can pledge one collateral for many loans or different collaterals for a single loan or different types of collateral for different loans.

3.2.7 Commitments and Guarantees

In addition to loans and advances recognized on the statement of financial position, the Bank is exposed to credit risk through off-balance sheet items, such as loan commitments, guarantees, and letters of credit. These instruments are an integral part of the Bank's normal business activities and are used to support customers' financing and trade activities.

- Loan commitments represent contractual obligations to extend credit to customers in the future, subject to certain conditions. While these commitments do not immediately result in cash outflows, they expose the Bank to potential credit risk should the borrower's circumstances change adversely before drawdown.
- Financial Guarantees are issued on behalf of customers to third parties, representing a promise by the Bank to make payment if the customer fails to perform. These instruments carry a risk similar to loans, since the Bank may be required to step in and settle the obligation.
- Letters of credit are widely used to facilitate international trade. The Bank undertakes to pay a seller on behalf of a buyer, provided the terms of the credit are met. These instruments expose the Bank to both counterparty risk and settlement risk.

The maximum exposure to credit risk for these items is the full amount that the Bank could potentially be required to pay, as shown in the table below:

	30 June 2025	30 June 2024
	Birr'000	Birr'000
Loan commitments	617,620	3,211,690
Guarantees	663,761	763,118
Letters of credit	8,832,085	98,392
	10,113,466	**4,073,200**

Management emphasizes that while commitments and guarantees are not immediately recognized as liabilities, they represent potential exposures that could crystallize under adverse conditions. The Bank continues to monitor these exposures closely, applying stress testing and early warning systems to ensure that contingent liabilities remain within the Bank's overall risk appetite.

3.3 Liquidity Risk

Liquidity risk is the risk that the Bank will be unable to meet its maturing financial obligations as they fall due, at a reasonable cost and within an acceptable timeframe. It arises primarily from mismatches between the maturities of assets and liabilities, sudden withdrawals of deposits, or limited access to funding markets. This risk is inherent in the banking business, as the Bank typically engages in maturity transformation—funding long-term assets with short-term liabilities.

In both normal and stressed circumstances, liquidity risk may occur when funding for illiquid asset positions is unavailable, available only at unreasonably high costs, or available only under restrictive terms. Failure to manage this risk effectively could expose the Bank to financial loss and reputational damage.

The Bank manages liquidity risk on both a short-term and medium-term basis. In the short term, the focus is on ensuring that the cash flow demands can be met through asset maturities, customer deposits, and wholesale funding where required. In the medium-term, the focus is on ensuring the statement of financial position remains structurally sound.

Responsibility for liquidity risk management rests with the Asset and Liability Committee (ALCO), which oversees the overall framework and ensures compliance with internal policies and regulatory requirements. The Bank's primary objective is to maintain sufficient liquidity buffers to meet obligations to depositors, lenders, and other stakeholders, while also supporting the Bank's growth strategy and profitability.

3.3.1 Management of Liquidity Risk

Liquidity risk is managed through a structured framework designed to ensure that adequate funding is available at all times. Cash flow forecasting is carried out by the Treasury Management Department, with oversight from the Asset Liability Management team. The Bank's liquidity management process includes:

- **Day-to-day funding:** Monitoring and managing short-term cash flows to ensure immediate obligations are met. This involves replenishing maturing deposits and honoring customer drawdowns on loans and credit facilities.
- **Maintaining a buffer of liquid assets:** Holding a diversified portfolio of high-quality liquid assets (such as government securities, interbank placements, and other readily marketable instruments) to protect against unforeseen cash flow interruptions;
- **Monitoring liquidity ratios:** Regularly assessing the Bank's liquidity position against both internal benchmarks and the prudential requirements set by the National Bank of Ethiopia (NBE);
- **Managing funding concentration:** Diversifying the sources, tenor, and concentration of liabilities to reduce reliance on a limited number of depositors or funding markets;
- **Stress testing and scenario analysis:** Conducting liquidity stress tests under different adverse conditions (such as sudden deposit withdrawals, market disruptions, or economic shocks) to assess the Bank's resilience and contingency funding needs.

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

3.3.2 Maturity Analysis of Financial Liabilities

The Bank monitors the contractual maturity profile of its financial liabilities on an ongoing basis. The following table presents an analysis of the Bank's financial liabilities and significant off-balance sheet commitments, based on the remaining period to contractual maturity as at

the reporting date. The amounts represent undiscounted cash flows that are expected to be settled in the future.

This maturity analysis highlights that a significant portion of the Bank's liabilities is concentrated in short-term customer deposits, which is common in the banking sector. To mitigate rollover risk, the Bank relies on its diversified funding base, its portfolio of liquid assets, and its established contingency funding arrangements.

	0-30 days	31-90 days	91-180 days	181-365 day	Over 1 year
30 June 2025	**Birr'000**	**Birr'000**	**Birr'000**	**Birr'000**	**Birr'000**
Deposits from cust..	66,845,619	5,838,790	5,205,949	1,700,024	94,403,918
Due to other banks	398,827	-	100,000	300,000	402,420
Other liabilities	585,639	62,764	-	-	339,280
Total F/Liabilities	**67,830,085**	**5,901,555**	**5,305,949**	**2,000,024**	**95,145,618**
Loan commitments	617,620	-		-	-
Guarantees	106,000	177,250	124,000	249,311	7,200
Letters of credit	17,701	943,836	11,902	5,114,885	2,743,762
Total Off Bal.sheet	**741,321**	**1,121,086**	**135,902**	**5,364,196**	**2,750,962**
	0-30 days	**31-90 days**	**91-180 days**	**181-365 day**	**Over 1 year**
30 June 20234	**Birr'000**	**Birr'000**	**Birr'000**	**Birr'000**	**Birr'000**
Deposits from cust.	34,616,781	5,944,576	1,550,128	1,809,969	71,728,934
Due to other banks	89,665	53,727	100,000	856,139	1,511,020
Other liabilities	1,346,163	43,793	-	-	343,531
Total F/Liabilities	**36,052,610**	**6,042,097**	**1,650,128**	**2,666,108**	**73,583,485**
Loan commitments	3,211,690	-		-	-
Guarantees	441,971	131,400	97,150	92,596	-
Letters of credit	53,881	2,960	22,580	18,971	-
Total Off Bal.sheet	**3,707,542**	**134,360**	**119,730**	**111,567**	**-**

Liquidity risk arises in the general funding of the Bank's activities and in the management of positions. It includes both the risk of being unable to fund assets at appropriate maturities and rates, and the risk of being unable to liquidate an asset at a reasonable price and in an appropriate time frame.

The Bank has access to a diverse funding base. Funds are raised using a broad range of instruments, including deposits and other liabilities. This enhances flexibility, limits dependence on any source of funds, and generally lowers the cost of funds. The Bank strives to maintain a balance between continuity of funding and flexibility through the use of liabilities with a range of maturities. The Bank continually assesses liquidity risk by identifying and monitoring changes in funding required to meet business goals and targets set in terms of the overall Bank strategy.

3.3.3 Financial assets pledged as collateral

The bank pledged Treasury bonds worth 1,233.1 million birr, DBE Bond which worth 705.3 million birr as collateral for its NBE Issue Account facility or Cash that the bank carries in its value on behalf of the NBE.

3.4 Market Risk

Market risk is the possibility that movements in market prices—including interest rates, foreign exchange rates, and other financial variables—will adversely impact the fair value or future cash flows of financial instruments held by the Bank. Such risks arise mainly from open positions in interest rate and foreign currency instruments, which are subject to both general market volatility and specific economic events.

The objective of market risk management is to manage and control market risk exposures within acceptable limits, while optimizing the return on risk. Overall responsibility for managing market risk rests with the Bank's Risk Management and the Board's Risk Committee.

The Bank's objective in managing market risk is not to eliminate exposure—since some level of risk is inherent in banking—but to manage and control market exposures within acceptable limits while optimizing return on risk. Responsibility for oversight of market risk rests with the Board's Risk Committee, while day-to-day management is carried out by the Risk Management Department, working closely with the Treasury and Trade service departments.

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

3.4.1 Management of Market Risk

The Bank employs a combination of policy-driven limits, monitoring tools, and stress-testing techniques to identify, measure, and mitigate market risk. Policies and procedures are reviewed regularly by the Risk Management Department and are subject to approval by the Board's Risk Committee. Management ensures that the Bank's exposure profile remains consistent with its risk appetite, regulatory requirements, and overall strategic objectives.

I. Interest rate risk

Interest rate risk is the risk that a financial instrument's value will be affected by changes in market interest rates.

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. The bank takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on both its fair value and cash flow risks.

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 comprises Treasury bills, Treasury Bonds, DBE Bond, and cash deposits.

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

30 June 2025	Fixed Interest	Non-interest bearing	Total
	Birr'000	Birr'000	Birr'000
Assets			
Cash and balances with banks	21,206,683	20,719,390	41,926,073
Loans and advances to customers	98,143,433	-	98,143,433
Interest free banking		15,328,042	15,328,042
Investment securities	-		
Financial asset at FVOCI		482,760	482,760
Financial assets at Amortized cost	14,081,293	-	14,081,293
Other assets	-	10,507,143	10,507,143
Total	**133,431,409**	**47,037,335**	**180,468,744**
Liabilities			
Deposits from customers	85,317,365	88,676,935	**173,994,301**
Due to other banks	946,949	254,298	1,201,247
Other liabilities	-	987,683	987,683
Total	**86,264,314**	**89,918,917**	**176,183,231**
30 June 2024	**Fixed Interest**	**Non-interest bearing**	**Total**
	Birr'000	**Birr'000**	**Birr'000**
Assets			
Cash and balances with banks	833,195	16,461,583	17,294,778
Loans and advances to customers	81,942,607	-	81,942,607
Interest free banking		14,054,933	14,054,933
Investment securities	-		
Financial asset at FVOCI		348,175	348,175
Financial assets at Amortized cost	7,929,949	-	7,929,949
Other assets	-	4,232,549	4,232,549
Total	**90,705,751**	**35,097,240**	**125,802,991**
Liabilities			
Deposits from customers	66,976,405	48,673,983	115,650,388
Due to other banks	1,333,142	177,877	1,511,020
Other liabilities	-	1,733,488	1,733,488
Total	**68,309,547**	**50,585,348**	**118,894,896**

Compared to June 2024, fixed-interest assets increased significantly in June 2025, reflecting higher investment in interest-bearing loans and advances. This led to greater exposure to market rate fluctuations. However, the growth in non-interest-bearing liabilities (mainly deposits) provides a natural buffer, reducing mismatch risk.

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 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 Bank's foreign currency-denominated assets and liability accounts may result in a translational gain/loss depending on the net open position and direction of the exchange rate movement. To control the risk, the net position in each foreign currency is managed on a daily basis.

The various foreign currencies to which the Bank is exposed are summarized below;

Foreign currency denominated balances	30 June 2025	30 June 2024
	Birr'000	Birr'000
I. On B/S FCY Asset		
USD	159,805	24,122
EURO	13,941	1,252
GBP	2,565	77
DIRAHM	632	537
RIYAL	506	40
CAD	1.5	0.4
JPY	-	-
Total	**177,450**	**26,029**
II.On B/S FCY Liabilities		
USD	43,614	32,498
EURO	4,009	1,113
GBP	1,721	59
Total	**49,344**	**33,670**

Sensitivity analysis for foreign exchange risk

The sensitivity analysis for currency rate risk shows how changes in the fair value or future cash flows of a financial instrument will fluctuate because of changes in market rates at the reporting date.

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

Sensitivity analysis	30 June 2025	30 June 2024
	Birr'000	Birr'000
Effect of a 10% increase in exchange rate on profit or loss (USD)	15,980.54	2,412.24

Effect of a 10% decrease in exchange rate on profit or loss (USD)	(15,981)	(2,412)
Effect of a 10% increase in the exchange rate on profit or loss (EUR)	1,394	125
Effect of a 10% decrease in the exchange rate on profit or loss (EUR)	(1,394)	(125)
Effect of a 10% increase in the exchange rate on profit or loss (GBP)	256	8
Effect of a 10% decrease in the exchange rate on profit or loss (GBP)	(256)	(8)
Effect of a 10% increase in the exchange rate on profit or loss (DIRAHM)	63	54
Effect of a 10% decrease in the exchange rate on profit or loss (DIRAHM)	(63)	(54)
Effect of a 10% increase in the exchange rate on profit or loss (RIYAL)	51	4
Effect of 10% decrease in exchange rate on profit or loss (RIYAL)	(51)	(4)
Effect of a 10% increase in the exchange rate on profit or loss (CAD)	0	-
Effect of a 10% decrease in the exchange rate on profit or loss (CAD)	0	-
Effect of a 10% increase in the exchange rate on profit or loss (JPY)	-	-
Effect of a 10% decrease in the exchange rate on profit or loss (JPY)	-	-

3.4.2 Market risk measurement techniques

The objective of market risk measurement is to manage and control market risk exposures within acceptable limits while optimizing the return on risk, The Bank Treasury-Finance department is responsible for the development of detailed risk management policies and for day-to-day implementation of those policies.

- **Stress tests**

Stress test provide an indication of the potential size of losses that could arise in extreme conditions. The stress tests carried out by Treasury Functions include risk factors stress testing, where stress movements are applied to each risk category; emerging market stress testing, where emerging market portfolios are subject to stress movements; and hoc stress testing, which includes applying possible stress events to specific positions or regions.

The results of the stress tests are reviewed by senior management (ALCO Committees) and in each business unit and by the Board of Directors. The stress testing is tailored to the business and typically uses scenario analysis.

3.5 Operational Risk Management

Operational risk refers to the potential for direct or indirect losses resulting from weaknesses or failures in the Bank's internal processes, people, systems, or infrastructure, as well as from external events such as legal, regulatory, or compliance challenges. Unlike credit, market, or liquidity risks, operational risk is broader in scope, as it touches every aspect of the Bank's day-to-day activity.

The Bank's goal is to manage these risks proactively by using a structured framework of policies, procedures, and tools that enable us to identify, assess, monitor, and control risks effectively, while ensuring timely reporting to management and the Board.

Because operational risks are present across all departments and business lines, the Bank emphasizes shared responsibility. Each business unit is expected to understand and manage its own risks within the Bank's overarching governance structure.

The scope and depth of any operational risk assessment depends on several factors, including:

- The level of perceived risk exposure in a given process or activity;
- Lessons learned from previous risk assessments;
- The business importance of the activity, service, or product being reviewed;
- Any regulatory requirements that apply; and
- Management's need for deeper insights into specific functions or processes.

Risk assessments are conducted for every key process or unit at least once a year. However, the Risk Management sub-process may require more frequent assessments where risks are considered higher, or where changing conditions demand closer scrutiny. This approach ensures that the Bank stays alert, agile, and better prepared to respond to emerging risks in its operations

3.6 Capital Risk Management

Capital risk is defined as the risk that an insufficient quantity or quality of capital is held to meet regulatory requirements or to support business strategy, an inefficient level of capital is held or that capital is inefficiently deployed across the Bank.

The Bank manages its capital based on Basel guidelines as well as local regulation requirements. The Commercial Code of Ethiopia through article 80 (capital and reserves) defines capital as the original value of the elements put at disposal of the undertaking by the owner or partners by way of contribution in kind or in cash. It further stipulates that all profits preserved for the undertaking and not forming part of capital shall constitute a reserve.

The statutory regulator, the National Bank of Ethiopia, has issued directive number SBB/78/21 that dictates every bank transfer on an annual basis, 25% of its annual net profit to its legal reserve account until such account equals its capital. When the legal reserve account equals the Bank's capital, the amount to be transferred to the legal reserve account shall be 10% of the annual net profit.

In addition to regulatory requirements, Bank conducts objective analysis on the adequacy of its capitalization on a regular basis. Based on the result of rigorous analysis made on capital management and adequacy, The Bank injects additional capital after proposing the required amount of additional capital to the Shareholders through General Assembly. The Bank's capital is therefore managed in accordance with NBE directives and proclamation on banking business and other related laws.

The objective of the National Bank of Ethiopia is to ensure that a bank maintains a level of capital which:

- is adequate to protect its depositors and creditors;
- is commensurate with the risks associated with its activities and profile;
- promotes public confidence in the bank

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 operational risk of the risk-weighted assets to deliver the ratios. Thus, following this;

The bank's objectives in managing capital are:

- To comply with the capital requirements set by regulators (NBE) in the markets where the bank's entities operate and safeguard the bank's ability to continue as a going concern;
- To maintain a strong capital base that supports the development of the business; and
- To sustain a sufficient level of returns for the bank's shareholders.

3.6.1 Capital Adequacy Ratio (CAR)

According to the Licensing and Supervision of Banking Business Directive No SBB/84/2022 of the National Bank of Ethiopia, the bank has to maintain a capital-to-risk-weighted-assets ratio of 8% at all times, the risk-weighted assets being calculated as per the provisions of Directive No SBB/9/95 issued on August 18, 1995.

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

Capital includes paid-up capital, retained earnings, legal reserve, and other reserves to be approved by the National Bank of Ethiopia.

	30 June 2025	30 June 2024
	Birr'000	Birr'000
Capital		
Paid-up capital	11,865,240	11,160,763
Retained earnings	-	-
Capital reserves	3,932	3,932
Share Premium	8,672	8,672
Regulator risk reserve	-	-
Legal reserve	3,116,351	2,810,049
	14,994,196	**13,983,416**
Risk-weighted assets		
Risk-weighted balance for on-balance sheet items	152,152,640	117,984,242
Credit equivalents for off-balance Items	17,041,780	6,062,190
Total risk-weighted assets	**169,194,420**	**124,046,432**
Risk-weighted Capital Adequacy Ratio (CAR)	**8.86%**	**11.27%**
Minimum required capital	**8.00%**	**8.00%**

Retained earnings represent the portion of the Bank's net profit that remains after required transfers to legal and regulatory reserves. The balance, after such deductions, may be distributed as dividends upon approval by the General Assembly. Once declared, dividends are reclassified from retained earnings to dividends payable in the next financial year.

The Regulatory Risk Reserve is a non-distributable reserve created in line with the requirements of the assumption difference between IFRS standards and the National Bank of Ethiopia (NBE). Regulatory risk reserves are appropriations of retained earnings and therefore cannot be treated as core or supplementary capital for CAR measurement.

3.7 Fair Value of Financial Assets and Liabilities

Fair value is a market-based measurement and uses the assumptions that market participants would use when pricing an asset or liability under current market conditions. When determining fair value, it is presumed that the entity is a going concern and is not an amount that represents a forced transaction, involuntary liquidation, or a distressed sale.

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 categorized within the fair value hierarchy, which comprises three levels as described below, based on the lowest level input that is significant to the fair value measurement as a whole.

3.7.1 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 reflects 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 categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement.

- 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 techniques 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 data, and the unobservable inputs have a significant effect on the asset or liability's valuation. This category includes instruments valued based on quoted

prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between them.

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

The following table summarizes 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 categorized. The amounts are based on the values recognized in the statement of financial position.

	30 June 2025 Carrying amount Birr'000	30 June 2024 Carrying amount Birr'000
Financial assets		
Cash and balances with banks	41,926,074	17,294,778
Loans and advances to customers	98,143,433	81,942,607
Interest-free financing	15,328,042	14,054,933
Investment securities	-	-
Equity Investment	-	-
Amortized Cost	14,081,293	7,929,949
Other asset	10,507,143	4,232,549
Total	**179,985,985**	**125,454,816**
Financial liabilities		
Deposits from customers	173,994,300	115,650,389
Due to other banks	1,201,247	1,511,020
Other liabilities	987,683	1,733,488
Total	**176,183,230**	**118,894,897**

3.7.3 Fair Value Methods and Assumptions

I. Loans and advances to customers

Loans and advances to customers are carried at amortized cost net of provision for impairment. The estimated fair value represents the discounted amount of estimated future cash flows expected to be received. Expected cash flows are discounted at current market rates to determine fair value.

II. Cash

The carrying amount of cash and balances with banks is a reasonable approximation of fair value.

III. Deposit from banks, due to customers and other deposits

The estimated fair value of deposits with no stated maturity, which includes non-interest-bearing deposits, is the amount repayable on demand.

The estimated fair value of fixed interest-bearing deposits not quoted in an active market is based on discounted cash flows using interest rates for new debts with similar remaining maturity.

For those notes where quoted market prices are not available, a discounted cash flow model is used based on a current yield curve appropriate for the remaining term to maturity.

IV. Other Assets

The bulk of these financial assets have short-term (less than 12 months) maturities, and their amounts are a reasonable approximation of fair value.

V. Other Liabilities

The carrying amount of financial liabilities in other liabilities is a reasonable approximation of fair value because these are short-term in nature with a maturity of less than one year.

1.1 Offsetting Financial Assets and Financial Liabilities

There are no offsetting arrangements. Financial assets and liabilities are settled and disclosed on a gross basis.

	30 June 2054 Birr'000	30 June 2024 Birr'000
Income		
Income derived from trade financing	1,007,950	1,238,520
Charges & commissions- local	33,670	548,680
Charges & commissions-foreign	3,150	80,040
Gain on foreign Exchange	30	10
Total IFB Commission Income	580,590	1,410
Total Service Charges & commissions	**1,625,390**	**1,868,660**
Other income	-	-
Total distributable income	-	-
IFB Profit Income-Adjustments	-	
Total income	**1,625,390**	**1,868,660**
Expenses		
Staff salaries and benefits	43,280	44,260
Sharia Advisory Committee fee (if any)	4,190	3,390
Administrative and General expense	18,240	17,390
Other expense/Mud Profit Expense	178,400	183,310
Operating income before tax and provisions	**1,381,280**	**1,620,310**
Total net income before tax	1,381,280	1,620,310
Business profit tax Payable	**414,384**	**486,093**
Net income after tax & provisions	**966,896**	**1,134,217**

	30 June 2025 Birr'000	30 June 2024 Birr'000
ASSET		
Cash on hand	1,162,570	916,120
Receivables	3,302,770	2,947,000
Murabaha financing	11,400,030	11,750,230
Qard (goodly loans)	3,584,020	2,806,450
Less provisions	(318,671)	(358,200)
Other assets	8,146,790	676,010
Total Assets	**27,277,510**	**18,737,610**
LIABILITY		
Current account (Amana Demand Deposit)	3,967,100	2,817,720
Saving accounts (Wadi'a Saving Deposit)	18,057,630	12,510,180
Profit tax payable	-	4,890
Payable to a charity org. for penalty collected	19,910	42,640
Accumulated profit share on trade	4,110	1,320
Other payables	-	220
Unrestricted investment deposit	5,220,960	3,352,840
Profit equalization reserve	5,930	5,930
Investment risk reserve	1,870	1,870
Other liabilities	-	-
Suspense inter-branch accounts	-	-
Total liabilities	**27,277,510**	**18,737,610**
EQUITY		
Owners' Equity	**-**	**-**
Liabilities and Owners' Equity	**27,277,510**	**18,737,610**

		30 June 2025	30 June 2024
		Birr'000	Birr'000
5	**Interest income**		
	Loans and advances to customers	12,977,942	12,538,254
	Interest Income from Michu loan	1,665,048	348,535
	Suspended Interest Income	(126,944)	359,874
	National Bank of Ethiopia bills and bonds	452,912	619,095
	Interest inc. Invest. from DBE Bond	191,458	-
	Open Market Operation (OMO)	6,904	-
	Inter-Bank Money Market	137,827	-
	Due from other banks	300,323	197,248
		15,605,470	**14,063,006**

Michu is the first digital lending platform launched by the Bank. It's designed to provide uncollateralized loans to Micro, Small, and Medium Enterprises (MSMEs), as well as individuals. These loans are primarily uncollateralized and digital lending platforms, enabling access to credit for underserved segments without traditional security requirements.

Suspended interest income or loss is the income and or loss that recognized from Interest suspended in the previous years and regularized in the current year is compared with the current year stage 3 loans interest income recognized net of impairment losses. Then the difference between the two is transferred to “Regulatory Risk Reserve”.

Interest income from DBE Bond represents earnings from the bank’s investment in bonds issued by the Development Bank of Ethiopia (DBE), contributing both to national development goals and to the bank’s overall interest income. In 2024, this income amounted to 110.5 million. Previously, it was reported under 'National Bank of Ethiopia bills and bonds', see note 5.

Interest income from Open Market Operations (OMO) arises from short-term investments—typically with two-week maturities—in government securities offered by the National Bank of Ethiopia as part of its liquidity and monetary policy operations. These investments yield an interest rate of approximately 15%.

Interest income from Due from other banks represents earnings generated from interest-bearing deposits or placements held with other domestic (297.4 million) or foreign banks (2.9 million). These are typically short-term, low-risk investments that provide liquidity management while earning interest at agreed-upon rates, based on prevailing interbank or market rates.

		30 June 2025	30 June 2024
		Birr'000	Birr'000
6	**Interest expense**		
	Interest Exp. on Saving Deposits	3,216,035	3,085,832
	Interest Exp. on Fixed Time Deposits	2,030,601	1,865,215
	Interest Exp. on Borrowings	115,533	473,915
		5,362,169	**5,424,962**

Interest expense represents the cost of funds for the bank; this expense is a direct reflection of our bank's liability management, specifically the interest paid on conventional deposits and borrowings.

		30 June 2025	30 June 2024
		Birr'000	Birr'000
7	**Net Fee and commission income**		
	Fee and commission income		
	Foreign currency transactions	1,928,587	1,201,910
	Letter of guarantee	253,670	250,052
	Loan processing-commitment fee	250,102	39,978
	Profit Income Murabaha Finance	36,817	537,465
	Other commission	222,132	75,896
		2,691,309	**2,105,301**
	Fee and commission expense		
	External Agent Commission Expense	478,466	271,015
	ATM Commission Expense	179,327	49,833
		657,793	**320,848**
	Net Fee and commission income	**2,033,515**	**1,784,453**

Loan processing-commitment fees are charges levied by financial institutions when they process a loan application or commit to providing a loan.

