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BUNNA BANK
Bank of the Visionaries!
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ANNUAL REPORT



FOR THE YEAR THAT ENDED
ON JUNE 30, 2026

ADDIS ABABA
ETHIOPIA

www.bunnabanksc.com



BUNNA BANK NEW BUILDING

CORPORATE STATEMENTS

Motto: "Bank of the Visionaries"

Vision

"To Become One of the Top Three Financial Services Provider in Ethiopia by the year 2030."

Mission

"To deliver platform-based financial services by collaborating with partners, elevating the value for key stakeholders, and earning public trust. We are committed to achieve this through our renowned brand, a team of skilled professionals with digital expertise and cutting-edge technology."

Values

- **Winning:** We are deeply committed to surpassing banking competition in an ethical manner, driven by a pursuit of excellence and strategic innovation. Our strength lies in our professional employees, strong team spirit, high-performance culture, and winning mentality.
- **Respect:** We embrace the inherent worth of every individual, upholding dignity in all interactions. Collaboration and teamwork are woven into our fabric, recognizing the collective power they bring. We remain receptive to diverse perspectives and opinions, fostering an open-minded environment where listening is prized. With utmost regard for customers, stakeholders, partners, and regulatory obligations, we uphold a high standard of conduct. Seeking feedback and appreciating contributions, we humbly learn and grow. Our focus on building trusted, enduring relationships unites us in achieving mutual goals while celebrating the richness of our differences.
- **Responsibility:** We acknowledge the existence of potential conflicts of interest among our key stakeholders and take a responsible approach to address them. Our focus is on striking a harmonious balance that not only maximizes the company's well-being but also optimizes the interests of our stakeholders. Moreover, we are deeply committed to acting responsibly and making a positive impact on the betterment of our community.
- **Collaboration:** At Bunna Bank, collaboration is a core tenet that fuels our commitment to work closely with partners, delivering platform-based financial services that generate value for all stakeholders. Building upon mutual trust, security, and unity, we prioritize the development of a seamless digital ecosystem that meets the diverse needs and expectations of our stakeholders. Our strong conviction drives us to create a dynamic environment where we support, care for, and treat each other with utmost respect and professionalism, ensuring an exceptional customer experience.
- **Innovation:** We create value by leveraging relevant knowledge and resources to transform ideas into new products, processes, or practices that have the potential to revolutionize markets and industries. Our innovation is driven by our ability to be dynamic, responsive, and predictive in anticipating and adapting to new changes in the market, enabling us to outpace our rivals and new entrants.

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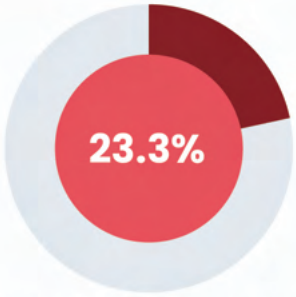
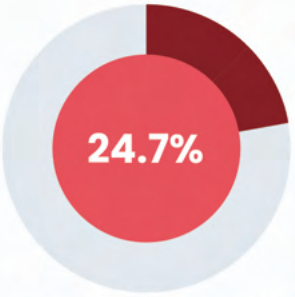
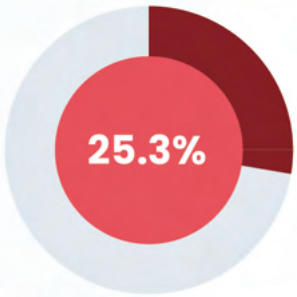
SNAP SHOTS OF SELECTED PERFORMANCE INDICATORS GROWTH FOR FY 2025/26



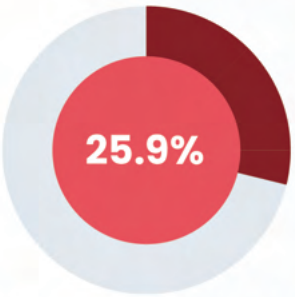
Deposits Growth



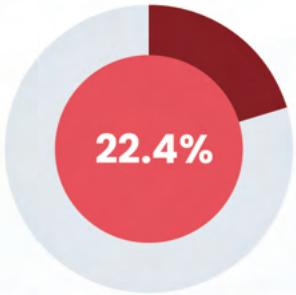
Loans & Adv. Growth



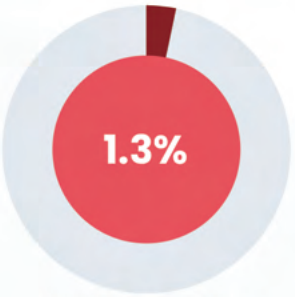
Gross Profit Growth



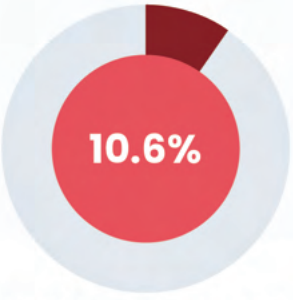
Total Asset Growth



Paid-up Capital Growth



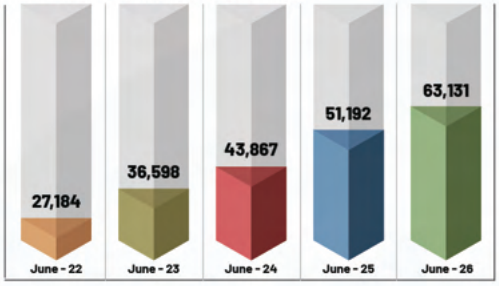
FCY Growth



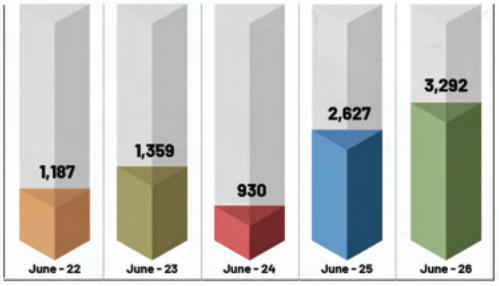
Deposit Accounts Growth

THE LAST 5 YEARS PERFORMANCE TREND FOR MAJOR OPERATIONS (2022–2026)

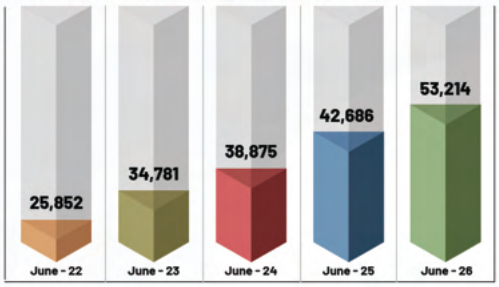
DEPOSITS BIRR IN MILLIONS



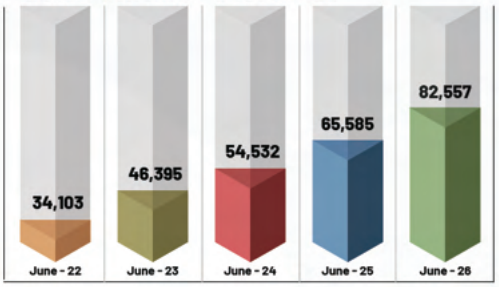
PROFIT BEFORE TAX BIRR IN MILLIONS



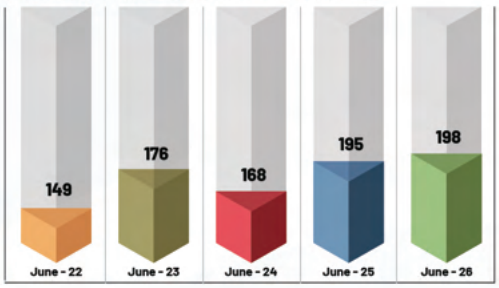
LOANS & ADVANCES BIRR IN MILLIONS



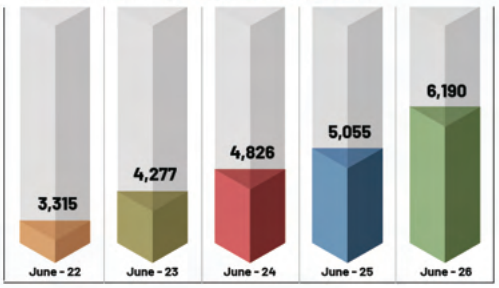
TOTAL ASSET BIRR IN MILLIONS



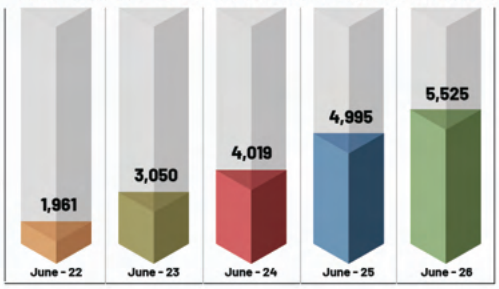
FCY MOBILIZATION USD IN MILLIONS



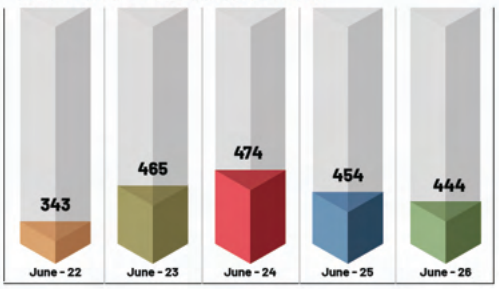
PAID UP CAPITAL BIRR IN MILLIONS



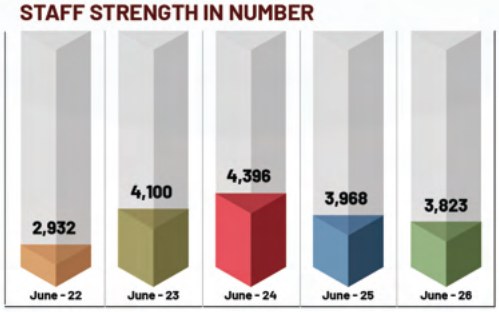
NUMBER OF DEPOSIT ACCOUNTS (IN THOUSAND)



BRANCH NETWORK IN NUMBER



STAFF STRENGTH IN NUMBER



Board of Directors



Board Chairperson
Ato Mulugeta Asmare



V/ Chairperson
Ato Esubalew Ejigu



Member
Dr. Sileshi Demesie



Member
Dr. Getnet Alemu



Member
Ato Debas Yeshanew



Member
Ato Dawit Derbew



Member
Ato Fikir Abere



Member
W/ro Selamawit Ayalew



Member
W/rt Meseret W/Mariam



Company Secretary
Ato Bekalu Ayalew

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Senior Management Committees



Chief Executive Officer
Ato Muluget a Alemayehu



Chief Finance and Corporate Service Officer
Ato Lewit e Tirusew



Chief Strategy and Partnership Officer
Ato Muluneh Ayalew



Chief Information and Digital Officer
Ato Yeshanew Ayalew



Chief Corporate Banking Officer
Ato Meseret Yazachew



Chief People and Culture Officer
Ato Samuel Teshome



Chief Product and service Innovation Officer
Ato Sewale Bit ew



Chief Banking Transformation Officer
Ato Atikilt Admasu



Chief Retail and Branch Banking Officer
Ato Eskindir Dibekulu



Deputy Chief-Technology Officer
Ato Tadesse Dabi



Deputy Chief-Digital Officer
Ato Tewodros Baleh



Senior Director - Legal Services
Ato Wubetu Assef a



Senior Director - Internal Audit
Ato Yohannes Emiru



Senior Director - Risk Management and Compliance
Ato Firew Girma



Senior Adivisor to CEO
Ato Menkir Hailu



Director-Executive Support
Ato Zelalem Amanu

Middle Level Managements



Director - Interest Free Banking
Ato Mohammed Nasir



Director - IT Security
Ato Daniel Gebrehawariat



Director - Ethics, Business Conduct and Sustainability
W. Yewubdar Abebe



Director - Facilities Management
Ato Worku Fenta



Director - Accounting and Financial Management
Ato Mekbib Shumet



Director - Treasury and Investment
Ato Hailemariam Alem



Director - Engineering Service
Ato Moges Cherinet



Director - International Banking
Ato Tenna Hailemariam



Director - Corporate Communication
Ato Melaku Berhanu



Director-Market Research and Business Intelligence
Ato Berhanu Molla



Director - Strategic Planning and Performance Management
Ato Tesfaye Gezahagne



Director – Strategy and Data Intelligence
W. Engidu Kifle



Director - Enterprise App Development and Operations
Ato Derese Wudu



Director - Contact Center and Digital Customer Acquisition
W. Firehiwot Mesfin



Director - IT and Digital Service Management
W. Seblewongale Zerihun



Director - Infrastructure and Data Management
Ato Admasie Weiza



Director - Digital Center of Excellence and Digital Factory

Ato Biruk Zenebe



Director - Digital Banking

Ato Tadesse Melesse



Director - Corporate Business Development and Relationship Management

W. Hanna Esubalew



Director - Credit Relationship Management

Ato Wondimu Abere



Director - Credit underwriting

Ato Lijalem Muchie



Director - People Performance and Development

Ato Woldemedhin Kidane



Director - People Solutions

Ato Afework Atnafseged



Director - People Operation Management

Ato Abayneh Habtie



Director - Financial Technology Partnership

Ato Sertsedingle Birhanu



Director - Digital Finance Innovation Hub

Ato Samson Fesseha



Director - Retail and SME Product Portfolio Management

Ato Mekbib Tola



Director - Branch Banking

Ato Semere Tesfaye



Director I - East AA District

Ato Mulugeta Tesfay



Director I- West AA District

Ato Molla Adane



Director I - South AA District

Ato Melsew Agmuas



Director I - Bahir Dar District

Ato Molla Minweyelet



Director II - Dessie District

Ato Yonas Fiseha



Director II - Hawassa District

Ato Tsegaye Bitew



Director II - Jimma District

Ato Atinkugn Assefa



Director II - Mekele District

Ato Aklilu Gebremedhn



Director II - Debre Markos District

Ato Mengistu Wolelaw



Director II-Debre Brehan District

Ato H/giorgis Wondimgezahu



Director II- Adama District

Ato Shihunegn Terefe

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KHADIM BY BUNNA BANK

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bank of the visionaries

Shari'ah Advisory Committee



Sheikh Seid Mohammed



Sheikh Hussein Beshir



Ustaz Fuad Adem



MESSAGE OF THE BOARD CHAIRPERSON

Dear Shareholders of Bunna Bank S.C.,

On behalf of the Board of Directors, I am honored to present the performance report of Bunna Bank for the financial year ending June 30, 2026. As we mark our 17th year of operations, it is with deep pride that we reflect on Bunna Bank's enduring journey of growth and resilience. Since its inception, the Bank has consistently delivered year-on-year progress, driven by strategic foresight, operational excellence, and an unwavering commitment to service excellence. At this pivotal juncture, we extend our sincere appreciation for your continued trust, patience, and invaluable feedback — especially during periods of uncertainty.

The past financial year was marked by formidable headwinds across Ethiopia's banking sector. Inflationary pressures, foreign exchange volatility, the National Bank of Ethiopia's credit growth cap, the removal of the minimum deposit interest rate, and evolving regulatory dynamics collectively tested the agility and strength of financial institutions. This challenging environment constrained operational flexibility and tempered the sector's ability to fully harness emerging opportunities.

Despite the prevailing conditions, Bunna Bank demonstrated remarkable fortitude. Accordingly, the Bank's profit before tax reached ETB 3.292 billion, which is higher than the annual plan by ETB 267.8 million (8.9%) and shows an increase of 25.3% or ETB 664.9 million compared to the previous year, marking the highest in the Bank's history. The Bank's total income also grew by ETB 1.9 billion or 16.4% to reach ETB 13.665 billion, of which interest income accounts for a 73.8% share.

The volume of loans and advances at the end of the financial year reached ETB 53.213 billion, which shows a 24.7% or ETB 10.5 billion growth compared to the previous year's performance.

The Bank's deposit amount grew by 23.3% or ETB 11.9 billion to reach ETB 63.1 billion. Total assets grew by 25.9% to be recorded at ETB 82.557 billion, and total liabilities grew by 25.6% to reach ETB 71.269 billion. The Bank's total capital grew by 28% to reach ETB 11.287 billion, while the paid-up capital grew by 22.4% to reach ETB 6.189 billion at the end of the financial year; therefore, it was possible to further strengthen the minimum paid-up capital amount of ETB 5 billion set by the National Bank of Ethiopia, which the Bank had previously achieved ahead of schedule. On the other hand, the number of our customers who opened bank accounts also grew by 515,973 or 13.1% to reach 4,741,077.

In foreign exchange operations, we mobilized USD 197.8 million, up USD 2.6 million (1.33%) year-on-year – 40.2% from SWIFT transfers, 36.4% from inter-bank transactions, and 21.0% from exports. Our digital banking footprint continued to expand: the digital adoption rate rose from 40% to 44% and mobile banking usage reached 50%, with ETB 4.47 billion transacted via ATMs and ETB 64.8 billion via mobile and internet banking. Our digital finance service, Abol, disbursed ETB 12.1 billion in loans and generated ETB 708.6 million in income. Meanwhile, our interest-free banking platform, Khadim, grew its customer base by 14.0% to 704,737 and held ETB 2.339 billion in deposits by year-end.

Out of the Bank's ETB 3.292 billion profit before tax for the 2025/26 financial year, profit after tax stood at ETB 2,416,427,071.77. After deducting applicable income tax, the legal reserve, and other miscellaneous relevant deductions from the profit recorded for the year, the Bank achieved a net distributable profit of ETB 1,580,233,369.50. From this amount, the Board of Directors proposes a recommendation that 30% (ETB 474,070,010.85) be distributed as dividends to shareholders and the remaining 70% (ETB 1,106,163,358.65) be held as retained earnings.

Honorable Shareholders,

The achievements highlighted above are the result of a well-coordinated effort between our bank's Board of Directors and management, strengthened by the unwavering support and dedication of our employees. Their collective contribution has played a vital role in realizing these outcomes.

In the 2025/26 financial year, the Board of Directors conducted 16 regular and 3 extraordinary meetings, totaling 19 Board meetings, alongside 45 regular and 2 extraordinary totaling 47 Board committee meetings. In this regard, the Board effectively executed its oversight duties through comprehensive reviews of quarterly and annual plans and reports from Risk Management, Internal Audit, and Senior Management.

Accordingly, the Board laid a robust foundation for the Bank's long-term success by approving several critical policies, including Corporate Governance General Policy Framework. Key strategic actions included strengthening credit monitoring, accelerating digital transformation, and modernizing the human resource, approving placement of senior management under the new organizational structure, setting the share price, approving the capital expansion plan, approving the registration and dematerialization of shares with the Capital Market Authority, authorizing the formation of the Bunna Foundation, and fast-tracking construction of the Bank's headquarters.