Profit Income Murabaha Finance represents a specific financial product offered by the Bank, Coop Alhuda. It would involve the Bank purchasing an asset and then selling it to a customer at a markup, with the profit going to profit income. The Bank has determined that profit income from Murabaha Finance is material to its financial statements and has therefore been presented separately in the income statement.

'Other commission' income is detailed as follows : Commission on ATM Off Us; 68.5 million, Ft To NBE Charge; 60 million, Billing Credit Information; 27.6 million, Commission from E-TOP; 26.5 million, RTGS Commission Charge; 13.7 million, ATM Card Processing Charge; 7 million, and other commission;18.8million.

External Agent Commission Expense is a type of commission expense that a Bank incurs when it pays a commission to an external agent for services rendered. These agents are typically independent contractors or third-party organizations that help the Bank sell its products or services.

Fees and commissions, which are an integral part of the effective interest rate, form part of net interest income shown in note 2.24.2. Fees and commissions relating to services performed.

In determining the disaggregation of fees and commissions, the bank has considered how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. It has been determined that the above disaggregation by product type provides useful information that does not aggregate items that have substantially different characteristics and is not too detailed.

		30 June 2025 Birr'000	30 June 2024 Birr'000
7.1	**Gain or loss on foreign exchange Income**		
	Gain on foreign currency transactions	18,727,291	1,487,656
	Loss on foreign exchange transactions	19,258,239	1,271,875
	Net foreign exchange Loss	**(530,947)**	**215,782**

The significant growth in net foreign exchange gain and loss for the year primarily reflects the impact of exchange rate movements following the implementation of the National Bank of Ethiopia's Foreign Exchange Directive No. FXD/01/2024, which became effective on 29 July 2024. The Directive introduced a market-based exchange rate regime in Ethiopia, resulting in a material revaluation effect on foreign currency–denominated assets and liabilities.

Given the magnitude and one-off nature of this impact, the Bank has presented the net foreign exchange on the face of the financial statements in 2025 and separately here in the note for clarity and comparability. In prior years, foreign exchange gains and or losses were presented under "Other Operating Income" and "Operating Expenses", respectively. see notes 8 and 11.

		30 June 2025 Birr'000	30 June 2024 Birr'000
8	**Other operating income**		
	Income from murabaha financing	1,587,670	1,238,524
	Dividend income	34,097	26,393
	Gain on disposal of property, plant, and equipment	10,720	14,152
	Other income	62,494	93,299
	Rental income	19,672	8,446
	Telephone, postage, and money bags	137	11
		1,714,790	**1,380,826**

Dividend income comprises returns from the bank's equity investments. During the reporting period, the bank received Birr 21.6 million from Oromia Insurance Company and Birr 12.4 million from EthSwitch.

Rental income is the income that the bank generated/earned from acquired assets and some portion of its fixed assets occupied for its own operational purpose, rather than income generated from Investment Property. Currently, the Bank does not have fixed assets that are separately classified as 'Investment property'.

The bank rental income is generated from various regions, including Oromia, Addis Ababa, In 2025, we collected 11.7 million Birr from Oromia, 7.8 million Birr from Addis Ababa. In 2024, the bank had collected 5.7 million Birr from Oromia, 2.7 million Birr from Addis Ababa, and 63.5 thousand from other.

		30 June 2025	30 June 2024
		Birr'000	Birr'000
9	**Impairment charge**		
	Impairment loss on all charges for the year	293,844	464,258
	Impairment loss on Off-balance sheet	411,723	118,576
		705,566	**582,834**

On the face of SPLOCI, impairment loss comprises charges on all financial assets, including loans, advances, other assets, and off-balance sheet exposures. This year the impairment loss related to off-balance sheet items has been presented together with the impairment loss on loans and other assets, as disclosed in the reconciliation below.

		30 June 2025 Birr'000	30 June 2024 Birr'000
9.1	**Impairment Reconciliation-Expense**		
	Provision as per Prudential		
	Loan and Advance and Other assets- Prudential	1,045,069	(219,743)
	The Net impact/ or the difference between IFRS and Prudential	(339,503)	**802,576**
		705,566	**582,833**
	Impairment Reconciliation - Accumulative/payable		
	i. Provision as per Prudential		
	Loan and Advance	3,177,175	2,152,267
	Other Asset (including off-balance sheet)	1,232,995	466,329
	Sub total	**4,410,170**	**2,618,597**
	ii. Expected Credit Loss (ECL) as per IFRS		
	Loan and Advance	3,439,924	3,111,456
	Other Asset(including Off-balance sheet)	630,743	309,717
		4,070,668	**3,421,173**
	Net impact(i-ii)	**339,503**	**(802,576)**

National Bank of Ethiopia states by its Directive No.SBB/90/2024 “Asset Classification and Provisioning Directive' Article 11.2 'Where the annual (audited financial statements) expected credit losses determined using applicable International Financial Reporting Standards are lower than minimum prudential provisions determined as per this Directive (under sub-article 7.3), the difference shall be treated as an appropriation from retained earnings and placed in a non-distributable reserve.

		30 June 2025	30 June 2024
		Birr'000	Birr'000
10	**Personnel expenses**		
	Salaries and wages	2,657,696	2,451,009
	Staff allowances	322,597	324,863
	Staff Award	6,783	14,113
	Pension costs – Defined contribution plan	289,798	268,193
	Pension costs – Defined Benefit plan	118,828	66,968
	Prepaid staff expenses	64,496	46,151
	Training and Education	215,641	73,710
	Fuel and Representation Allowance	1,574,073	1,228,677
	Other staff expenses	303,409	384,772

For the year ended 30 June 2025	**5,553,321**	**4,858,456**

Fuel and Representation Allowance is a type of allowance provided to employees to cover the costs associated with fuel for transportation and representing the Bank at various managerial positions.

Other staff expense relates to Bonus;324 million, Medical Expense; 82.3 million, Uniform expense; 3.2 million, Contractual staff expense;1.5 million, and Accrued leave reversal(income); 108.1 million.

		30 June 2025	30 June 2024
11	**Operating expenses**	**Birr'000**	**Birr'000**
	Advertisement and publicity	162,093	192,062
	Amortization of leasehold	8,264	7,505
	Audit fee	667	515
	Bank charges	663	187
	Board of directors' remuneration	1,340	1,452
	Cleaning	2,575	1,588
	Data processing	45	488
	Donations	32,005	51,981
	Entertainment	12,907	25,335
	Promotional Gift Items	9,153	-
	Fuel	93,193	66,934
	Insurance	70,445	78,087
	Internet	535,695	230,494
	Legal and professional fee	3,735	5,048
	Movable Collateral Registry	7,609	1,781
	Other operating expense	134,951	91,208
	Outsource Service Expense	726,643	704,408
	Profit Expense Mud Investment	178,401	175,069
	Service Level Agreement	165,894	123,691
	Penalty	22,870	798
	Tax paid on Tax audit	51,260	-
	Per diem	33,461	30,081
	Rent	731,837	735,586
	ATM Machine Space Rent	22,220	11,476
	Finance Cost of rent	15,298	17,832
	Repair and maintenance	280,032	126,336
	Stationeries	120,227	129,790
	General Supply Stock Expense	117,255	70,114
	Subscription and membership fee	191,317	58,518
	Taxes	6,696	4,820
	Telephone and postage	2,569	241
	Transportation	89,911	82,832
	General Assembly	25,306	16,840
	Water and electricity	24,262	19,744
	Consulting fee	145,562	52,974
	Workshop and Conference	48,998	13,083
	Inauguration	-	3,867
	Deposit Insurance	356,157	353,017
		4,431,516	**3,485,781**

Outsource Service Expense represents the costs of payroll incurred by the Bank for hiring an external entity/agent to perform various HR related services, security guards, sanitation/cleaners, messengers, etc.
Workshop and conference expenses are vital for maintaining competitiveness, ensuring regulatory compliance, driving strategic initiatives, and fostering professional development.
Promotional gift item previously it was presented under 'Entertainment'
Profit Expense Mudarabaha Investment represents an expense for Mudarabah profit distribution for Mudarabah Account holders.
Deposit Insurance expense is the expense that banks are required to pay 3 percent of the average deposit of the four quarters outstanding to the depositary fund company. These premiums are a necessary expense to ensure the protection of depositors' funds and maintain financial stability.

		30 June 2025	30 June 2024
		Birr'000	Birr'000
12	**Company income and deferred tax**		
12a	**Current income tax**		
	Company income tax	396,790	706,133
	Deferred income tax/(credit) to profit or loss	18,650	192,898
	Total charge to profit or loss	415,440	899,031
	Total tax in the statement of comprehensive income	**415,440**	**899,031**

The computation of the Bank's income tax expense and deferred tax was carried out in accordance with the Finance Act, IFRS standards, IAS 12 Income tax, and other relevant tax laws. The changes made by the new act were incorporated in the Bank's tax computation, and it is believed by the management of the Bank that there is no uncertainty over its Income and Deferred tax treatment that relevant tax authorities may disagree with.

12b 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 2025	30 June 2024
	Birr'000	Birr'000
Profit before tax	**1,980,152**	**2,514,483**
Add: Disallowed expenses		
Entertainment	12,907	25,335
Promotional Gift Items	6,076	-
Donation	5	847
Legal provision	61,442	(4,524)
General Assembly	25,306	16,840
Penalty	22,870	798
Tax paid on Tax audit	51,260	-
Property Tax	6,696	-
Accrued Leave	(119,727)	(19,263)
Award	-	300

Branch Inauguration	-	3,867
Prepaid staff expense	64,496	46,151
Loss on foreign exchange transactions	530,947	-
Finance Cost /Int. Exp. on Lease Liability	15,298	-
Severance pay	95,445	44,027
Provision for loans and advances as per IFRS	705,566	802,577
Depreciation for accounting purposes	696,301	518,608
Amortization for accounting purposes	93,782	58,943
Total disallowable expenses	**2,268,673**	**1,494,506**
Less: Allowable expenses		
Depreciation and amortization for tax purpose	1,107,056	813,688
Provision for loans and advances for tax NBE 80%	836,055	-
Dividend income is taxed at source	34,097	26,393
Interest on Nostro Accounts	290	135
Interest income taxed at source-NBE Bills	651,274	619,095
Interest income taxed at source-Local Deposit	297,419	195,900
Total allowable expenses	**2,926,192**	**1,655,212**
Taxable profit	**1,322,633**	**2,353,777**
Current tax at 30%	**396,790**	**706,133**

The bank has paid out unused accrued leave to employees who were terminated this year. This resulted in a reduction of the bank's accrued leave liability. Because the bank did not recognize any additional expenses related to this. Instead, the bank recognized the reversal as income.

12c	**Current income tax liability**	**30 June 2025** Birr'000	**30 June 2024** Birr'000
	Balance at the beginning of the year	706,081	792,988
	Charge for the year:	396,790	706,133
	Income tax expense	(706,081)	(792,988)
	Payment during the year	(756)	(52)
	Balance at the end of the year	**396,034**	**706,081**

The current income tax liability represents the estimated amount of income tax payable to the tax authorities for the current reporting period.

12 d Deferred income tax

Deferred income tax is recognized on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred 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 liabilities are generally recognized for all taxable temporary differences.

The following table shows deferred tax recorded in the statement of financial position and charges recorded in the income tax expense.

For the year ended 30 June 2025	30 June 2025 Birr'000	30 June 2024 Birr'000
The analysis of deferred tax assets/(liabilities) is as follows:		
To be recovered after more than 12 months	28,634	13,208
To be recovered within 12 months	(3,475)	(5,779)
	25,159	**7,429**

The movement in the Bank's deferred income tax assets and liabilities during the year is summarized as follows:

I. Deferred Tax Asset

Particular	30-Jun-2025 Birr'000	30-Jun-2024 Birr'000
Deferred tax (liability) asset brought forward	**141,033**	**133,604**
Severance pay - carrying amount	118,828	66,968
Accrued Leave-carrying amount	-	-
Severance pay - tax base-paid	34,965	42,205
Severance pay temporary difference	**83,863**	**24,763**
Deferred tax Asset - Birr of the above line @ 30%	**25,159**	**7,429**
Deferred tax Asset	**166,192**	**141,033**

II. Deferred Tax Liability

Particular	30-Jun-2025 Birr'000	30-Jun-2024 Birr'000
a. PPE		
Deferred tax (liability) asset brought forward	253,431	106,886
Add: Temporary difference	**14,319**	**146,543**
Sub total	**267,750**	**253,431**
Fixed asset - carrying amount Accounting base	6,404,789	5,773,522
Fixed assets - tax base	5,512,289	4,928,752
	892,500	**844,771**
Deferred tax liability - Birr @ 30%	**267,750**	**253,431**
b. Equity Investment		
Deferred tax (liability) asset brought forward	53,784	-
Add: Temporary difference	**29,490**	**53,784**
Deferred tax liability as at June 30,2024,2025	**83,274**	**53,784**
Equity Investment-Fair Value	482,760	333,175
Equity Investment-Carrying Amount	205,179	153,894
	277,581	**179,280**

Deferred tax liability - Birr @ 30%	**83,274**	**53,784**
Total Additional DTL(a+b)	**43,809**	**200,327**
Total DTL	**351,024**	**307,215**

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 2024**	**Prior Year Adjustment**	**Credit/ (charge) to P/L**	**30 June 2025**
		Birr'000		**Birr'000**	**Birr'000**
	Property, plant and equipment	(253,431)	-	(14,319)	(267,750)
	Unrealized fair value gain (loss) on Equity Investment	(53,784)		(29,490)	(83,274)
	Accrued leave provision	62,014	-	(3,475)	58,540
	Post-employment benefit obl.	79,018	-	28,634	107,652
	Total deferred tax assets/(liabilities)	**(166,183)**	**-**	**(18,650)**	**(184,832)**
12e	**Total deferred tax assets**	**141,033**			**166,192**
12f	**Total deferred tax liab.**	**(253,431)**			**(351,024)**
	Deferred income tax assets/(liabilities):	**At 1 July 2023**	**Cr.(charge) to PL**	**Cr.(charge) equity**	**30 June 2024**
		Birr'000	**Birr'000**	**Birr'000**	**Birr'000**
	Property, plant and equipment	(106,889)	-	(146,543)	(253,431)
	Unrealized fair value gain (loss) on Equity Investment	-		(53,784)	(53,784)
	Accrued leave provision	67,794	-	(5,779)	62,014
	Post-employment benefit obl.	65,810	-	13,208	79,018
	Total deferred tax assets/(liabilities)	**26,715**	**-**	**(192,898)**	**(166,183)**
	Total deferred tax assets	**133,604**			**141,033**
12f	**Total deferred tax liab.**	**(106,889)**			**(307,215)**

The Bank's net deferred tax position moved from a liability of Birr 166.2 million to a liability of Birr 184.8 million. This increase was primarily driven by additional temporary differences on property, plant, and equipment, as well as further unrealized fair value losses on equity investments. On the other hand, deferred tax assets increased mainly due to higher recognition of post-employment benefit obligations.

The Bank continues to monitor the recoverability of deferred tax assets, particularly those arising from employee benefit obligations and provisions, and remains confident that sufficient taxable profits will be generated in the future to realize these assets.

		30 June 2025	30 June 2024
		Birr'000	Birr'000
13	**Cash and cash equivalents**		
	Cash on hand	5,184,253	3,991,956
	Deposits with local banks	358,113	629,093
	Deposits with foreign banks	20,848,570	204,102
		26,390,936	**4,825,151**
	Reserve with National Bank of Ethiopia	12,200,000	8,184,988
	Balance held with National Bank of Ethiopia	3,336,963	4,285,336
	Gross Total	**41,927,898**	**17,295,475**
	Less: Loss allowances	(1,825)	(697)
		41,926,073	**17,294,778**

Cash and cash equivalent for the preparation of the statement of cash flows excludes cash collaterals-margin held for letters of credit.

Reserve/Cash held with National Bank of Ethiopia represents the cash ratio and other non-interest-earning current accounts and is based on the value of deposits as adjusted for National Bank's requirements. At 30 June 2025 and 30 June 2024, the cash reserve requirement was 7%, on average in every calendar month. This Reserve, the Mandatory cash reserve, is not available for use in the Bank's day-to-day operations.

'Balance held with National Bank of Ethiopia' represents the bank's balance it maintains in various accounts at the National Bank, such as the 'Payment and Settlement account with NBE'(2024; 2,399 million) and the 'Issue account with NBE'(2024; 937 million). These funds are vital for a bank's daily operations, enabling it to manage its liquidity and facilitate transactions with other financial institutions.

We have reclassified local deposits and treasury bills maturing in three months as cash and bank balances, and the remaining as investment securities.

		30 June 2025	30 June 2024
		Birr'000	Birr'000
13a	**Cash and cash equivalent -current**		
	Cash in hand	5,184,253	3,991,956
	Deposits with local banks	358,113	629,093
	Deposits with foreign banks	20,848,570	204,102
	Balance held with National Bank of Ethiopia	3,336,963	4,285,336
		29,727,898	**9,110,487**

Reserve with National Bank of Ethiopia or the mandatory cash deposit held with the National Bank of Ethiopia, since its non-current or not used in the Bank's day-to-day operation.

		30 June 2025 Birr'000	30 June 2024 Birr'000
14	**Loans and advances to customers**		
	Agriculture	9,424,870	6,637,496
	Manufacturing	19,828,255	15,902,058
	Export	17,322,075	15,728,189
	Merchandise	724,396	1,394,537
	Import	8,715,604	4,875,115
	Domestic trade and service	31,599,106	27,517,943
	Building and construction	4,173,680	3,900,647
	Staff loans	9,640,187	8,945,110
	Gross amount	**101,428,175**	**84,901,097**
	Impairment charge		
	Stage 1 12-month ECL	(1,050,467)	(769,119)
	Stage 2 Lifetime ECL	(35,784)	(63,008)
	Stage 3 Lifetime ECL	(1,977,782)	(1,883,613)
	Suspended Int.IFRS Adjustment	(220,709)	(242,750)
	Net Conventional Loan Balance	**98,143,433**	**81,942,607**

Staff loans are financial arrangements where the bank provides loans to its employees and employees of different institutions and diasporas. These loans include personal/consumer loans, mortgage/housing loans, vehicle loans, and emergency loans. All other types of staff loans, with the exception of emergence loans-zero interest rate, have preferential, below-market-rate interest rates. and its initial and subsequent measurement takes place accordingly, see note 18.

Suspended Int.IFRS Adjustment represents Loss impairment for suspended interest income in a Stage 3 asset (an asset that is considered to be credit-impaired) involves assessing the expected credit losses (ECL) associated with the asset.

Maturity analysis	30 June 2025 Birr'000	30 June 2024 Birr'000
Within 3 Months	7,776,521	9,679,394
3 months to 1 year	28,646,146	20,606,270
1 Year up to 2 years	6,519,602	6,606,741
2 Years up to 3 years	8,788,676	8,912,966
3 years up to 5 years	17,271,828	15,079,318
> 5 years	32,425,402	24,016,409
	101,428,175	**84,901,097**

14a Impairment allowance on loans and advances to customers

The Bank assesses its loan portfolio for expected credit losses (ECL) in line with the requirements of IFRS 9 – Financial Instruments. The allowance for impairment losses reflects the Bank's best estimate of losses that may arise from credit exposures, based on forward-looking information, historical default experience, and credit risk assessments performed on both conventional and Interest-Free Banking (IFB) financing products.

A reconciliation of the allowance for impairment losses by stage is presented below:

i. By class/stage

Specific allowance for impairment	As at 30 June 2025 Birr'000	Charge for the year Birr'000	As at 30 June 2024 Birr'000
- Stage 1 12-month ECL	1,163,754	(306,742)	857,013
- Stage 2 Lifetime ECL	44,715	27,116	71,831
- Stage 3 Lifetime ECL	2,231,455	(48,843)	2,182,613
Total impairment allowance	**3,439,924**	**(328,468)**	**3,111,456**

During the year ended 30 June 2025, the total impairment allowance increased to Birr 3.4 billion (2024: Birr 3.11 billion). The increase was primarily driven by adjustments in Stage 1 exposures, where a release of Birr 306.7 million was recognized due to improved credit quality and lower probability of default estimates on performing loans. Conversely, Stage 2 and Stage 3 exposures reflected modest increases and decreases of Birr 27.1 million and Birr 48.8 million, respectively, mainly attributable to a small number of customers showing elevated credit risk or credit-impairment indicators.

ii. By sector

	As at 30 June 2025 Birr'000	Charge for the 2025 Birr'000	As at 30 June 2024 Birr'000	Charge for the year Birr'000	As at 30 June 2023 Birr'000
Agriculture	304,029	52,152	251,877	131,501	120,376
Manufacturing	734,099	417,835	316,264	105,155	211,109
Export	643,801	(222,476)	866,276	422,793	443,484
Merchandise	5,750	(22,530)	28,280	27,039	1,241
Import	368,779	(49,226)	418,005	162,712	255,293
DTS	1,183,771	103,679	1,080,093	194,518	885,575
Building and Con.	69,321	29,811	39,510	10,369	29,141
Staff loans	130,375	19,223	111,152	60,248	50,903
	3,439,924	**328,468**	**3,111,456**	**1,114,335**	**1,997,122**

The reversals in impairment for Export, Import, and Merchandise sector primarily due to the positive macroeconomic shift found in 2025 and a stronger Cluster 4 FLI outlook. This contrasts with the prior year when elevated risks required higher provisioning.

iii. By type of lending

	As at 30 June 2025	Charge for the year	As at 30 June 2024	Charge for the year	As at 30 June 2023
Term Loan	2,579,224	460,625	2,118,599	517,336	1,601,263
Overdraft	860,701	(132,156)	992,857	596,999	395,858
	3,439,924	**328,468**	**3,111,456**	**1,114,335**	**1,997,122**

Dominance of Term Loan Impairment: The majority of the increase in impairment charges is attributable to term loans because the Bank's credit portfolio is more on term loan.

There has been a consistent rise in impairment charges over the past three years. Unlike in previous periods, however, the bank demonstrated strong performance this year in enhancing asset quality, resulting in a more optimal impairment loss level. In addition, overdrafts recorded a significant reversal, largely driven by favorable macroeconomic conditions.

The Bank continues to apply rigorous credit risk assessment and monitoring processes, supported by stress testing and scenario analysis, to ensure that expected losses are adequately captured in the allowance. Management remains confident that the impairment allowance recognized is appropriate and reflects the credit risk profile of the Bank's loan portfolio as at the reporting date.

	30 June 2025	30 June 2024
	Birr'000	Birr'000
15 Interest free Financing		
Agriculture –IFB	162,437	158,817
Manufacturing -IFB	3,281,911	3,085,968
Export –IFB	4,821,098	3,472,291
Import-IFB	1,098,489	1,040,825
Domestic trade and service -IFB	3,761,847	4,125,520
Building and construction -IFB	1,681,558	1,859,549
Others-IFB	896,593	707,680
	15,703,933	**14,450,650**
Less Collective Impairment		
- Stage 1 12-month ECL	(113,287)	(87,894)
- Stage 2 Lifetime ECL	(8,931)	(8,823)
- Stage 3 Lifetime ECL	(253,674)	(299,000)
Net Interest free Financing	**15,328,042**	**14,054,933**

Maturity analysis	30 June 2025	30 June 2024
	Birr'000	Birr'000
Within 3 Months	1,254,057	2,878,586
3 months up to 1 year	5,287,418	2,332,825
1 Year up to 2 years	2,523,362	2,678,225
2 Years up to 3 years	1,427,023	2,087,977
3 years up to 5 years	3,359,095	2,324,499
> 5 years	1,852,979	2,148,538
	15,703,933	**14,450,650**

	30 June 2025	30 June 2024
	Birr'000	Birr'000
16 Investment securities		
Equity Investments	348,175	239,676
Additional for the year	36,285	60,343
Adjustment	-	-
Revaluation gain or loss	98,300	48,156
	482,760	**348,175**

Incremental equity investment includes an additional investment made in an existing equity via reinvesting dividends and or through subscription and investing in a new company /new investment.

In this year,2024/25, by looking at its performance, the bank has reinvested birr 21.6 million and 14.6 million in Oromia Insurance Company s.c and Ethio Switch s.c., respectively. In aggregate, the bank has invested 36.2 million which is half less than that of last year's birr 60.3 million.

16a. The following are the equity investments of the Bank as at 30 June 2025:

		30 June 2025 Birr'000		
Investee Company	**Percentage holding**	**Cost**	**Revaluation gain/loss**	**Total**
Oromia Insurance Company S.C	5.44%	89,707	30,768	120,475
Gutu Oromia S.C	17.68%	3,500	669	4,169
Elemtu Integrated Milk Industry	7.16%	5,000	8,978	13,978
Eth-Switch Solution S.C	1.76%	45,182	192,144	237,326
Premium Switch Solution (PSS)	1.51%	5,540	7,113	12,653
Bomoj Meat Industry S.C	0.53%	1,722	(104)	1,618
Melba Printing and Publishing S.C	2.53%	10,000	38,241	48,241
Ethiopian Securities Exchange	3.22%	30,000	(700)	29,300
		190,651	**277,108**	**467,760**

		30 June 2024 Birr'000		
Investee Company	**Percentage holding**	**Cost**	**Revaluation gain/loss**	**Total**
Oromia Insurance Company s.c	5.65%	68,060	24,106	92,166
Gutu Oromia s.c.	17.68%	3,500	(1,742)	1,758
Elemtu Integrated Milk Industry	7.16%	5,000	12,677	17,677
Ethio Swich s.c.	1.71%	30,544	123,397	153,941
Premium Switch Solution(PSS)	2.30%	5,540	17,132	22,672
Bomoj Meat Industry s.c.	0.76%	1,250	-	1,250
Melba Printing and Publishing S.C	2.53%	10,000	3,710	13,710
Ethiopian Securities Exch	2.6%	30,000	-	30,000
		153,894	**179,280**	**333,175**

The Bank hold equity investments in Eth-switch of 1.76, Premium Switch Solutions 1.51%, Oromia Insurance Company 5.44%, Gutu Oromia Business 17.68%, Elemtu Integrated Milk Industry 7.16%, Bomoj Meat Industry s.c 0.53%, Melba Printing and Publishing s.c 2.53%, and Ethiopian Securities Exchange 3.22%. These investments are unquoted equity securities measured at fair value through Other comprehensive income (FVOCI).

Equity instruments are instruments that meet the definition of equity from the holder's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets. Equity instruments are measured at FVTPL. However, on initial recognition of an equity investment that is not held for trading, the bank may irrevocably elect for strategic or long-term investment reasons to present subsequent changes in fair value in OCI. This

election is made on an investment-by-investment basis. On the adoption of the standard, the bank designated all of its equity instruments as FVTOCI. Gains and losses on these instruments, including when derecognized/ sold are recorded in OCI and are not subsequently reclassified to the PL.

This fair valuation service is carried out annually by independent valuator PWC, using IFRS 13 Fair value Measurement; principal assumptions and approach. The company has used valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. They have applied level II inputs in determining fair values for the Bank's equity investments.

IFRS 13 defines three valuation techniques: the Market approach, Income approach and the Cost approach. There are various valuation methods under each technique and the appropriateness of the technique and method to use is pegged on reliability and availability of information. We have used the market approach to value the Bank's investee Companies. This was influenced by readily available market information of comparable companies to the investee companies being valued.

Unlike to other investments, a significant increment was observed in Et-Switch 's investment fair value, As evidenced in its annual reports (https://ethswitch.com/annual-report/), the company, Ethi-switch, has demonstrated impressive financial growth across various key performance indicators (KPIs) over the years. This consistent growth suggests a significant increase in the company's fair value, potentially doubling year-over-year. As a result, the investment's fair value is now more than 100% higher than its original investment cost.

16b. Investment accounted for Equity Method

Orologo Prefabricated Factory plc	**30 June 2025**	**30 June 2024**
	Birr'000	**Birr'000**
As the start of the year	15,000	15,000
Additional Investment	-	-
Carrying Amount	**15,000**	**15,000**

The Bank holds a 20% equity interest in Orologo Prefabricated Factory plc, which qualifies as an investment in an associate under IAS 28 and is accounted for using the equity method. Although the Bank has significant influence over the associate through its shareholding and board representation, it does not control the operations of the associate. For the current year (2024; nil), no share of profits or losses has been recognized, as the associate did not generate material earnings attributable to the Bank. Additionally, no transactions occurred between the Bank and the associate, and no dividends were declared or received during the year. Summarized financial information for the associate has not been presented as the associate is immaterial to the bank and is a company that exists in operational difficulty.

17	**Amortized Cost:**	**30 June 2025**	**30 June 2024**
		Birr'000	**Birr'000**
	Renaissance Dam	27,124	25,524
	Treasury bills	-	937,940

Treasury Bond	8,193,859	3,763,804
DBE Bōnd	2,955,543	2,525,731
Deposits with local banks	1,924,039	677,313
Interbank Money Market	980,894	-
Gross amount	**14,081,459**	**7,930,312**
Less: Loss allowances	(165)	(363)
	14,081,293	**7,929,949**

Maturity analysis	**30 June 2025 Birr'000**	**30 June 2024 Birr'000**
Current	1,924,039	937,940
Non-Current	12,157,420	6,992,372
	14,081,459	**7,930,312**

Treasury Bonds and Treasury bills (2025; all settled) are debt securities issued by the National Bank of Ethiopia. These bonds and bills are categorized as amounts held at amortized cost and carried at amortized cost. The weighted average effective interest on government securities at 9% and auction base respectively.

The interbank money market is a crucial segment of the financial system where banks lend and borrow money from each other, typically on a short-term, usually overnight and one week (7 days) maturity basis. It bears a 12%-18% interest rate. It's the primary mechanism through which banks manage their liquidity, meet reserve requirements, smooth out their daily cash flows, and collect income.

The bank pledged Treasury bonds worth 1,938 million birr, DBE Bond which worth 705.3 million birr as collateral for its NBE Issue Account facility or currency that the bank carries in its value on behalf of the NBE.

18 Other assets

	30 June 2025 Birr'000	**30 June 2024 Birr'000**
Financial assets		
Unclarified effects of transfers - Foreign	2,764,231	767,029
Unclarified effects of transfers - Local	58,165	130,550
ATM settlement receivables	56,837	135,651
Money transfer agents	16,117	1,753
Advance on murabaha	119,490	131,636
COOPay Receivable	119,795	157,268
Account receivable	5,419,866	986,771
Telebirr Receivable	2,243,499	2,230,549
Gross amount	**10,798,000**	**4,541,207**
Less: Specific impairment allowance	(628,753)	(308,658)
	10,169,248	**4,232,549**
Non-financial assets		
Repossessed collateral	-	-
Prepaid staff expense	1,111,606	754,973
Prepayment for new branch opening	104,877	134,629
Prepayments	3,255,842	1,816,683
Printing and stationery items	274,132	341,044
General supplies	247,121	215,486
Sundry receivables	26	26

Gross amount	**4,993,606**	**3,262,841**
Net Financial and Non-Financial asset	**15,162,853**	**7,495,391**

	30 June 2025 Birr'000	30 June 2024 Birr'000
Current	14,679,999	7,049,075
Non-Current	1,111,607	754,973
	15,791,606	**7,804,048**

The Prepaid Staff Asset reflects the staff loan (see note 14,) difference between the Bank's provides to its employees, by offering loans and advances at rates lower than the Market Interest rate. This benefit is recorded as a prepaid asset on the bank's balance sheet. And Over time, using the below effective interest rate, the prepaid asset is amortized (spread out) over the loan term, reflecting the gradual use of the loan subsidy.

The market rates are the rates that a walk-in customer can get for the same type of loan in different banks in Ethiopia. The interest rate was derived by computing the weighted average interest rate of loans with similar characteristics to the staff loans and the bank's share of the market. The interest rate of 13.67% was applied as the market interest rate for the types staff loans apart from housing loans which the banks have agreed to be 12% (the rate CBE gives out similar housing loans).

Prepayment represents the advance payment made to vendors for various assets and service level agreements before they are delivered and or installed. The majorities of items enclosed in this categories, prepayment account, are 142.5 million computer and data storage (2024; 224.9 million), 165 million for Furniture and fitting (2024;124.8 million), 58.9 million for office and other equipment(2024; 190.9 million), 603.5 million for land(2024;250) and 606.5 million IT related service level agreement(2024;251.5 million) and others. These prepayment service-level agreements are being amortized as of service delivered and other items will be converted into PPE or its appropriate accounts when its transaction or process is completed accordingly.

'Printing and stationery items represent the costs associated with office supplies, printing services, and other general items used in the day-to-day operations of a bank. These assets are not held for sale but rather to use them in the supply of services. The Bank treats printing and stationery items directly expensing when they're used/issued, without applying complex inventory valuation methods, the LCNRV test. This is because these items are generally and typically consumed quickly, and their individual item value is relatively low. In last years (2023; 126 million), it was presented in total under ‘General supplies. See note 2.15.

18a Impairment allowance on other assets

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

	30 June 2025 Birr'000	30 June 2024 Birr'000
Balance at the beginning of the year	308,658	406,486
Charge for the year	320,095	(97,828)
Balance at the end of the year	**628,753**	**308,658**

				Birr'000	Birr'000
Financial Asset	Bucket	Historical loss rates	LGD	Exposure as at June 30.2024	ECL
Receivables	0-30	0.95%	10%	1,230,180	1,1710
	31-90	8.27%	10.%	368,986	3,053
	91-180	22.28%	10.%	256,897	5,724
	181 - 1 year	85.41%	10.%	57,405	4,903
	Above 1 year	100%	100%	607,259	607,259
	ECL			**2,520,727**	**622,109**

30 June 24

				Birr'000	Birr'000
Financial Asset	Bucket	Historical loss rates	LGD	Exposure as at June 30.2024	ECL
Receivables	0-30	0.55%	10%	6,728	4
	31-90	5.41%	10%	1,851	10
	91-180	20.58%	10%	112,138	2,308
	181 - 1 year	84.93%	10%	3,941	334
	Above 1 year	100%	100%	301,573	301,573
	ECL			**426,231**	**304,229**

Receivables aging is a process used to analyze the age of outstanding suspense accounts. It helps businesses assess the quality of their receivables and identify potential risks of non-payment. The historical loss rate is a key factor in estimating the impairment loss for receivables. It represents the percentage of past-due receivables that have been written off as uncollectible in previous periods. the total estimated impairment loss is 622,109, based on the historical loss rates for each age category (30 June 2024: 304,229).
The above table only shows the receivable aging and other types of impairment loss. we present the result in total with that of receivables.

19	**Intangible Assets: Computer Software**	**Birr'000**
	Cost:	
	As at 30 June 2023	398,472
	As at 1 July 2023	398,472
	Acquisitions	356,983
	Internal development	-
	As at 30 June 2024	**755,455**
	As at 1 July 2024	**755,455**
	Acquisitions	151,719

Internal development	-
As at 30 June 2025	**907,174**
Accumulated amortization	
As at 1 June 2023	**93,466**
As at 1 July 2023	93,466
Amortization for the year	58,942
As at 30 June 2024	**152,408**
As at 1 July 2024	152,408
Amortization for the year	93,782
As at 30 June 2025	**246,190**
Net book value	
As at 30 June 2024	**603,047**
As at 30 June 2025	**660,984**

Intangible assets relate to software that includes banking and other related software.

The bank acquired additional intangible assets worth 151.7 million Birr from worldwide branded software vendors during the reporting period. The bank conducted impairment testing for all intangible assets and found no indications of impairment.

The amortization expense recognized within non-interest expense for the year ended 30 June 2024 was Br. 93,366,299 (2024: Br. 58,942,482). The Bank has intangible assets that are fully amortized worth of Br. 14,537,414 but provide economic benefit to the entity

		Building	Motor vehicles	Office furniture, fittings & equipment	Computer equipment	Construction in progress	Total
		Birr'000	Birr'000	Birr'000	Birr'000	Birr'000	Birr'000
20	**Property, plant and equipment**						
	Cost:						
	As at 1 July 2023	**383,669**	**1,222,906**	**1,592,669**	**1,211,804**	**778,478**	**5,189,526**
	Additions	24,939	458,677	482,155	1,416,364	519,898	2,902,032
	Disposals	(16,190)	(4,557)	(5,143)	(3,561)	-	(29,451)
	Reclassification	-	39,181	4,286	(187,877)	-	(144,410)
	Transfer to Non-Asset Held to Sale	-	(7,657)	-	-	-	(7,657)
	As at 30 June 2024	**392,418**	**1,708,551**	**2,073,966**	**2,436,730**	**1,298,376**	**7,910,040**
	As at 1 July 2024	**392,418**	**1,708,551**	**2,073,966**	**2,436,730**	**1,298,376**	**7,910,040**
	Additions	14,832	214,347	337,518	772,182	1,014,983	2,353,862
	Disposals	(3,621)	-	(11,767)	(12,530)	-	(27,917)
	Reclassification	-	(351)	(136,179)	83,544	-	(52,986)
	Transfer to Non-Asset Held to Sale	-	-	(7,308)	(4,021)	-	(11,328)
	As at 30 June 2025	**403,629**	**1,922,547**	**2,256,231**	**3,275,905**	**2,313,359**	**10,171,671**
	Accumulated depreciation						
	As at 1 July 2023	**(15,122)**	**(290,896)**	**(347,455)**	**(288,179)**	**-**	**(941,652)**
	Charge for the year	(8,136)	(151,896)	(158,416)	(200,160)	-	(518,608)
	Disposals	3,264	3,955	3,212	2,509	-	12,939
	Reclassification	-	-	-	-	-	-

Asset Held to Sale	-	6,132	-	-	-	6,132
As at 30 June 2024	**(19,994)**	**(432,705)**	**(502,660)**	**(485,830)**	**-**	**(1,441,189)**
As at 1 July 2023	**(19,994)**	**(432,705)**	**(502,660)**	**(485,830)**	**-**	**(1,441,189)**
Charge for the year	(8,237)	(156,568)	(204,844)	(326,672)	-	(696,321)
Disposals	-	-	7,134	7,025	-	14,159
Reclassification	-	-	-	-	-	-
Transfer to Non-Asset Held to Sale	-	-	5,215	3,628	-	8,843
As at 30 June 2025	**(28,231)**	**(589,273)**	**(695,154)**	**(801,849)**	**-**	**(2,114,508)**
Net book value						
As at 30 June 2024	**372,423**	**1,275,846**	**1,571,306**	**1,950,900**	**1,298,376**	**6,468,851**
As at 30 June 2025	**375,397**	**1,333,274**	**1,561,076**	**2,474,056**	**2,313,359**	**8,057,163**

Impairment; upon impairment review, the net book value of property, plant and equipment do not exceed its recoverable value as at the end of the reporting period. Thus, the management is of the opinion that allowance for impairment is not required.
Construction in progress represents directly attributable costs related to projects and construction of buildings at Transitional HQ, Nekemte, Woliso, Finfine Tower, Adama, Ambo, Shashamene, Jima, Harar, Kilole and Kazanchis.

Construction in progress includes all direct and indirect expenditures incurred during construction, such as materials, labor, and architectural fees. The asset is not yet in service, and therefore, no depreciation is recorded on it.

20a Non-current assets held for sale

	30 June 2025	30 June 2024
	Birr'000	Birr'000
At 1 July 2024	**424,199**	**37,020**
Additional Acquisitions	219,480	430,947
Disposal/sale-Acquired	(100,261)	(45,292)
Transfer from PPE	2,653	1,525
Disposals from NCAHFS-PPE	(1,761)	(0.4)
Non-current asset held for sale at 30 June 2025	**544,310**	**424,199**

The Bank took over collateral of some defaulters and classified it as a non-current asset held for sale, as the Bank had no intention to make use of the property for administrative purposes. Management initiated a plan to dispose of these assets to willing buyers and expects to have completed the transaction before the end of the next financial period.

The bank determines the fair value for its non-current assets held for sale using the market approach by observable prices from comparable transactions involving similar properties in the market. This included an analysis of recent sales data from the market, as well as

listings of similar assets. Different considerations get into account, such as differences in location, condition, and quality between the comparable assets and the properties held for sale.

The bank's management committed to a plan to sell some assets kept under this category for more than a year. The Bank sold non-current assets held for sale during the year Br. 102,021,768.19 and the remaining assets in this Bank are presented for auction at least once a year.

There is no cumulative income or expenses in OCI relating to assets held for sale.

20b Right-of-use asset and financial lease liability

The Bank leases various properties(buildings) and space for ATM deployment and office purposes and measures under IFRS 16 Lease agreements. The lease terms are between two and 10 years, and the majority of these lease contracts run for a period of 5 and 7 years. Some leases include an option to renew the lease for an additional period at the end of the contract term at the market rate. The renewal term and lease rentals cannot be reliably estimated before the end of a contract. The Bank recognizes a lease liability at the present value of the lease payments that are not paid at that date.

The Bank practices the Incremental Borrowing Rate (IBR) as its a crucial concept in IFRS 16. It's the interest rate a lessee would have to pay to borrow funds to finance an asset similar to the lease's right-of-use (ROU) asset over a similar term and in a similar economic environment. The rates used to compute the present values of building lease liabilities as at 30 June 2025 were 7%. The adjustments occurred due to changes in the Incremental borrowing rate (IBR).

Information about leases for which the Bank is a lease is presented below:

A. Right -of use asset:

	Land Lease hold	ATM	Office Building	Total
Balance at June 2023	**69,122**	**528**	**2,297,000**	**2,297,529**
As at 1 July 2023	**69,122**	**528**	**2,297,000**	**2,297,529**
Depreciation/Amortization	(7,505)	(11,476)	(735,586)	(754,567)
Additions	235,185	53,302	1,095,372	1,383,859
Balance at June 2024	**296,802**	**42,354**	**2,656,787**	**2,995,943**
As at 1 July 2024	296,802	42,354	2,656,787	2,995,943
Depreciation/Amortization	(8,264)	(22,220)	(731,837)	(762,321)
Additions	13,010	15,953	536,967	565,930
Balance at June 2025	**301,548**	**36,087**	**2,461,917**	**2,799,553**

The Bank leases land for the construction of its own office buildings. The land leases typically run for a period of between 60 years and 80 years with majority of the contracts running for a period of 60 and 70 years. These leases include an option to renew the lease.

B. Lease Liability

	ATM	Office Building	Total
Balance at June 2023	**240**	**427,198**	**427,438**
As at 1 July 2023	**240**	**427,198**	**427,438**
Finance cost	(814)	(17,018)	(17,832)
Additions	18,394	85,216	103,610
Payment	-	(13,317)	(13,317)
Balance at June 2024	**17,819**	**482,079**	**499,899**
Balance at July 2024	**17,819**	**482,079**	**499,899**
Finance cost	(5,813)	(9,485)	(15,298)
Additions	5,813	23,936	29,749
Payment	-	(40,527)	(40,527)
Balance at June 2025	**17,819**	**456,002**	**473,823**

Maturity Analysis-Contractual undiscounted cash flows

The Bank leases various properties(buildings) under IFRS 16 Lease agreements. The lease terms are between two and five years, and the majority of these lease agreements are renewable at the end of each lease period at the market rate.

	30 June 2025 Birr'000		30 June 2024 Birr'000	
	Right use of asset	Lease liabilities	Right use of asset	Lease liabilities
Within one year	474,430	12,000	265,715	2,922
After 1 but within 2 yrs	352,549	28,854	153,578	21,469
After 2 but within 5 yrs	1,498,886	405,160	1,861,873	384,601
After 5 years	172,139	27,808	714,776	90,906
Total	**2,498,004**	**473,822**	**2,995,943**	**499,899**

Maturity analysis is also used for subsequent measurements of the right-of-use asset and lease liability.

		30 June 2025 Birr'000	30 June 2024 Birr'000
21	**Deposits from customers**		
	Demand deposits	61,431,245	29,993,241
	Savings deposits	71,792,613	54,443,934
	Time deposits	13,522,344	12,530,063
	Mobile money savings	2,408	2,408
	Conventional Deposit	**146,748,610**	**96,969,646**
	Wadiah demand deposits	3,973,412	2,818,237
	Wadiah savings deposits	22,611,304	15,807,681
	Wadia time deposits	660,974	54,824
	Alhuda Deposit	**27,245,690**	**18,680,742**

Demand deposits represent customers' deposits that do not earn interest and are payable immediately upon request. The weighted average effective interest rate on Savings deposits as at 30 June 2025 was 7% (2024: 7%). The weighted average effective interest rate on Time deposits as at 30 June 2025 was 12.75% (2024:14.1%)

Maturity analysis	**30 June 2025 Birr'000**	**30 June 2024 Birr'000**
Current	65,407,065	32,813,886
Non-Current	108,587,236	82,836,502
	173,994,301	**115,650,388**

		30 June 2025 Birr'000	**30 June 2024 Birr'000**
22	**Due to other banks**		
	Demand deposits	254,298	177,877
	Saving deposits	946,949	1,333,142
		1,201,247	**1,511,020**

		30 June 2025 Birr'000	**30 June 2024 Birr'000**
23	**Borrowing**		
	Borrowing from NBE	-	2,500,000
		-	**2,500,000**

The Bank has successfully settled its borrowing from NBE, and no new borrowing arrangements with the NBE were entered into after the reporting date.

		30 June 2025 Birr'000	**30 June 2024 Birr'000**
24	**Other liabilities**		
	Financial liabilities		
	ATM settlement payable	198,253	52,734
	CTS Settlement account	995	65,858
	Dividend payables	3,958	23,911
	Blocked accounts	13,264	16,840
	Over-the-Counter Cash Payment (OTCP)	-	89
	Exchange payable	58,806	19,882
	Provision for Fidelity Risk	1,322	1,322
	Money transfer agent	84,465	32,821
	Cash payment order payable	300,603	244,723
	Board of directors' remuneration payable	1,571	1,630
	Staff payables	324,457	325,061
	Cash collateral on guarantees	-	405
		987,683	**785,277**

Blocked accounts represent customer accounts on which the court has given an order to be frozen pending the end of litigation.

Provision for Fidelity risk is to cover a loss of property or money as a direct result of a fraudulent act by the employee. NBE requires banks through Directive No.SBB/66/2018 assists a fidelity or appropriate provision for such risk is a minimum standard that banks have to meet to commence operation in a new or relocated branch, sub-branch, upgraded branch, or downgraded branch.

Non-financial liabilities		
Defined contribution liabilities	18,835	15,506
Stamp duty charges	10,934	1,474
Withholding tax payable	6,994	3,206
Interest Tax on Deposits	21,403	31,953
Other tax payable	147,161	52,133
Deferred Income Loan Processing Fee	-	21,594
Deferred Income Guarantee Commission	62,552	38,817
Deferred Income LC Commission	431,985	19,306
Deferred Income- IFB	7,804	7,804
Accrued Leave Payable	87,013	206,743
Sundry payables	1,274,218	1,225,636
Retentions	235,639	37,007
IFB Penalty/Charity Payable	19,915	42,642
Balance Check Line	(194,722)	(172,318)
	2,129,731	**1,531,502**
Gross amount	**3,117,414**	**2,316,780**

Maturity analysis	**30 June 2025**	**30 June 2024**
	Birr'000	**Birr'000**
Current	984,300	1,729,737
Non-Current	2,133,115	587,042
	3,117,414	**2,316,780**

Other Tax payable includes tax on capital gains tax, value-added taxes(VAT), Income tax, Reversal VAT, Technical and related taxes on savings deposits, interest paid, and withholding taxes.

Other Payable/Sundry payables include Overdrawn Nostro, Other Bank Special Clearances, Loan Related Charge Payable, Retentions, Court cases, and other miscellaneous liabilities.

Retentions represent a specified percentage of the total contract value and are held back until the contractor fully completes the project and/or a specific warranty period has passed and relating to the ODBP purchased.

IFB Penalty/Charity Payable represents the amounts collected or set aside under Interest-Free Banking (IFB) operations due to non-compliance with Sharia principles (e.g., late payment penalties or impermissible income). These amounts are not recognized as income but are instead held as a liability to be disbursed for charitable purposes in accordance with Sharia guidelines.

The bank has assumed that Loan processing fees are non-refundable, even if the loan is not ultimately approved or disbursed, as they represent service fees for the evaluation and processing of loan applications. These fees are not contingent upon the loan disbursement

and therefore differ in nature from other commission-based income items, such as guarantee and letter of credit (LC) commissions.

Balance Check Line represents a temporary or control account automatically created by the system when debit and credit entries do not match, representing an abnormal balance.

	30 June 2025	30 June 2024
	Birr'000	Birr'000
Retirement benefit obligations		
Defined benefits liabilities:		
▪ Severance pay (note 25a)	358,840	263,394
Liability in the statement of F/position	**358,840**	**263,394**
Profit or Loss charge included in personnel expenses:		
▪ Severance pay (note 25a)	80,654	76,125
Total defined benefit expenses	**80,654**	**76,125**
Re-measurements for:		
▪ Severance pay (note 25a)	38,174	(9,157)
	38,174	**(9,157)**

The Profit or Loss charge included within personnel expenses includes current service cost, interest cost, and past service costs on the defined benefit schemes.

Maturity analysis	30 June 2025	30 June 2024
	Birr'000	Birr'000
Current	80,654	76,125
Non-Current	278,186	187,269
	358,840	**263,394**

25a Severance pay

The Bank operates an unfunded severance pay plan for its employees who have served the Bank for 5 years or above and are below the retirement age (i.e. have not met the requirement to access the pension fund). The final pay-out is determined by reference to the 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.

The purpose of the valuation is to update the Bank's liabilities since the previous valuation in respect of benefits provided to employees on leaving the Bank.

To assess the liabilities of the Bank, an attempt is made as far as possible to arrive at realistic long-term assumptions. A number of factors are considered, which are interrelated, often to such an extent that individual elements cannot be considered in isolation. It's calculated annually by independent actuaries, QED actuaries & consultants, using the projected unit credit method. The duration of the liabilities, on which the assumptions have been set, was calculated to be 6 years on the current valuation assumptions and data.

The severance benefits are based on statutory severance benefits in Ethiopia. The statutory severance benefits are set out in Labour Proclamation No. 1156/2019. See note 2.19:

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

		30 June 2025 Birr'000	30 June 2024 Birr'000
A	**Liability recognized in the financial position**	358,840	263,394

The past service liability (the liability which has accrued in respect of service to the valuation date for the current employees) for the active members is calculated by projecting all expected future cash flows based on service to the valuation date and discounting these at the assumed discount rate allowing for possible reasons of exit from the Bank, such as retirement and death.

There are no separate assets held which are creditor remote and are held in the name of a separate legal entity to the Bank set aside to fund the Benefits. Therefore not included any assets in the valuation.

		30 June 2025 Birr'000	30 June 2024 Birr'000
B	**Amount recognized in the profit or loss**		
	Current service cost	27,589	27,806
	Interest cost	53,065	48,319
		80,654	**76,125**

The Current Service Cost represents the cost of one additional period of service for current eligible employees.

The Interest Cost reflects the reducing discounting period from one year to the next (i.e. the unwinding of the discount rate over time). This is restated for actual benefit payments.

C	**Amount recognized in other comprehensive income:**		
	Actuarial (Gains)/Losses on demographic assumptions		
	Actuarial (Gains)/Losses on economic assumptions	50,038	8,122
	Actuarial (Gains)/Losses on experience	(11,864)	(17,279)
		38,174	**(9,157)**

Actuarial gains and losses arise when actual experience differs from the assumptions made at the previous valuation (e.g. salary increases higher than those assumed will lead to an actuarial loss).