Overall, the Board played a pivotal role in driving the Bank's strong performance, ensuring the financial soundness and sustainable growth while providing the strategic direction and decisive leadership needed to streamline the Bank's operations.

During the financial year, each member of the Board of Directors received a monthly allowance of ETB 10,000, totaling ETB 1,080,000. Additionally, an annual profit-based payment of ETB 150,000 per director was made, amounting to ETB 1,350,000. In total, ETB 2,430,000 was disbursed to the Bank's nine Board members.

On the other hand, the Chief Executive Officer received the following compensation during the financial year: a salary of ETB 8,895,180.00, a representation allowance of ETB 392,600.40, a mobile phone allowance of ETB 45,000.00, a vacation allowance of ETB 35,000.00, and an annual bonus of ETB 1,728,534.60, bringing total salary and benefits to ETB 11,096,315.00. The Bank does not provide a housing allowance to the CEO. Instead, the Bank has arranged for the CEO to reside in a residential building owned and managed by the Bank.

During the financial year, no new loans were extended to either the Bank's Chief Executive Officer or members of the Board of Directors.

Esteemed Shareholders,

Bunna Bank continues to rely on the unwavering support of our shareholders, the trust of our customers, and the strong commitment and participation of all stakeholders from the Board of Directors to our employees. In this spirit, I humbly call upon every member of the Bunna Bank community to join hands and work together to elevate our bank to even greater heights. I would also like to express my heartfelt gratitude to the National Bank of Ethiopia for consistently providing timely and appropriate responses to our inquiries, and for its constructive role in fostering healthy competition within the sector.

Finally, I am confident that in the upcoming financial year, our collective efforts to ensure the sustainability, growth, and profitability of our bank through the collaboration and support of shareholders, customers, the Board, management, employees, and all stakeholders will continue to strengthen and advance our shared vision.



Mulugeta Asmare
Chairperson, Board of Directors
Bunna Bank S.C.

Bunna Bank S.Co.

Report of the Shari'ah Advisory Committee

For the Financial Year Ended June 30, 2026

To the Shareholders, Customers, and Stakeholders of Bunna Bank S.C.

Pursuant to the roles and responsibilities stipulated under the Bank's Shari'ah Charter, the Shari'ah Advisory Committee hereby submits its annual report for the financial year ended June 30, 2026.

Scope of Governance & Oversight

During the period under review, the Committee conducted regular and extraordinary meetings to oversee the Bank's Interest-Free Banking (IFB) operations across dedicated branches and window services. Key oversight activities included reviewing IFB financial products, financing contracts, terms, and conditions, as well as conducting on-site inspections of IFB window services to ensure strict compliance with Shari'ah rules and principles. The Committee also issued formal rulings (*fatwas*), and continuous operational guidance to the IFB Directorate, Management, and staff.

Respective Responsibilities

Management is responsible for ensuring that all IFB business operations are conducted in full compliance with Shari'ah rules, SAC rulings, National Bank of Ethiopia (NBE) directives, and global best practices. The Committee's responsibility is to express an independent opinion on the Bank's overall Shari'ah compliance based on reviews of documentary evidence, execution samples, audit reports, and representations provided by Management.

Shari'ah Committee Opinion

In our opinion, based on the reports, execution tests, audit findings, and explanations provided by Management, the Interest-Free Banking operations of Bunna Bank S.C. for the financial year ended June 30, 2026, have been conducted in material compliance with Shari'ah rules, principles, and specific SAC rulings.

Acknowledgments

The Committee expresses its sincere appreciation to the Board of Directors, Management, and Staff of Bunna Bank S.C. for their steadfast dedication and commitment to strengthening Shari'ah governance across the Bank.



MESSAGE OF THE CHIEF EXECUTIVE OFFICER

Dear Esteemed Shareholders,

It is with great pleasure and a deep sense of responsibility that I forward my message to esteemed shareholders about Bunna Bank's annual performance for the financial year ended June 30, 2026. The year was marked by strong performance, continued growth, and meaningful progress in our transformation journey. These achievements reflect the dedication of our employees, the trust of our customers and shareholders, and the support of our partners and regulators.

While the Bank's financial performance is presented in detail in other sections of this report, I would like to highlight the strategic priorities and transformation initiatives shaping our future.

Renewing Our Strategic Direction

A major milestone during the year was the mid-term review and recalibration of our Corporate Strategy for FY 2026/27–2029/30. The review reaffirmed our strategic direction while emphasizing stronger execution, accountability, organizational agility, and timely implementation. Our ambition remains "To Be One of the Top Three Financial Services Providers in Ethiopia by the year 2030." Guided by our mission to deliver platform-based financial services through partnerships, stakeholder value creation, and public trust, we remain committed to leveraging our renowned brand, skilled professionals, and cutting-edge technology.

Our core values -Winning, Respect, Responsibility, Collaboration, and Innovation - continue to guide our actions, while our motto, "Bank of the Visionaries" reflects our forward-looking spirit. Our strategy is anchored in three themes: Enhanced Operational Excellence Directed Towards Customer Centricity, Sustainable Business Growth, and Effective Value-Based Partnership.

Transforming Our Technology, Digital Capabilities, and People

Transformation remains central to our ambition to build a modern, agile, and customer-centric financial institution. Our technology agenda

focuses on modernizing the Core Banking System and ERP, strengthening enterprise data management, analytics and AI capabilities, enhancing cybersecurity and system integration, and advancing process automation and standardization. These initiatives will establish a secure, scalable, and resilient technology foundation for platform-based financial services.

Our digital transformation is equally focused on creating tangible value through improved customer experience, convenience, accessibility, and operational efficiency. Key priorities include developing a unified digital platform, strengthening digital adoption and integration, expanding ecosystem services, and institutionalizing the Digital Supply Chain initiative.

Recognizing that sustainable transformation depends on people, we continued implementing the Bank's new Target Operating Model (TOM) at both organizational and individual levels. This involves aligning organizational structures, value streams, and governance arrangements while clarifying individual roles, responsibilities, decision rights, and performance expectations. Our revised People & Culture Strategy further supports an agile, high-performing, digitally capable, and values-driven workforce through enhanced learning and development, performance management, employee engagement, digital HR services, and change management.

Building Our Institutional Capacity and Capital Market Readiness

Our building construction project recorded significant progress, advancing from ground level at the comparable period last year to the 15th floor during the year under review. Structural work is expected to be completed by December 2026, with the entire project targeted for completion by the end of 2027.

We also advanced our capital market readiness through engagement with the Ethiopian Capital Market Authority (ECMA) and other market institutions. Key activities included equity valuation, prospectus preparation, registration documentation, and compliance with regulatory requirements. ECMA accepted the registration of the Bank's existing shares and approved a rights offering of ETB 310.44 million. Progress in share dematerialization through the Central Securities Depository and employee capacity building further strengthened our preparedness. Going forward, we will continue to strengthen our capital base, improve regulatory and market readiness, enhance transparency and compliance, and create sustainable value for our shareholders.

Looking Ahead with Confidence and Responsibility

Ethiopia's financial services industry is undergoing significant change driven by technological advancement, evolving customer expectations, competition, financial-sector reform, emerging capital markets, and ecosystem-based services. We view these developments as opportunities to accelerate our transformation and strengthen our competitive position.

Our recalibrated strategy places strong emphasis on disciplined execution, technology and digital innovation, operational excellence, people development, customer-centric services, strategic partnerships, and a stronger balance sheet and capital base.

Our shareholders remain central to this journey. We are committed to safeguarding and growing your investment through sustainable growth, prudent management, responsible risk-taking, innovation, transparency, and accountability. I am confident that the foundations we are building today will position Bunna Bank for a stronger and more sustainable future.

On behalf of the Board, Management, and employees, I extend my sincere appreciation to our shareholders for their continued trust and support; our customers for choosing Bunna Bank; our employees for their dedication; our partners for their collaboration; and our regulators for their guidance.

Together, we will continue building a stronger Bunna Bank- a Bank of the Visionaries - creating lasting value for our shareholders and contributing meaningfully to Ethiopia's financial and economic development.

Mulugeta Alemayehu
Chief Executive Officer
Bunna Bank S.C.

REPORT OF THE BOARD OF DIRECTORS' (FY 2025/26)

Bunna Bank's Board of Directors is pleased to present the FY 2025/26 Annual Report to esteemed shareholders, clients, and other stakeholders of the Bank. In what follows, we present in brief the major performance highlights of the Bank for the just concluded financial year and major set out plans in the period ahead.

1. BRIEF ENVIRONMENTAL ASSESSMENT

1.1 According to IMF's July 2026 WEO report, the global economic growth is projected to slow to 3.0% in 2026, before recovering to 3.4% in 2027, compared with an average growth rate of 3.5% in 2025.

1.2 The prolonged Russia–Ukraine war and continuing conflicts in the Middle East, together with trade tensions and persistent inflationary pressures, have contributed to volatility in energy and commodity prices, disrupted trade and supply chains, and tightened financial conditions. These developments have continued to influence the operating environment for financial institutions, reinforcing the importance of prudent risk management, operational efficiency, and adaptability.

1.3 In sub-Saharan Africa, growth is projected to slightly down from 4.5 percent in 2025 to 4.3 percent in 2026 (IMF: WEO July 2026 Report).

1.4 According to Ministry of Planning & Development, Ethiopia's economy has continued a strong growth trajectory, with real GDP growth of 9.2% in FY 2024/25 and estimated to increase to 10.2% in 2025/26. On the other hand, IMF in its April 2026 WEO Report has projected a real GDP growth of 9.2% for FY 2025/26.

1.5 The foreign exchange market has shown improvement with narrowing gap between official and parallel market exchange rates following the July 2024 Foreign exchange reform. The NBE has also introduced a bi-weekly foreign exchange auctions to improve foreign currency supply to the market and thereby maintain price stability and manage foreign exchange volatility.

1.6 According to the Central Statistics Service, headline inflation increased slightly to 13.9% year-on-year at the end of June 2026, up from 13.3% in June 2025. Food inflation stood at 15.1%, while non-food inflation was 12.2%, indicating that food prices remained the main driver of overall inflationary pressure.

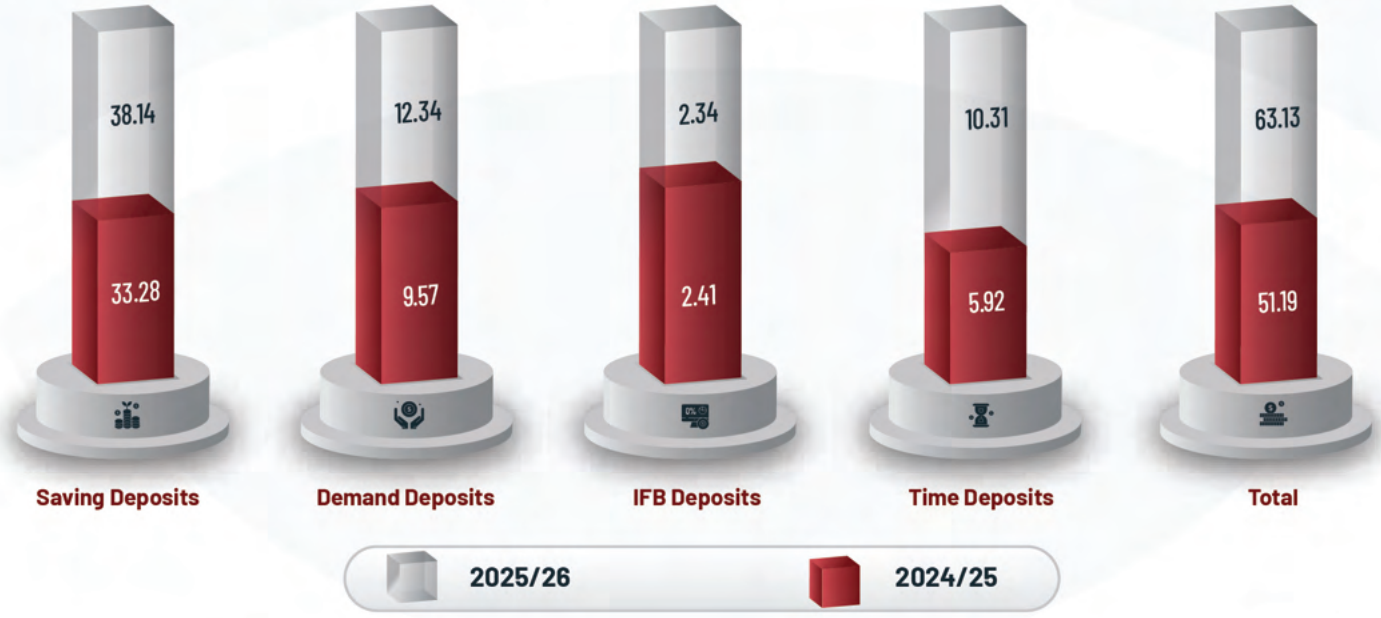
2. FINANCIAL PERFORMANCE

2.1 DEPOSIT MOBILIZATION

Despite the challenging business environment, Bunna Bank maintained its deposit mobilization momentum during the year under review. Total deposits reached Birr 63.1 billion as at June 30, 2026, representing 88.7% of the annual target and an increase of Birr 11.9 billion or 23.3%, during the year. This performance reflects the Bank's continued efforts to strengthen its deposit base and sustain business growth amid prevailing economic challenges.

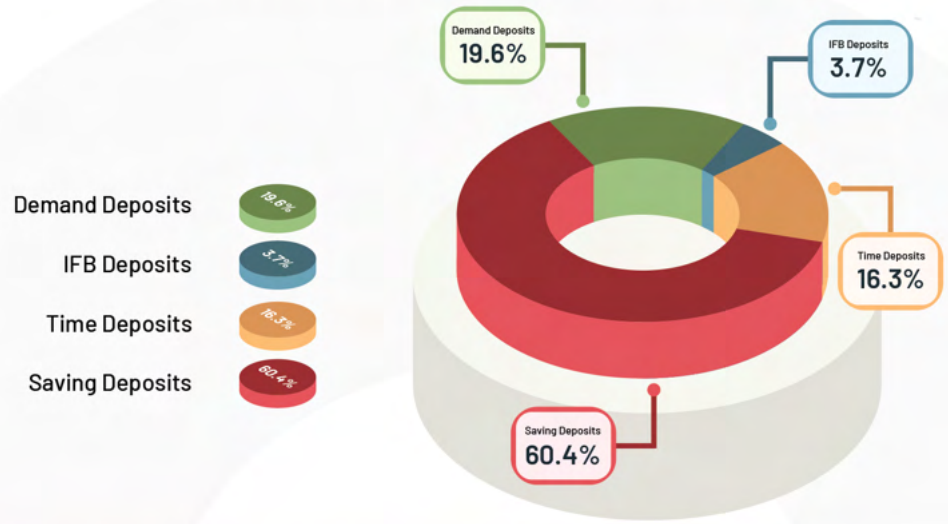
Component wise, the Bank has mobilized a net annual deposit amounting Birr 4.85 billion from savings (conventional), Birr 2.77 billion from demand (conventional) and Birr 4.39 billion from fixed time deposit during the year. On the contrary, Interest Free Banking services has showed a demobilization of Birr 75.6 million during the period. In comparison to performance in a year ago, the FY 2025/26 performance in saving and time deposits were higher by Birr 1.1 billion and Birr 4.5 billion, respectively. Meanwhile, the performance in demand deposits and IFB deposits were lower by Birr 544.6 million and 549.1 million as in that order.

FIGURE 1: COMPARISON OF DEPOSITS BY TYPE (BIRR IN BILLIONS)



Looking at the deposit structure, savings deposit constituted the largest share in the portfolio (60.4%). The remaining portions covered by demand (19.6%), Time (16.3%) and IFB (3.7%).

FIGURE 2: SHARE OF DEPOSITS BY TYPE

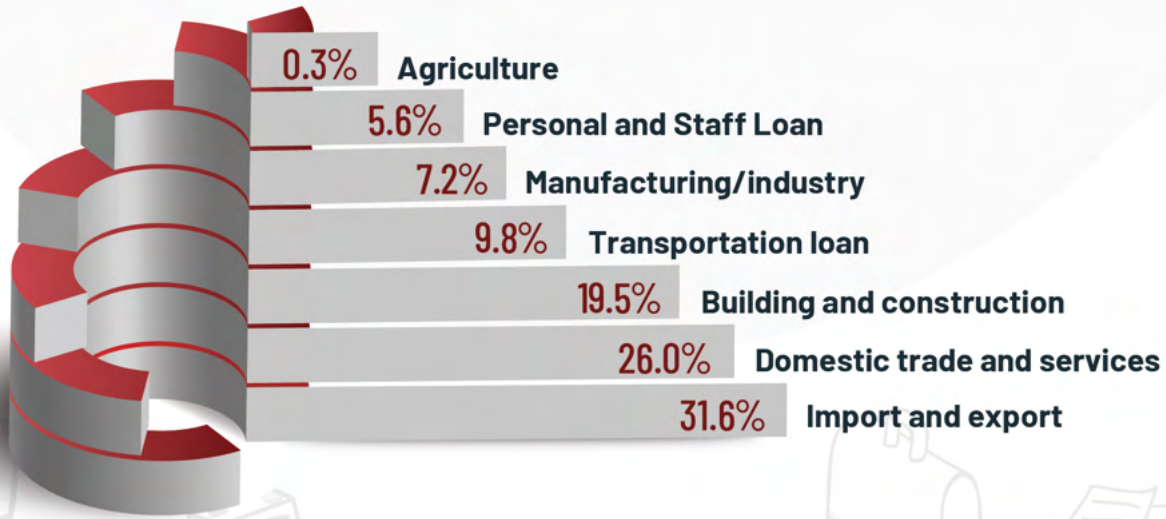


2.2 LOANS AND ADVANCES

In support of the business sector and the broader economy, Bunna Bank continued to expand the availability of finance during the year under review. The Bank's outstanding loan portfolio reached Birr 53.2 billion as at June 30, 2026, representing an increase of Birr 10.5 billion, or 24.7%, during the year. The Bank's outstanding loan portfolio exceeded the annual target by 8.4 percent.

The Bank's loan portfolio was distributed across a diverse range of economic sectors, led by international trade (import & export) constituting 31.6%, followed by domestic trade and services 26.0%, building and construction 19.5%. The remaining 22.9% was distributed among other sectors, including transportation, manufacturing, agriculture, personal and staff loans.

FIGURE 3: PERCENTAGE SHARE OF LOANS & ADVANCES BY ECONOMIC SECTORS



2.3 NON-PERFORMING LOANS (NPLs)

NPL ratio of the Bank stood at 4.28 percent at end June 2026, which is below the limit set by the regulatory organ (5%). Given the challenges, the NPL performance was attained through collaborative effort at different levels.