The total loss to be recognized for the year ending 30 June 2025 was calculated to be ETB 38,174 as shown in the table above.

D Change in the present value of the defined benefit obligation

The table below sets out the reconciliation of the liability to be recognized in the Statement of Financial Position;

	30 June 2025 Birr'000	30 June 2024 Birr'000
At the beginning of the year	263,394	219,367
Current service cost	27,589	27,806
Interest cost	53,065	48,319

Bank Paid Benefits	(23,383)	(22,941)
Re-measurement (gains)/ losses	38,174	(9,157)
At the end of the year	**358,840**	**263,394**

The significant actuarial assumptions were as follows:
Valuation assumptions can be split into two broad groups, namely financial and demographic assumptions.

Financial assumptions are those that affect the amount of the benefit payments (e.g. increases in salary and the discount rate) while demographic assumptions are those that affect the expected timing of the benefit payments (e.g. resignation or mortality rates).

A Financial Assumption Long Term Average

	30 June 2025 Birr'000	30 June 2024 Birr'000
Discount Rate	14.00%	19.00%
Long-term salary increases	14.20%	16.60%

IAS19 requires that the discount rate be set based on the yields of appropriate term high-quality corporate bonds. If no deep market in such bonds is available, accounting standards require that the yield on government bonds of appropriate term be applied in the setting of this assumption.

Currently, in Ethiopia, there is neither a deep market in corporate nor government bonds. There have been auctions of short-term treasury bills since 2019, although we note that the longest-dated treasury bill is only 180 days. This is significantly shorter than the duration of the liabilities.

For previous valuations, we have used the yields derived from the zero-coupon government bond yield curves in Kenya, as published by the Nairobi Stock Exchange.

We have obtained the country risk premium for Kenya and Ethiopia from Damodaran Online, which is a widely used source for relative risk premia. The relative country risk premia for Kenya and Ethiopia (relative to the USA) are as follows:

Ethiopia Country Risk Premium	Kenya Country Risk Premium	Difference
12.01%	10.01%	2.01%

Combining the country risk premium and the yields on Kenyan government bonds results in a set of discount rates that are based on Kenyan bonds but adjusted to allow for the relative differences in risk and inflation between the two countries.

The resulting discount rate was rounded to the nearest 0.1%.

B. Mortality in Service

The rate of mortality assumed for employees is those published in the Demographic and Health Survey ("DHS") 2016 report compiled by the CSA. The DHS report provides male and female mortality rates for 5-year age bands from age 15 to age 49. For ages over 47 we have assumed

that mortality will be in line with the SA85/90 ultimate standard South African mortality tables published by the Actuarial Society of South Africa ("ASSA"), since the rates in these tables are similar to the DHS female mortality rate at age 47.

No more recent or credible Ethiopian-based adult mortality studies are available, so we have maintained the DHS 2016 table.

These rates combined are approximately summarized as follows:

Mortality rate		
Age	**Males**	**Females**
20	0.00306	0.00223
25	0.00303	0.00228
30	0.00355	0.00314
35	0.00405	0.00279
40	0.00515	0.00319
45	0.0045	0.00428
50	0.00628	0.00628
55	0.00979	0.00979
60	0.01536	0.01536

No explicit additional assumptions on costs or mortality due to AIDS was made in the valuation. Theoretically, increased mortality rates would reduce the employer's liability.

C. Withdrawal from Service

The withdrawal rates are believed to be reasonably representative of the Ethiopian experience. The valuation assumed a rate of withdrawal of 15% at the youngest ages, falling with increasing age to 2.5% at age 45.

The sensitivity of the main results to changes in the principal assumptions, Discount, and Salary Increase rate has been calculated. The changes in the Defined Benefit Obligation are reflected below;

Impact on defined benefit obligation			**Impact on defined benefit obligation**	
	30 June 2025		**30 June 2024**	
Change in assumption	Impact of an increase	Impact of a decrease	Impact of an increase	Impact of a decrease
	Birr'000	**Birr'000**	**Birr'000**	**Birr'000**
Discount rate;1%	337,913	381,262	250,048	277,574

Impact on current service cost			**Impact on current service cost**	
Change in assumption	**30 June 2025**		**30 June 2024**	
	Impact of an increase	Impact of a decrease	Impact of an increase	Impact of a decrease
	Birr'000	**Birr'000**	**Birr'000**	**Birr'000**

Salary increase:1 %	381,020	337,770	277,748	249,668

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognized within the statement of financial position.

D. Projected/Budgeted Movements

D1. The tables below summarize the expected disclosure elements for the year ending 30 June 2026 for budgeting purposes:

Projected Defined Benefit Obligation	**30 June 2026 ETB'000**
Defined Benefit Obligation at the beginning of the period	358,839
Current Service Cost (excluding interest)	35,471
Benefit payments	(42,573)
Interest Cost	52,223
Expected Defined Benefit Obligation at the end of the period	**403,960**

D2. The related expected expense to be recognized in the Profit & Loss for the next year is estimated to be as follows:

Projected amount in Profit & Loss	**30 June 2026 ETB'000**
Gross service cost	35,471
Interest Cost on DBO	52,223
Projected expense/(income) to be recognized	**87,694**

D3. The projected benefit payments for the next 5 years have been estimated as follows:

Projected benefit payments	**ETB'000**
Year ending 30 June 2026	(42,573)
Year ending 30 June 2027	(50,910)
Year ending 30 June 2028	(64,771)
Year ending 30 June 2029	(73,759)
Year ending 30 June 2030	(80,028)
Total projected benefit payments over 5 years	**(312,041)**

The increasing amounts of projected payments suggest that the cost of providing DBO benefits is rising, potentially due to factors such as increased life expectancy, higher salaries, higher inflation rate, discount rate, or changes in investment returns. The substantial total projected payments indicate a significant financial burden on the Bank.

26 Share Capital

	30 June 2025 Birr'000	30 June 2024 Birr'000
Authorized:		
Ordinary shares-par value of Birr 100 each	13,000,000	13,000,000
Issued and fully paid:		
Ordinary shares- par value of Birr 100 each	**11,865,240**	**11,160,763**
Reconciliation;		
Beginning	**11,160,763**	**10,016,082**
Number of shares purchased by Cash	200,106	474,936
Number of shares purchased by Dividend	504,372	669,745
Number of shares outstanding as at the end of the period	**11,865,240**	**11,160,763**

27 Share Premium

	30 June 2025 Birr'000	30 June 2024 Birr'000
At the beginning of the year	8,672	8,672
Addition, during the year	-	-
	8,672	**8,672**

28 Earnings per share

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

	30 June 2025 Birr'000	30 June 2024 Birr'000
Profit attributable to shareholders	1,564,712	1,615,452
Weighted av. No. of ordinary shares in issue	114,664	104,710
Basic & diluted earnings per share (Birr)	**14**	**15**

Weighted average number of ordinary shares in issue It represents the average number of ordinary shares outstanding during a specific period, taking into account any changes in the number of shares due to events like share splits, share dividends, or share repurchases.

Diluted EPS is a financial metric that calculates a company's earnings per share assuming that all dilutive securities, the bank has no such securities, there is no dilution effect, and the basic EPS will remain unchanged, its basic EPS and diluted EPS will be the same. Since there are no dilutive securities to consider, the weighted average ordinary shares outstanding will remain the same, and the resulting EPS will accurately reflect the bank's earnings per share.

29 Retained Earnings

	30 June 2025 Birr'000	30 June 2024 Birr'000
At the beginning of the year	850,086	1,295,485
Profit/ (Loss) for the year	1,564,712	1,615,452
Director's share of profit	(1,560)	(1,630)
Transfer to Legal reserve	(306,302)	(403,863)
Transfer to Regulatory Risk reserve	(212,559)	(359,874)

Transfer to Dividend payable	(850,086)	(1,295,485)
At the end of the year	**1,044,291**	**850,085**

Retained earnings represent the accumulated net profits of the Bank after accounting for all mandatory deductions in line with the regulatory/directives of the NBE and IFRS standards, and it's the portion available for distribution to shareholders as dividends, subject to approval by the General Assembly. Once dividends are formally declared by shareholders at the General Assembly, the respective amount is reclassified from retained earnings to dividend payable, with settlement taking place in the subsequent financial period.

30 Legal Reserve

	30 June 2025 Birr'000	30 June 2024 Birr'000
At the beginning of the year	2,810,049	2,406,186
Transfer from profit or loss	306,302	403,863
At the end of the year	**3,116,351**	**2,810,049**

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

31 Regulatory Risk Reserve

	30 June 2025 Birr'000	30 June 2024 Birr'000
At the beginning of the year	1,110,632	1,143,592
Transfer from Retained Earnings	212,559	359,874
Revaluation Gain-Equity Investment	98,300	48,156
Reversal of Regulatory Risk reserve	-	(440,990)
At the end of the year	**1,421,491**	**1,110,632**

The Regulatory risk reserve is a non-distributable reserve 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 less than the loan loss impairment determined using the incurred loss model under IFRS, the difference is transferred from the regulatory risk reserve to the retained earnings to the extent of the non-distributable reserve previously recognized.

Interest suspended in the previous years and regularized in the current year is compared with the current year stage 3 loans interest income recognized net of impairment losses. The difference between the two is transferred to the "regulatory risk reserve".

Where Revaluation gain on an equity investment (2025;97.8 million) occurs when the fair value of the investment increases above its carrying amount (the cost at which it was initially recorded). This gain is recognized in equity rather than as income.

32 Donated Capital

	30 June 2025	30 June 2024
	Birr'000	Birr'000
At the beginning of the year	3,932	3,932
	3,932	**3,932**

Cooperative Bank of Oromia S.C

The bank received a capital reserve in the form of a donation from the Regional Government of Oromia during its establishment, with no restrictions on its utilization. This donation was provided in support of the bank's mission to serve the rural population, particularly farmers, cooperatives, unions, small businesses, and communities that have been excluded from financial services.

33 Cash generated from operating activities

	Notes	30 June 2025 Birr'000	30 June 2024 Birr'000
Profit before income tax		**1,980,152**	**2,514,483**
Adjustments for non-cash items:			
Net gain/(loss) on foreign exchange			
Depreciation of property, plant, and equipment	20	696,321	518,608
Amortization of intangible assets	19	93,782	58,942
Net gain/Loss on disposal of PPE(net)	8	(10,720)	(14,152)
Impairment on loans and receivables	9	705,566	582,834
Reversal of accumulated Impairment of PPE	9	-	-
Differed Tax	12	18,650	(166,183)
Suspended Interest Income	5	(212,559)	(359,874)
Amortization of Right-Use Asset	20b	762,321	754,567
Dividend income	5	(34,097)	(26,393)
Adjustment on property, plant, and Equipment	20	55,471	200,589
Interest on lease liability	11	15,298	17,832
Retirement benefit obligations	25	118,828	66,968
Changes in working capital:			
-Decrease/ (Increase) in loans and advances	14	(16,527,077)	591,723
-Decrease/ (Increase) in interest-free financing	15	(1,253,283)	1,969,886
-Decrease/ (Increase) in other assets	18	(7,987,558)	785,291
-Decrease/ (Increase) NCAHFS	20a	(120,111)	(387,180)
-Decrease/Increase in Customers' deposits	21	58,343,913	2,303,047
-Decrease/Increase due to other banks	22	(309,773)	(657,667)
-Increase/ (Decrease) in other liabilities	24	800,636)	(2,153,681)
		37,135,761	**6,599,640**

34. Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise influence over the other party in making financial and operational decisions, or if one party controls both. The definition includes Influential shareholders; Cooperative-unions,

primary cooperatives, federations, and Individual persons/or private companies and Associates, as well as key management personnel.

A related party transaction is a transfer of resources, services or obligations between a reporting entity or the bank in our case and a related party, regardless of whether a price is charged. CBO is largely owned by cooperatives with primary cooperatives having 19.6%(30, June 2024:19%), Cooperatives union 28.5%(30, June 2024:29%), Cooperatives federation 4.6%(30,June 2024:4.5%), and Non-cooperatives; organizations and associations 9.8%(30,June 2024:10%) and individuals 37.5%(30,June 2024:37.5%). The bank has entered into a number of transactions with related parties as at 30 June 2025.

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

34a Transactions with related parties

	2025		
	Term-Outstanding Birr'000	OD-Utilized Birr'000	Secured Value Birr'000
Chief Executives & BoD	189,650	99,590	219,649
Cooperative Union	1,134,540	662,949	798,054
Primary Cooperative	-	-	-
Federation	-	-	-
Individuals, Influential share holder	2,169,746	63,020	1,267,898
	3,493,935	**825,559**	**2,285,601**

	2024		
	Term-Outstanding Birr'000	OD-Utilized Birr'000	Secured Value Birr'000
Executive Management	143,061	241,710	323,065
Cooperative Union	5,458,864	1,132,725	3,794,095
Primary Cooperative	859,451	-	419,667
Federation	430,133	-	265,289
Individuals, Influential share. holder	293,651	48,036	383,274
	7,185,161	**1,422,471**	**5,185,391**

As part of its compensation and benefits arrangements, the Bank has extended loans and advances to its key management personnel at preferential interest rates ranging from 0% to 9.5%. To safeguard against credit risk, 75.9% of these loans are secured by collateral, primarily residential houses and motor vehicles. The repayment performance of these loans is assessed as normal/performing, with all contractual payments made on schedule.

For other related parties—including cooperative unions, individual shareholders, and private company shareholders—the Bank has not granted any preferential or favorable treatment. All loans and advances extended to these parties are subject to the Bank's standard underwriting criteria, carry market interest rates between 10% and 21.5%, and follow repayment schedules

aligned with the nature of the underlying business, typically on a quarterly to annual basis. These exposures are also classified as performing or pass. The loans are collateralized by a combination of various assets: Commercial building, Factory, Motor Vehicle, Inventories, Warehouse, and the financed project itself. No bank's share is pledged as collateral.

This year Primary Cooperatives and Federations are not considered related parties of the Bank.

This year, Primary Cooperatives and Federations are not considered related parties of the Bank bank's share is pledged as collateral. It should be noted that the mortgage loan granted to some of the Board of Directors was provided before the issuance of the Commercial Code Proclamation No. 1243/2021.

34b 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 below.

	30 June 2025	30 June 2024
	Birr'000	Birr'000
Salaries and other short-term employee benefits	46,373	35,747
Defined Benefit Obligations	7,980	8,658
Defined contribution plan	4,065	3,310
Representation allowance	-	1,800
	58,418	**49,515**

Compensation of the Bank's key management personnel includes salaries and in kind/non-cash benefits. Breakdown of short-term employee benefits: This could include salaries, allowances, bonuses, allowances, and other short-term perks.

34c Board of Directors compensation

The Bank provides monthly allowances and annual compensation fee for each member of board of directors of the bank per the prevailing direction from the National Bank of Ethiopia on same.

	30 June 2025	30 June 2024
	Birr'000	Birr'000
Board of directors' remun./profit sharing.	1,560	1,630
Transportation allowance	1,340	1,452
	2,900	**3,082**

The board of directors' compensation-profit sharing is calculated and paid based on the percentage of attending the meeting or participation on the board of directors meeting relating to governing the bank as of the governing policy, whereas the transportation allowance is paid straight-forward monthly.

All such transactions with all related parties are conducted on an arm 's-length basis and are subject to the same rigorous underwriting standards, pricing policies, and approval procedures as those applied to non-related parties.

35. Contingent liabilities

Litigation is inherent to the banking industry, and the Bank has established formal protocols and legal processes for addressing legal claims. In determining whether provisions or disclosures are required, the Directors rely on the best legal expertise's opinion and or information and assess the probability of an adverse outcome. Based on legal counsel's guidance, cases are categorized as Probable, Possible, or Remote: provisions are recognized for probable cases, disclosures are made for possible cases, and no action is required for remote cases. This structured approach ensures that the Bank's financial statements appropriately and transparently reflect potential legal exposures.

35a. Claims and litigation

The Bank is a party to numerous legal actions brought by different organizations and individuals arising from its normal business operations. The maximum potential exposure of the Bank to these legal cases as at June 30, 2025, is Birr 816.8 million and as at June 30, 2024, was Birr 901 million. A provision has been recognized in the financial statements totaling Birr 62.4 million as at June 30, 2025, and Birr 1.13 million as at June 30, 2024.

The bank had several unresolved legal and tax claims arising in the ordinary course of business at the year-end. The unresolved tax claims and legal disputes are individually evaluated at the year-end for potential losses to the bank. Where necessary, the directors seek independent legal advice on the significant unresolved tax claims and legal matters. Based on the information available at the approval of these financial statements, the directors believe the ultimate resolution of the unresolved tax claims and legal proceedings will not have a material effect on the bank's operations.

35b Contingent Assets

The Bank is a party to numerous legal actions initiated by the Bank against different organizations, current and former employees of the Bank, and individuals arising from its normal business operations. The matter has been referred to the court and, having received legal advice, the directors believe that a favorable outcome is probable. The maximum amount expected from these cases as at June 30, 2025 is birr 92.6 million, and as at June 30, 2024, is birr 102.4 million. However, this has not been recognized as a receivable at the year-end as receipt of the amount is dependent on the outcome of the court processes.

35c. Guarantees and Letters of Credit

To meet the financial needs of customers, the Bank enters into various irrevocable commitments and contingent liabilities. These consist of financial guarantees, letters of credit and other commitments to lending. Even though these obligations may not be recognized on the statement of financial position, they contain credit risk and, therefore, form part of the overall risk of the Bank.

The Bank conducts business involving performance bonds and guarantees. These instruments are given as 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, these instruments' cash requirements are expected to be below their nominal amounts.

The table below summarizes the amount of contingent liabilities for the accounts of customers:

Particular	30 June 2025	30 June 2024
	Birr'000	Birr'000
Guarantees issued	663,761	763,118
Letters of Credit	8,832,085	98,392
Total	**9,495,846**	**861,510**

Guarantees are generally written by a bank to support the performance by a customer to third parties. The Bank will only be required to meet these obligations in the event of the customer's default.
Letters of credit commit the Bank to make payment to third parties, on production of documents which are subsequently reimbursed by customers.

"Herewith presented guarantee types are limited to exposures or guarantees that have a financial asset nature. These include guarantees for supplier credit and customs duties." and net of LC margin, Letter of Credit and their impairment assessment is conducted as per IFRS standard requirement and the bank's business model.

36 Commitments

Loan Commitments are legally binding agreements between a lender and a borrower that outline the terms and conditions under which the lender will provide a loan to the borrower.

The Bank has commitments (for undrawn overdrafts and loans approved but not yet disbursed) of Br. 617.2 million, Br. 3,212 million, and Br. 6,757 million, not provided for in these financial statements as of June 30, 2025, June 30, 2024, and June 30, 2023, respectively.

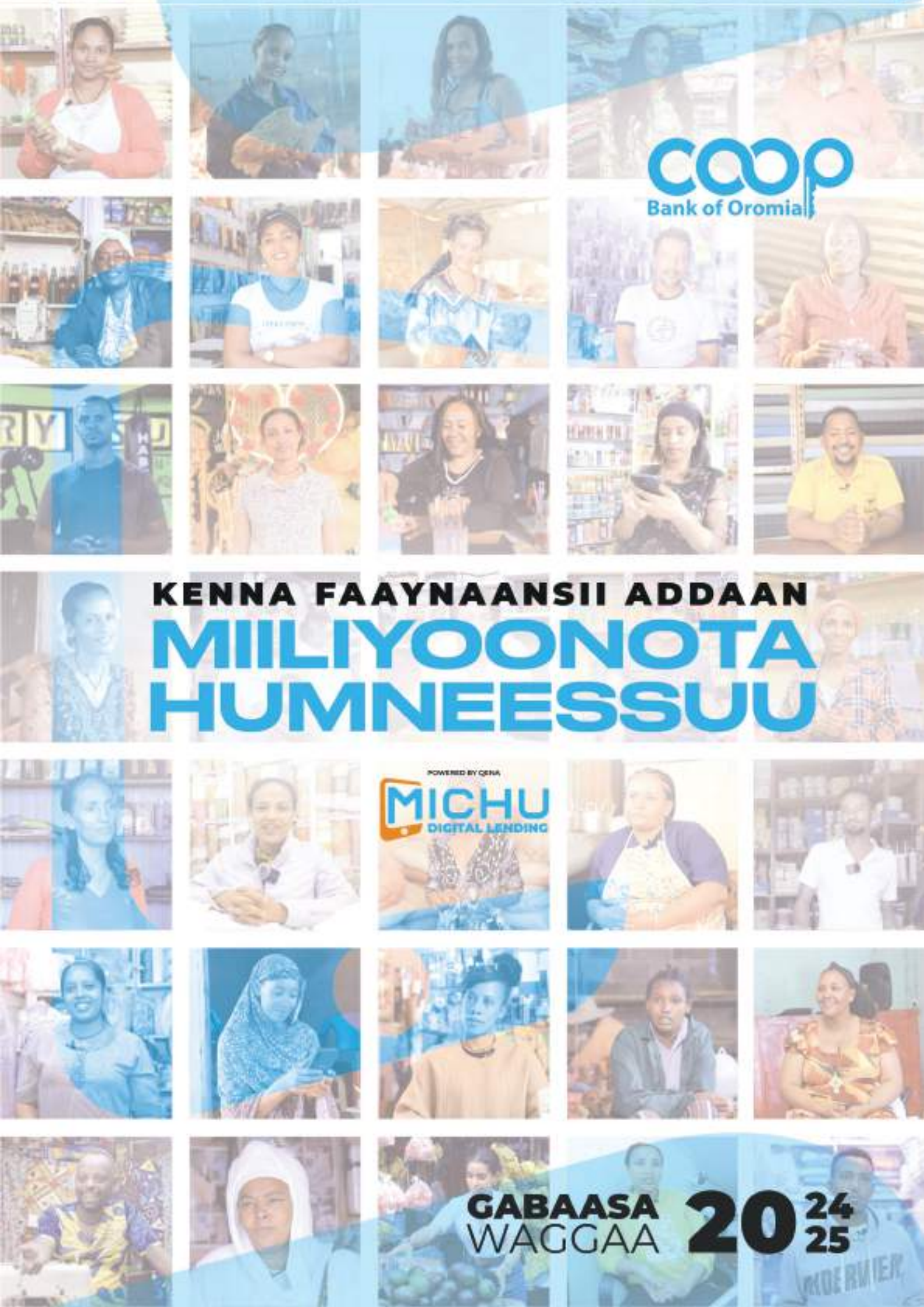
The Bank confirms that, apart from these loan commitments, it does not have any other significant commitments that would require disclosure at the reporting date.

37 Events after the reporting period

The Bank has evaluated subsequent events occurring after the reporting date up to the date when the financial statements were authorized for issue. Based on this review, no material events have occurred that would require adjustment to, or disclosure in, these financial statements. Any non-adjusting events that arose after the reporting date have been assessed and, where relevant, appropriate disclosures have been made to ensure transparency.

38 Date of Authorization

These financial statements are authorized for issue by the Board of Directors of the Bank on October 31, 2025.


coop
Bank of Oromia
KENNA FAAYNAANSII ADDAAN
MILIYOONOTA
HUMNEESSUU
POWERED BY QENA
MICHU
DIGITAL LENDING
GABAASA
WAGGAA
2024
25

Gabatee Firii

2025

Qabeenya Waliigalaa

Qar. Bil. 197.35

Baay'ina Herreegaa

Herreega Mil. 14.74

Kaappitaala Waliigalaa

Qar. Bil. 17.45

Liqii

Qar. Bil. 117.13

Baay'ina Hojjattootaa

15,011

7,505 Dhaabbataa

Kooppeey I-Birri

Daldaltoota	Fayyadamtoota
207K	17.8M

MICHU DIGITAL LENDING

Herreega	Liqii Kenname
1.5M	21.76B

Bu'aa Gibira Duraa

(Qarshii Biiliyoonaan)

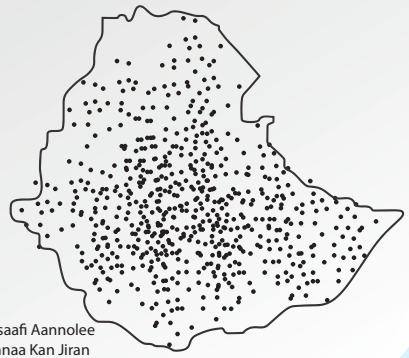
2

ATMs	ATM Ammayyaa (CRMs
180	600

Bu'aa Gatii Aksiyoona Tokkoo 14%

Baay'ina Dameelee

753



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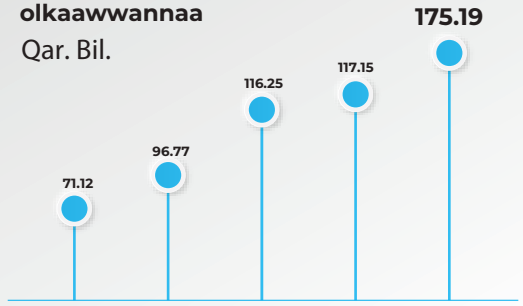
Magaalota Giddugaleessaafi Aannolee Baadiyyaattitajaajila Kennaa Kan Jiran

Maallaqa olkaawwannaa

Qar. Bil.



GABAASA

KANA KEESSATTI

Ergaa Dura Teessuu Boordii Daayrektarootaa 01

Ergaa Hoiji Raawwachiisaa Olaanaa 04

Daayrektaroota Boordii 07

Maanaajiimantii "C- Suit' 08

Maanaajimantii Olaanaa 09

Olkaawwannaa 10

Daldala Idil-addunyaa 11

Liqii Maamiltootaa 12

Bu'aa 13

Liqii Dijitaalawaa Michuu 14

Herreega Olkaawwannaa 16

Nama Keenya 17

Ce'umsa Gara Dijitaalawaa, Baankichaa 18

Ejjannoo Gama Uumama Naannoo, Hawaasummaa fi Bulchiinsaa (ESG) 19

Gabaasa TBDhB 23

Ergaa Koree Gorsituu Dhimma Shari'aa 24

Olkaawwannaa TBDhB 25

Herreega Olkaawwannaa TBDhB 26

Tajaajila Faaynaansii TBDhB 27

Galii Raawwii Hojii TBDhB 28

Ergaa Dura

Teessuu Boordii

Baankiin Hojii Gamtaa Oromiyaa Adeemsa Dijitaalawaa dursuu itti fufuun kalaqarratti xiyyeeffachuunii fi itti quufiinsa maamilaa dabaluun haala addaatiin gabaa keessatti mul'achaa jira.

Maskaram Dabbabaa
Dura Teessuu Boordii Daayrektarootaa

Ergaa Dura Teessuu Boordii

Kabajamtoota abbootii aksiyoonaa fi gahee qabeessota, Boordii Daayrektarootaa bakka bu'uun firiiwwan sochii hojii keenyaa kan bara bajataa Waxabajjii 30, 2025 xumuramu yommuun isinii dhiheessu, gammachuutu natti dhaga'ama. Barichi qormaatawwan alaa gurguddoon kan itti mul'atan haa ta'uu malee, haala jirutti madaquun, xiyyeeffannoo fi ciminaan hojjachuun, gahee qabeessotaaf qabatamaan faayidaa argamsiisuu itti fufnee jirra.

Bara bajataa 2024/25 keessatti, diinagdeen addunyaa guddina giddugaleessaa fi garaagarummaa qabu dhiibbaawwan gaaga'ama kana duraa fi adeemsa sirreeffamaa itti jiramu calaqqisu, agarsiiseera. Akkaataa Dhaabbata Maallaqa Addunyaa (IMF), galiin oomisha addunyaa dhibbentaa 3.2n akka guddatu tilmaamamee ture, iddoowwan tokko tokkootti dandamannaa waljalaa mul'ateen deeggaramus danqaawwan ciccimoon qorameera. Godaannisni waldhabbiin biyyoota gidduu, diinagdee irra geessisuu fi seeronni jijjiiraman, invastimantii fi adeemsa daldalaa irratti yommuu dhiibbaa qabaatan, liqiin biyyoota galii gadi aanoo fi giddugaleessaa olka'uu itti fufuun, hoormaa uumee jira. Dhiibbaawwan gadi bu'iinsa gatii maallaqaa sababa normaalaayzeeshinii fi daballii taarifaatiin olka'aa deemee jira. Haaluma walfakkaatuun, rogadhabuun gabaa faaynaansii, jijjiirama gatii qabeenya hin tasgabboofne dabalatu, dhimmi xiyyeeffannoo guddaa barbaadu ta'uu agarsiisa. Haata'uutii qaroominni gama artifishaal Intalajansii(AI) waliigaltee daldalaaf ooluuni fi gama caaseffama diinagdeewwan guddachaa jiranii fooyyessi taasifame, oomishtummaa guddisuu, haala mijaawaa uumuuni fi guddina waara'aa sadarkaa addunyaatti fiduuf carraa qabatamaa uumee jira.

Yeroo gabaasaa kanatti, diinagdeen Itoophiyaa ce'umsa murteessaa ta'e, tarkaanfiiwwan gabaa bilisoomsuu adeemaa jiranii fi fooyyeeffama jijjiirraa gatii maallaqa alaa, fooyyeffama ajandaa biyya keessaa madde, moodeela (HGER 1.0) guddina gabaa irratti hundaa'ee, sektara dhuunfaan durfamu keessa jira. Fooyyeffama sektaroota murteessoo baankii,telekom-iyunikeeshinii fi daldala keessatti qaama alaa hirmaa-chisuu dabalatee, invastimantii alaa guddaa hawwach-uun kutannoon itti deemamaa jiruun deeggaramuun, diinagdeen dhibbentaa 8.8 guddateera. Gabaan Sekiyuritii Itoophiyaa(ESX) Amajjii 2025 hojii jalqabuun, carraa invastimantii caalaatti yommuu bal'isu, murteen gadi bu'iinsa gatiin Qarshii Adoolessa 2024 fudhatame,gatii jijjiirraa seera qabeessaa fi kaan gidduu garaagarummaa jiru dhiphisuun, argama sharafa alaa fooyyessuun, gatii jijjiirraa gabaan murtaa'uun, dorgomtummaa al-ergii dabaleera.

Sochiin kun bu'aa qabeessummaa olaanaa fi dorgomtummaaf carraa uumullee, dhiibbaa gama humna bittaa maallaqaa gadi buusuutii hoormaan uume, haalli jiru akka salphaa hin taane taasiseera. Walumaagalatti, milkaa'inni Ajandaa Rifoormii Dinagdee Biyya keessaa kan inni irratti hundaa'u, gahumsa dhaabbileen qaban, tasgabbii biyyoota gidduutti uumamu fi deeggarsa waara'aa biyyoonni waloon taasisan, dhimmoota barbaachisummaa qindoomina imaammataa jabaa fi raawwii bu'aaqabeessa irratti.

Bara gabaasaa kana, waanti adda taasisu, raawwiin kabajaa waggaa 20ffaa Baankii Hojii Gamtaa Oromiyaa, sagantaawwan milkaawoo fi kan dagatamuu hin dandeenyeen, kan itti kabajame ta'uu isaati. Kunis mataduree, "Piroojaktii 20 kabaja waggaa 20ffaaf " jedhuun baankichi hojiiwwan gurguddaa 20 adda baasuun raawwate, waggoota kurna lamaan keessatti adeemsa keessa darbe, bu'aa hawaasaaf buuse gadifageenyaan kan mul'ise fi jijjiirama fide agarsiisuu irratti kan xiyyeeffataniidha. Sirni kabajaa kun, miira gammachuun guutamee fi qophii adda addaan kan adeemsifame yommuu ta'u, maamiltoota, hojjattoota fi gaheeqabeessota baankichaa, mul'ata waloo guddinaaf hojjachuu fi qooda ofii gumaachuu jedhu jalatti walitti fideera.
Sochiin taasifme kun, Baankiin Hojii Gamtaa Oromiyaa ittigaafatamummaa hawaasummaa bahuuf kutannoo duubatti hin jenne akka qabuu fi seektara faaynaansii keessatti gahee olaanaa qabu mul'iseera. Kabajamuun ayyaana kanaa hawaasa baankichaa akka waliigalaatti kakaasuun, hojjattootaa fi gaheeqabeessota haala kana dura mul'atee hin beekneen tokkoomseera. Baankichi walitti qabiisa maallaqa olkaawwannaan sadarkaa kana dura galmaayeehin beekneen qabeenya guddaa ji'a tokko keessatti walitti qabuun amantaa maamiltoonnii fi dhaabbileen walta'iinsaan hojjatan irratti qaban akka dabalu taasiseera.

Baankiin Hojii Gamtaa Oromiyaa, milkaa'ina faaynaansii guddaa, raawwii naamusa qabeessaan deeggarame dhugoomsuu ittifufeera. Qabeenyi isaa waliigalaa Qar.biiliyoona 197.35 qaqqabuun, bu'uura faaynaansii jabaa fi guddina hojii isaa utubuuf humna ta'u qabaachuu agarsiisa. Xumura Waxabajjii 2025tti olkaawwannaan waliigalaa Qar. biiliyoona 175.19 qaqqabuun amanamummaa maamiltootaa fi gaheeqabeessota biratti qabnu mirkaneessa.

Liqiin sektaroota ijoo kan akka qonnaa, daldala biyya keessaaf alaa fi warshaalee, guddina diinagdee biyyaaf murteessoo ta'aniif kenname, dhibbentaa 18 dabalee Qar. biiliyoona 117.13 qaqqabeera. Tajaajilli Baankii Dhalarraa bilisaa guddina mul'ataa agarsiisuun, tattaaffi tajaajila Shari'aan walsimu babal'isuuf taasifame kan jajjabeessudha. Gama galiitiin, baankichi galii Qar. biiliyoona 20 argachuun baricha bu'aa gibira duraa Qar. biiliyoona 2 galmeesseera.

Adeemsa dijitaalawaa dursuu itti fufuun, Baankiin Hojii Gamtaa Oromiyaa itti quufinsa maamilaa dabaluuf kalaqa irratti ni xiyyeeffata. Tarsiimoo kanaaf fakkeenyummaa kan qabu pilaatfoormii liqii dijitaalawaa wabimaleessaa karaa bilbila ismaartii intarpiraayzota maaykiroo xixiqqaa fi giddugaleessaaf kennamu Michuun, karaa herreegoota miiliyoona 1.5 Qarshiin biiliyoona 21.76 kennamedha. Ragaan kalaqa baankichaa inni kaan, giddugala tajaajilawwan bu'aa kalaqaa kan keessatti oomishamanii fi yaadawwan kalaqaa namootaa keessatti gabbifamanii gara tajaajilatti bakka itti jijjiiraman/DX Valley/dha.

Guddinni Kooppeey I-birr itti fufaa jiru illee murannoo baankichi dhaqqabummaa faaynaansii gama dijitaalawaan babal'isuun guddina diinagdee waara'aaf gahee gumaachaa jiru agarsiisa. Barri kun yeroo ce'umsi murteessaan itti taasifame, Boordiin Daayrektarootaa yeroo hojii isaa xumure, boordii haaraa filameef yeroo itti aangoo dabarse ture. Boordiin haaraa, qajeelfamoota gaggeessummaa eeguuf, iftoomina dhugoomsuuf, ittigaafatamummaa fi caalmaa itti fufsiisuuf kutannoo cimaa qaba.

Qabiyyeen dizaayinii Biiznas Sitii Baankii Hojii Gamtaa Oromiyaa, hojii guddaa giddugala daldalaa, appaartaamaa ammayyaa fi hoteela sadarkaa olaanaa of keessatti qabachuun lafa hektaara 3 irratti magaalaa guddittii keessatti ijaaramu, milkaa'inaan xumuramee yeroo ammaa kanatti hojiin dizaayinii adeemsarra jira. Akka qaama pirojaktichaatti, misoomni qarqara lagaa qabatee hojjatamu qabeenya baankichaa keessa ba'uus akka gaariitti adeemaa jira. Magaalaa adaamaatti kan ijaaramaa jiru gamoon abbaa darbii 13 ijaarsi isaa saffisaa jira. Bu'uurra isaa guutuuni fii hojiileen walqabatan xumuramanii bu'uura lafjalee sadaffaaf hojiin foormworkii fi sibiilaa itti fufee jira. Ijaarsi gamoo darbii 6 magaalaa Hararitti ijaaramu hojiin xumura ijaarsaa haala gaariin adeemaa jira. Pirojaktichi bara bajataa itti aanutti guutummaatti xumuramee kan hojiirra oolu ta'a.

Barichatti Boordiin walgahiiwwan idilee 13 fi kan hatattamaa 2 taasiseen ajandaawwan ijoo irratti mari'achuun murtee kallattii tarsiimo'aa Baankii Hojii Gamtaa Oromiyaa bu'uura guddina waara'aa irratti cimsu dabarseera. Dorgommii hojii baankii sababa baankolee haaraa seenaniin fi baankolee alaa seenuuf deemaniin cimaa jiru hubachuun, Boordin ittifufiinsa faayidaa abbootiin aksiyoonaa argatan mirkaneessaa, baankichi qormaata kana simuuf dursee akka of qopheessu xiyyeeffannoon hojjachaa jira.

Raawwiin hojii Baankii Hojii Gamtaa Oromiyaa yommuu dabalaa deemu nuti kalaqa, guddina waara'aa fi tajaajila fedhii maamila giddugaleeffate mirkaneessuu cichoominaan itti fufsiisna. Tarkaanfiiwwan bara kana fudhatamanii fi bu'aaleen argaman, baankichi carraawwan qabutti akka fayyadamuu fi hoormaawwan of duraaf akka qophaa'ummaa qabaatu bu'uura jabaa kaa'aniiru. Boordii Daayrektarootaa bakka bu'uun, maamiltoota keenya amantaa nurra qabaatanii waan nu waliin turaniif, abbootii aksiyoonaa keenya deeggarsa yeroo hunda nuuf taasisaniif, miseensota boordii murannoo qabaniif galata galchuun barbaada. Hoggansa baankichaa, maatii Baankii Hojii Gamtaa Oromiyaa nuffii malee hojjatanii fi miira aantummaa agarsiisaniif galateeffachaa. Xumura irratti qajeelfama kennuun kan karaa nu buusu Baankii Biyyoolessaa Itoophiyaa, gahee qabeessota hundaa deeggarsi isaanii milkaa'ina baankichaa dabalaa deemuu fi diinagdeef bu'aa buusuun gahee adda durummaa qabuuf waa gumaachu hundaaf, galata guddaan isaanii qaba.

Galatoomaa,

Maskaram Dabbabaa

Dura Teessuu Boordii Daayrektarootaa

“ Baankiin Hojii Gamtaa Oromiyaa, sadarkaa carraawwan qabu fayyadamu, abbootii aksiyoonaaf faayidaa fulla'ina kennuu fi guddina diinagdee hammataa fi waara'aa Itoophiyaaf gumaacha olaanaa taasisuu isa dandeessisu dhaqqabeera. ”

Darribee Asfaaw
Hojii Raawwachiisaa Olaanaa

Ergaa

Hojii Raawwachiisaa Olaanaa

Gabaasa waggaa Baankii Hojii Gamtaa Oromiyaa, kan bara bajataa ce'umsi murteessaan taasifamee, bu'aaleen gurguddoon itti argaman kana, isiniif dhiyeessuun koo anaaf gammachuu guddaadha. Gabaasni kun bu'aa carraaqqii hojjattoota keenyaa, garee gaggeessummaa, Boordii Daayrektarootaa fi gahee qabeessota baankicha fuula duratti tarkaanfachiisuuf nuffii malee hojjataniidha. Haala hojii baankii jijjiiramaan saffisuu fi fedhii maamilaa bal'achaa jiru kanatti, Baankiin Hojii Gamtaa Oromiyaa, ergama isaa bakkaan gahuuf cimina qabu, madaqina addaa fi akeeka ofii galmoomsuf murannoo qabu agarsiisee jira.

Barri kun bara biyyattii keessatti jijjiiramni diinagdee mul'ataan itti taasifame ture. Adoolessa 2024tti, mootummaan seera haaraa gatii maallaqaa ilaalu baasuun, haala hojii faaynaansii fooyyesseera. Taateen kun gama tokkoon carraa guddaa uumee gama biraatiin qormaata cimaa fidus, Baankiin Hojii Gamtaa Oromiyaa haala kanatti madaquun tarsiimoo isaa haala diinagdee waliigalaa jijjiirama keessa jiru kanaan walsimsiisuun milkaa'ee jira. Industirii baankii keessattis warra reefu gabaa keessa seenuuf qophaa'a jiran waliin dorgommiin dabalaa ogguu adeemu, fooyyessi gama qaama to'ataan taasifame jijjiirama sektaricha keessatti taasifame saffisiiseera.

Gabaasa Raawwii Faaynaansii Baankii Hojii Gamtaa Oromiyaa,Madaalliiwwan Ijoon

Xumura ji'a Waxabajjii 2025tti olkaawwannaan waliigalaa Baankii Hojii Gamtaa Oromiyaa Qar. biiliyoona 175.19 qaqqabuun maamiltoonni fi gahee qabeessonni aantummaa nuuf qabanii fi amantaa nurratti qaban agarsiisa. Kunis isa bara darbe yeroo walfakkaatu ture Qar. biiliyoona 117.15 waliin yommuu walbira qabamu, daballii guddaa dhibbentaa 49.54 gahu taasiseera. Olkaawwannaa kana keessaa tajaajilli baankii idilee qooda dhibbentaa 84.44 wayta qabaatu, Tajaajilli Baankii Dhalarraa Bilisaa ammoo dhibbentaa 15.55 qabata.

Liqiin baankichaa xumura ji'a Waxabajjii 2025 tti, Qar. biiliyoona 117.13 qaqqabuun, daballii olaanaa, isa bara darbe ture dhibbentaa 18 caalu agarsiiseera. Guddinni kun liqii bifa tarsiimo'aan, sektaroota guddina diinagdee biyyaaf ijoo ta'an kan akka qonnaa, daldala biyya keessaa fi idil-addunyaa fi oomisha warshaaleef kennamuun kan durfamuudha. Tajaajila faaynaansii akeeka addaan qajeelfamuun akkasumas sektaroota xiyyeeffannoo barbaadan kana deeggaruun Baankiin Hojii Gamtaa Oromiyaa guddina diinagdee waara'aa dhugoomsuu keessatti gahee guddaa gumaachee jira.

Xumura Waxabajjii 2025tti, bu'uurri maamilaa baankichaa miiliyoona 14.74 qaqqabuun isa bara kaanii irratti herreegota haaraa miiliyoona 1.42 dabaluun, caalmaa dhibbentaa 10.48 galmeesseera. Guddinni kun argama tajaajila faaynaansii bal'isuun, hariiroo maamiltootaa waliin qabu cimsuuni fi qaama hawaasaa carraa hin arganneef tajaajila idilee fi tajaajila dijitaalawaa babal'isuun dhaqqabuun, baankichi kutannoo itti fufiinsa qabuun hojjachaa jiraachuu isaa agarsiisa.

Baankiin Hojii Gamtaa Oromiyaa, bara kanatti, bu'aa gibira duraa Qar. biiliyoona 2 galmeesseera. Galiin waliigalaa barichaa Qar. biiliyoona 20 ol yoo gahu, baasiin waliigalaa ammoo Qar. biiliyoona 18 qaqqabeera. Waxabajjii 2025tti kaappitaalli waliigalaa baankichaa Qar. biiliyoona 17.46 qaqqabuun bu'uura faaynaansii jabaa fi amansiisaa guddina adeemaa jiru fi tarkaanfiiwwan tarsiimo'aa fudhataman utuba. Sadarkaan kaappitaalli baankichaa qaqqabame kun, qormaatawwan gabaa keessatti qunnamuu danda'an baruuf, babal'in isaa cimsuu fi abbootii aksiyoonaaf bu'aa buusuu akka itti fufu ni gargaara.

Bara bajataa kanatti, baankichi maamiltootaaf haala mijataa uumuu fi dhaqqabummaa isaa bal'isuuf, argama isaa gama tajaajila idilee fi karaa dijitaalawaan guddiseera. Xumura ji'a Waxabajjii 2025tti baay'inni dameelee baankichaa 753 qaqqabe keessaa 577(dhibbentaan 76.6) hawaasa naannolee, isa tajaajila akkanaa irraa fagoo jiru tajaajilu. Kana keessaa dameeleen Iikoo 69, baadiyyaa fagoo keessatti banamuun human soolaariin tajaajila kennaa jiru. Kana malees, dameeleen ismaartii 500 ol ta'aan tajaajila kan akka baafannaa, olkaawwannaa fi dabarsa maallaqaa guutinsa unkaa adda addaa irraa bilisa ta'e, taableetii isaaf qophaa'ee fi koodii QR bilbila ismaartiin iskaanii ta'uun kennuun barichatti daddabarsa miiliyoona 6.45 ol raawwataniiru. Kooppeey I-birri daldaltoota kuma 207 fi bakka bu'oota 36.4 fayyadamuun guutummaa biyyaatti tajaajila dijitaalawaa baankichaa cimseera. Hojiin gama kanaan hojjatame, Baankiin Hojii Gamtaa Oromiyaa, kenna tajaajilaa fooyyessuuf, dhaqqabummaa faaynaansii bal'isuu fi maamiltoota dhaabbilee fi namoota dhuunfaa waliin haala gaariin hojjachuuf teknoloojii faayidaa irra oolcheera.

Baankiin Hojii Gamtaa Oromiyaa tajaajila liqii dijitaalawaa hojirra oolche Michuun jijjiirama olaanaa argamsiiseen, ce'umsa gara dijitaalawaa Itoophiyaan itti jirtu adda durummaan gaggeessuutti jira. Liqiin dijitaalawaa biyyattiif isa jalqabaa kan ta'e Michuun, Intarpiraayzota Maaykiroo Xixiqqaa fi Giddugaleessaaf carraa argama faaynaansii wayta uumu, dhaqqabummaa faaynaansii karaa dijitaalawaa kennamu saffisiiseera. Pilaatfoormichi hoormaa fi carraa guddinaa jiru madaaluun murtee kenna liqii ragaa irratt hundaa'ee kennuun rakkoolee daldaloota xixiqqaa biyyattii keessa jiruuf jiruuf fala ta'eera. Bara bajataa kanatti, Michuun karaa herreegota kuma1.5 ta'aniin maamiltoota tajaajile keessaa, carraa liqii dhibbentaa 54.62 kan argatan dubartoota yommuu ta'an liqiin argatanis Qar. biiliyoona 21.76 gaha. Bu'aan pilaatfoormichi buuse, sadarkaa olaanaatti beekamtii argachuun yeroo gara garaatti bulchaa Baankii Biyyoolessaa Itoophiyaan yommuu jajamu, Ministeera Muummeen illee fakkeenyummaan maqaa dha'ameera.

Firiiwwan Ijoo

Bara kanatti, Baankiin Hojii Gamtaa Oromiyaa, karaa Piroojaktii 20 Waggaa 20ffaaf jedhuun miira "Mo'achuuf Taphanna" jedhuu fi kutannoo hawaasa humneessuun jireenya isaa qananoomsuuf harkaa qabuun kabaja ayyaana waggaa 20ffaa milkaa'ina guddaan raawwateera. Sochii gama kanaan taasifameen, olkaawwannaa dabalataa Qar. biiliyoona 20 walitti qabuuf akeekni guddaan lafa kaa'amee, ji'a itti kabajame xumura irratti Qar. biiliyoona 25.3 walitti qabuun seenaan guddaan galmeeffameera. Firiin argame kun, mallattoo bu'aa hojii garee, cichoominaa fi sochii maamila giddugaleeffate dameen baankichaa hundi, kutaaleen hojii marti milkaa'ina baankichaaf kan keessatti qooda fudhataniidha.

Gama ijaarsaatiin Baankiin Hojii Gamtaa Oromiyaa, bara kanatti sochiilee gurguddoo taasiseera. Kana keessaa Koopbaank Biiznas Siitii (KBS) ijaaramuuf deemu Itoopiyaatti gamoo guddaa tajaajila gara garaaf oolu, ta'a. Tooftaan kenna piroojaktii, hordoffii cimaaf akka tolutti hojiilee adda addaa qaama ofdanda'aa gara garaatti kennuuf akka danda'amutti fooyyessuu, gorsitoota sece'uun xumuramee, sochiiwwan ijaarsa duraa, iddoo ijaarsaa mijeessuu fi laga jallisuun akka karoorfametti adeemaa jira. Kanamalees, piroojaktiin gamoo waajjira Adaamaa hojiilee calqqabbii lafa keessatti hojjataman haala gaariin adeemaa jiru. Gamoon waajjira Harar cimee ittifufuun caasaan isaa hanga darbii 6ffaa xumuramuun hojiin itti aanu itti fufee jira.

Baankiin Hojii Gamtaa Oromiyaa kenna tajaajilaa fooyyessuu fi tajaajilawwan haaraa jijjiirama guddaa fiduu danda'an kennuuf hojii kalaqaa itti fufeera. Giddugala kalaqaa keenya keessatti, sochii adeemsa liqii jalqabaa hanga mirkaneeffamaatti bifa dijitaalawaan adeemsisuun baasii raawwii hojii qusachuun bu'aaqabeessummaa kan dabalu Koop-Istiriim dabalatee, hojiilee keessaa sistama kompiiwtaraan kan wal qabachiisan furmaatawwan gara garaa kalaqamaniiru. Tarkaanfiin kun kutannoo baankichi teknoloojiin dursuuf, fedhii maamilaa guutuuf kalaqa itti fufuuf akkasumas tajaajila baankii Itoophiyaa egeree karaa qabsiisuuf qabu mirkaneessa.

Baankiin Hojii Gamtaa Oromiyaa guddina waara'aa, eegumsa naannoo, hawaasummaa fi bulchiinsaa caalmaa qabu akkasumas toora faaynaansii Itoophiyaa keessatti gahee isaa cimsuu irratti cichuun hojjachuu isaa ittuma fufa.

Gara Fuula Duraatti

Baankichi, qajeelfamoota bulchiinsa caalmaa qabu, hojimaata baankichaa ijoo fi sochiilee tarsiimo'aan walsimsiisuun teknoloojii fayyadamuun ittiquufinsa maamiltoota mirkaneessuu, dhaqqabummaa faaynaansii bal'isuu, gahumsa kenna tajaajilaa cimsuuf kutannoon ni hojjata. Hojiilee murteessoo kan akka kenna liqii dijitaalawaa Michuu, toora qonnaa fi waldaalee hojii gamtaa utubuuf hojiin walta'iinsaan hojjatamuu fi daldalli maaykiroo xixiqqaa fi giddugaleessaa akeeka keenya hawaasa humneessuun jireenya isaa jijjiiruuf dhimmi ijoo ta'uun ittifufu. Baankiin Hojii Gamtaa Oromiyaa haala diinagdee jijjiirama keessa jiru qaqqabachuuf, dorgommii hammaachaa deemu simuu fi jijjiirama gama qaama to'ataan taasifamu fudhachuun, taliiga hoormaa amansiisaa horachuun bulchiinsa gaarii qabaachuuni fi hojimaata naamusa qabeessaan imala isaa ittijira. Garee maanaajimantii bakka bu'uun kabajamtoota abbootii aksiyoonaa, Baankii Biyyoolessaa Itoophiyaa, warra walta'iinsaan nu waliin hojjatanii fi gaheeqabeessota hunda amantaa nurratti qaban, walta'iinsaa fi deeggarsa isaaniif galateeffachuun fedha. Garee keenya kutannoo qabeessaa fi akeeka keenya qabatamaan gara fuula duraatti Baankiin Hojii Gamtaa Oromiyaa, sadarkaa carraawwan qabu fayyadamuu danda'u, abbootii aksiyoonaaf faayidaa fulla'ina qabu buusuu fi guddina diinagdee hammataa fi waara'aa Itoophiyaaf gumaacha olaanaa taasisuu isa dandeessisu, ni qaqqabsiisna.