2.4 DIGITAL FINANCIAL SERVICE (ABOL)

The Bank continued to expand its digital financing services through the Abol Digital Financing Service Platform, offering digital loan products to commercial and SME customers as well as staff of other organizations. As a result, during the period under review, the Bank Disbursed Birr 12.1 billion (85.8% of the plan) and collected Birr 8.4 billion (81.2% of the plan) in commercial, and SME through digital financing services. Consequently, the outstanding digital loan portfolio stood at Birr 3.71 billion.

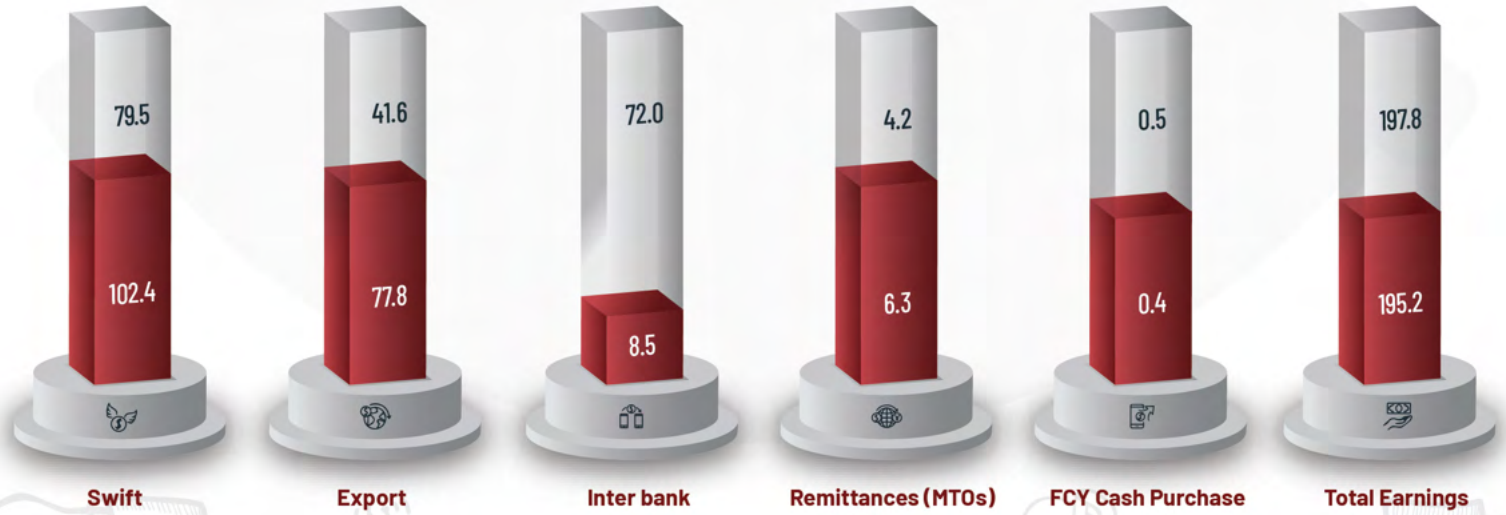
Income generated from Digital Financing Services (DFS) amounted to Birr 708.6 million during the period under review, contributing 7.0% of the Bank's total Income.

2.5 FOREIGN CURRENCY EARNINGS

The Bank's foreign currency earnings for the concluded financial year was USD 197.8 million. The performance was 83.4 percent of the annual target. In comparison to last financial year, it was higher by USD 2.6 million (1.33 percent).

Earnings from bank to bank transfer/SWIFT took 40.2 percent of the total foreign currency inflows followed by earning from inter-bank transactions 36.4 percent, export 21.0 percent, and remittance 2.1 percent. Earning from cash purchase contributed 0.3 percent.

FIGURE 4: COMPARISON OF FOREIGN CURRENCY EARNINGS (USD IN MILLIONS)

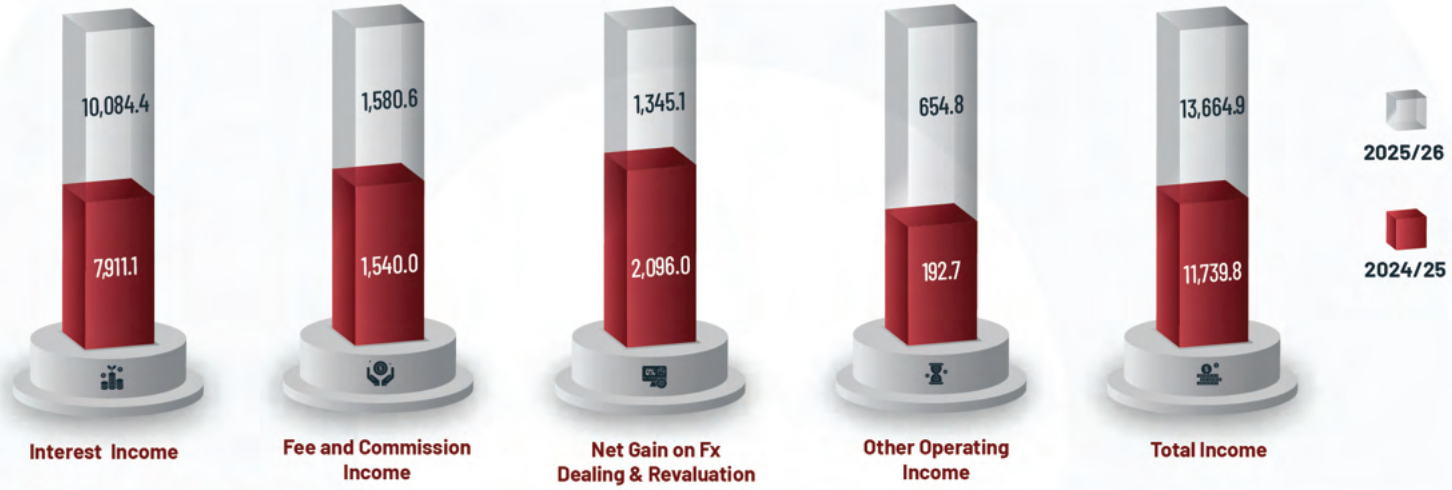


2.6 INCOME, EXPENSE AND PROFIT

2.6.1 INCOME

The Bank generated a total income of Birr 13.70 billion during the financial year, achieving the annual target as well as exceeding the preceding year's performance by Birr 1.9 billion (16.4%). Interest income accounted 73.8% (Birr 10.1 billion) of the total income, while non-interest income contributed the remaining 26.2% (Birr 3.6 billion). Overall, the Bank's total income generated during the year exceeded the annual target.

FIGURE 5: INCOME COMPARISON BY SOURCES (BIRR IN MILLIONS)



2.6.2 EXPENSES

The Bank's operating expenses during the reporting period totaled Birr 10.4 billion, representing 97.6% of the annual budget. Total expenses increased by Birr 1.3 billion (13.8%) compared to the previous year.

In terms of components, non-interest payments accounted for Birr 6.15 billion (59.3%); and interest payments to depositors make up the remaining amount of Birr 4.2 billion (40.7%). Of the total non-interest expenses, salary & benefits constituted 59.6 percent or Birr 3.7 billion followed by administration expenses 23.2 percent or Birr 1.4 billion. Impairment loss on loans & advances & other financial assets and depreciation & amortization expenses took the remaining 17.2 percent or Birr 1.1 billion.

FIGURE 6: COMPARISON OF EXPENSES (BIRR IN MILLIONS)



2.6.3 PROFIT

The Bank generated a profit before tax of Birr 3.3 billion for the year ended June 2026, exceeding the annual target by Birr 267.8 million (8.9%) and last year's performance by Birr 664.9 million (25.3%).

FIGURE 5: INCOME COMPARISON BY SOURCES (BIRR IN MILLIONS)



2.7 ASSET

The Bank's total asset has grown up by Birr 16.97 billion (25.9%) during the financial year that ended on June 30, 2026 and stood at Birr 82.6 billion. The asset balance was 95.8% of the annual target

2.8 LIABILITIES

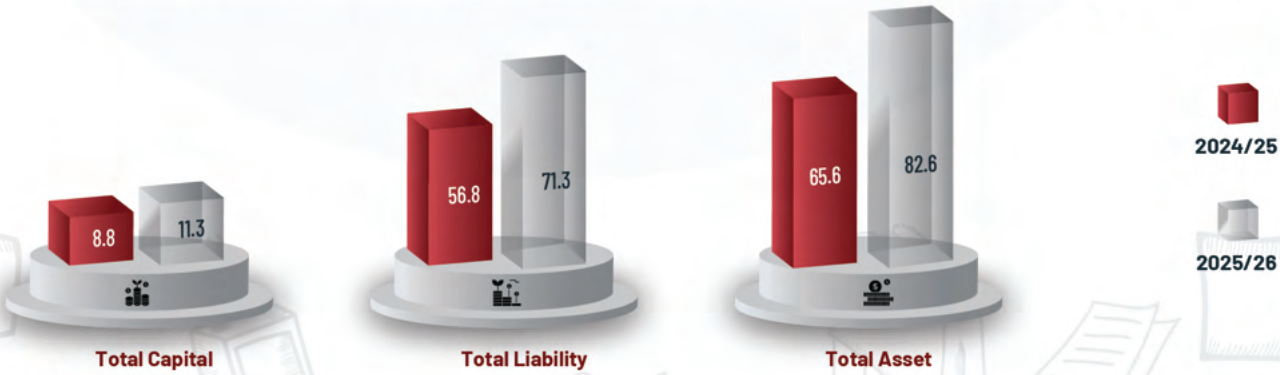
The Bank's total liability increased by Birr 14.5 billion (25.6%) and reached Birr 71.3 billion at end of the concluded financial year.

2.9 CAPITAL

The Bank's total capital has grown by Birr 2.5 billion (28%) and stood at Birr 11.3 billion at the end of June 2026.

Having a share of 54.8%, the Bank's paid-up capital increased by Birr 1.13 billion (22.4%) during the reporting period and reached Birr 6.2 billion at the end of June 2026, reflects the con certed efforts of the Board and Management to strengthen the Bank's capital base.

FIGURE 8: COMPARISON OF ASSET, LIABILITY AND CAPITAL (BIRR IN BILLIONS)



3. BUSINESS DEVELOPMENT AND OTHER ADMINISTRATIVE ISSUES

3.1. DEPOSIT CUSTOMER BASE (CIF)

Throughout the 2025/26 financial year, the Bank has continued its effort to expand its deposit customers. Accordingly, the number of deposit customers has grown by 515,973 customers or 13.1 percent during the reporting period; and the total customer base of the Bank stood at 4,741,077 customers at the end of June 2026.

3.2. BRANCH CONSOLIDATION

Aligning with the Bank's strategic direction to gradually move from a traditional branch based model to a more digital oriented approach, a decision has been made to take a breath on opening of new branches for the current financial year. Instead, the focus will be on consolidating existing branches to enhance operational efficiency and manage rising rental costs effectively. As part of this initiative, 10 branches were consolidated with nearby branches based on comprehensive performance assessments. Consequently, the total number of active Bank branches stood at 444 as of the end of June 2026

Of the total 444 branches, 68.7% or 305 branches are located outside of Addis Ababa; while the remaining 139 branches or 31.3% located in Addis Ababa.

3.3. DIGITAL BANKING SERVICES

Recognizing the growing importance of digital banking, the Bank has continued to implement its digital transformation strategy to enhance its products, channels, and service efficiency. During FY 2025/26, the Bank was providing its digital services to its customers using 338 ATMs, six Interactive Teller Machines (ITMs) and five Point-of-Sale (POS) machines. The Bank will strengthen its effort in further expanding its digital service accessibility and enhancing customer convenience.

During the reporting period, the Bank recorded significant digital transaction activity, with Birr 4.47 billion processed through its ATM network and Birr 64.8 billion through mobile and internet banking channels. The digital adoption rate (in-terms of transaction) has increased from 40% to 44% and in-terms of digital customers stood at 34% at end of June 2026. Similarly, mobile banking usage rate reached 50% and the number of recruited merchants 33,789 with merchant transaction volumes of Birr 4.6 billion.

3.4 INTEREST-FREE BANKING (IFB)

The Bank has persistently upheld its commitment to offering Shari'ah-compliant interest free banking services across all its branches. In addition to providing dedicated service windows at every branch, the Bank has four fully-fledged Interest-Free Banking (IFB) branches exclusively to deliver interest free banking services to their customers.

The number of IFB deposit customers of the Bank has increased by 77,032 (14.0%) during the reporting period; and hence, the total IFB customers reached 704,737 at the end of June 2026. However, in-terms of deposit mobilization performance, the segment showed a demobilization of Birr 75.6 million (3.1%) and stood at Birr 2.3 billion.

3.5 HUMAN RESOURCE DEVELOPMENT

Permanent staff strength of the Bank has reached 3,823 and outsourced employees 3,096 at end of June 2026. In relation to capacity development, the Bank has organized and conducted 142 training sessions to its 10,076 employees covering on various courses. 36 trainings were conducted through in-house sessions for 7,229 employees; while 72 trainings were locally outsourced for 1,613 employees. 21 trainings were delivered via the Bank's e-learning platform to 1,154 employees whereas 13 abroad trainings organized for members of the Bank's Board of Directors and Management.

3.6 INTERNAL AUDIT

The Internal Audit function continued to play a key role in supporting the Bank's governance and control environment during the 2025/26 fiscal year. By providing independent assurance and advisory services, the function helped management and the Board assess the effectiveness of internal controls, risk management practices, and compliance with applicable policies and regulations.

In line with its approved risk-based audit plan, Internal Audit carried out reviews across different work units of the bank. These audits evaluated the adequacy of existing controls and identified opportunities for improving operational efficiency and strengthening governance processes. The function also conducted investigations into reported fraud incidents, wherein prevention recommendations have been suggested and ensured the Bank's strong commitment to ethical conduct and the protection of its assets and reputation.

Audit results and recommendations were regularly reported to management and the relevant oversight bodies to support informed decision-making and enhance accountability. Following the audit reviews, management initiated corrective measures to address identified weaknesses and improve control effectiveness. These efforts contributed to strengthening the Bank's risk management framework, enhancing operational resilience, and fostering a culture of continuous improvement throughout the organization.

3.7 RISK AND COMPLIANCE MANAGEMENT

Under the active oversight of the Board of Directors, the Bank continued to strengthen its risk management and compliance framework during the financial year 2025/26, amid significant regulatory, macroeconomic, financial-market, and technological developments. The Bank maintained a prudent approach to risk-taking, ensuring that its activities remained aligned with its corporate strategy, risk appetite, and applicable directives of the National Bank of Ethiopia (NBE). Key developments during the year included:

- **Credit Risk:** Adhering to the credit growth ceiling imposed by the National Bank of Ethiopia (NBE) during the financial year to contain inflation and maintain macroeconomic stability, the Bank continued to serve its customers by following applicable lending standards. Particular attention was given to asset quality, borrower and sector concentration, and post-disbursement monitoring. The Bank also strengthened its credit risk management in response to the rapid expansion of digital financial services and the evolving credit environment.

Liquidity Risk: During the financial year, the Bank ensured it avoided liquidity shortages and maintained liquidity ratios significantly above the statutory minimum requirements. This enabled the Bank to fulfill its payment obligations to depositors on a timely basis and facilitate daily payment transactions smoothly. As necessary, the Bank actively utilized the inter-bank money market as an additional liquidity management channel while maintaining a healthy deposit structure composed of demand, savings, and fixed-time deposits.

Market Risk: The Bank strengthened its management of interest rate and foreign exchange risks in response to significant regulatory reforms during the year. Following the removal of the minimum deposit interest rate, the Bank managed to prevent a surge in funding costs and mitigated severe pressure on its profitability. In the foreign exchange market, the Bank closely monitored currency exposures and compliance with the revised NBE net open position requirements while prudently expanding its foreign exchange business.

Operational, Technology and Cyber Risks: Rapid digitalization of financial services increased the Bank's exposure to operational, technology, fraud, and cybersecurity risks. The Bank therefore continued to strengthen its operational resilience, business continuity and disaster recovery arrangements, while enhancing cybersecurity controls and information-asset protection. In response to increasing fraud risks, the Bank awarded a contract for implementation of a fraud management system. The Bank also continued preparations for effective implementation of its recovery-planning framework and strengthened controls to address operational disruptions, including those arising from security challenges in some parts of the country.

AML/CFT and Compliance Risk: The Bank continued to strengthen its Anti-Money Laundering, Countering the Financing of Terrorism and Proliferation Financing (AML/CFT/PF) framework through enhanced transaction monitoring, Know Your Customer (KYC) and Customer Due Diligence (CDD) practices, periodic compliance assessments, staff training, and technology-enabled controls. Particular attention was given to preparations for Ethiopia's AML/CFT Mutual Evaluation, including strengthening beneficial ownership, financial-crime risk management, regulatory reporting, and cooperation with the Financial Intelligence Service (FIS) and other relevant authorities.

Capital Adequacy: In line with the General Assembly's resolution to increase the Bank's paid-up capital to Birr 20 billion by the end of the financial year 2029/30, the Bank's capital grew according to plan during the concluded financial year. Furthermore, the Bank maintained its capital levels significantly above regulatory requirements and continued to strengthen capital planning aligned with its risk profile and growth targets. Special focus was directed towards prudent capital allocation and preparedness for the implementation of the NBE's new risk-based capital adequacy directive, which reinforces the linkage between capital requirements and credit, market, and operational risks.

Overall, the Bank continued to enhance its risk governance, monitoring, and control environment during the year, with emphasis on maintaining asset quality, adequate liquidity and capital buffers, strengthening resilience against operational and technology risks, and ensuring full regulatory and compliance preparedness. These measures are intended to support the Bank's sustainable growth and ensure that its risk-taking remains commensurate with its financial capacity, strategic objectives, and evolving operating environment.



3.8. CONSTRUCTION OF BUILDINGS

The construction of the 3B+G+23 Bunna Bank Transitional Head office Building Project has made significant progress and has now reached the completion of the structural works for the 15th-floor slab. The structural construction is progressing steadily, with the contractor continuing the works toward achieving the planned milestones.

Based on the current progress and the contractor's work plan, it is projected that the entire structural works of the building, including all 23 upper floors, will be completed before the end of 2026, subject to maintaining the current rate of progress and ensuring the timely availability of labor, materials, equipment, and other necessary resources. In parallel with the structural works, blockwork activities have commenced and are currently in progress from the first floor upward.

The commencement of blockwork alongside the ongoing structural construction is expected to facilitate the subsequent building finishing such as Mechanical, Electrical and Plumbing (MEP) installation activities and contribute to maintaining the overall project schedule.

Overall, the project is currently progressing in accordance with the revised construction schedule, with structural works and associated blockwork activities advancing concurrently.