Galatoomaa,

Darribee Asfaaw
Hojii Raawwachiisaa Olaanaa

Daayrektaroota Boordii

Maskaram Dabbabaa
Dura Teessuu Boordii Daayrektarootaa

Abinnat Taarraqanyi
Itti-aanaa Dura Taa'aa Boordii Daayrektarootaa

Dr. Fiqruu Deekisisaa
Daayrektara Boordii

Masarat Asaffaa
Daayrektara Boordii

Asaffaa Sumoroo
Daayrektara Boordii

Dr. Yashii Jimaa
Daayrektara Boordii

Dajanee Daadhii
Daayrektara Boordii

Tigistuu Shifarraa
Daayrektara Boordii

Jamaal Kadiir
Daayrektara Boordii

Darajjee Wadaajoo
Barreessaa Dhaabbataa

Maanaajiimantii 'C- Suit'

Obbo Darribee Asfaaw
Hojii Raawwachiisaa Olaanaa

Obbo Amaan Samiir
Hojii Raawwachiisaa Jijjiiramaa fi Tarsiimoo

Obbo Mulunaa Abbooyyee
Hojii Raawwachiisaa Faaynaansii

Abdii Faqqadaa
E/ Hojii Raawwachiisaa Oppireeshinii

Obbo Taaddalaa Xilaahun
Hojii Raawwachiisaa Humna Namaa

Obbo Shimallis Laggasaa
Hojii Raawwachiisaa Teknoloojii Odeeffannoo

Obbo Dassaalany Taaddasaa
Hojii Raawwachiisaa Riskii, Kompliyaansii fi Seeraa

Obbo Taaffasaa Faanaa
Hojii Raawwachiisaa Odiitii Keessaa

Maanaajimantii Olaanaa

Yohaannis Ambisaa
Itti-aanaa Pirezdaantii, Hariiroo Qonnaa fi Waldaalee Hojii Gamtaa

Nabiil Abdallaa
Itti-aanaa Pirezdaantii, Tajaajila Baankii DHalarraa Bilisaa

Leensaa Galataa
Itti-aantuu Pirezdaantii, Guddinaa fi Oppireeshinii

Wandiyifraaw Asaffaa
Itti-aanaa Pirezdaantii, Madaallii fi Kenna Liqii

Qiddus Mulugeetaa
tti-aanaa Pirezdaantii, Tekinoloojii fi Tarsiimoo

Antaneh Taaddasaa
Daayreektara Olaanaa, Koorbaankiingii, Bu'uuraalee fi Odeeffannoo

Siisay Fiqaaduu
Daayreektara Olaanaa, Tarsiimoo fi Tiraanisfoormeeshinii

Galataa Abaatee
Daayreektara Olaanaa, Kalaqaa fi Tekinoloojii

Abayinah Masarat
Daayreektara Olaanaa, Tajaajilawwanii

Fiqaaduu Darrasee
Daayreektara Olaanaa, Distriktii Giddugaleessa Finfinne

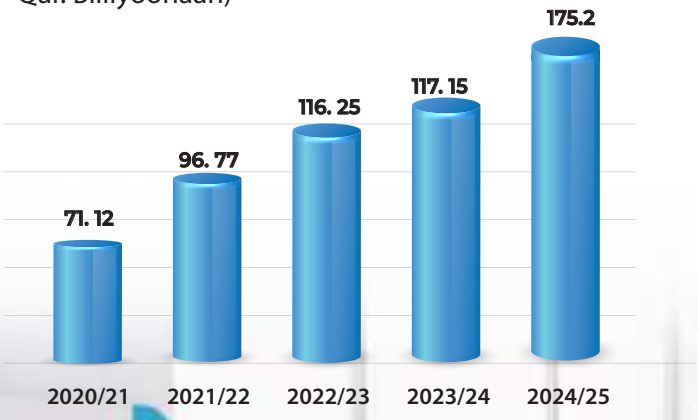
Fiqrayohaannis Lammaa
Daayreektara Olaanaa, Maanajimantii Ijaarsa fi Bulchiinsa Gamoowwanii

Olkaawwannaa

Bara tarsiimo'aa kanattis maallaqa olkaawwannaa walitti qabuun, akeeka ijoo Baankii Hojii Gamtaa Oromiyaa ture. Tajaajilawwan bu'aa kalaqaa ta'aan maamiltoota fedhii addaa waloon qabaniin qooduun tajaajilu hojiirra oolchuun, maamiltoota heddumminaan horachuuni fi tooftaalee kenna tajaajilaa dijitaalawaa fi idilee babal'isuun baankichi qaama hawaasaa adda addaa hawwachuun hariiroo qabu jabeessaa jira. Piroojaktiin 20 waggaa 20ffaaf raawwataman, bara kanatti baankichi galma kaa'ate bira kutuu qofa osoo hin taane, bu'uura qabeenya maallaqaa baankichaa kan gabbisee fi sadarkaa biyyaatti maqaan baankichaa olka'ee akka mul'atu kan taasiseedha.

Bara bajataa 2024/25, Baankiin Hojii Gamtaa Oromiyaa guddina kaappitaalaa takkaa argamee hin beekne Qar. biiliyoona 58.04 galmeessuun, karoora isaa dhibbentaa 21.6n bira taruun Waxabajjii 30, 2025 olkaawwannaa waliigalaa Qar. biiliyoona 175.2 qaqqabsiisuun, ji'a Waxabajjii bara 2024 kan ture Qar. biiliyoona 117.15 irratti daballii dhibbentaa 49.6 mul'isee jira.

Maallaqa Olkeewwannaa
Qar. Biiliyoonaan)



Amanamummaa maamiltoota isaa biratti qabuun, tajaajilawwan filannoo hedduu dhiheessuun akkasumas tooftaalee dijitaalawaa fi kaan haalaan walsimsiisuun qajeelfamuun, bu'aan argame kun gama walitti qabiisa maallaqa olkaawwannnaan Baankiin Hojii Gamtaa Oromiyaa adda durummaa gabaa keessatti qabu agarsiisa.

Olkaawwannaan Qusannoo walitti qabiisa maallaqa olkaawwannaa baankichaa kaan irraa daran caalee mul'achuu isaa itti fufuun, baankichi hawaasa bira gahuun cimina qabuu fi aadaa qusannaa maamila giddugaleeffate akka qabu ragaa baha. Waxabajjii 30, 2025tti, Olkaawwannaa Qusannaa hanga maallaqa olkaawwannaa waliigalaa keessaa, dhibbentaa 59.4 kan dhihaatu ni qabata. Olkaawwannaa Socho'aa dhibbentaa 29.8, yoo qabatu, Olkaawwannaan Yeroon Daanga'aa ammo gahee dhibbentaa 10.8, qaba.Gaheen kun aadaa qusannaa jabaa uumuu, argama maallaqaa karaa olkaawwannaa socho'aan mirkaneessuu fi tajaajila olkaawwannaa yeroon daanga'aa rogaqabeessaan maamiltoota gurguddoo sadarkaa olaanaa qaban hawwachuu irratti xiyyeeffachuu isaa ifoomsa.

Olkaawwannaa Akaakuun
(Qar. Miiliyoonaan)

	2022/23	2023/24	2024/25
Socho'aa	33,251.05	33,004.33	52,175.6
Qusannaa	72,447.40	72,140.42	104,075.3
Yeroon daanga'aa	10,549.62	12,007.19	18,949.1
Ida'ama	116,248.07	117,151.94	175,200.0

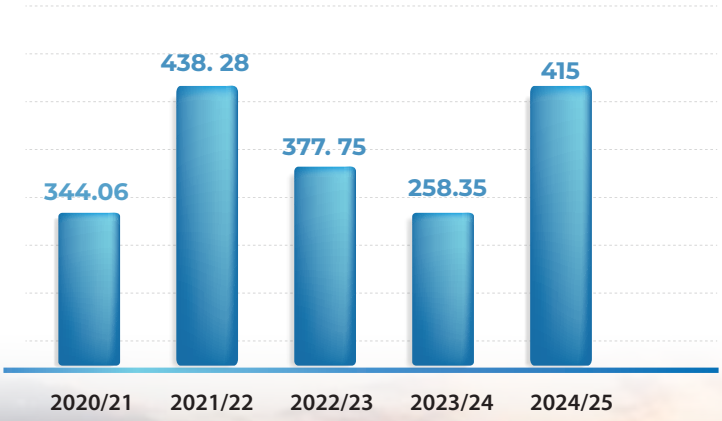
Daldala Idil-addunyaa

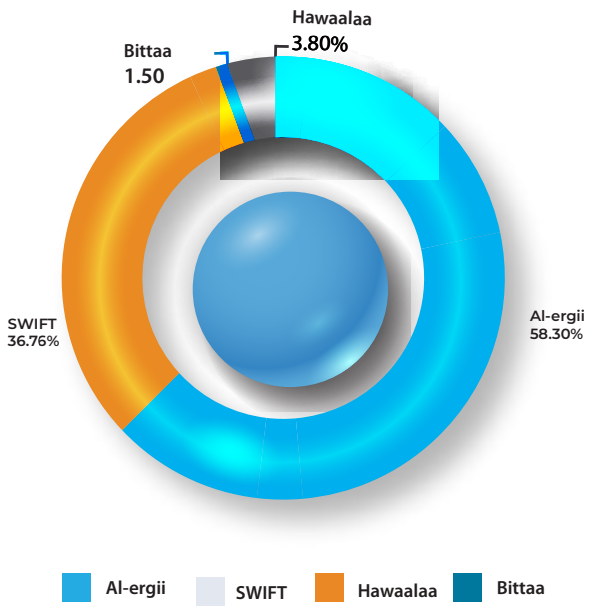
Argamni sharafa alaa, tarsiimoo Baankii Hojii Gamtaa Oromiyaan xiyyeeffannaan addaa kan itti kennamee fi tajaajilawwan daldala idil - addunyaa cimsuuf, tajaajila faaynaansii daldala galii fi al-ergiif akkasumas argama galii waliigalaatiif madda murteessaadha. Baankichi, hariiroo baankolee alaa waliin hojjachuu cimsuuni fi maamiltoota al-ergitoota jajjabeessuun madden sharafa alaa bal'isuu irratti xiyyeeffachuu itti fufeera.

Bara bajataa 2024/25, Baankiin Hojii Gamtaa Oromiyaa waliigalaan sharafa alaa Doolaara Ameerikaa miiliyoona 415 kan argate yommuu ta'u, karoora isaa dhibbentaa 81.4 milkeesseera. Kana keessaa Doolaarri Ameerikaa miiliyoonni 324.23 sochiilee daldala idil-addunyaaf wayta oolu, qajeelfamoota qaama to'ataa irraa kennaman eeguu fi fedhii maamiltootaa guutuuf carraaqqii godhameen fayyadamni maallaqa alaa baankichaa firiiqabeessa. Raawwiin kun hanqina bara kaan gama kanaan ture irraa damdamannaa mul'ate qabatamaa taasisa.

Argama Sharafa Alaa maddaan yommuu ilaallu, harki guddaan, dhibbentaa 95 caalu Al-ergii fi dabarsa dhuunfaa (SWIFT) irraa kan argameedha. Yeroo gabaasichaatti, Sharafni Alaa kan dhibbentaa 58.3tti dhiyaatu Al-ergii irraa kan walitti qabamee fi raawwii bara darbe waliin yommuu walbira qabamu, daballii dhibbentaa 18 gahuun caaluun argama Sharafa Alaa baankichaa barichaa irratti jijjiirama mul'ataa fideera. Haaluma kanaan dabarsi dhuunfaa(SWIFT) barichaa, argama waliigalaa keessaa dhibbentaa 36.76 qabata. Haata'u malee, dabarsi maallaqaa/Hawaalaa/ fi bittaan maallaqa alaa, gumaachi isaanii argama Sharafa Alaa waliigalaa keessaa dhibbentaa 5 gadi ta'uun barreen darban waggaa irraa gara waggaatti gadi bu'iinsa agarsiisee jira.

Argama Sharafa Alaa
(Doolaara miiliyoonaan)





Liqii

Fedhii tajaajila faaynaansii dabalaa deemu guutuu fi guddina diinagdee biyyaaf gahee isaa gumaachuuf bara bajataa 2024/25ttis Baankiin Hojii Gamtaa Oromiyaa, sektaroota diinagdee murteessoo ta'aan faaynaansiin utubuun, gahee isaa gita hin qabne bahachuu itti fufee jira. Dorgommii gabaa cimaa jiruu fi jijjiiramoota qajeelfamootaa qaama to'ataan taasifaman keessatti, baankichi liqii haaraa Qar. biiliyoona 24.85 gahu kennuun karoora waggaaf kaa'ate dhibbentaa 85.6 galmaan gahateera.

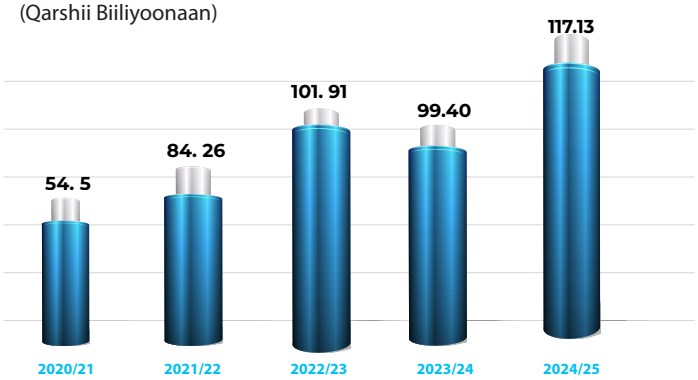
Xumura Waxabajjii 30,2025tti liqiin Baankii Hojii Gamtaa Oromiyaan, kennamee ala jiru walumaagalatti Qar. biiliyoona 117.13 qaqqabuun isa bara darbee irratti daballii dhibbentaa 20.7 agarsiiseera. Guddinni kun sektaroota bu'aa olaanaa qaban deeggaruun, diinagdee biyyaa cimsuu keessatti gahee qabu guddisuuf murannoo qabu itti fufsiisuu isaatiif ragaadha.

Akkaataa ramaddii seektaraan, maallaqni baankichi liqiidhaan kenne harki guddaan daldaloota biyya keessaa fi tajaajilawwaniif yommuu ta'u, liqii waliigalaa keessaa dhibbentaa 27 qabata. Daldalli Idil-addunyaan dhibbentaa 25iin hordofamuun, warshaalee fi oomishni dhibbentaa 21 argataniiru. Dhibbentaan 27 hafe ammoo, qonna, ijaarsa, manneen, fi sektara bu'aa qabeessa kanneen biroof kennamuun tamsa liqii baankichan qaamolee hawaasaa heddu qaqqabsiisuu fi caasaa taliiga hoormaa cimseera.

Dhiheessi madaalawaan kun, Baankiin Hojii Gamtaa Oromiyaa kenna liqii isaatiin, daldala babal'isuu, industirii guddisuu, hojii uumtota jajjabeessuu irratti xiyyeeffachuun toorawwan akka biyyaatti dursi kennamuuf qaqqabuun cinaatti kenna liqii amansiisaa taasisuun qulqullina dhiheessa liqii mirkaneessuu bira taruun galii guddaa irraa argachaa jira.

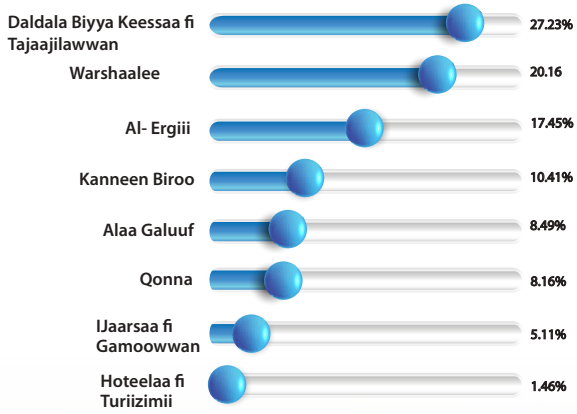
Liqii Maamiltootaa

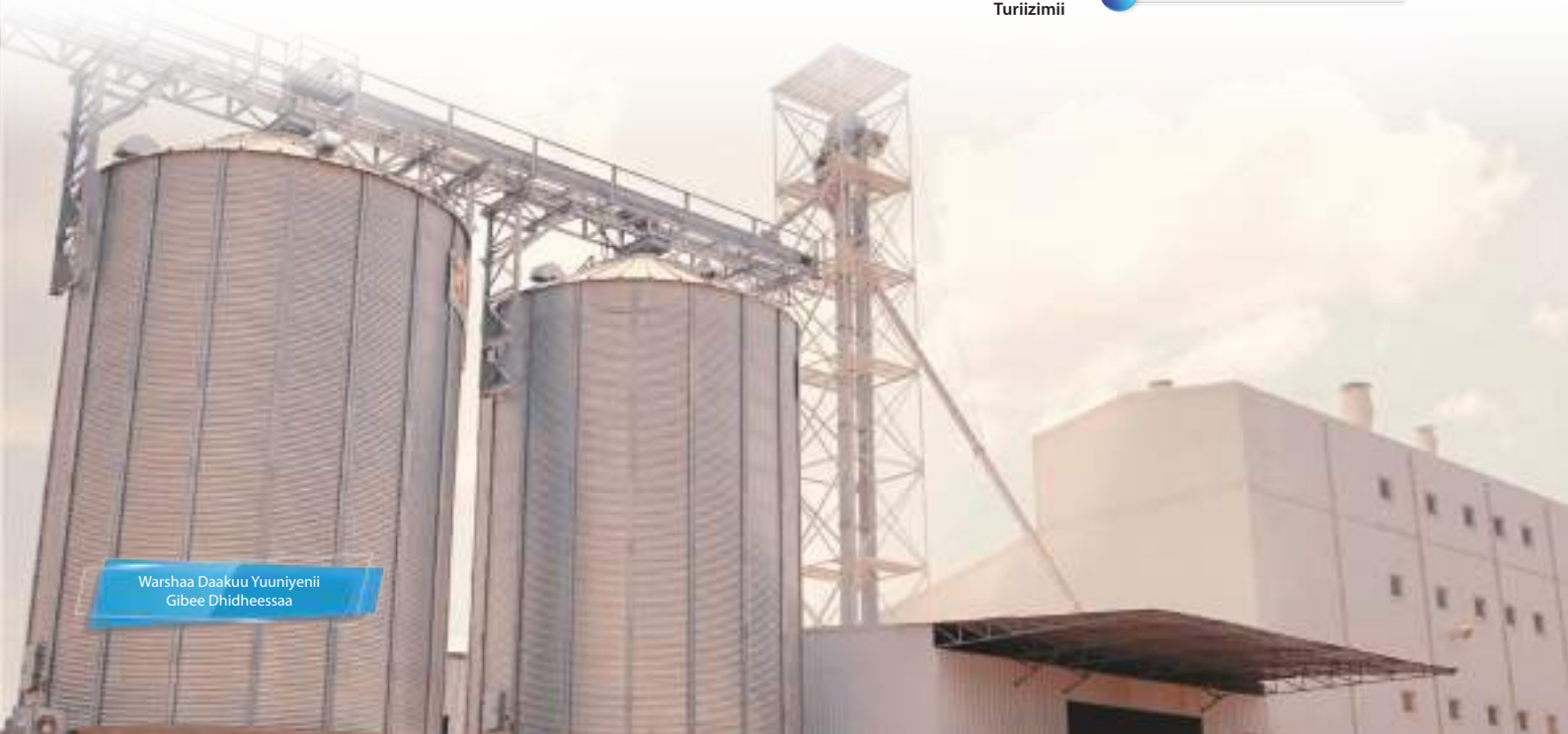
(Qarshii Biiliyoonaan)



Hanga Liqii Ala Jiruu Seektaraan

(Qarshii Biiliyoonaan)





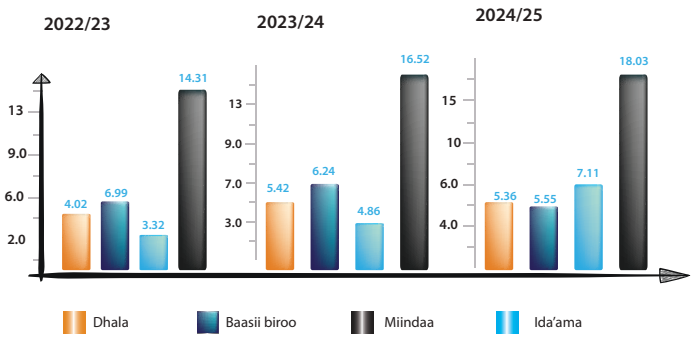
Warshaa Daakuu Yuuniyenii Gibee Dhidheessaa

Bu'aa

Tarsiimoo Baankii Hojii Gamtaa Oromiyaa waara'ummaa fi abbootii aksiyoonaaf faayidaa argamsiisuuf bu'aan dhimma ijoo ta'ee turee jira. Haala hojii dorgommiin guutamee fi to'annaan cimeetti, baankichi baasii hir'isuun, ramaddii baasii naamusa eeggate fi toora galii babal'isuun raawwii isaa milkeesseera.

Bara bajataa xumurameetti, galiin waliigalaa Qar. biiliyoona 20 gahuun isa bara darbee irratti guddina dhibbentaa 5 agarsiiseera. Galiin dhala irraa argamu daballii dhibbentaa 11 gahu mul'isuun Qar. biiliyoona 15.60 qaqqabuun galii baankichaa waliigalaa keessaa dhibbentaa 78 qabateera.
Bara bajataa kanatti baankichi maddeen Tajaajila Baankii Dhalarraa Bilisaa irraa galii waliigalaa keessaa dhibbentaa 8.12 kan gumaache, galii Qar. biiliyoona 1.01 argateera. Komishiinii fi kaffaltii tajaajilaa haalaan raawwatamuun galii waliigalaa irraa dhibbentaa 13 kan qabate Qar. biiliyoona 2.65 irraa argamee jira.
Kana malees faayidaa jijjiirama reetii keessaa argamee fi maddeen biroo irraa Qar.miiliyoona 127 galeera.

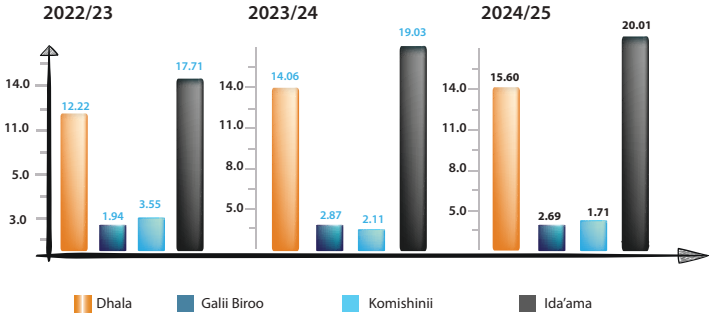
Daballii Baasii Gosaan
(Qarshii biiliyoonaan)



Gama baasiitiin, baasiin waliigalaa kan bara Waxabajjii 30, 2025 xumurame Qar. biiliyoona 18 qaqqabuun isa bara darbe bahe irraa daballii dhibbentaa 9.13 agarsiiseera. Gumaachaan yommuu ilaalamu, baasiin dhalaa baasii waliigalaa irraa dhibbentaa 29.7 yommuu qabatu, isa bara darbee irraa dhibbentaa 1.1n hir'ateera. Baasiin hojjattootaa Qar. biiliyoo 5.5 qaqqabuun baasii waliigalaa keessaa dhibbentaa 30.8 qabachuun kan bara darbee dhibbentaa 14.3n caaleera.
Kan hafe dhibbentaan 39.4(Qar. biiliyoona 7.1tti kan dhihaatu) baasiiwwan idilee raawwii hojii fi kaaniif yoo oolan kan bara duraa irraa dhibbentaa 14.0n dabalaniiru.

Xumura ji'a Waxabajjii 2025tti Baankiin Hojii Gamtaa Oromiyaa bu'aa gibira duraa Qar. biiliyoona 2 argateera.