3.9. CAPITAL MARKET OPERATIONS

During the financial year ended June 30, 2026, the Bank continued to advance its capital market initiatives in line with the applicable regulatory framework and its long-term capital growth strategy. The Bank undertook studies and preparatory activities to assess opportunities arising from the development of the Ethiopian capital market and explored opportunities to expand its capital market activities, including through an investment-bank subsidiary as part of its broader strategic direction.

The Bank made significant progress in its engagement with the Ethiopian Capital Market Authority (ECMA) and other relevant market institutions. The key activities, among others, include:

- Engagement and coordination with legal and transaction advisers;
- Preparation and submission of the required regulatory applications and documents: equity valuation; development, review and refinement of the prospectus; preparation and submission of the registration statement and related information; and responding to regulatory comments and information requests;
- Fulfilment of applicable disclosure and corporate governance requirements;
- Registration and dematerialization of its securities, including the reconciliation, verification and updating of shareholder information and its transfer to the Central Securities Depository (CSD);
- Getting acceptance on the registration of the Bank's existing shares ; and approval from Ethiopian Capital Market Authority to commence the additional share sale starting from June 29, 2026 by appointing a Lead Broker to support the Bank's offering process.
- Continued strengthening its internal capacity and readiness for participation in the capital market through employee awareness and capacity-building initiatives covering capital market operations, the Ethiopian Securities Exchange (ESX), applicable laws, rules and directives, disclosure requirements and related regulatory matters.

3.10. ENVIRONMENT, SOCIAL & GOVERNANCE (ESG)

During the 2025/26 fiscal year, Bunna Bank S.C. made significant progress toward integrating Environmental, Social and Governance (ESG) considerations into its strategy, operations, risk management and lending activities. Recognizing ESG as an integral component of responsible and sustainable banking, the Bank focused on establishing the governance arrangements, policies, procedures, leadership capacity and baseline information required to support the systematic integration of ESG considerations into decision-making and business practices.

- **Governance:** During the reporting period, the Bank strengthened its ESG governance arrangements by establishing clear oversight through Board Committees (Audit, Risk Management & Compliance, Nomination & Remuneration and Credit), accountability and coordination mechanisms extending from the

Board of Directors and Senior Management to the ESG Team and relevant business and support functions. These arrangements define roles, responsibilities, reporting lines and processes to support the effective integration of ESG considerations across the Bank.

- Finalized the ESG Policy and Procedure: The Bank finalized its ESG Policy and ESG Procedure, establishing the Bank's ESG commitments, guiding principles, roles and responsibilities, and practical processes for integrating ESG considerations into business operations, credit and risk management, and reporting.
- Strengthened ESG Leadership Capacity: The Board of Directors and Senior Management completed ESG training, strengthening their understanding of ESG risks and opportunities and their respective responsibilities in overseeing the Bank's ESG agenda.
- Established the ESG Steering Committee: The Charter of the ESG Steering Committee was approved, providing a formal governance mechanism to guide, coordinate and monitor ESG integration across business and support functions.
- Baseline and Materiality Assessment: The Bank is currently undertaking an ESG baseline assessment and materiality assessment, with 2025/26 serving as the baseline year. These assessments will:
- Establish a reliable, data-driven understanding of the Bank's current ESG performance;
- Identify the environmental, social and governance topics most significant to the Bank and its key stakeholders, including customers, employees, regulators, investors and communities; and
- Provide a reference point for setting measurable targets, monitoring progress and strengthening ESG reporting in future years.

3.11. CORPORATE SOCIAL RESPONSIBILITY

Apart from fulfilling its financial obligations to the government in the form of tax, Bunna Bank has continued its corporate social responsibility (CSR) obligations through its contributions made to various societal development initiatives. Accordingly, the Bank has donated Birr 18.4 million to support CSR during the concluded financial year.

3.12. OUTLOOK FOR THE YEAR AHEAD

Despite a rapidly evolving economic, regulatory, and market environment, the Bank remains firmly committed to its mission, strategic vision, and pursuit of operational excellence. Building on its strong foundation, the Bank will continue to navigate emerging challenges with agility, innovation, and resilience, while advancing its ambition to create sustainable value for its stakeholders. In the year ahead, the Bank will focus and work on the following key areas.

A. Strategy Implementation: The bank has conducted a mid-term review of its five-year corporate strategy during reporting period; and accordingly developed a target operating model that support the execution of the strategic plan. To this end, the Bank will give due focus in fully institutionalization of the target operating model through continued change management tasks; and close monitoring the implementation of key corporate strategic initiatives.

B. Risk Management: Enterprise Risk Management (ERM) Maturity Assessment: The Bank will assess its current ERM maturity using global frameworks to identify gaps and implement actions to advance towards a "Predictable" maturity level. This involves stakeholder engagement, assessment surveys and management validation;

- Revision of the Bank's Risk Management Program/Strategy: The existing Risk Management Program will be reviewed and revised in line with the upcoming internal control and risk management Directive to incorporate new regulatory requirements such as Basel II/III principles and emerging risks. The revision will also ensure alignment with the Bank's strategic growth, digital transformation and evolving customer segments;
- AML/CFT Compliance Monitoring: Continuous monitoring using the 'AMLOCK' system, periodic branch assessments, and reporting of suspicious transactions (STRs) and currency transaction reports (CTRs) to regulatory bodies;
- Risk Awareness and Training: Bank-wide training programs on risk management, AML/CFT, and compliance to build a strong risk culture and staff competency.

C. Capital Market Operations: Completing the ongoing securities registration and dematerialization processes and meeting the applicable continuing disclosure and regulatory requirements;

- Review and assess the potential for listing the Bank shares on the Ethiopian Securities Exchange (ESX) in accordance with the applicable regulatory and other requirements and thereby get approval;
- Pursue further capital raising initiatives with the objective of increasing its paid-up capital in line with its approved capital growth strategy;
- Assess and pursue to establish capital market service provider either through its own structure or in collaboration with other banks and relevant market participants subject to the applicable legal, regulatory, licensing and business requirements;
- Continue to engage legal, transaction and other professional advisers as required for capital market transactions; and enhance employee training and capacity in capital markets, ESX operations, applicable laws, rules, directives and regulatory requirements.

D. Building Construction: The Bank has planned to complete the construction of its building with all finishing works before November 2027.

E. Digital & IT Technology: The Bank will also accelerate its digital transformation through enhanced digital adoption, continued development of the Abol platform and other digital channels, and stronger strategic partnerships and digital ecosystems. In addition, the Bank will strengthen its ongoing task to expand and upgrade its core banking system, IT infrastructure and ensure IT security in its banking business. Moreover, the bank has already commenced providing digital lending services to MSMEs and other organizations in mid of the reporting period. In the year ahead, it will strengthen effort to scale up the service delivery to wider customer through existing products and developing new products.

F. Resource Mobilization: As resource mobilization is key, the Bank will continue strengthening its effort in this regard. Equally important is enhancing foreign exchange earnings through various sources and thereby prudently allocating the available fund to meet client demands.

G. Environment, Social & Governance (ESG):

- Operationalize the ESG Policy and Procedure by integrating relevant ESG considerations into core business processes, including credit and risk management, product development and internal operations.
- Establish measurable ESG targets and performance indicators aligned with the material topics identified through the materiality assessment and the Bank's strategic priorities.
- Strengthen ESG data management and reporting through enhanced data collection, validation, monitoring and documentation to support credible and consistent reporting.
- Expand ESG awareness and capacity building from the Board and Senior Management to Middle Management and employees across relevant functions.

- Strengthen sustainable finance practices by progressively incorporating relevant environmental and social considerations into lending and other appropriate business decisions.
- Deepen stakeholder engagement with customers, regulators and other relevant stakeholders on ESG, responsible banking and sustainable finance.

4. RECOMMENDATION ON APPROPRIATION OF THE PROFIT

For the 2025/26 financial year, after deducting the applicable income tax, legal reserve, and other relevant deductions from the Bank's profit, the Bank recorded a net profit of ETB 1,580,233,369.50. Accordingly, the Board of Directors proposes that 30% (Birr 474,070,010.85) of the net profit be distributed to shareholders as dividends, while the remaining 70% (Birr 1,106,163,358.65) be retained as undistributed profit.

5. DISCLOSURE

The Bank is governed by a Board of Directors composed of nine (9) members, whose names are outlined in Section 5.1 of this Report. Supporting the Board is a Senior Management Team led by the Chief Executive Officer. The CEO, in turn, is supported by Fourteen (14) Senior Management Team members, including a Chief Finance and Corporate Services Officer, Chief Information and Digital Officer, Chief Strategy and Partnership Officer, Chief Product and Service Innovation Officer, Chief Banking Transformation Officer, Chief People and Culture Officer, Chief Retail and Branch Banking Officer, Chief Corporate Banking Officer, Deputy-Chief Technology Officer, Deputy-Chief Digital Officer, Company Secretary, Legal Services Senior Director, Internal Audit Senior Director, and Risk Management and Compliance Senior Director. All members of the Board of Directors and Senior Managements are Ethiopian nationals. In accordance with NBE directives, the Bank's Board has established various committees, namely Audit Committee, Risk Management and Compliance Committee, Credit Committee, Nomination & Remuneration Committee and Strategy & Transformation Committee.

5.1. Board Members, Qualifications, Experience, and Committee Membership

5.1.1. Board Selection and Appointment Process

Board members were nominated by a transparent process conducted by the independent Board Nomination and Election Committee, elected by the Ordinary General Meeting of Shareholders and approved by the National Bank of Ethiopia. The Board composition reflects a balance of gender, core competencies, educational qualifications, and representation of minority or non-influential shareholders, in line with the National Bank of Ethiopia's Corporate Governance Directives.

5.1.2. Board Structure

The Board comprises:

- Chairperson
- Vice Chairperson
- Board Members and Committees: Audit, Risk Management and Compliance, Credit, Nomination and Remuneration, and Strategy and Transformation committees.

Each committee has its own chairperson and defined terms of reference/charter. The Board may appoint additional committees or adjust chairs as deemed necessary to meet evolving governance needs.

5.1.3. Board Members with Qualification and Experience

No	Name	Nationality	Educational Qualification	Years of Board Experience	Position in the Board	Experience in BB
1	Ato Mulugeta Asmare	Ethiopian	MBA & BA- in Accounting	10 years, 3 months	Chairperson	1 years, 3 months
2	Ato Esubalew Ejigu	Ethiopian	PhD candidate; MA in Commerce; MBV and BA in Accounting	7 years, 3 months	D/Chairperson	4 years, 3 months
3	Dr. Sileshi Demesie	Ethiopian	PhD in ICT; MSc & BSC in Computer Science	7 years, 3 months	Members	4 years, 3 months
4	Dr. Getnet Alemu	Ethiopian	PhD & MA-in Development Studies; BA- in Economics	1 year, 3 Months	Members	1 years, 3 months
5	Ato Debas Yeshanew	Ethiopian	MA in Org. Leadership; LLB	1 year, 3 Months	Members	1 years, 3 months
6	Ato Dawit Derbew	Ethiopian	MBA & BSc in Agricultural Economics	13 years, 3 months	Members	1 years, 3 months
7	Ato Fikir Abere	Ethiopian	MBA& BA - in Accounting	1 year, 3 Months	Members	1 years, 3 months
8	W/ro Selamawit Ayalew	Ethiopian	MA- in Public Administration; BA in Management	1 year, 3 Months	Members	1 years, 3 months
9	W/rt Meseret W/Mariam	Ethiopian	MA - in Public Financial Management; BA - in Accounting and Finance	1 year, 3 Months	Members	1 years, 3 months
10	Ato Bekalu Ayalew	Ethiopian	LLB& BA		Company secretary	10 years, 5 months

5.2. The Functions of the Board

The Board is ultimately accountable for the Bank's strategic direction and financial integrity. Its core responsibilities include:

- Approving Bank's strategy, policies, annual operational plan and budget, risk appetite, and capital adequacy;
- Overseeing risk management and internal controls of the bank, ensuring the establishment of an appropriate risk management framework, and setting the risk appetite of the bank;
- Appointing and assessing the performance of the senior managements;
- Proposing external auditors and their service fee to the general meeting of shareholders for appointment.;
- Ensuring compliance with laws and regulatory requirements;
- Safeguarding capital adequacy and liquidity;
- Managing conflicts of interest;
- Integrating sustainability considerations into strategy, risk management, and operations;
- Engaging stakeholders and maintaining an effective governance framework.

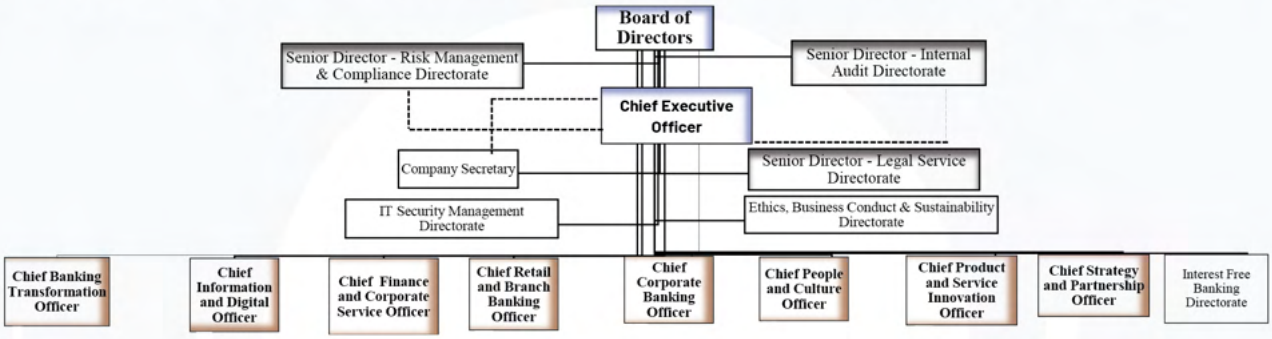
The Board may delegate certain functions to committees or to senior management within approved authorities, while retaining ultimate accountability.

5.3. Board Performance Evaluation

During the financial year, the performance of the Board, its committees, and individual Director was assessed through a formal evaluation process. The assessment employed a comprehensive set of criteria addressing leadership, accountability, strategic contribution, governance conduct, risk oversight, and collaborative effectiveness. The Bank remains committed to ongoing development of the Board's capabilities to strengthen governance, risk oversight, and strategic execution.

5.4. The Bank's Organizational Structure

The Bank's basic organizational structure, including its line of business framework, is outlined below. The structure depicts the various key work units of the Bank and how they interact and align.



5.5. Remuneration of Board Members and Key Executives

Total remuneration disclosed for Board Directors and Senior Management for the reporting period stood at Birr 80.82 million. Of which, the Board remuneration was Birr 2.43 million and the senior management remuneration took the remaining Birr 78.39 million. The payments were made in accordance with the applicable provisions of NBE Corporate Governance Directives No SBB/91/2024.

5.6. Related Party Transactions

Related party transactions include loans granted to board, senior management members, and influential shareholders. The Bank has established an internal control mechanism to ensure compliance with prudential limits, adherence to the decision-making process, and sound management of conflicts of interest inherent in related party transactions. The Board Audit Committee, along with the full board, has been diligently reviewing these transactions to ensure their status on regular basis.

The total outstanding related party transactions during the reporting period amounted to Birr 506,742,000.00. These exposures represented only 1%, of net loans and advances to customers for the respective financial year. The Bank's related party transactions must be disclosed as required by the Commercial Code, IFRS (IAS 24 – Related Party Disclosures), and the pertinent directives of the National Bank of Ethiopia (NBE).

5.7. Memorandum of Association

As part of commitment to transparency and accountability, the bank has a comprehensive Memorandum of Association (MOA) approved by Extraordinary Meeting of Shareholders outlining the Bank's objectives, governance structure, and operational framework. Key matters include the rebranding from Bunna International Bank Share Company to Bunna Bank Share Company, the formalization of the bank's name, and a governance framework cantered on a 9-member Board of Directors elected for three-year terms with rotation and continuity provisions. It also emphasizes the registered office

and liability provisions: the registered head office is in Addis Ababa (Bole Sub-city, Woreda 02, House No., New), and shareholders are liable only to the extent of their subscribed shares. Article 4 sets out the bank's broad objectives and permissible activities, including conventional banking, digital and agent banking, capital market-related activities, and advisory roles. The MOA also covers the share structure (par value Birr 100; one vote per share), transfer mechanics, share certificates, registers, and shareholders' rights (pre-emptive rights, dividends, voting, and access to information). Additional provisions address capital structure, profit distribution, the accounting year (July 1 to June 30), publication requirements, and dissolution/merger/liquidation processes, as well as the MOA's effective date, contingent on approval from the National Bank of Ethiopia and official registration. The MOA details the bank's corporate governance framework, including Shareholders' General Meetings (ordinary and extraordinary) with specified quorum and voting rules, the composition and powers of the Board of Directors (chairing, meeting procedures, and delegation), and the appointment of the CEO and Company Secretary, along with the external auditors' appointment and duties. For the full text of the Memorandum of Association, please visit the Bank's website (https://www.Bunnabanksc. com/).

5.8. The CEO and Senior Management

Our Bank's day to day operations are run by the Chief Executive Officer and members of Senior Management, who are nominated by the Board and approved by the NBE in accordance with the pertinent National Bank of Ethiopia's directives.

5.9. Capital Structure and Ownership

The total number of registered shareholders of the Bank stood at 13,475, containing business organizations, institutions and individuals. As of June 30, 2026, both subscribed and paid-up capital of the bank has reached Birr 6,189,559,800. All shares are ordinary shares with voting rights, where each share carries one vote. Regarding shareholding structure, 53.45% of the paid up capital of the Bank is held by 100 shareholders; whereas 46.55% of the subscribed capital is held by 13, 375 shareholders.

6. PRESENTATION OF THE FINANCIAL STATEMENTS

Enclosed are the Bank's Financial Statements, including the Statement of Financial Positions, Statement of Profit or Loss and Other Comprehensive Income, and the Cash Flow Statement, along with the accompanying notes. The Board of Directors is honored to present the External Auditors' Report for the financial year 2025/26 (hereafter referred to as the Auditors' Report).

We also wish to take this opportunity to extend our heartfelt gratitude and sincere appreciation to the National Bank of Ethiopia for its unwavering support throughout the recently concluded financial year. We look forward to this support continuing and growing stronger in the year ahead, as it significantly contributes to our stable and robust operations.