Guddina Galii Gosaan
(Qarshii biiliyoonaan)



Liqii Dijitaalawaa Michuu

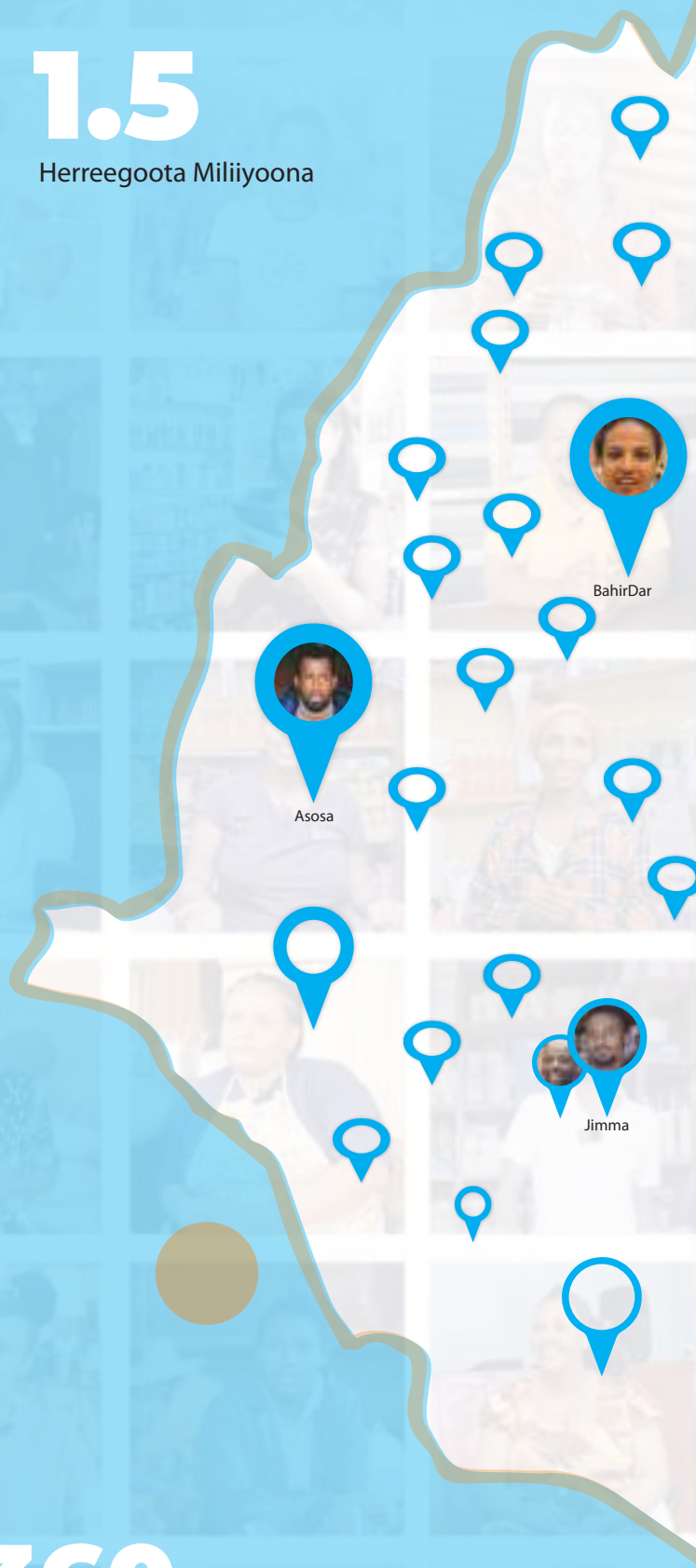
Baankiin Hojii Gamtaa Oromiyaa pilaatfoormii liqii dijitaalawaa Michuun, ce'umsa dijitaalawaa seektara faaynaansii Itoophiyaa adda durummaan gaggeessuu itti fufee jira. Baankichi gama tajaajila dijitaalawaan dura bu'aa ta'uu isaatiin carraa faaynaansii bal'isuuni fi hammattummaa tajaajila dijitaalawaa guutummaa biyyaatti mirkaneessuun bu'aa qabeessa ta'ee jira. Michuun intarpiraayzota maaykiroo, xixiqqaa fi giddugaleessaa irratti, sakatta'a ragaa irratti hundaa'e taasisuun, hoormaa jiruu fi carraa guddinaaf qaban adda baasuun, murtoo liqii hoormaa irratti bu'uureffate kennuun, gahumsa deebisa liqii mirkaneessa.

Bara 2024/25tti pilaatfoormichi maamiltoota addaa 293,860 galmeessuuni fi herreegoota 1,479,493 haalaan itti madaqanii fi irra deddeebiin fayyadamaniin, raawwii addaa galmeessee jira. Liqeeffattoota waliigalaa 262,421 karaa Michuu liqii kan argatan yommuu ta'u, liqii kenname keessaa dhibbentaan 54.6 kennamuun tajaajila faaynaansii hunda hirmaachisaa kennuu keessatti gahee Baankiin Hojii Gamtaa Oromiyaa qabu mul'isa. Haaluma kanaan liqeeffattoota keessaa dhibbentaa 69 kan qabatan, baay'inni isaanii 285,110 ta'e, umuriin isaanii 55 gadi ta'uun, pilaatfoormichi hawaasa oomishaa umurii dargaggummaa keessa jiruuf dhihoo ta'uu agarsiisa.Walumaagalatti Michuun barichatti, liqii dijitaalawaa Qar. biiliyoona 21.76 kennuun, galii Qar. biiliyoona 1.73 argamsiisee jira.'

Karaa pilaatfoormii bu'aa kalaqaa ta'e kanaan Baankiin Hojii Gamtaa Oromiyaa argamaa fi dhaqqabummaan, garaagarummaa fedhaa fi hanqina faaynaansii hojii uumtota biratti mul'atu guutuun, ce'umsa gara dijitaalawaa diinagdee Itoophiyaa tarkaanfachiisuun, kenna tajaajila baankii jijjiiruu ittifufee jira.

1.5

Herreegoota Miliiyoona



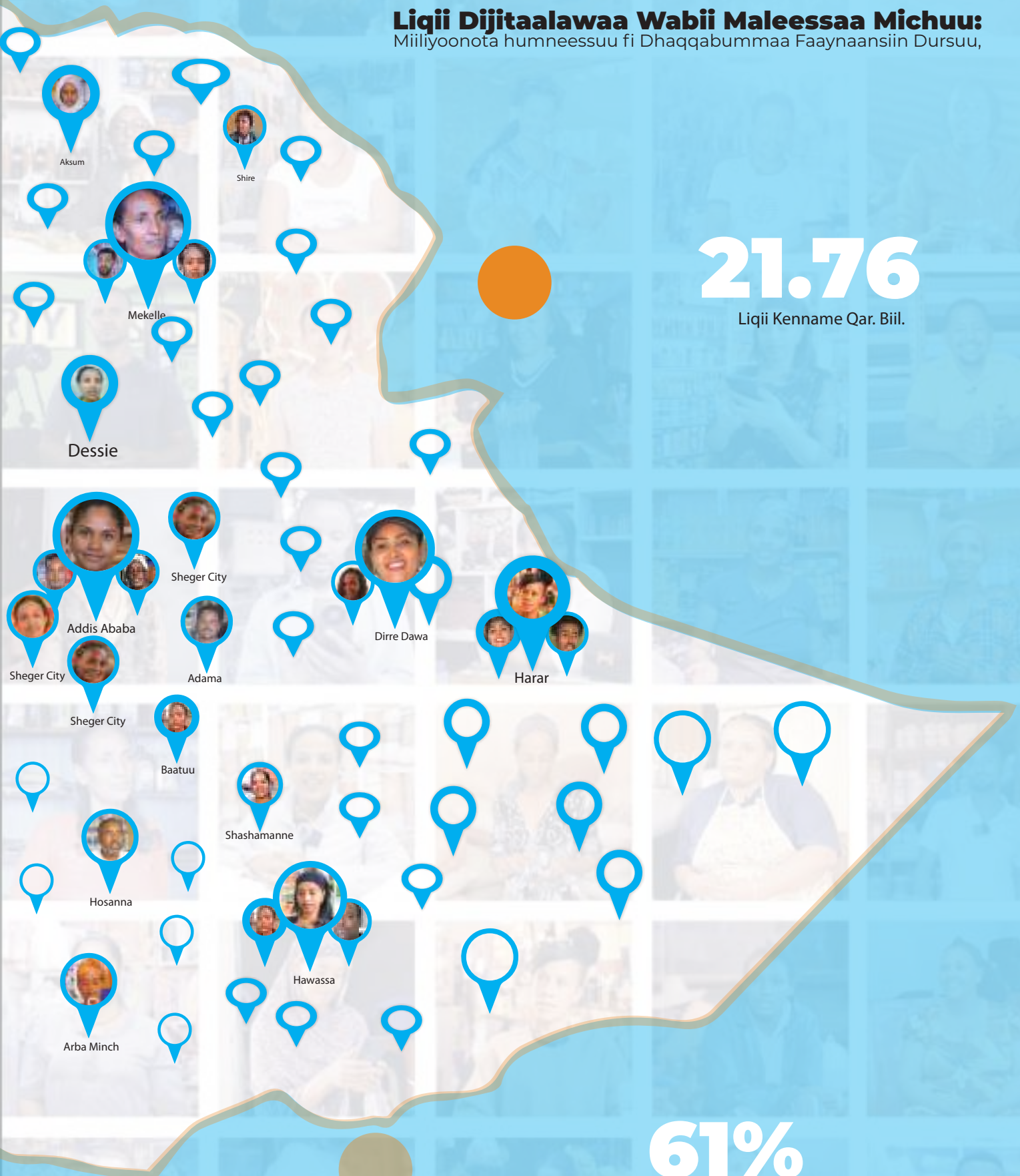
247,360

Liqeeffatoota Waliigalaa Keessaa %69.5
Dargaggoota Umurii 36 gadi

MICHU DIGITAL LENDING

Liqii Dijitaalawaa Wabii Maleessaa Michuu:

Miiliyoonota humneessuu fi Dhaqqabummaa Faaynaansiin Dursuu,



21.76

Liqii Kenname Qar. Biil.

61%

Liqii Waliigalaa Keessa Gahee Dubartootaa

Herreega Olkaawwannaa

Baankiin Hojii Gamtaa Oromiyaa, akeeka "Hawaasa Humneessuun, Sadarkaa Jireenyaa Jijjiiruu" fiixaan baasuuf tooftaa kenna tajaajila baankii babal'isuu xiyyeeffannoosaa godhatee hojjechaa jiru itti fufeera. Hundeeffamasaarraa eegalee, akeeka hawaasa humneessuudhaan jireenya jijjiiruuf taasisu keessatti tajaajilawwan hawaasa giddugaleeffatan fi dhaqqabamaa ta'an, keessattuu, hawaasa baadiyyaa tajaajila baankii hin arganne faaynaansiin dhaqqabuufi gahoomsuuf hojjechuurratti argama. Kaayyoo kanaan qajeelfamuunis hawaasa tajaajilli baankii hin dhaqqabnee fi carraa tajaajila baankii gahaa hin arganne bira ga'uuf karaa dameewwan babal'isuu, dhaqqabummaa dijitaalaa, baankii bakka bu'ootaa fi jalqabbii dijitaawaa waldaalee Hojii Gamtaa irratti hundaa'een dursa kenneera.

Bara kanatti, Baankiin Hojii Gamtaa Oromiyaa maamiltoota haaraa horachuu fi kuufama maallaqaa irratti guddina ajaa'ibaa galmeessee jira. Dameewwan Baankichaa dhibbeentaan 75 ol baadiyyaa fi magaalota giddugaleessaa keessatti kan argaman yoo ta'u, kunis naannolee hunda keessatti dhaqqabummaa faaynaasii guddaa uumuuf shoora guddaa bahachaa jiraachuusaa agarsiisa. Dameewwan kunneen, Pilaatfoormiiwwan dijitaalaa kanneen akka tajaajila Liqii Dijitaalawaa Michuu, Tajaajila-Baankii Moobaayilaafi Interneetii, tajaajila baankii bakka bu'ootaa, lammiilee Itiyoophiyaa miliyoonaan lakkaa'aman tajaajila faaynaansii ammayyaa akka argataniif gahee guddaa gumaachameera.

Bara gabaasa kanaa, Baankiin Hojii Gamtaa Oromiyaa herreega olkaawwannaa haaraa miiliyoona 1.42 isa bara darbee irratti caalmaa dhibbentaa 10.6 qabu banuun, Waxabajjii 30, 2025 herreega olkaawwannaa waliigalaa miiliyoona 14.74 qaqqabsiiseera. Guddinni fulla'aan kun argama tajaajila baankii babal'isuuf, amantaa maamiltoonni nurratti qaban guddisuuni fi toora tajaajilawwan gara garaa qabu irrattuu hariiroo itti fufiinsa qabu uumuuf kutannoo qabu agarsiisa.

Bu'aan argame kun gahee adda durummaa Baankiin Hojii Gamtaa Oromiyaa dhaqqabummaa faaynaansiin qabu cimsa. Guddachuun bu'uura maamilaa baankichaa, tajaajila faaynaansii amansiisaa fi dhaqqabamaa kennuuf humna qabu qofa osoo hin taane, sana bira taruun aadaa qusannaa hawaasaa cimsuu fi diinagdeen humneessuu keessatti gahee qabu agarsiisa. Milkaa'inni Baankii Hojii Gamtaa Oromiyaa, akka raawwii salphaatti kan ilaalamu osoo hin taane, garaagarummaa fedhii fi dhiheessa faaynaansii gidduu jiru walitti butuun hawaasni kamuu, sochii itti fufiinsa qabu, waldaan hojii gamtaa martu akka hin dagatamne kan mirkaneessuudha.

Sochii kana itti fufsiisuun, Baankiin Hojii Gamtaa Oromiyaa, maamiltoota baay'ifachuuf kaka'umsa qabu dabaluun adeemsa baniinsa herregaa fi chaanaaloota tajaajila dijitaalawaa cimsuun furmaatawwan baankii mijatoo amansiisoo fi hirmaachisoo kennuu ittuma fufa. Tattaaffiin kun akeeka baankichaa jabaa hawaasa humneessuun jireenya isaa jijjiiruu kan dhugoomsu fi argama tajaajila baankii walqixxeessuun lammii Itoophiyaa hunda kan qaqqabsiisudha.

MAAMILTOOTA MILIYOONA

14.74

Nama Keenya

Baankii Hojii Gamtaa Oromiyaatti hojjataan milkaa'ina baankichaaf murteessummaa qabu ni hubanna. Hojjattoonni keenya dandeettii adda addaa beekkumsaa fi muuxannoo kalaqa guddisu walitti fiduun, bu'aaqabeessummaa fi guddina fuulla'aa dhaabbatichaa ni mirkaneessu. Bu'uura kana cimsuuf sagantaalee leenjii adda addaa, workishooppiiwwanii fi carraa barumsaa dijitaalawaan haala hojii faaynaansii saffisaan jijjiiramaa jiru keessatti hojjachuuf akka qophii qabaatanii fi fedhii maamiltootaa dabalaa jiru simuuf beekkumsa isaan dandeessisu akka argatan, gahumsa hojjattootaa guddisuu irratti ni xiyyeeffanna.

Bara bajataa 2024/25 kanatti, Baankiin Hojii Gamtaa Oromiyaa, mul'ata tarsiimo'aa fi kallattiiwwan xiyyeeffannaa isaa waliin kan walqabate, leenjii gabbisa beekkumsa ogummaa fi teeknikaa hojjattoota 14,587f kennee jira. Tarkaanfiin fudhatame kun guutummaa baankichaa keessatti, dandeettii tekniikaa hojjattootaa guddisuu, gaggeessummaa fooyyessuun, beekkumsa dijitaalawaa dabaleera.

Akeeka guddina lafa kaa'anneen baankichi baay'na hojjataa isaas dabaluun hojjattoota haaraa 154 yommuu qacaru, kana keessaa 52 gartokkeen hojii ogummaa kan hojjatan, 48 hojii gaggeessummaa fi to'annoo irra kan jiranii fi 45 guutummaatti hojii ogummaa fi bulchiinsaa kan hojjataniidha. Ida'ama kanaan Lakkoofsi hojjataa Baankii Hojii Gamtaa Oromiyaa idilee 7,505 yommuu qaqqabu, hojjattoota qaama alaatiin qacaramanii baankichaaf hojjatan 7,506 waliin baay'inni hojjataa isaa Waxabajjii 30, 2025tti 15,011 qaqqabeera.

Hojiin gahumsa nama keenyaa irratti hojjatame, Baankiin Hojii Gamtaa Oromiyaa humna hojjataa dandeettii raawwii olaanaa qabu, hunda hammataa fi egereef qophaa'ina qabu, guddina, babal'ina tajaajila baankichaa gama dijitaalawaa fi kaaniin itti adeemamu kan utubu horachuuf murannoo qabu agarsiisa. Gara fuula duraattis, Baankiin Hojii Gamtaa Oromiyaa gahumsa hojjattootaa gabbisuu, gaggeessummaa fooyyessuu, aadaa waloon hojjachuu fi caalmaan tajaajiluu jabeessuun milkaa'ina qabu kan itti fufsiisu ta'a.

'Piroojaktii 20 Waggaa 20ffaaf' irratti Cichoominaa fi Milkaa'ina argameef sirna beekamtii hojjettoota Waajjira Muummee fi Distriktiiwwan irraa bakka bu'an waliin geggeeffame

Ce'umsa Gara Dijitaalawaa, Baankichaa

Baankiin Hojii Gamtaa Oromiyaa dorgomtummaan fulla'uuf, gahumsa hojimaataa fooyyessuuf fi fedhii maamiltootaa dabalaa deemu guutuuf, ce'umsa gara dijitaalawaa akka tarkaanfii tarsiimo'aa ijoo taasisuun dursa kennee hojjachuu itti fufeera. Pilaatfoormiiwwan dijitaalawaa baankichaa kennuun argama bal'isuu fi mijaa'ina uumuun maamiltoonni daddabarsa kaffaltii tajaajilaa fi dabarsa maallaqaa irraa kaasee hanga qusannaa fi tajaajila liqii kennaa, keessaayyuu hawaasa tajaajila gahaa hin arganne keessatti dhaqqabummaa faaynaansii babal'isa.

Bara bajataa kanatti, Baankiin Hojii Gamtaa Oromiyaa bu'uuraalee teknoloojii fi ga'umsa kenna tajaajila cimsuun dhaabbilee faaynaansii Itoophiyaa dijitaalawaan dursan keessaa tokko ta'ee jira. Babal'achuun pilaatfoormiiwwanii, kan akka Kooppeey I-birri Michuu 2.0, Faarmpaassi, Furtuu, Koop Remiit, Koop Istiriim, Dameelee Ismaartii fi SACCO-Linkii imala isaa dijitaalawaa keessa firiiwwan galmaa'aniidha. Bara bajataa kana keessatti fayyadamtoottni pilaatfoormiin Kooppeey I-birri maamiltootaa fi bakka bu'oota alaa dabalatee 17,826,986, daldaltoonni toora keessa jiran 164,330 fi fayyadamtoota galmeeffaman 13,170 qabaachuun gama dijitaalawaan, dijitaalawaatti madaquu fi dhaqqabummaa faaynaansiin guddina mul'ataa agarsiiseera. Xumura waggaa irratti, pilaatfoormiin Kooppeey I-birri sochii herregaa biiliyoona 1.3n walumaa galatti daddabarsa gatiin isaa Qar. Tiriiliyoona 3.4 gahu galmeesseera.

Dabalataaniis Waxabajjii 30, 2025tti maashiniin ATM tajaajila barame irraa adda ta'e kennan 600 guutummaa biyyaatti hojiitti seenan daddabarsa miiliyoona 14.6 taasisuun, daddabarsa gatii Qarshii biiliyoona 18.13 raawwataniiru. Kaardiin walumaa galatti kenname 811,324 qaqqabuun tajaajila baankii mijataa babal'isuuf ejjannoo cimaa jiru agarsiisa.

Tajaajila hawaasa waldaa qusannoo fi liqii guddisuuf, kan hojiirra oolfame pilaatfoormiin SACCO-Link waldaalee liqii fi qusannoo waldaalee guutummaatti walitti hidhata uummatan 20 dabalatee waldaalee qusannoo fi liqii, yuuniyenoota isaanii fi yuuniyenoota hojii gara garaa irratti bobba'an 55 sistama kanaan hammateera.

Dhaabbileen kun walumaa galatti olkaawwannaa Qar.miiliyoona 270 walitti qabaniiru. Maastarkaard waliin pilaatfoormiin Faarmpaassiin qonnaan bultoonni 513,303 yommuu toora tajaajilichaa seenan, waldaaleen bu'uuraa 993 fi yuuniyenoonni 52 kan bunaa, garbuu, qamadii, horsiisa lukkuu, midhaan gosa biroo, damma, bu'aalee aannanii fi gabbisa horii dabalatee, karaa walitti hidhamiinsa sonaa adda addaan fayyadamoo ta'aniiru.

Baankiin Hojii Gamtaa Oromiyaa Raaboo Paartinarshiip waliin tiraanisformeeshinii qonnaa fi dhaqqabummaa faaynaansii irratti xiyyeeffachuu cimsaa jira. Walta'iins kanaan odeeffannoo fageenyaa argamuuni fi madaallii liqii fooyya'aan qonnaan bultootaaf tajaajila faaynaansii bittaa callaa guddistuu jalqabameera. Pilaatfoormii Faarmpaass waliin qindaa'uun siistamichi gaaffii liqii salphisuu, hojii waraqaa hir'isuuni fi haala qabeenya sanaa odeeffannoo waytawaa qabaachuun, madaallii liqii kompiiwtaraan deeggarame fi callaa guddistoota ijoo kan akka xaawoo, sanyii fi qorsa adda addaaf liqii saffisaa kenna.

Bara gabaasaa kanatti, karaa KoopAPP fi KoopApp Alhudaa tajaajila baankichaa dijitaalawaa bal'isuun, maamiltoota 117,937 fi daldaltoota 223 dhaqqabuun baay'ina daddabarsaa 296,000 gatiin Qar. biiliyoona 10.3 ta'u raawwatameera.
Gama kalaqaatiin Baankiin Hojii Gamtaa Oromiyaa guddina teknoloojii fi hojii uummachuu jajjabeessuuf warra qorannoo gaggeessaniif giddu gala DX Vaalii baneera. Gama DX Vaalii 2.0, baankichi tajaajilawwan dijitaalawaa kalaquun hojii uumtota yoo deeggaru, qorannoowwan akeeka isaan walsiman cimsuun guddina diinagdee fulla'aaf gumaachaa jira.

Hordoffii Tarsiimo'aa

Mul'ata isaa 2030-"Baankii Hojii Gamtaa Oromiyaa gara baankii egereef qophaa'ina qabu, Humna Faaynaansii Qabeenya Waliigalaa Qarshii Tiriiliyoonaa, Dhaqqabummaa Faaynaansii, Ittifufiinsaa fi Hawaasa Humneessuun Dursaa" Baankiin Hojii Gamtaa Oromiyaa, tarsiimoo isaa waggaa shanii Shift@Scale (S^3) hawaasa akka fedha tajaajilaa addaa qabuun qoodanii tajaajilaan dhaqqabuu keessatti ittifufiinsa/waara'ummaan dhimmi ijoodha. Kunis baankicha guddina hammataa fi faaynaansii waara'aa, quuqama eegumsa naannoon, hirmaannaa hawaasaa fi bulchiinsa caalmaa qabuun kaka'umsa ijoo bu'aa qabeessummaa yeroo dheeraa mirkaneessuu uumuu keessatti adda duree taasisa.

Baankichi akeekawwan tarsiimo'aa hawaasa tajaajila gahaa hin arganneef, waldaalee hojii gamtaaf, intarpiraayzota maaykiroo xixiqqaa fi giddugaleessaa fi qonnaan bultootaaf karaa pilaatfoormii dijitaalawaa bu'aa kalaqaa ta'etti dhimmi bahuun, hojimaata isaa keessatti qajeelfama ESG /gahumsa gaggeessummaa caasaa bulchiinsaa iftoomina qabu irratti hundaa'ee, baasii hojimaataa kan to'atuu fi naamusaqabeessa ta'e hordofuun, ISSB-aligned IFRS S1 and S2 gabaasa qophaa'uun, dhaqqabummaa faaynaansii babal'isuu hordofa. Teknoloojii maamila giddugaleeffate kan akka pilaatfoormii liqii dijitaalawaa Michuu, Furtuu fi Faarmpaas maamiltoota isaaf walitti hidhamiinsa gabaa uumuun, bulchiinsaa fi hordoffii cimsuun, bu'aaqabeessummaa hojii mirkaneessuun, hoormaa ofduraatiif dursanii qophaa'uun, qajeelfamoota waldaa hojii gamtaan hawaasa humneessuu, eegumsa naannoof dhimmuu fi sonawwan ijoo baankichaan deggarame hojiirra oolcha.

Qoodinsa fedhaa fi mijaa'ina kenna tajaajilaa irratti hundaa'uun taasifameen toora kena tajaajilaa torbaan tajaajilaa jirra. Isaanis Qonnaa fi Waldaalee Hojii Gamtaa, Riiteelii,Intarpiraayzota Maaykiroo, Xixiqqaa fi Giddugaleessaa, Tajaajila Baankii Dhalarraa Bilisaa, Dhaabbilee Miti-mootummaa, Mootummaa fi Dhaabbilee Bulchiinsi ESG Boordii Koree Ittifufiinsaa/Waara'ummaa fi Daayrektoreetii Ittifufiinsaa/Waara'ummaan durfamuun, ittifufiinsii/waara'ummaani fi quuqamni dhiibbaa haala qilleensaa, murtee tarsimoo'aa taasifamu hunda keessa jira. Adeemsi baankichaa sochiilee akka biyyaatti taasifamanii fi galmoota ittifufiinss/waara'ummaa Mootummoota Gamtoomanii waliin waliin guutummaatti walsimuun ittifufiinsi/waara'ummaan, hojii daldalaa irraa waan fagoo jiru osoo hin taane waan ijoo ta'uu isaa mul'isa.

Akeeka kana galmaan gahuun hoormaawwan jiranii dursanii itti qophaa'uu gaafata. Hoormaan liqii toorawwan garaa garaaf liqeessuu, irraa ka'a. Keessaayyuu hoormaan liqiin Maaykiroo Xixiqqaa fi Giddugaleessaa fi qonnaa fi waldaalee hojii gamtaa, hoormaan raawwii qormaatawwan dijitaalawaatti madaquu, nageenyummaa saaybarii, bu'aaqabeessummaa hojimaataa irraa madda. Hoormaan gabaa fi diinagdee tasgabbii dhabuu diinagdee waliigalaa dabalate, jijjiirama gatii maallaqaa fi jijjiirraa sharafa alaa, raawwii hojii irratti dhiibbaa uuma. Hoormaan murteewwan qaama to'ataa fi seera qabeessummaa eeguu, ulaagaawwan biyyaalessaa adeemsa jijjiiramaa keessa jiranii fi ISSB-aligned ESG reporting guutuu barbaada. Hoormaan haala qilleensaa fi ESG dhiibbaawwan uumama naannoo maamiltoota qonnaa fi miidhaawwan umama naannoo irratti gahu danda'an dabalataa haala gaariin to'atamu.