Mulugeta Asmare
Chairperson, Board of Directors'

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BUNNA BANK
Bank of the Visionaries!
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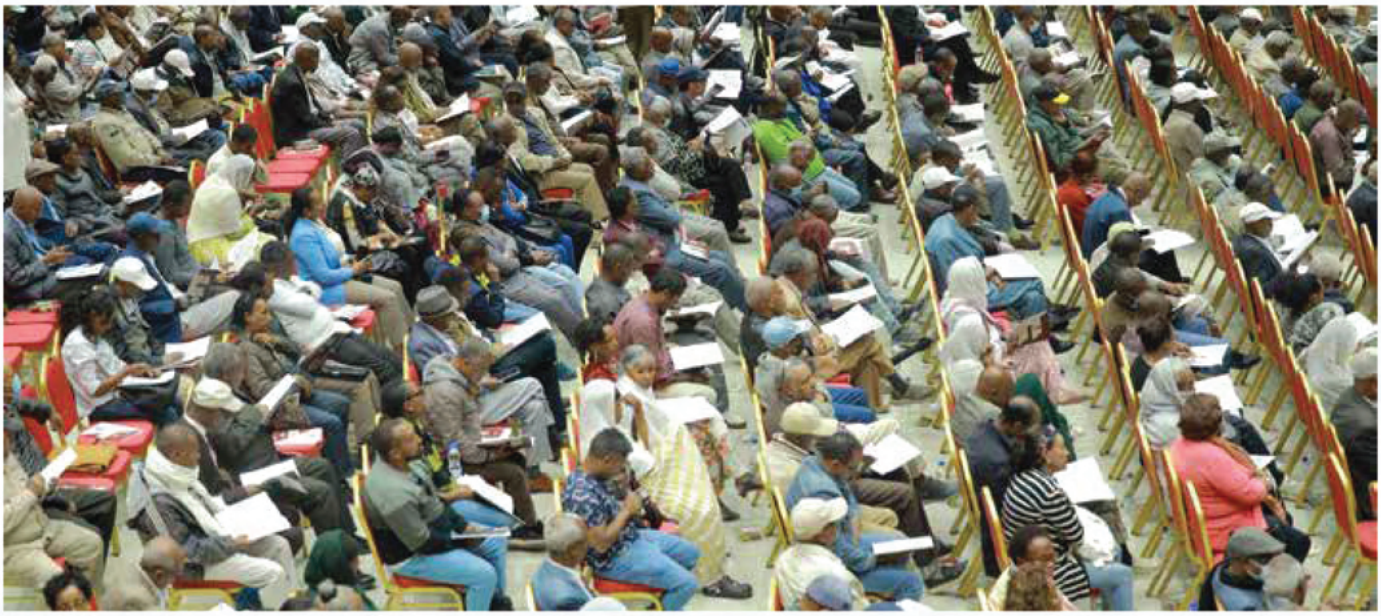
ANNUAL GENERAL MEETING OF SHAREHOLDERS 2024/25









TREE PLANTING







BUSINESS AGREEMENTS



Agricultural Transformation Institute (ATI)



Betegbar Trading partner PLC



Water, Sanitation, and Hygiene (WASH)

CAPITAL MARKET REGISTRATION







Building Construction Visit









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SOCIAL RESPONSIBILITIES









STRATEGY TARGET OPERATING MODEL (TOM) MEETINGS











TRAININGS & WORKSHOP





Ethical Decision





Financial Security





Stream Aligned Team Workshop

BUNNA FAMILY DAY/ SPORT DAY



Hawassa



Addis Ababa



Bahir Dar



Adama


ቡና ባንክ
BUNNA BANK
PIPELINE MODEL
PLATFORM MODEL
FROM ONE WAY PUSH MODEL TO MULTIDIRECTIONAL ECOSYSTEM GROWTH
Target Operating Model
አዲሱ የስራ ማስኬጃ ሞዴል
Visit our Website. Join us on Social Media.
የባንክ ዘርፉን የቀጣዩነት ምዕራፍ ለመምራትና የነገውን የፋይናንስ ስነ-ምህዳር ዛሬ ላይ ለመቅረፅ የተነደፈው አዲሱ የስራ ማስኬጃ ሞዴል ተቋማዊ ቅልጥፍናን ከዘመናዊ ጻጀታል መሠረተ-ልማት ጋር በማቀናጀት የፋይናንስ ዘርፉን ወደ ሁለገብ የፕላትፎርም መዋቅር የሚያሸጋግር ታሳቅ ስትራቴጂ ነው። ባለራዕዩ መሪዎችን፤ የዘህ የትራንስፎርሜሽን ጉዞ ግንባር ቀደም አካል በመሆን የነገውን የባንክ ኢንዱስትሪ አጣ ፈንታ ዛሬውኑ ከእኛ ጋር ይቅረፁ!
8501
bunnabanksc.com

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Auditors Report

2025/26



www.bunnabanksc.com

Bunna Bank Share Company

Directors, Senior Managements, professional advisers and Office

For the year ended 30 June 2026

Directors

		Date of Appointment
Ato Mulugeta Asmare Bogale	Chairperson, Board of Directors-(Independent Director)	March 13, 2025
Ato Esubalew Ejigu Getahun	Vice Chairperson, Board of Directors	March 13, 2025
Dr. Sileshi Demesie Yalew	Director	March 13, 2025
Dr. Getnet Alemu Zewdu	Director	March 13, 2025
Ato Debas Yeshanew Dessie	Director	March 13, 2025
Ato Dawit Derbew Asires	Director	March 13, 2025
Ato Fikir Abere Ayalew	Director-(Independent Director)	March 13, 2025
W/y Selamawit Ayalew Belete	Director	March 13, 2025
W/y Meseret W/Mariam Gebre	Director-(Independent Director)	March 13, 2025

Senior Management

Ato Mulugeta Alemayehu	Chief Executive Officer	September 1, 2018
Ato Lewtie Tirusew	Chief Finance and Corporate Services Officer	August 11, 2025
Ato Muluneh Ayalew	Chief Strategy and Partnership Officer	August 11, 2025
Ato Yeshanew Ayalew	Chief Information and Digital Officer	August 11, 2025
Ato Sewale Bitew	Chief Product and Services Innovation Officer	August 11, 2025
Ato Atikilt Admassu	Chief Banking Transformation Officer	August 11, 2025
Ato Samuel Teshome	Chief People and Culture Officer	September 24, 2025
Ato Esikindir Dibekulu	Chief Retail and Branch Banking Officer	October 2, 2025
Ato Meseret Yazachew	Chief Corporate Banking Officer	September 24, 2025
Ato Bekalu Ayalew	Company Secretary	December 11, 2025
Ato Yohannes Emiru	Senior Director, Internal Audit	August 11, 2025
Ato Wubetu Assefa	Senior Director, Legal Services	August 11, 2025
Ato Firew Girma	Senior Director, Risk Management & Complaince	August 11, 2025
Ato Tadesse Dabi	Deputy Chief-Technology Officer	August 13,2025
Ato Tewodros Baleh	Deputy Chief-Digital Officer	August 1,2026

Sharia Advisory Committee:

Sheik Hussien Mohammed	Sharia Advisory	June 12, 2025
Sheik Seid Mohammed	Sharia Advisory	May 4, 2022

Independent auditor

TMS Plus Audit Service Limited Liability Partnership
Chartered Certified Accountants and Authorized Auditors
Addis Ababa
Ethiopia

Corporate office

Bunna Bank Head Quarter Building
Bole Sub City, Woreda 02
Africa Avenue Road
Addis Ababa, Ethiopia

Bunna Bank Share Company
Principal Bankers
For the year ended 30 June 2026

Principal Bankers

Domestic Banks

National Bank of Ethiopia
Sudan Avenue,
Addis Ababa, Ethiopia

Bank of Abyssinia S.C.
Addis Ababa, Ethiopia

Enat Bank S.C.
Addis Ababa, Ethiopia

Dashen Bank S.C.
Addis Ababa, Ethiopia

Abbay Bank
Addis Ababa, Ethiopia

Wegagen Bank
Addis Ababa, Ethiopia

Awash Bank
Addis Ababa, Ethiopia

Birhan Bank
Addis Ababa, Ethiopia

Zemen Bank S.C.
Addis Ababa, Ethiopia

Foreign Banks

Banca popolare Di Sondrio
Lungo Mallero Cadorna, 24
Italy

Equity Bank(Keny)Limted
Nairobi. Kenya

Emirates NBD Bank
UAE, Head Office
Dubai

East Africa bank
Place Du 27 Juin
Djibouti

Mashreq Bank
UAE
Dubai

Riyad Bank, Saudi Arabia - SAR
Riyadh, Kingdom of Saudi Arabia

Foreign Banks

Bank of Africa Mer Rouge-Djibouti
10 place Lagade-BP 88-Djibouti
Djibouti

CAC International Bank-Djibouti
HO, Djibouti De Marseille st.
Djibouti

AKTIF Bank Turky
Buyukdere Caddesi No 163 , Istanbul, 34394
Turkey

KCB Bank-Kenya
Kencom House Moi Avenue
Nairobi, 00100, Kenya

ECO Bank Paries
Concorde F - 76, Route de la Demi-Lune 92057
France

Bank of Berut UK
17a Curzon Street London, EC4A 3TR
United Kingdom

Bank of Berut Libanon
Foch street, Beirut Central District
Beirut
Bank of Beirut S.A.L., Cyp Branch
Maximos Plaza, Griva Dighni street
Cyprus

Exim Bank Djibouti
A.G.Clemencien Djibouti
Djibouti

HDFC Bank Ltd
India

ECO Bank Paris Colleteral
Avenue Kleber
Paris, France

Afrexim Bank
Maahad El-Eshteraky Street
Cairo 11341, Egypt

Bunna Bank Share Company
Report of the Directors
For the year ended 30 June 2026

The directors submit their report together with the financial statements for the period ended 30 June 2026, to the members of Bunna Bank Share Company. This report discloses the financial performance and state of affairs of the Bank.

Incorporation and address

Bunna Bank SC. was incorporated on 17th of June 2009 in accordance with the commercial code of Ethiopia 1960, and it was licensed by the National Bank of Ethiopia on June 25, 2009 to engage in commercial banking.

Principal activities

The Bank's principal activity is commercial banking. Accordingly, the bank is engages in full-fledged banking business as per Banking Business Proclamation of Ethiopia number 592/2008 and 1360/2025. The bank accepts deposits in the form of current (demand) deposits, saving deposits and fixed time deposits. The bank also extends different types of credit products based on the need of its customers including digital Lending. It also provide International trade facilities through letter of credit and other means of payment. The Bank also undertakes both local and international money remittance services. Further, the bank provides interest free banking services, card banking services, mobile banking services , digital financial services and agent banking services

Summary of Results

The Bank's results for the year ended 30 June 2026 are set out on page 8. The profit for the year has been transferred to retained earnings. The summarized results are presented below.

	30 June 2026 Birr'000	30 June 2025 Birr'000
Interest income	10,084,431	7,911,065
Non Interest income	3,580,494	3,828,728
Total Income	**13,664,925**	**11,739,792**
Interest expense	(4,225,556)	(3,491,894)
Non Interest expense	(6,147,286)	(5,620,694)
Total Expense	**(10,372,842)**	**(9,112,588)**
Profit before income tax	3,292,083	2,627,204
Income tax expense	(875,656)	(669,952)
Profit for the year	**2,416,427**	**1,957,253**
Other comprehensive income net of taxes	189,926	55,778
Total comprehensive income for the year	**2,606,353**	**2,013,031**
Earnings per share of Ethiopian Birr,1000	**422.75**	**398.65**

Directors

The directors who held office during the year and to the date of this report are set out on page 2.

Ato Mulugeta Asmare
Chairperson, Board Of Directors
Addis Ababa, Ethiopia

Bunna Bank Share Company
Statement of Directors' Responsibilities
For the year ended 30 June 2026

In accordance with the Banking Business Proclamation No. 592/2008 and 1360/2025, the National Bank of Ethiopia (NBE) may direct the Bank to prepare financial statements in accordance with International Financial Reporting Standards, whether their designation changes or they are replaced, from time to time.

The Bank's Directors are responsible for the preparation and fair presentation of these financial statements in conformity with International Financial Reporting Standards and in the manner required by the Commercial Code of Ethiopia-1243- 2021 and The Financial Reporting Proclamation No 847/2014, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Bank is required to keep such records as are necessary to:

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

b) explain its transactions and financial position; and

c) enable the National Bank of Ethiopia to determine whether the Bank had complied with the provisions of the Banking Business Proclamation and regulations and directives issued for the implementation of the aforementioned Proclamation.

The Bank's Directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards, Banking Business Proclamation No. 592/2008 and 1360/2025, Commercial Code of Ethiopia 2021 and the relevant Directives issued by the National Bank of Ethiopia.

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

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

Nothing has come to the attention of the Directors to indicate that the 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:

Ato Mulugeta Asmare
Chairperson, Board of Directors
18-Sep-26

Ato Mulugeta Alemayehu
Chief Executive Officer
18-Sep-26

TMS Plus
TMS Plus Audit Service Limited Liability Partnership
Tel. 251-011-8961752 /011 6180638 Mob. 0911 229425 /0930 034356/0930 034357 Fax: 251-011 662 12 70/60
E-mail:- tafessef@gmail.com / tafessef@hotmail.com P.O.Box 110690 Addis Ababa - Ethiopia

Bunna Bank Share Company

Independent Auditors' Report

To the shareholders of Bunna Bank S.C.

For the year eneded 30 June 2026

Opinion

We have audited the financial statements of Bunna Bank Share Company specified on page 8 -115, which comprise the statement of financial position as at 30 June 2026, the statement profit or loss and other comprehensive income, statement of cash flows and statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for Opinion.

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

Key Audit Matters

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

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

2. IFRS 13 requires entities to measure fair value using observable inputs whenever possible, and unobservable inputs only when observable inputs are not available. In the case of the Bank's investment in other entities, the Bank has determined that there are no observable inputs available to measure fair value. Therefore, the Bank has used a valuation model that incorporates unobservable inputs, such as the discount rate and future cash flows.

The use of unobservable inputs in the valuation model poses a risk of material misstatement, as the Bank's judgment in determining these inputs could be biased or inaccurate. We have identified this as a key audit matter because of the following factors:

- The Bank's investment in other entities is significant, is material to the financial statements.
- The valuation of the investment is complex and requires the use of a number of unobservable inputs.

Bunna Bank Share Company

Independent Auditors' Report

To the shareholders of Bunna Bank S.C.

For the year eneded 30 June 2026

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

• We assessed the Bank's valuation methodology and evaluated the reasonableness of the key assumptions used in the valuation model.

Based on our audit procedures, we believe that the Bank's valuation of its investment in other entities is reasonable and in accordance with IFRS 13. However, we recommend that the Bank consider the following actions to mitigate the risk of material misstatement in the future:

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

Responsibilities of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

Report on other Legal and Regulatory requirement

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

TMS PLUS Audit Service Limited Liability Partnership
Chartered Certified Accountants (UK)
Authorized Auditors (ETH)

Addis Ababa
19 Septmber 2026

Bunna Bank Share Company

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2026

	Notes	30 June 2026 Birr'000	30 June 2025 Birr'000
Interest income	5	10,084,431	7,911,065
Interest expense	6	(4,225,556)	(3,491,894)
Net interest income		5,858,875	4,419,171
Fee and commission income	7	1,580,579	1,540,004
Net fee and commission income		1,580,579	1,540,004
Net gain on foreign exchange dealing & revaluation	10	1,345,067	2,096,030
Other operating income	8	654,848	192,694
Total operating income		**9,439,369**	**8,247,899**
Impairment losses on loan & advances	9a	(311,956)	(610,751)
Impairment losses on other financial assets	9b	(35,556)	(32,539)
Net operating income		**9,091,858**	**7,604,608**
Personnel expenses	12	(3,661,317)	(3,164,897)
Administration and general expenses	11	(1,425,587)	(1,161,370)
Depreciation of right of use asset	19	(441,907)	(401,219)
Amortization of intangible assets	21	(27,172)	(30,071)
Depreciation of property and equipment	23	(243,792)	(219,847)
Total Expenses		(5,799,775)	(4,977,404)
Profit before income tax		**3,292,083**	**2,627,204**
Income tax expense	13	(875,656)	(669,952)
Profit for the year		**2,416,427**	**1,957,253**
Other comprehensive income (OCI) net on income tax			
Items that will not be subsequently reclassified into profit or loss:			
Remeasurement gain(loss) on Defined benefits obligations	31	(44,039)	(27,616)
Deferred tax liability/asset on remeasurement gain or loss on defined benefit obligation &Equity	13	(81,397)	(23,905)
Fair Value gain/(loss)-equity investment-FVOCI	16	315,362	107,299
Sub total		**189,926**	**55,778**
Total comprehensive income for the period		**2,606,353**	**2,013,031**
Earnings per share of Birr,1000	33	422.75	398.65

The notes on pages 12 to 115 are an integral part of these financial statements.

Bunna Bank Share Company

Statement of Financial Position

As At 30 June 2026

	Notes	30 June 2026 Birr'000	30 June 2025 Birr'000
ASSETS			
Cash and bank balances	14	14,255,704	10,459,174
Restricted Fund Balance	14	3,156,568	2,550,000
Loans and advances to customers (net)	15	51,587,004	41,360,997
Financial asset at fair value through OCI(Equity Inv.)	16	1,069,832	702,961
Financial asset at amortized cost(Bills & Bonds)	16	4,050,970	3,807,820
Other financial assets	17	1,115,856	942,999
Non-financial assets and prepayments	17a	2,308,522	1,902,180
Leasehold land(Net)	20	60,363	61,527
Right of Use Asset(Net)	19	1,205,889	1,060,719
Non-current assets held for sale	18	982,726	86,979
Intangible assets (net)	21	59,713	86,884
Construction Under progress	22	925,678	738,369
Property and Equipment (net)	23	1,778,330	1,824,017
Total assets		**82,557,154**	**65,584,626**
LIABILITIES AND EQUITY			
Liabilities			
Deposits from customers	24	53,539,397	44,208,172
Deposits from customers-IFB	25	2,339,417	2,414,999
Deposits from financial institutions	26	7,252,555	4,568,416
Inter Bank Money Market Borrowings	27	900,501	1,402,708
Current Profit tax liability	13	551,038	667,723
Leasehold Land payable	30	41,922	43,475
Lease Liability	29	546,641	513,718
Defined benefit obligation	31	320,407	222,595
Deferred tax liability	13d	186,694	114,330
Other liabilities	28	5,591,190	2,607,218
Total liabilities		**71,269,763**	**56,763,354**
Equity			
Share capital	32	6,189,560	5,054,936
Share premium	32	18,003	18,003
Legal reserve	36	2,334,318	1,730,211
Retained earnings	34	1,580,233	1,246,937
Regulatory risk reserve	37	713,347	509,181
Other Reserve(OCI)	35	451,930	262,004
Total equity		**11,287,391**	**8,821,271**
Total liabilities and equity		**82,557,154**	**65,584,626**

The notes on pages 12 to 115 are an integral part of these financial statements.