Tooftaa hoormaa ofduraa dursanii to'achuun, bulchiinsa jabaa fi cichoomina guddina hammataa fi waara'aan Baankiin Hojii Gamtaa Oromiyaa Itoophiyaatti dhaabbata faaynaansii daran jabaa, kalaqa irratti xiyyeeffatee fi ittigaafatama hawaasummaa qabu ta'uun ittifufa.

Baankiin Hojii Gamtaa Oromiyaa sochii hojii isaa hunda keessatti, tajaajila baankii itti gaafatamummaa isaa bahu, qajeelfamoota Uumama naannoo, Hawaasummaa fi Bulchiinsaa (ESG) kan hordofu ta'uu isaa cimsee itti fufeera.

Ejjannoo Gama Uumama Naannoo, Hawaasummaa fi Bulchiinsaa...

Mul'ata isaa "Hawaasa Humneessuun Jireenya Isaa qananoomsuun" durfamuun, baankichi faaynaansii waara'aa, bulchiinsa naamusa qabeessaa fi guddina hawaasaa hammataa Itoophiyaatti sadarkaa biyyoolessaatti dursi kennamuuf akkasumas galmoota misooma waara'aa Mootummoota Gamtoomanii ta'an irratti cimee hojjata.

Eegumsa Qabeenya Uumama Naannoo: Baankiin Hojii Gamtaa Oromiyaa sochiilee waara'ummaa mirkaneessuuf taasisu, human anniisaa haaromfamaa fi tajaajila magariisummaa leellisaniin mirkaneessa. Dameeleen likoo 100 ol guutummaatti human soolaariin hojjachaa jiran Kiilowaatii 1,206 yoo maddisiisan ATMiin human soolaariin hojjatan 600 kiilowaatii dabalataa 600 dhiheessuun walumaagalatti humni qulqulluu kilowaatii 1,806 hojiirra oola. Chaanaaliin dijitaalawaa POS maashinoota 10,000 fi pilaatfoormii Kooppeey I-birri dabalatee, maamiloota miiliyoona 18iin daddabarsa Qar.Tiriliyoona 3.84 raawwachuun fayyadama waraqataa xiqqeessuun faalama naannoos ittisaniiru. Daddabarsi miiliyoona 6.45 caalu karaa taabletota ismaartii fi karaa siistama QR koodii taasifaman bu'aa qabeessummaa fi nageenyummaa qabeenya naannoo ni dabalu. Sochiin hojii keessoo kan akka bulchiinsa liqii tajaajila daldalaa fi adeemsa hojii seera qabeessaa karaa pilaatfoormii ERP guutummaatti dijitaala ta'uun fayyadama waraqataa fi hojimaata maanuwaalaa xiqqeessaniiru.

Baankiin Hojii Gamtaa Oromiyaa ajandaa geejjiba qulqulluu Itoophiyaan qabatte deeggaruun, Magaalaa Dirree Dawaan walta'uun taaksii boba'aan hojjatu kan elektiriikaan bakka buusuu irratti hojjachaa jira. Gama biraatiinis qonna haala qilleensa naannoo hubannoo keessa galche kan hordofan qonnaan bultoota 4,375 liqii Qar.

miiliyoona 270 kennuun fi karaa pilaatfoormii liqii dijitaalawaa, tajaajila Faarmpaasiifi Liqii Callaa Guddistuuf qonnaan bultoota 525,000 olii fi waldaalee hojii gamtaa 1,000f kennee jira. Sochiin kun ciramuu bosonaa hambisuun qonnaan bultoota xixiqqoo cimsuun guddina waara'aa kan mirkaneessuudha.
Gumaacha Hawaasummaa: Baankiin Hojii Gamtaa Oromiyaa hojjattoota 15,011(idilee fi kontiraataan) keessaa dubartoonni dhibbentaa 20 qabatanii fi gaheen gaggeessummaa keessatti qaban dabalaa adeemu, horateera. Karaa KoopAmbishiin Akkaadaamii leenjii gosa 35 yommuu dhihaatu, hojjattoonni 700 ol leenji'aniiru. Kana malees akeeka tarsiimoo baankichaa jajjabeessu guddina waara'aa cimsuuf hojjattoonni 52 leenjii (ESG) Ejjannoo eegumsa naannoo Hawaasummaa fi Bulchiinsaa yommuu argatan, hojiin gahumsa hojjattootaa cimsuu fi gama akeeka tarsiimoo Baankii Hojii Gamtaa Oromiyaa qaabachiisuuf fi sochiin ittuma jira.

Bulchiinsa/Hooggansa Caalmaa Qabu: Boordiin Daayrektarootaa Baankii Hojii Gamtaa Oromiyaa hojiirra oolmaa ESG olaanaa mirkaneessuuf bakkabu'ummaa dubartootaa dhibbentaa 30 qaqqabsiisuun isa ulaagaa biyyoolessaan kaa'ame caalchiseera. Koreen waara'ummaa/ittifufiinsaa boordii fi Daayrektoreetiin waara'ummaa tarsiimoo baankichaa keessatti to'annaan hoormaa hawaasummaa, akka iddoo qabaatu taasiseera. Akka miseensa Giloobaal koompakt Mootummoota Gamtoomanii fi akka gurmuu Geggeessitoota Biiznasii Afriikaa, Baankiin Hojii Gamtaa Oromiyaa mirga namoomaa, humna hojjataa, eegumsa naannoo fi farra malaan maltummaa, Whistleblowing,AML fi imaammata hoormaa saamichaan/Fraud/, ulaagaa sadarkaa addunyaatti kaa'ame ni eegsisa.

Eegumsa odeeffannoo dhuunfaa fi nageenyummaa saaybariif tooftaa eegumsaa ammayyaawaan, hojjattoota leenjisuuni fi ofeeggannoo ofduraa ittisa saamichaa taasifamuuf dursi ni kennama.
Qajeelfamoota kurnan UNGCn hojiirra oolchuun, Baankiin Hojii Gamtaa Oromiyaa, eegumsa dhimma qilleensa naannoo, walqixxummaa koorniyaa fi guddina hammataa irratti hojjata. Walitti hidhamiinsi kun bulchiinsa ESG jabeessee, kalaqa magariisummaa babal'isuun dirree faaynaansii waara'aa Afriikaa keessatti adda durummaa baankichaa mirkaneessa.
Tarkaanfiiwwan kanaan, Baankiin Hojii Gamtaa Oromiyaa waara'ummaan dhimma halaalaa osoo hin taane, guddina gara fuula duraatti eegamuuf ijoo ta'uu agarsiisee jira. Faaynaansii magariisummaa, hawaasa humneessuuf akkasumas gaggeessummaa itti gaafatamummaan durfamu leellisuuf sochiin cimaan taasifame, Itoophiyaa keessatti faaynaansii waara'aa fi hundaaf walqixa ta'e ni mirkaneessa.

Kutannoo Kunuunsa Naannoof qabnu kan agarsiisu, Hogganaiifi Hojjettoonni baankichaa duula Ashaaraa Magariisaarratti

BHGO 'E4 Impaakt' waliin kalaqa jajjabeessuun hojii uumtota tumsuun bu'aa buusuuf waligaltee mallatteeffame

Kabajaa guyyaa Waldaalee Hojii Gamtaa 6ffaa Agarsiisa Waldaalee Hojii Gamtaa 2024

Sirna hojii jalqabuu tajaajila remitaansii Bilokcheenii Itoophiyaaf isa jalqabaa

Sirna Dhagaa Bu'uuraa Kaa'uu IJaarsa Gamoo Adaamaa

#ETEX2025 irratti iddo agarsiisa BGHO,Kantiibaa magaalaa Finfinnee fi aangawoota olaanoo wayita daaw'atan

Sirna ifatti hojii eegalchiisuu Dameelee Ismaartii 200

Itoophiyaaf kan Jalqabaa Kan Ta'e Sirna Eegalchiisa Faayidaa Waaletii

Sirna Kaffaltii Tajaajila Elektiiikaa Karaa Kooppeey I-Birrii jalqabsiisuu

Hundeessaan baankichaa Ob.Haylee Gabree Lubee Waajjira Muummee Baankichaa daaw'achuun, Guddina Galmaa'aa jiruuf daran cimsuuf Hoggantoota wayita onnachiisan

Hojii Raawwachiisaa Olaanaan milkaa'ina "Project 20 for 20' hojjettoota Waajjira Muummee, Distriktiiwwan Finfinnee akkasumas Magaalaa Finfinneefi Naannoosheee keessa jiraniif kallattii hojii wayita kennan

Lubbuu baraaruu: Hojjattoonni 1000 ol guutummaa biyyaatti dhiiga arjooman

Duula Qulqullina Naannoo Guddicha Magaalaa Adaamaatti

Sirna Kabaja Guyyaa Dubartoota Hoji Geggeessitoota Dameelee Dubartootaa Magaalaa Finfinnee

Qaama sagantaa 'Project 20 for 20' Marii maamiltootaa magaalaa Adaamaa fi naannoo ishee waliin taasifame

Daaw'annaa addaa Kifiyyaa waahilummaa cimaa kabajuun taasifame

Gamoo Muummicha Baankichaarratti, bakka kanneen raawwii olaanoo Project 20 for 20' galmeessan, footoo fi ashaaraasaanii keewwatan

Daaw'annaa hojii tola ooltummaa akka qaama kabaja waggaa 20ffaaf

Daaw'annaa addaa hariiroo jabaa I-birri waliin qabnu kabajuun taasifame

Sagantaa Ifxaaraa Maamiltoota Koopbank Alhuudaa waliin taasifame

Kabaja Hundeeffama waggaa 20ffaa BHGO, Hoteela Sharaatan Addisitti aangawoota mootummaa fedaraalawaa fi naannoo, gaheeqabeessota, miseensota boordii fi maatii baankii

GABAASA TAJAAJILA BAANKII
DHALARRAA BILISAA

Shaikh Salih Nur Ahmed
Dura taa'aa KGDHS

Ustaz Kamil Shemsu Siraj
Itti aanaa dura taa'aa

Dr. Kamal Haji Galato
Miseensa

Dr Mohammed Salih Jamal
Miseensa

Dr Jibril Qamar Adam
Miseensa

Sheik Jamal Aliyi
Miseensa

Ergaa Koree Gorsituu Shari'aa

Akkaataa ragaa waliigaltee, chaartaraa fi qajeelfama Baankii Biyyoolessaa, koreen Gorsituu Shari'aa (KGS) Koopbaank Alhudaa tajaajila baankii dhalarraa bilisaa (T.B.Dh.B) baankichaa itti dhiheenyaa fi haala addaatiin hordofuun tajaajila isaa qajeelchuun, duudhaawwan Islaamaa wajjiin walsimuu isaa to'achaa turree jirra. Bara bajataa 2024/25 keessatti koreen dhimmoota ijoo, fatwaa kennuu, tajaajilawwan haaraa bocaman qajeelchuu, sochiilee kenna tajaajilaailaaluu fi Shari'aan walsimuu mirkaneessuu irratti madaallii fi xiinxala irratti hundaa'uun hojjachaa tureera.

Koreen Gorsituu Shari'aa(KGSh), kalaqa tajaajilawwanii fi dhimmoota sochii hojii baankii irratti kallattii waliigalaa kennuuni tajaajilawwan baankii dijitaalawaa, kenna tajaajila baankii idilee waliin adda baafamuun Seera Shari'aa ni kabaju taanaan fudhatama qabaachuu akka danda'an irratti hojjannee jirra. Koreen kun dabarsi faaynaansii Seera Shari'aan qajeelfamee ribaa(dhala) irraa bilisa yoo ta'e fudhatama akka qabaatu mirkaneessee jira.

Tajaajila faaynaansii hojjattootaa kan ilaaluun, KGSh maanaajimantiin baankichaa filannoo mijataa fi hundaaf toluu fi Shari'aan wal sime biroo akka qoratee dhiheessu kakaasuun, barbaachisummaa waliigaltee Murabahaa, gatii dhaabbataa irratti hundaa'e kan hordofu akka ta'u gorse jira.

Koreen kun tajaajilawwan dijitaalawaa Shari'aan wal siman kalaqa irratti hundaa'an dhiheessuuf sochii Baankiin Hojii Gamtaa Oromiyaa taasisu keessumaa kan Intarpiraayzota Maaykiroo, Xixiqqaa FI Giddugaleessaa fi warren tajaajila gahaa hin arganneef kennamu, hanga hirmaannaan bu'aa madaalawaa ta'ee, hojimaanni isaa ifa ta'ee, haala gabaa wajjiin wal fudhatetti, ni deeggara.

Xiinxala isaa fi odeeffannoo waggaa guutuu isaaf dhihaate irratti hundaa'uun koreen Tajaajilli Baankii Dhalarraa Bilisaa Baankii Hojii Gamtaa Oromiyaa Waxabajjii 30, 2025 duudhaalee Shari'aa eeguun kan raawwate ta'uu ni mirkaneessina.

Koreen, Boordiin Daayrektarootaa, maanaajimantiini fi hojjattoonni baankichaa, tajaajila baankii dhalarraa bilisaa naamusa eege kennuu, akeeka isaa kalaqa irratti xiyyeeffate mirkaneessuu, maamila biratti hubannoo uumuu fi Shari'aan qajeelfamuutti cichuun, toora tajaajila faaynaansii Islaamaa keessatti adda durummaa Koopbaank Alhudaa mirkaneessuuf qooda gumaachaniif galata isaaniif qabna.

Koree Gorsituu Shari'aa
Baankii Hojii Gamtaa Oromiyaa (Koopbaank Alhudaa)
Bara Bajataa 2024/25

Olkaawwannaa T.B.Dh.B.

Baankiin keenya, hariiroo maamiltootaa tajaajila baankii dhalarraa bilisaa ykn tajaajila Shari'aan walsimu barbaadan waliin qabu uumuu fi cimsuuf sochiilee tarsiimo'aa gara garaa taasisee jira. Barbaachisummaa hubannoo uumuu hubachuun, sagantaawwan hubannoo uumuu qindaa'ina qaban gaheeqabeessota gara garaa waliin walta'uun ciminaan gaggeessinee jirra. Kana malees, waltajjiiwwan marii maamiltootaa hawaasa adda addaa biratti adeemsisuun fedhii fi filannoo faaynaansii addaa isaan qaban caalmaatti hubachiisnee jirra.

Fedhii maamiltoota Tajaajila Baankii Dhalarraa Bilisaa guutuuf tajaajilawwan adda addaa qaama hawaasaa garaa garaaf kallattiin mijatan duudhaalee Shari'aan walsiman hojiirra oolchineerra.

Maamiltoota keenyatti dhihaachuun, fedha isaanii guutuun amanamummaa horachuun, walta'iinsa uumuun akeeka keenya waliigalaa maallaqa olkaawwannaa walitti qabuu fi dhaqqabummaa faaynaansii karaa qaamolee hawaasaa kanaa ni babal'isna.

Bara bajataa kanatti, olkaawwannaan T.B.Dh.B. olkaawwannaa baankichaa waliigalaa keessaa dhibbentaa 16tti dhihaatu qabachuun, sochii faaynaansii baankichaaf murteessummaa isaa agarsiisa. Nutis tarsiimoo keenya haaromsuun hamma gabaa keessatti guddachaa deemnu, walitti dhufeenya maamiltoota T.B.Dh.B. waliin qabnu cimsuun, walitti qabuu maallaqa olkaawwannaa jabeessaa jirra.

Gama gumaacha olkaawwannaatiin, maallaqni bara bajataa kanatti walitti qabame, Herrega Wadi'aa Socho'aa, Wadi'aa Qusannaa fi Invastimantii Mudaarabaa irraa kan argameedha. Harki caalu, dhibbentaan 83 Wadi'aa Qusannaa irraa yommuu argamu, Wadi'aa Socho'aa dhibbentaa 15 qabatuun yoo hordofamu, kan hafe gumaacha Herrega Invastimantii Mudaarabaati.

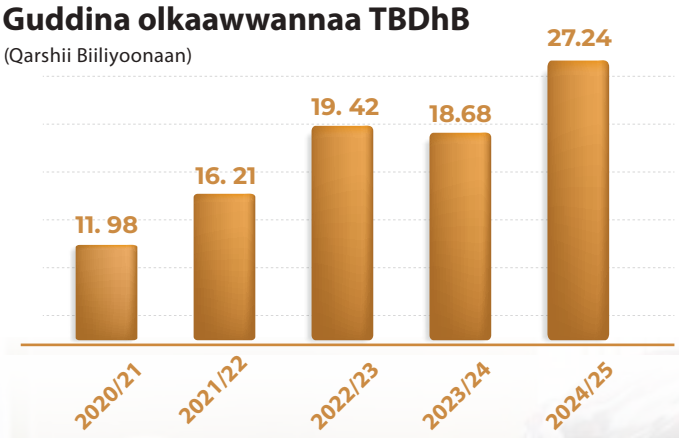
Akaakuwwan Guddina Olkaawwannaa TBDhB

(Qarshii Miiliyoonaan)

	2022/23	2023/24	2024/24
Wadia Current	2,659.36	2,817.72	3,967.10
Wadia Saving	16,284.61	15,808.64	22,617.62
Mudarabah Investment	473.015	54.82	660.97
Total	19,416.99	18,681.18	27,245,69

Guddina olkaawwannaa TBDhB

(Qarshii Biiliyoonaan)



Herreega olkaawwannaa T.B.Dh.B.

Hawaasni carraa tajaajila baankii dhalarraa bilisaa hin arganne baay'ina qabu jiraachuu hubachuun, dhaqqabummaa faaynaansii mirkaneessuuf ciminaan hojjanneerra. Karaa ulaawwan kenna tajaajilaa fi hojiirra oolmaa tajaajilawwan Shari'aan walsiman, hawaasa bal'aa qaqqabuuf tattaaffii cimaa taasisnee jirra.

Bara gabaasni kun ilaalutti, toora Tajaajila Baankii Dhalarraa Bilisaatti, bu'uura maamilaa bal'isuuf sochiin taasifame bu'aa guddaa buusee jira. Maamiltoota haaraa T.B.Dh.B. 422,555 ol horachuun herrega olkaawwannaa waggaa kana keessatti akka waliigalaatti baname keessaa dhibbentaa 29 qabata. Waxa-bajjii 30, 2025 baay'inni herrega maamilaa T.B.Dh.B. miiliyoona 4.11 qaqqabuun toora kanatti baankolee dhuunfaa keessaa, adda durummaa Baankiin Hojii Gamtaa Oromiyaa qabu mirkaneessa. Herregoonni T.B.Dh.B. herreega olkaawwannaa baankichaa waliigalaa keessaa dhibbentaa 28 qabatu.

1st

Koopbank Alhudaa, Xumura Waxabajjii 2025tti, Maamila Miil. 4.11 gahe

Faaynaansii T.B.Dh.B.

Toora tajaajila baankii Koopbaank Alhudaatti, qabeenya maallaqaa walitti qabame gara sektara diinagdee Shari'aan walsimutti qajeelchuun gama kanaan tajaajila faaynaansii bu'aaqabeessa kennuun baankii dhuunfaa adda duree ta'uu keenya cimsinee ittifufsiisuuf kutannoo qabna. Yeroo gabaasa kanaatti, Qar. miiliyoona 1,777.21 faaynaansiin kennuun xumura waggaa irratti hanga maallaqaa faaynaansiin kennamee ala jiru olkaasuun, walumaagalatti Qar. biiliyoona 15.79 qaqqabsiiseera.

Maallaqni faaynaansiin kenname kun hanga liqii baankichi kenne keessaa dhibbentaa 13tti kan dhihaatuu qababachuun, gama tajaajila faaynaansii dhalarraa bilisaa Shari'aan walsimuu fi hawaasa keenya keessatti guddina waara'aa mirkaneessuuf kutannoo qabnu mul'isa.

Gahee kenna faaynaansii keenyaa sektaraan yommuu ilaallu, Daldalli Biyya Keessaa fi Tajaajilli caalmaa agarsiisuun, faaynaansii waliigalaa irraa dhibbentaa 35 qabata. Dhibbentaa 15iin Warshaaleen itti aanuun, Faaynaansiin Al-ergii dhibbentaa 11.9 fi Ijaarsaa fi Gamoowwan dhibbentaa 10 ofkeessaa qabu. Sektarri diinagdee kaan walumatti qabaatti faaynaansii kenname keessaa qooda dhibbentaa 28.1 fudhachuun industiriiwwan gara garaa keessatti guddina diinagdee waara'aa fiduuf cichoomina qabnu agarsiisa.

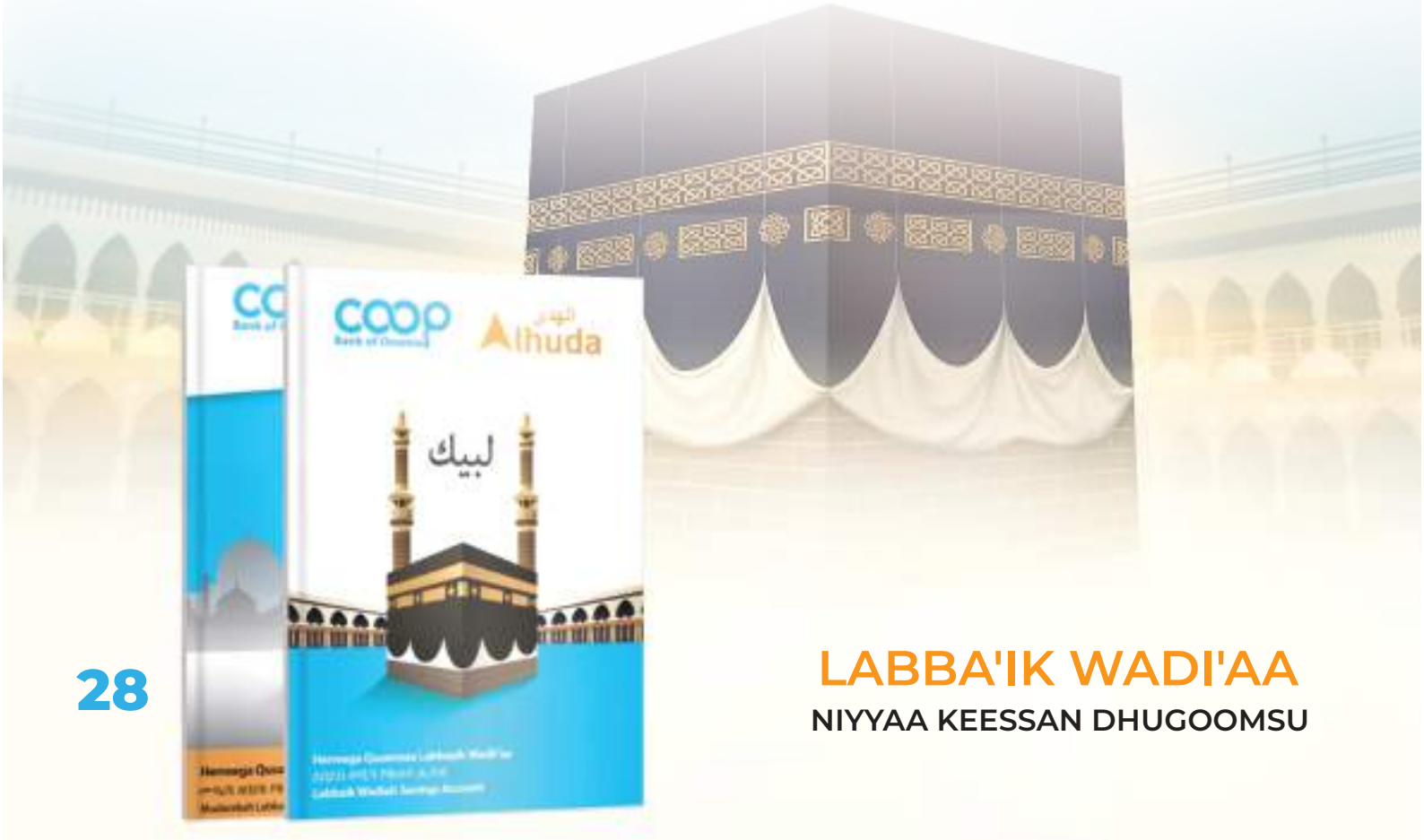
Saamsaa Bishaan Sheer, Koopbaank Alhudaan faaynaansii ta'e

Dirree Istiil Koopbaank Alhudaan faaynaansii ta'e

Warshaa Daakuu Alfaa, Koopbaank Alhudaan faaynaansii ta'e

Bu'aa qabeessummaa Baankii Hojii Gamtaa Oromiyaa dabaluuf gumaachi toorri T.B.Dh.B, sochii hojii fi faaynaansiin guddina qabatamaa agarsiisaa jiru, bara baraan taasisu olaanaa ta'uun isaa mirkanaa'ee jira. Bara bajataa xumurame kanatti, toorri T.B.Dh.B. galii Qar. biiliyoona 1olargamsiiseera. Raawwiinumti baranaa kunuu bu'aa hojii cimaa kan ta'e raawwii guddaadha. Galiin guddaan faaynaansii Mudaarabaa irraa argamuun, toora kanatti madda galii ijoo isa taasisa. Dabalataaniis, komishinii fi kaffaltiiwwan tajaajilaa hojiiwwan T.B.Dh.B. walqabatan, raawwii faaynaansii waliigalaa keenyaa keessatti gahee guddaa qabu.

Gama baasiitiinis, toorri T.B.Dh.B. bara bajataa kanatti baasiwwan raawwii hojii, Qar. miiliyoona 178.4, harki caalu Qusannaa Mudaarabaa fi Mudaarabaa Yeroon Daanga'aan walqabatu, baasee jira.



LABBA'IK WADI'AA

NIYYAA KEESSAN DHUGOOMSU