The financial statements on pages 8 to 115 were approved and authorized for issue by the Board of directors on 18-Sep-2026 and were signed on its behalf by:

Ato Mulugeta Asmare
Chairperson, Board Of Directors

Ato Mulugeta Alemayehu
Chief Executive Officer

Bunna Bank Share Company
Statement of Changes in Equity
For the year ended 30 June 2026

	Notes	Share capital	Share premium	Retained earnings	Other Reserve (OCI)	Legal reserve	Regulatory risk reserve	Total
		Birr'000	Birr'000	Birr'000	Birr'000	Birr'000	Birr'000	Birr'000
As at 30 June 2024		4,826,221	18,003	490,116	206,226	1,240,898	289,528	7,070,992
Additional shares issued	31	228,715	-					228,715
Dividend declared				(490,116)				(490,116)
Prior period adjustment				-				-
Profit for the period	33			1,957,253				1,957,253
Directors' share on profit				(1,350)				(1,350)
Change in fair value of equity investment through OCI	16				107,298			107,298
Re-measurement gains/loss on defined benefit plans (net	30&13				(51,521)			(51,521)
Total comprehensive income for the period		-	-	1,955,903	55,777	-	-	2,011,680
Transfer to legal reserve	35			(489,313)		489,313		-
Transfer from/(to) regulatory risk reserve	37			(219,653)			219,653	-
As at 30 June 2025		5,054,936	18,003	1,246,937	262,004	1,730,211	509,181	8,821,271
As at 30 June 2025		5,054,936	18,003	1,246,937	262,004	1,730,211	509,181	8,821,271
Additional shares issued	31	1,134,624	-					1,134,624
Dividend declared				(1,246,937)				(1,246,937)
Prior period adjustment				(26,634)				(26,634)
Profit for the period	33			2,416,427				2,416,427
Directors' share on profit				(1,288)				(1,288)
Change in fair value of equity investment through OCI	16				315,362			315,362
Re-measurement gains/loss on defined benefit plans (net of tax)	30&13				(125,436)			(125,436)
Total comprehensive income for the period		-	-	2,388,506	189,926	-	-	2,578,432
Transfer to legal reserve	35			(604,107)		604,107		-
Transfer from/(to) regulatory risk reserve	37			(204,166)			204,166	-
As at 30 June 2026		6,189,560	18,003	1,580,233	451,930	2,334,318	713,347	11,287,391

The notes on pages 12 to 115 are an integral part of these financial statements.

Bunna Bank Share Company
Statement of Cash Flows
For the year ended 30 June 2026

	Notes	30 June 2026 Birr'000	30 June 2025 Birr'000
Cash flows from operating activities			
Cash generated from operations	38	1,083,465	3,822,433
Interest received	5	10,084,431	7,911,065
Board of Directors Fees	28	(1,350)	(1,350)
Interest paid	6	(4,225,556)	(3,491,894)
Benefit paid	31	(14,079)	(16,442)
Income tax paid	13c	(667,595)	(189,224)
Net cash inflow from operating activities		**6,259,316**	**8,034,588**
Cash flows from investing activities			
Investment in debt securities(DBE-Bonds)	16	(444,019)	(407,018)
DBE Bond collection/Redemption		258,520	182,920
Treasury Bond	16	(57,663)	(1,003,393)
T- Bills collection/Redemption	16	-	291,327
Investment in shares(cost)		(1,861)	(19,280)
Purchase of intangible assets	21	-	(3,772)
Right of use asset	19	(458,225)	(253,614)
Payment for leasehold land		(1,553)	(1,553)
Purchase of property and equipment	23	(242,282)	(440,143)
Contruction Under progress	22	(187,309)	(161,063)
Proceeds from sale of property and equipment	38	61,080	9,312
Net cash outflow from investing activities		**(1,073,312)**	**(1,806,277)**
Cash flows from financing activities			
Restricted balance held with NBE	14	(606,568)	510,000
Proceeds from issues of shares & Premium		1,134,624	228,715
Inter Bank Money Market Borrowings	27	(502,207)	(124,210)
Payment for Lease Liability	29	(168,180)	(121,910)
Dividends declared	34	(1,246,937)	(490,116)
Net cash inflow from financing activities		(1,389,267)	2,479
Net increase(decrease) in cash and cash equivalents		**3,796,736**	**6,230,791**
Cash and cash equivalents at the beginning of the year	14	10,459,744	4,228,954
Cash and cash equivalents at the end of the year	14	**14,256,481**	**10,459,744**
Impairment loss for Bank Deposit	14a	(777)	(570)
Cash and Bank Balance at the end of the Year		**14,255,704**	**10,459,174**

The notes on pages 12 to 115 are an integral part of these financial statements.

Bunna Bank Share Company
Notes to the Financial Statements
For the year ended 30 June 2026

1 General information

Bunna Bank SC. was incorporated on 17th of June 2009 in accordance with the commercial code of Ethiopia 1960, and it was licensed by the National Bank of Ethiopia on June 25, 2009 to transact commercial banking.

The Bank's registered address is as follows:

Bunna Bank Head Quarter Building
Bole Sub-City
Africa Avenue Road
Addis Ababa, Ethiopia

The Bank is principally engaged in the provision of commercial banking services.

2 Summary of significant accounting policies

2.1 Introduction to summary of significant accounting policies

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

2.2 Basis of preparation

i)Statement of compliance

The financial statements for the period ended 30 June 2026 have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). Additional information required by National regulations are included where appropriate.

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

ii) Basis of measurement

The financial statements have been prepared in accordance with the going concern principle under the historical cost concept, except:-

*The present value of the defined benefit obligation measured at fair value &

*Financial assets(Investment on equity) at FVTOCI are measured at fair value

iii) Functional and Presentation of Currency

The financial statements are presented in Ethiopian Birr(ETB), which is the functional currency of the Bank. The financial information presentation in Ethiopian Birr has been rounded to the nearest thousand (ETB. '000). Foreign currency transactions are translated into the functional currency using mid-exchange rates prevailing at the reporting date.

iv) Use of estimates and judgements

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Bank's accounting policies. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions changed. Management believes that the underlying assumptions are appropriate and that the Bank's financial statements therefore present the financial position and results fairly. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

2.2.1 Going concern

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

2.2.2 Changes in accounting policies and disclosures

a) New Standards, amendments, interpretations effective and adopted during the year.

List of standards	Key Requirements	effective date
Amendments to the Classification and Measurement of Financial Instruments Amendments to IFRS 9 and IFRS 7	*The Amendments include. A clarification that a financial liability is derecognised on the settlement date and introduce an accounting policy choice (if specific conditions are met) to derecognise financial liabilities settled using an electronic payment system before the settlement date Additional guidance on how the contractual cash flows for financial assets with environmental, social and corporate governance (ESG) and similar features should be assessed Clarifications on what constitute non-recourse features and what are the characteristics of contractually linked instruments The introduction of disclosures for financial instruments with contingent features and additional disclosure requirements for equity instruments classified at fair value through other comprehensive income (OCI)*	*Annual periods beginning on or after 1 January 2026 (Published May 2024)*
Amendments to IFRS 9 and IFRS 7 – Contracts Referencing Nature-dependent Electricity	*Provides specific accounting requirements for contracts involving nature-dependent electricity, including the own-use exemption, hedge accounting and related disclosures.*	*Annual periods beginning on or after January 2026*

Bunna Bank Share Company
Notes to the Financial Statements
For the year ended 30 June 2026

b) New Standards, amendments, interpretations issued but not yet effective.

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 30 June 2024, and have not been applied in preparing these financial statements. None of these is expected to have a significant effect on the financial statements of the Bank

List of standards	Key Requirements	effective date
IFRS 18 Presentation and Disclosure in Financial Statements	*IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one or five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.It also requires disclosure of newly defined management-defined performance measures, which are subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified roles of the primary financial statements and the notes.*	*Annual periods beginning on or after 1 January 2027 (Published April 2024)*
IFRS 19 – Subsidiaries without Public Accountability: Disclosures	*Allows eligible subsidiaries to apply reduced disclosure requirements while continuing to apply the recognition and measurement requirements of other IFRS Accounting Standards.*	*Annual periods beginning on or after 1 January 2027*

2.3 Foreign currency translation

a) *Functional and presentation currency*

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

b) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the mid-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 within other (loss)/income. Monetary items denominated in foreign currency are translated using the closing mid-rate as at the reporting date.

Bunna Bank Share Company
Notes to the Financial Statements
For the year ended 30 June 2026

2.4 Recognition of income and expenses

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

i) Effective interest rate and amortized cost

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 payments or receipts through the expected life of the financial instrument to:
-the gross carrying amount of the financial asset; or
-the amortized cost of the financial liability

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

Bunna Bank Share Company
Notes to the Financial Statements
For the year ended 30 June 2026

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

ii) Amortized cost and gross carrying amount

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

iii) Calculation of interest income and expense

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortized cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

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

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

iv) Presentation

Interest income and expense presented in the statement of profit or loss and OCI include:
- interest on financial assets and financial liabilities measured at amortized cost calculated on an effective interest basis;
- interest on debt instruments measured at amortized cost calculated on an effective interest basis;

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

v) Fees and commission

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 (letter of credit fees, letter of guarantee issued fees, etc.) are recognized as the related services are performed.

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

Bunna Bank Share Company
Notes to the Financial Statements
For the year ended 30 June 2026

vi) 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.

vii) Rental income

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

viii) Foreign exchange revaluation gains or losses

These are gains and losses arising on settlement and translation of monetary assets and liabilities denominated in foreign currencies at the functional currency's spot rate of exchange at the reporting date. This amount is recognized in the statement of profit & loss and other comprehensive income

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

2.5 Financial Instruments - Initial Recognition and Subsequent Measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

key measurement terms:

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.

Transaction costs: Incremental costs that are directly attributable to the acquisition, issue or disposal of a financial instrument. An incremental cost is one that would not have been incurred if the transaction had not taken place.

Amortized cost: Is the amount at which the financial instrument was recognized at initial recognition less any principal repayments, plus accrued interest, and for financial assets less any write – down for incurred impairment losses.

The effective interest method: Is a method of allocating interest income or interest expense over the relevant period, so as to achieve a constant periodic rate of interest (effective interest rate) on the carrying amount. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts (excluding future credit losses) through the expected life of the financial instrument or a shorter period, if appropriate, to the net carrying amount of the financial instrument

Bunna Bank Share Company
Notes to the Financial Statements
For the year ended 30 June 2026

i) Recognition and initial measurement

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

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

ii) Classification and subsequent measurement

a) Financial Assets

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

All financial assets are recognized and derecognized on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at FVTPL.

All recognized financial assets that are within the scope of IFRS 9 are required to be subsequently measured at amortized cost or fair value on the basis of the bank's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

The Bank's debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI), are subsequently measured at amortized cost;

The Bank's debt instruments that are held within a business model whose objective is both to collect the contractual cash flows and to sell the debt instruments, and that have contractual cash flows that are SPPI, are subsequently measured at Fair Value Through Other Comprehensive Income (FVTOCI)

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

Bunna Bank Share Company
Notes to the Financial Statements
For the year ended 30 June 2026

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

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

Business model assessment

An assessment of business models for managing financial assets is fundamental to the classification of a financial asset

The Bank shall make an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:
- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realizing cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Bank's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and its strategy for how those risks are managed;

At initial recognition of a financial asset, the bank determines whether newly recognized financial assets are part of an existing business model or whether they reflect the commencement of a new business model. The bank reassess its business models each reporting period to determine whether the business models have changed since the preceding period. For the current and prior reporting period the bank has not identified a change in its business models.

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

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

Bunna Bank Share Company
Notes to the Financial Statements
For the year ended 30 June 2026

Assessment of whether contractual cash flows are solely payments of principal and interest (SPPI)

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

In assessing whether the contractual cash flows are SPPI, the Bank considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Bank considers:
— contingent events that would change the amount and timing of cash flows;
— leverage features;
— prepayment and extension terms;
— terms that limit the Bank's claim to cash flows from specified assets (e.g. non-recourse loans); and
— features that modify consideration of the time value of money (e.g. periodical reset of interest rates).

Debt instruments that are subsequently measured at amortized cost or at FVTOCI are subject to impairment.

b) Financial Liabilities

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

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

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

Other financial liabilities;-
Other financial liabilities, including deposits and borrowings, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortized cost using the effective interest method.

Bunna Bank Share Company
Notes to the Financial Statements
For the year ended 30 June 2026

iii) Impairment

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

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

- loans and advances to customers;
- debt investment securities;
- loan commitments issued; and
- financial guarantee contracts issued

No impairment loss shall be recognized on equity investments

a) Impairment Model

The Bank's allowance for credit losses calculations are outputs of models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. The expected credit loss impairment model reflects the present value of all cash shortfalls related to default events either over the following twelve months or over the expected life of a financial instrument depending on credit deterioration from inception. The allowance for credit losses reflects an unbiased, probability-weighted outcome which considers multiple scenarios based on reasonable and supportable forecasts.

The Bank adopts a three-stage approach for impairment assessment based on changes in credit quality since initial recognition.

- Stage 1 – Where there has not been a significant increase in credit risk (SICR) since initial recognition of a financial instrument, an amount equal to 12 months expected credit loss is recorded. The expected credit loss is computed using a probability of default occurring over the next 12 months. For those instruments with a remaining maturity of less than 12 months, a probability of default corresponding to remaining term to maturity is used.

- Stage 2 – When a financial instrument experiences a SICR subsequent to origination but is not considered to be in default, it is included in Stage 2. This requires the computation of expected credit loss based on the probability of default over the remaining estimated life of the financial instrument.

b) Assessment of significant increase in credit risk (SICR):

At each reporting date, the Bank assesses whether there has been a significant increase in credit risk for exposures since initial recognition by comparing the risk of default occurring over the remaining expected life from the reporting date and the date of initial recognition. The assessment considers borrower-specific quantitative and qualitative information without consideration of collateral, and the impact of forward-looking macroeconomic factors. The common assessments for significant increase in credit risk(SICR) include macroeconomic outlook, management judgement, and delinquency and monitoring. Forward looking macroeconomic factors are a key component of the macroeconomic outlook. The importance and relevance of each specific macroeconomic factor depends on the type of product, characteristics of the financial instruments and the borrower etc.

Bunna Bank Share Company
Notes to the Financial Statements
For the year ended 30 June 2026

The Bank adopts a multi factor approach in assessing changes in credit risk. This approach considers quantitative and qualitative indicators which are critical in allocating financial assets into stages.
The Bank has 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

_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'

Life-time 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 financial instruments' and credit-impaired are referred to as 'stage 3 financial instruments'.

c) Measurement of Expected Credit Losses(ECL)

Expected Credit Losses(ECL) is a probability-weighted estimate of credit losses. It shall be measured as the product of the probability of default (PD), exposure at default (EAD), and loss given default (LGD).

Default: The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL, as default is a component of the probability of default (PD) which affects both the measurement of ECLs and the identification of a significant increase in credit risk

The bank considers the following as constituting an event of default:-
* the borrower is past due more than 90 days on any material credit obligation to the bank or
"the borrower is unlikely to pay its credit obligations to the bank in full.
-Overdrafts are considered as being past due once the customer has breached an advised limit or has been advised of a limit smaller than the current amount outstanding.

When assessing, if the borrower is unlikely to pay its credit obligation, the bank takes into account both qualitative and quantitative indicators. The information assessed depends on the type of the asset, for example in corporate lending a qualitative indicator used is the breach of covenants, which is not relevant for retail lending. Quantitative indicators, such as overdue status and non-payment on another obligation of the same counterparty are key inputs in this analysis

The probability of default(PD) is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the remaining estimated life, if the facility has not been previously derecognized and is still in the portfolio.

12-month PDs – This is the estimated probability of default occurring within the next 12 months (or over the remaining life of the financial instrument if that is less than 12 months). This is used to calculate 12-month ECLs for stage 1.

Lifetime PDs – This is the estimated probability of default occurring over the remaining life of the financial instrument. This is used to calculate lifetime ECLs for 'stage 2' and 'stage 3' exposures. PDs are limited to the maximum period of exposure required by IFRS 9.

Exposure at Default(EAD)-The exposure at default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest

Loss given default(LGD)-The loss given default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realization of any collateral.

d) Forward-looking information:

The measurement of expected credit losses for each stage and the assessment of significant increases in credit risk considers information about past events ,current conditions as well as reasonable forecasts of future events and economic conditions. i.e., the estimation of forward-looking information.

Thus, macro-economic variables has been taken into consideration that includes inflation, exchange rate, Gross Domestic Product etc. and requires an evaluation of both the current and forecast direction of the macroeconomic cycle. Macro-economic variables considered having strong statistical relationships with the risk parameters (PD) used in the estimation of the ECLs, and are capable of predicting future conditions that are not captured within the base ECL calculations.

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

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

Bunna Bank Share Company
Notes to the Financial Statements
For the year ended 30 June 2026

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

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

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

The key drivers for credit risk for each of the Bank's economic sectors is summarized under 4.3.6-vii

Thus ECL is measured as:- for financial assets that are not credit-impaired at the reporting date (stage 1 and 2): 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): the difference between the gross carrying amount and the present value of estimated future cash flows;
— for undrawn loan commitments: 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: the expected payments to reimburse the holder less any amounts that the Bank expects to recover.

e) Restructured financial assets

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

— If the expected restructuring will not result in de-recognition of the existing asset, then the expected cash flows arising from the modified financial asset are included in calculating the cash shortfalls from the existing asset

— If the expected restructuring will result in de-recognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flow from the existing financial asset at the time of its de-recognition. This amount is included in calculating the cash shortfalls from the existing financial asset that are discounted from the expected date of de-recognition to the reporting date using the original effective interest rate of the existing financial asset.

f) Credit-impaired financial assets

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

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

Evidence that a financial asset is credit-impaired includes the following observable data:
— significant financial difficulty of the borrower or issuer;
— a breach of contract such as a default or past due event;
— the restructuring of a loan or advance by the Bank on terms that the Bank would not consider otherwise;
— it is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or
— the disappearance of an active market for a security because of financial difficulties.

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

Loss allowances for ECL shall be presented in the statement of financial position as follows:
— for financial assets measured at amortized cost: as a deduction from the gross carrying amount of the assets;
— for loan commitments and financial guarantee contracts: generally, as a provision;
—where a financial instrument includes both a drawn and an undrawn component, and the Bank cannot identify the ECL on the loan commitment component separately from those on the drawn component: the Bank presents a combined loss allowance for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component. Any excess of the loss allowance over the gross amount of the drawn component is presented as a provision; and
— for debt instruments measured at FVOCI: no loss allowance is 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.

h) Write-off

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

Recoveries of amounts previously written off shall be included in 'impairment losses on financial instruments' in the statement of profit or loss and OCI. Financial assets that are written off could still be subject to enforcement activities in order to comply with the Bank's procedures for recovery of amounts due

i) Non-integral financial guarantee contracts

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

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

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

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iv) Derecognition

a) Financial assets

The Bank shall derecognize 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; or
— Bank neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset

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

b) Financial liabilities

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

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss

v) Modifications of financial assets and financial liabilities

a) Financial assets

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

If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset shall be deemed to have expired. In this case, the original financial asset shall be derecognized and a new financial asset shall be recognized at fair value plus any eligible transaction costs. Any fees received as part of the modification shall be accounted for as follows:
— fees that are considered in determining the fair value of the new asset and fees that represent reimbursement of eligible transaction costs shall be included in the initial measurement of the asset; and
— other fees are included in profit or loss as part of the gain or loss on derecognition

If cash flows are modified when the borrower is in financial difficulties, then the objective of the modification is usually to maximize recovery of the original contractual terms rather than to originate a new asset with substantially different terms.
If the Bank plans to modify a financial asset in a way that would result in forgiveness of cash flows, then it shall first consider whether a portion of the asset should be written off before the modification takes place

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

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

b) Financial liabilities

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

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

vi) Offsetting

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

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

vii) Designation at fair value through profit or loss

a) Financial assets

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

b) Financial liabilities

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

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

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Viii) 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 buildings(commercial or residential), machineries, motor vehicle, share certificate etc., . 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.

iX) Collateral repossessed

Repossessed collateral represents 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 remeasured and accounted for in accordance with the accounting policies for these categories of assets. Assets that are determined better 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.

2.6 Cash and cash equivalents

Cash and cash equivalents' include notes and coins on hand, unrestricted balances held with central banks and highly liquid financial assets with original maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the Bank in the management of its short-term commitments.
Cash and cash equivalents are carried at amortized cost in the statement of financial position

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

2.7 Property and equipment

Property and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property and equipment if the recognition criteria are met. When significant parts of property and equipment are required to be replaced at intervals, the Bank recognizes such parts as individual assets with specific useful lives 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 group and the cost of the item can be measured reliably.

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

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Asset class	Depreciation rate (years)	Residual Value (%)
Premises/Buildings	50	5%
Motor vehicles	10	5%
Computer & Related Items	7	1%
Office and other equipment-Long Lived	20	1%
Office and other equipment-Medium Lived	10	1%
Office and other equipment-Short Lived	5	1%
Furniture and fittings-Long Lived	20	1%
Furniture and fittings-Medium Lived	10	1%
Elevator	15	5%

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

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

The residual values, useful lives and methods of depreciation of property and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. Changes in the expected useful life, residual values or method of deprecation are accounted for as change in accounting estimate

2.8 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, if any. Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in income statement in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortized over the useful economic life. Where, intangible asset with no defined useful economic lives are determined to have 6-years of economic use full lives. 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, if appropriate. Changes in the expected useful life, or the expected pattern of consumption of future economic benefits embodied in the asset, are accounted for by changing the amortization period or methodology, as appropriate, which are then treated as changes in accounting estimates. The amortization expenses on intangible assets with finite lives is presented as a separate line item in the income statement.

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Notes to the Financial Statements
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Amortization is calculated using the straight–line method to write down the cost of intangible assets to their residual values over their estimated useful lives as follows:

Core Banking application software – 6 years
E-Banking Software–5 years
IFB software – 10 years
Abol Digital Platform Software - 5 years
ERP Software - 5 years
And any other intangible asset with defined use full lives-as per the contract

2.9 Lease

Policy applicable

As A Lessee

At commencement or on modification of a contract that contains a lease component, the bank allocates consideration in the contract to each lease component on the basis of its relative stand-alone price

The bank recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date of the lease contract to the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the incremental borrowing rate or implicit rate. Generally, the bank uses its incremental borrowing rate as the discount rate. The bank determines its incremental borrowing rate by weighted average interest rate on Saving Deposits and Fixed Time Deposits .

Short-term leases: The bank has elected to apply the exemption for all short-term leases (up to 12 months) and low value asset and therefore the lease payments associated with those leases will be recognized as an expense on a straight-line basis over the lease term

Deprecation expense on right of use asset and interest expense on lease liability are reported on profit & loss statement and the Right of use asset and Lease liability are reported in the financial position on separate line

Amortization expense on short term lease and low value asset are presented in a separate line in the profit and loss statement

The right-of-use assets are depreciated over the useful life of the lease term on a straight-line basis. The Deprecation/amortization periods for the right of use assets are as follows

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Right of use asset	Lease Term
Office Buildings (rent)	2-15 years
Leased land-Head office, Addis Ababa	60 years
Leased land-Head office, Addis Ababa	99 years
Leased land-Bahirdar	99 years

2.10 Impairment of non-financial assets

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

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

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

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Bank estimates the asset's or CGU's recoverable amount. A previously 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. 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 reversal is recognized in the income statement.

2.11 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. Non-current assets held for sale are not depreciated or amortized

Bunna Bank Share Company
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Non-current assets classified as held for sale are presented separately from the other assets in the statement of financial position.

2.12 Other assets

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

i) Prepayment

Prepayments are payments made in advance for services to be enjoyed in 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 event or transaction as they arise and settled when payment is received. The Bank's other receivables are advance payments for purchase of goods and services and other receivables from debtors.

iii) Prepaid staff asset(benefits)

The bank has provided loans to its employee at below market rate. Under IFRS, such loans shall be recognized at their fair value on the initial inception date. Accordingly, the fair value of employee loans below market rate are determined as the present value of future cash receipts(installment payments)using the prevailing market rate of interest as the discounting factor. The market rate is determined as what if the employee has been charged to access similar loans from other banks and determined by the Ethiopian Bankers' Association

The difference between the fair value and the contractual value of employee loans are recognized as Staff (employee) benefit

2.13 Fair value measurement

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

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

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

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

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

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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 on a recurring basis, 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 management determines the policies and procedures for both recurring fair value measurement, such as financial asset measured at fair value thorough other comprehensive income
For the purpose of fair value disclosures, the Bank has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.14 Employee benefits

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

i) Defined contribution plan

The Bank operates two defined contribution plans;

i) pension scheme in line with the provisions of Ethiopian pension of private organization employees proclamation 715/2011. Funding under the scheme is 7% and 11% by employees and the Bank respectively;

ii) provident fund contribution, funding under this scheme is 7% and 13% by employees and the Bank respectively. However, as per proclamation No 1268/2022, all employees are required to be covered under pension scheme and only the extra 2% provident fund contribution has been made by the bank effective April-2022. 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.

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ii) Defined benefit plan

The liability or asset 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 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 to the terms of the related pension obligation.
The current service cost of the defined benefit plan, recognized in the income statement in employee benefit expense, except where included in the cost of an asset, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes curtailments and settlements.
The Interest Cost reflects the reducing discounting period from one year to the next (i.e. the unwinding of the discount rate over time).
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) Profit-sharing and bonus plans

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

2.15 Provisions

Provisions are recognized when the Bank has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Bank expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in income statement net of any reimbursement.

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

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2.16 Share capital

Incremental costs directly attributable to the issue of new shares are classified as share capital. Any excess received over and above the par value of shares issued is recorded as share premium in equity.

2.17 Earnings per share

The Bank presents basic Earnings Per Share (EPS) 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. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and weighted average number of ordinary shares outstanding for the effects of all diluted potential ordinary shares.

2.18 Dividend

Dividends are recorded in equity in the period in which they are declared. Any dividends declared after the end of the reporting period and before the financial statements are authorized for issue, are disclosed in the subsequent events note. The statutory accounting reports of the Bank are the basis for profit distribution and other appropriations. Ethiopian legislation identifies the basis of distribution as the current year net profit.
Dividend distribution to the Bank's shareholders is recognized as a liability in the Bank's financial statements in the period in which the dividends are approved by the Bank's shareholders.

2.19 Income taxation

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. Income tax expense is recognized in profit or loss except to the extent that it related to items recognized directly in equity or other comprehensive income.
The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in Ethiopia. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

ii) Deferred tax

Deferred tax is recognized on 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.

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Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet 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 taxes 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.

Deferred tax assets and liabilities are only offset when they arise in the same tax reporting group and where there is both the legal right and the intention to settle on a net basis or to realize the asset and settle the liability simultaneously.

2.20 Related parties

In the normal course of business, the Bank has entered into transactions with related parties

3 Significant accounting judgements, estimates and assumptions

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

- Capital management
- Financial risk management and policies
- Sensitivity analyses disclosures

3.1 Judgements

In the process of applying the Bank's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the financial statements:

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i) Classification of financial asset : assessment of the business model within which the asset are held and assessment of whether the contractual terms of the financial asset are SPPI on the principal amount outstanding

Business model assessment: Classification and measurement of financial assets depends on the results of the SPPI and the business model test . The Bank determines the business model at a level that reflects how Groups of financial assets are managed together to achieve a particular business objective.

This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance is measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated.

The Bank monitors financial assets measured at amortized cost or fair value through other comprehensive income that are derecognized prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Bank's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a respective change to the classification of those assets
Models and assumptions used: The Bank uses various models and assumptions in measuring fair value of financial assets as well as in estimating ECL. Judgement is applied in identifying the most appropriate model for each type of asset, as well as for determining the assumptions used in these models, including assumptions that relate to key drivers of credit risk.

ii) Establishing the criteria for the determining whether credit risk on the financial asset has increased significantly since initial recognition. As explained in note 2.5, ECL are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Bank takes into account qualitative and quantitative reasonable and supportable forward-looking information.

iii) Determining methodology for incorporating forward locking information in to measurement of expected credit loss

3.2 Estimates and assumptions

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

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i) ***Impairment losses on loans and receivables***

The Bank reviews its loan portfolios for impairment on an on-going basis. The Bank first assesses whether objective evidence of impairment exists . Impairment provisions are also recognized for losses not specifically identified but which, experience and observable data indicate, are present in the portfolio at the date of assessment.

Management uses estimates based on historical loss experience for assets with credit risk characteristics and objective evidence of impairment similar to those in the portfolio, when scheduling its future cash flows. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

The use of historical loss experience is supplemented with significant management judgment to assess whether current economic and credit conditions are such that the actual level of inherent losses is likely to differ from that suggested by historical experience. In normal circumstances, historical experience provides objective and relevant information from which to assess inherent loss within each portfolio. In other circumstances, historical loss experience provides less relevant information about the inherent loss in a given portfolio at the balance sheet date, for example, where there have been changes in economic conditions such that the most recent trends in risk factors are not fully reflected in the historical information. In these circumstances, such risk factors are taken into account when calculating the appropriate levels of impairment allowances, by adjusting the impairment loss derived solely from historical loss experience.

The detailed methodologies, areas of estimation and judgement applied in the calculation of the Bank's impairment charge on financial assets are set out in the Financial risk management section.

The estimation of impairment losses is subject to uncertainty, which has increased in the current economic environment, and is highly sensitive to factors such as the level of economic activity, unemployment rates, property price trends, and interest rates. The assumptions underlying this judgement are highly subjective. The methodology and the assumptions used in calculating impairment losses are reviewed regularly in the light of differences between loss estimates and actual loss experience.

ii) ***Fair value measurement of financial instruments***

When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. There are no financial instruments currently measured at fair value except investment on equity. See note 4.9.2 for further discussion on fair value disclosures of financial instruments.

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Notes to the Financial Statements
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iii) ***Defined benefit plans***

The cost of the defined benefit pension plan, and the present value of these defined benefit obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

iv) ***Depreciation and carrying value of property, plant and equipment***

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

v) ***Leases***

The right of use is depreciated over the lease term considering the renewal option.

The bank will renew the lease when it is reasonably certain that the lease location is still economically viable to conduct business

vi) ***Impairment of non-financial assets***

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow(DCF) model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Bank is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit(CGU) being tested. The recoverable amount is sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

vii) ***Taxes***

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.
Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

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viii) ***Development cost***

The Bank capitalizes development costs for a project in accordance with the accounting policy. Initial capitalization of costs is based on management's judgement that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model.

In determining the amounts to be capitalized, management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits. The development costs that were capitalized by the Bank relates to those arising from the development and upgrading of software

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4 Financial risk management

4.1 Introduction

Risk is inherent in the Bank's activities, but is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Bank's continuing profitability and each individual within the Bank is accountable for the risk exposures relating to his or her responsibilities. The Bank is exposed to credit risk, liquidity risk and market risk. It is also subject to country risk and various operating risks.
The independent risk control process does not include business risks such as changes in the environment, technology and industry. The Bank's policy is to monitor those business risks through the Bank's strategic planning process.

I.1.1 Risk management structure

The Board of Directors has overall responsibility for the establishment and oversight of the bank's risk management framework. The Board of Directors of the bank has established various committees, which are responsible for developing and monitoring the bank risk management policies in their specified areas. All Board committees have reported regularly to the Board of Directors on their activities.

The Board Risk Management and Compliance Committee has the overall responsibility for overseeing the development of risk strategy and implementing principles, framework, polices and limit. This committee is also responsible for monitoring risk levels and report on monthly and quarterly basis to regulatory organ
The Risk Management and Compliance Directorate is responsible for implementing and maintaining risk related procedures to ensure an independent control process is maintained. This unit closely works with Board Risk Committee to ensure that procedures are complaint with overall framework

Bunna Bank assesses and evaluates broad spectrum of risks that the bank face including Strategic Risk, Credit Risk, Market Risk, Operational risk, Liquidity risk, Reputational risk, Systemic risk, and Moral hazard.
There has been effective risk management framework that implemented on an enterprise-wide basis based on the three (3) lines of defense concept, whereby risks are managed collectively by all functions, namely the business/support functions, risk and compliance management directorate and internal audit directorates.
The risk management function is carried out in respect of financial risks (credit, market, and liquidity risks) and operational risks. The primary objectives of the financial risk management function are to establish risk limits, and then ensure that exposure to risks stays within these limits. The Risk Management and Compliance Directorate is also responsible for ensuring that appropriate balance is established between risk and return, whilst minimizing any potential adverse effects on the Bank's financial performance. The operational and legal risk management functions are intended to ensure proper functioning of internal policies and procedures to minimize operational and legal risks.

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For the year ended 30 June 2026

The Bank's risk management polices and assessment procedures are designed to identify, analyze, mitigate and manage the risk faced by the Bank. This is accomplished through setting of appropriate risk limits and controls, whilst ensuring suitable monitoring of risk levels and compliance with the limits and procedures on an ongoing basis. The risk management policies and procedures are reviewed regularly to reflect changes in market conditions, and new products and services offered, this is to ensure Moreover, there shall be other organizations such as National Bank of Ethiopia (NBE) and external auditor which ensure the soundness and safety of the Bank. NBE has been conducted the periodic reviews of bank's risk profile through quarterly off- and on-site surveillance and full on-site examination once in two years. On the other hand, external auditor has been conducted its reviews on elements of bank's financial statement such as assets, liabilities, equities, income and expenses in an annual basis.

4.1.2 Risk measurement and reporting systems

The Bank's risks are measured using a method that reflects both the expected loss likely to arise in normal circumstances and unexpected losses, which are an estimate of the ultimate actual loss based on statistical models. The models make use of probabilities derived from historical experience, adjusted to reflect the economic environment. The Bank also runs worst-case scenarios that would arise in the event that extreme events which are unlikely to occur do, in fact, occur.
Monitoring and controlling risks is primarily performed based on limits established by the Bank. These limits reflect the business strategy and market environment of the Bank as well as the level of risk that the Bank is willing to accept, with additional emphasis on selected regions. In addition, the Bank's policy is to measure and monitor the overall risk bearing capacity in relation to the aggregate risk exposure across all risk types and activities.

4.1.3 Risk mitigation

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

The bank uses board approved risk tolerance limit as a risk limit control. This risk tolerance limit composed of risk limit by economic sector, by credit product, by maturity, by geography and risk grade. There also limitation imposed by the regulatory organ such as single borrower limit, related party limit, off balance sheet exposure limit and connected counterparties limit to which all banks should comply.

As the credit risk mitigation, the bank established an appropriate risk environment, sound credit strategies, policies and procedures. In addition, there is active portfolio management, appropriate credit administration and monitoring and effective loan review function. The other credit risk mitigation measures are obtaining sufficient collateral securities and guarantees for loans and advances as the second way out in case of default.

Bunna Bank Share Company
Notes to the Financial Statements
For the year ended 30 June 2026

4.2 Financial instruments by category

The Bank's financial assets are classified into the following measurement categories: measured at amortized cost and measured at Fair Value through other comprehensive income(FVOCI) and the financial liabilities are classified into other liabilities measured at amortized cost.

Financial instruments are classified in the statement of financial position in accordance with their legal form and substance.

The Bank's classification of its financial assets is summarized in the table below:

30 June 2026	Notes	FVOCI Birr'000	Amortized Birr'000	Total Birr'000
Cash and bank balances	14		17,412,272	17,412,272
Loans and advances to customers (net)	15		51,587,004	51,587,004
Financial assets at fair value through OCI (equi	16	1,069,832		1,069,832
Financial assets at amortized cost(Bill& Bond)	16		4,050,970	4,050,970
Other financial assets	17		1,115,856	1,115,856
Total financial assets		**1,069,832**	**74,166,101**	**75,235,934**

30 June 2025	Notes	FVOCI Birr'000	Amortized Birr'000	Total Birr'000
Cash and bank balances	14		13,009,174	13,009,174
Loans and advances to customers (net)	15		41,360,997	41,360,997
Financial assets at fair value through OCI (equi	16	702,961		702,961
Financial assets at amortized cost(Bill& Bond)	16		3,807,820	3,807,820
Other financial assets	17		942,999	942,999
Total financial assets		**702,961**	**59,120,990**	**59,823,951**

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4.3 Credit risk

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

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

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

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

The Bank's credit monitoring and follow-up office reviews the ageing analysis of outstanding loans and follows up on past due balances periodically. Management therefore, considers it appropriate to provide ageing and other information about credit risk

Credit risk for off-balance sheet financial instruments is defined as the possibility of sustaining a loss as the result of another party to a financial instrument failing to perform in accordance with the terms of the loan contract. The Bank uses the same credit policies in assuming conditional obligations as it does for on-balance sheet financial instruments, through established credit approvals, risk control limits and monitoring procedures.

For risk management reporting purposes, the bank considers and consolidates all elements of credit risk exposure in managing credit risk including,

The Board of Directors has delegated responsibility for the management of credit risk to the Executive Credit Committee, which is responsible for oversight of the Banks's credit risk, including:-

Formulating credit policies covering requirements, credit assessment, risk grading and reporting, documentary and legal procedures, and compliance with regulatory and statutory requirements

Establishing the authorisation structure for the approval and renewal of credit facilities. Authorisation limits are allocated to business unit . Larger facilities require approval by the the Head Office Credit Committee or Executive Management Credit Committee as appropriate.

Reviewing and assessing credit risk. The Credit Unit assesses all credit exposures in excess of designated limits, prior to facilities being committed to customers by the business unit concerned. Renewals and reviews of facilities are subject to the same review process.

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*Limiting concentrations of exposure to counterparties, geographies and industries-for loans and advances

*Developing and maintaining the Bank's risk gradings in order to categorized exposures according to the degree of risk of financial loss faced and to focus management on the attendant risks. The risk grading system is used in determining where impairment provisions may be required against specific credit exposures.

*Reviewing compliance of business units with agreed exposure limits, including those for selected industries, country risk and product types. Regular reports are provided to the SMC on the credit quality of local portfolios and appropriate corrective action is taken.

4.3.1 Management of credit risk

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

The bank's credit exposure comprises corporate ,retail and non funding loans which are developed to reflect the needs of our customers. The Bank's policy is to lend principally on the basis of our customer's 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.

4.3.2 Credit related commitments risks

The Bank holds collateral against loans and receivables to customers in the form of bank guarantees and properties. Estimates of fair value are based on the value of collateral assessed at the time of borrowing, and generally are not updated except when a loan is individually assessed as impaired.

4.3.3 Credit risk exposure

(a) Maximum exposure to credit risk before collateral held or credit enhancements

The Bank's maximum exposure to credit risk at 30 June 2026 and 30 June 2025 respectively, is represented by the net carrying amounts in the statement of financial position.

	30, June 2026 Birr'000	30, June 2025 Birr'000
Cash and bank balances	17,412,272	13,009,174
Loans and advances to customers(net)	51,587,004	41,360,997
Financial assets at fair value through OCI (Equity Investment)	1,069,832	702,961
Financial assets at amortized cost(Bills & Bonds)	4,050,970	3,807,820
Other financial assets	1,115,856	942,999
	75,235,934	59,823,951

Bunna Bank Share Company
Notes to the Financial Statements
For the year ended 30 June 2026

Credit risk exposures relating to off balance sheets are as follows:

Guarantees issued and outstanding	1,548,107	1,909,601
Commitments on Letter of Credit (net of Margin paid)	7,684,537	4,791,092
Unutilized Overdraft facilities	301,431	379,147
Unutilized Revolving facilities	102,778	417,059
Loan Commitment (Approved but not disbursed)	16,380	527,698
Commitments (Line of Credit)	3,009,223	6,486,583
	12,662,457	**14,511,180**
Total maximum exposure	**87,898,390**	**74,335,131**

(b) Assets obtained by taking possession of collateral

Details of assets obtained by the Bank by taking possession of collaterals held as security against loan and advances to customers at the end of the year are below:

	30 June 2026 Birr'000	30 June 2025 Birr'000
Residential Building	985,988	84,079
Motor Vehicle	-	2,900
	985,988	**86,979**

The Bank's policy is to pursue timely realization of the collateral in a timely manner. The Bank does not generally use the cash collateral for its own operations. This repossessed collaterals are held for sale.

(c) Loans and advances to customers at amortized cost

(i) Gross loans and advances to customers per sector is analyzed as follows:

	30 June 2026 Birr'000	30 June 2025 Birr'000
Agriculture	136,869	142,549
Transportation	5,216,106	3,848,348
Manufacturing/Industry	3,852,619	3,395,118
Domestic Trade and Services	13,858,529	9,441,204
Import and Export	16,775,184	16,259,857
Building and construction	10,370,579	6,147,213
Staff Loan	3,003,703	3,451,388
	53,213,588	**42,685,677**

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For the year ended 30 June 2026

Credit risk exposures relating to off balance sheets are as follows:

Guarantees issued and outstanding	1,548,107	1,909,601
Commitments on Letter of Credit (net of Margin paid)	7,684,537	4,791,092
Unutilized Overdraft facilities	301,431	379,147
Unutilized Revolving facilities	102,778	417,059
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Total maximum exposure	**87,898,390**	**74,335,131**

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	30 June 2026 Birr'000	30 June 2025 Birr'000
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	30 June 2026 Birr'000	30 June 2025 Birr'000
Agriculture	136,869	142,549
Transportation	5,216,106	3,848,348
Manufacturing/Industry	3,852,619	3,395,118
Domestic Trade and Services	13,858,529	9,441,204
Import and Export	16,775,184	16,259,857
Building and construction	10,370,579	6,147,213
Staff Loan	3,003,703	3,451,388
	53,213,588	**42,685,677**

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(ii) Gross loans and advances to customers per National Bank of Ethiopia's impairment guidelines is analyzed as follows:

	30 June 2026 Birr'000	30 June 2025 Birr'000
Pass	42,731,745	36,512,776
Special mention	8,345,744	3,438,734
Substandard	250,463	11,783
Doubtful	307,515	859,871
Loss	1,578,122	1,862,513
	53,213,588	**42,685,677**

The above table represents a worse case scenario of credit risk exposure of the Bank as at the reporting dates without taking account of any collateral held or other credit enhancements attached. The exposures are based on gross carrying amounts as reported in the statement of financial position.
Management is confident in its ability to continue to control and effectively manage the credit risk exposure in the Bank's loan and advances portfolio.

4.3.4 Credit quality analysis

(a) Credit quality of cash and cash equivalents

The credit quality of cash and cash equivalents and short-term investments that were neither past due nor impaired at as 30 June 2026 and 30 June 2025 are held in Ethiopian banks have been classified as non-rated as there are no credit rating agencies in Ethiopia. However, cash and cash equivalents that held in foreign banks can be assessed, if any, by reference to credit rating agency designation as shown in the table below;

	30 June 2026 Birr'000	30 June 2025 Birr'000
A	34,085	145,460
BBB+	332,433	140,870
B	2,468,516	1,870,404
Not rated	11,421,447	8,303,011
	14,256,481	**10,459,744**

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Definitions of ratings

A: High credit quality	This denote expectations of low default risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than is the case for higher ratings.
BBB: Good credit quality	This indicates that expectations of default risk are currently low. The capacity for payment of financial commitments is considered adequate, but adverse business or economic conditions are more likely to impair this capacity.
B: Good credit quality	B' ratings indicate that material default risk is present but a limited margin of safety remains. Financial commitments are currently being met; however, capacity for continued payment is vulnerable to deterioration in the business and economic environment.
Not rated	This indicates financial institutions or other counterparties with no available ratings and cash in hand.

"+ "(plus) or "-" (minus) may be appended to a rating to indicate the relative position of a credit within the rating category. This is based on Fitch national long-term issuer default ratings.

b) Credit quality of Loans & advances to customer at amortized cost

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

The loss allowance for loans and advances to customers also includes the loss allowances for loan commitments, unutilized facilities and Digital Lending.

I)Credit Quality Analysis for On Balance Sheet facilities.

June-30-2026

Loans and advances to customers at amortized cost	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Normal	42,731,745			42,731,745
Watch		8,345,744		8,345,744
Non-Performing			2,136,100	2,136,100
Total Exposure	**42,731,745**	**8,345,744**	**2,136,100**	**53,213,588**
Loss Allowance	(299,697)	(38,294)	(1,288,593)	(1,626,585)
Carrying Amount	**42,432,048**	**8,307,449**	**847,507**	**51,587,004**

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June-30-2025

Loans and advances to customers at amortized cost	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Normal	36,320,054			36,320,054
Watch		3,560,688		3,560,688
Non-Performing			2,804,934	2,804,934
Total Exposure	**36,320,054**	**3,560,688**	**2,804,934**	**42,685,677**
Loss Allowance	(163,574)	(90,700)	(1,070,406)	(1,324,680)
Carrying Amount	**36,156,481**	**3,469,988**	**1,734,528**	**41,360,997**

II) Note to the Credit Quality of On Balance sheet facilities

	2026			
Loans and advances to customers at amortized cost	Stage 1	Stage 2	Stage 3	Total
Stage 1 - Pass	42,731,745			42,731,745
Stage 2 - Special mention		8,345,744		8,345,744
Stage 3 - Non performing			2,136,100	2,136,100
Total gross exposure	**42,731,745**	**8,345,744**	**2,136,100**	**53,213,588**
Loss allowance	(299,697)	(38,294)	(1,288,593)	(1,626,585)
Net carrying amount	**42,432,048**	**8,307,449**	**847,507**	**51,587,004**

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II) Note to the Credit Quality of On Balance sheet facilities

	2025			
Loans and advances to customers at amortized cost	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Stage 1 - Pass	36,320,054			36,320,054
Stage 2 - Special mention		3,560,688		3,560,688
Stage 3 - Non performing			2,804,934	2,804,934
Total gross exposure	**36,320,054**	**3,560,688**	**2,804,934**	**42,685,677**
Loss allowance	(163,574)	(90,700)	(1,070,406)	(1,324,680)
Net carrying amount	**36,156,481**	**3,469,988**	**1,734,528**	**41,360,997**

		2026		
Other financial assets		**Gross exposure**	**Loss allowance**	**Net carrying amount**
Cash and balances with banks	12 Month ECL	14,256,481	(777)	14,255,704
Investment securities (debt instruments)	12 Month ECL	4,051,172	(203)	4,050,970
Other receivables and financial assets	Lifetime ECL	1,177,735	(61,880)	1,115,856
Totals		**19,485,388**	**(62,859)**	**19,422,529**

		2025		
Other financial assets		**Gross exposure**	**Loss allowance**	**Net carrying amount**
Cash and balances with banks	12 Month ECL	10,459,744	(570)	10,459,174
Investment securities (debt instruments)	12 Month ECL	3,808,011	(190)	3,807,820
Other receivables and financial assets	Lifetime ECL	967,877	(24,879)	942,999
Totals		**15,235,632**	**(25,639)**	**15,209,993**

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III) Credit Quality Analysis for Off Balance Sheet facilities.

The off balance sheet facilities includes Letter of Credit and Financial Guarantees

June -30-2026

Letter of Credit , Line of Credit & financial Guarantees	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Normal(stage 1)	13,827,855			13,827,855
Watch (Stage 2)				-
Non-Performing (Stage 3)				-
Total Exposure	**13,827,855**	-	-	**13,827,855**
Loss Allowance	(1,782)			(1,782)
Carrying Amount	**13,826,073**	-	-	**13,826,073**

June -30-2025

Letter of Credit , Line of Credit & financial Guarantees	12 month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Normal(stage 1)	12,927,589			12,927,589
Watch (Stage 2)				-
Non-Performing (Stage 3)				-
Total Exposure	**12,927,589**	-	-	**12,927,589**
Loss Allowance	(3,447)			(3,447)
Carrying Amount	**12,924,142**		-	**12,924,142**

4.3.5 Collateral held and their financial effect

The general creditworthiness of a customer tends to be the most relevant indicator of 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, commercial building, residential building, factory building, construction machinery, trucks & vehicles and other 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 collaterals 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.

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The fair value of the collaterals are 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 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 benefits accruable from the exercise.

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.

		Collaterals held				
	Maximum exposure to credit risk	Secured against real estate and Buildings	Machinery and equipment	Motor vehicles and Trucks	Others	Total
30-Jun-26	Birr'000	*Birr'000*	Birr'000	Birr'000	Birr'000	Birr'000
Type of Loan						
Agriculture	136,869	273,692	55,406	40,069		369,167
Transportation loan	5,216,106	537,152	1,906,721	9,252,648		11,696,520
Manufacturing/Industry	3,852,619	4,075,842	663,584	805,392	210,688	5,755,506
DomesticTrade & Services	13,858,529	11,428,984	1,199,033	1,610,993	1,299,440	15,538,451
Import and Export	16,775,184	22,430,719	2,068,952	2,231,272	2,167,928	28,898,870
Building & construction	10,370,579	9,888,731	5,715,958	826,038	211,272	16,641,999
Staff Loan	3,003,703	6,135,485		716,396		6,851,881
	53,213,588	**54,770,605**	**11,609,654**	**15,482,807**	**3,889,329**	**85,752,395**

		Collaterals held				
	Maximum exposure to credit risk	Secured against real estate and Buildings	Machinery and equipment	Motor vehicles and Trucks	Others	Total
30-Jun-25	Birr'000	*Birr'000*	Birr'000	Birr'000	Birr'000	Birr'000
Type of Loan						
Agriculture	142,549	271,162	72,645	101,589		445,397
Transportation loan	3,848,348	662,011	1,150,382	6,836,469		8,648,862
Manufacturing/Industry	3,395,118	5,021,869	423,555	696,241	50,000	6,191,664
DomesticTrade & Services	9,441,204	10,297,399	609,603	1,175,457	1,151,600	13,234,058
Import and Export	16,259,857	28,844,804	1,097,799	2,091,163	1,430,079	33,463,845
Building & construction	6,147,213	8,151,370	2,011,017	1,113,963	111,985	11,388,335
Staff Loan	3,451,388	6,528,449		644,549		7,172,998
	42,685,677	**59,777,065**	**5,365,000**	**12,659,430**	**2,743,664**	**80,545,158**

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i) Loans and advances to corporate customers

The general creditworthiness of a corporate customer tends to be the most relevant indicator of credit quality of a loan extended to it. However, collateral provides additional security and the Bank generally requests that corporate borrowers provide it.

Because of the Bank's focus on corporate customers' creditworthiness, the Bank does not routinely update the valuation of collateral held against all loans to corporate customers. Valuation of collateral is updated when the loan is put on a watch list and the loan is monitored more closely. For credit-impaired loans, the Bank obtains appraisals of collateral because it provides input into determining the management credit risk actions

ii) Investment securities designated as at FVTPL

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

4.3.6 Amounts arising from ECL

i) Inputs, assumptions and techniques used for estimating impairment

See accounting policy in Note 2.5

ii) Significant increase in credit risk

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

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

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iii) Credit risk grades

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

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

a) Term loan exposures

— Information obtained during periodic review of customer files – e.g. audited financial statements, management accounts, budgets and projections. Examples of areas of particular focus are: gross profit margins, financial leverage ratios, debt service coverage, compliance
— Data from credit reference agencies, press articles, changes in external credit ratings
— Actual and expected significant changes in the political, regulatory and technological environment of the borrower or in its business activities
— Internally collected data on customer behavior
— Affordability metrics

b) Overdraft/Revolving Facilities exposures

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

iv) Generating the term structure of PD

Credit risk grades are a primary input into the determination of the term structure of PD for exposures. The Bank collects performance and default information about its credit risk exposures analyzed by type of product and borrower as well as 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

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v) 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 since the earliest elapsed due date in respect of which full payment has not been received. Due dates are determined without considering any grace period that might be available to the borrower

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

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

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

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

vi) 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 as a result of bankruptcy due to the borrower's inability to pay its credit obligations.

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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
-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 following data are typically used to monitor the Bank's exposures:
-Delinquency in contractual payments of principal or interest;-
-Cash flow difficulties experienced by the borrower;
-Breach of loan covenants or conditions;
-Deterioration of the borrower's competitive position; and
-Deterioration in the value of .

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

vii) Incorporation of forward-looking information

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

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

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

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

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

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

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

Sector	Macroeconomic factor(s)
Cluster 1 Agriculture Consumer Loans Overdraft Interest Free Financing	Import cover months Current account bal, STER, Economic Growth Nominal Effective Exchange Rate Index
Cluster 2 Domestic Trade Services Mining and Energy Transport Health Merchandise Financial Services	CPI inflation, 2010=100, eop Import cover months Services exp, LCU Current account bal, USD Total revenue, LC
Cluster 3 Building and Construction Hotel and Tourism Manufacturing and Industry Real Estate Housing and Construction	Import cover months Private final cons, LCU Budget bal, USD Services imp, USD Trade, goods bal, USD
Cluster 4 Export Import Advance against Import International Trade	Nominal Effective Exchange Rate Index Use of IMF credit/cap, USD Central bank policy rate, %, eop Total govt debt, LCU

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The economic scenarios used as at 30 June 2026 included the following key indicators for Ethiopia for the years 2024 to 2026:

Indicator	30-Jun-25	30-Jun-26	30-Jun-27
Consumer price index inflation, 2010=	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	9,765,080.10
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	2,442,586.12
Population	124.94	128.11	131.32
Consumer price index inflation, 2010=	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	-4,970,521,099.00	-4,599,280,813.34	-414,187.00
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 pric	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	115,761.66	92,091.83
Private final consumption per capita, U	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	635,748.74	761,652.05
Exports of goods and services per cap	81.34	73.65	54.75
Imports of goods and services, LCU	1,174,311.47	1,330,983.64	1,573,370.11
Total domestic demand per capita, US	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	15.9	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	-216,720,442.66	-233,713,193.65	-305,432,803.29
Budget balance, USD	-4,076,790,443.84	-3,468,643,268.24	-288,340.00

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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
Savings per capita, LCU	11.51	9.32	8.12
Transport & communications nominal	33.17	17.32	10
Broad money (% of GDP) - Sovereign	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	786.97	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

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

As At June 30, 2026			
Scenario	Base	Downturn (downside)	Optimistic (upside)
Cluster 1	90%	0%	10%
Cluster 2	80%	10%	10%
Cluster 3	70%	10%	20%
Cluster 4	70%	10%	20%

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viii) Modified financial assets

The contractual terms of a loan may be modified for a number of reasons, including changing market conditions, customer retention and other factors not related to a current or potential credit deterioration of the customer. An existing loan whose terms have been modified may be 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, 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

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

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ix) Measurement of ECL

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

_A financial instrument that is not credit-impaired on initial recognition is classified under Stage 1 and has its credit risk continuously monitored by the Group. If a significant increase in credit risk ('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.

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.(PD * LGD * EAD)

The methodology of estimating PDs is discussed above under the heading 'Generating the term structure of PD'. LGD is the magnitude of the likely loss if there is a default. The Bank estimates LGD parameters based on the history of recovery rates of claims against defaulted counterparties. The LGD models consider the structure, collateral, seniority of the claim, counterparty industry and recovery costs of any collateral that is integral to the financial asset.

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 the normal day-to-day management, but only when the Bank becomes aware of an increase in credit risk at the facility level. This longer period is estimated taking into account the credit risk management actions that the Bank expects to take, and that serve to mitigate ECL. These include a reduction in limits, cancellation of the facility and/or turning the outstanding balance into a loan with fixed repayment terms

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

- instrument type;
-credit risk grading;
-collateral type;
-LTV ratio for retail mortgages;
-date of initial recognition;
-remaining term to maturity;
-industry; and
-geographic location of the borrower.

The groupings are subject to regular review to ensure that exposures within a particular group remain

x) Loss allowance

The Bank's rating method comprises 2 rating levels for instruments not in default (Stage 1 & 2) and one default class (stage 3). The Bank's quantitative credit quality grading as compared to the National Bank of Ethiopia prudential guidelines grading is summarised in the table below;

Staging	NBE Grading	Days past due	Credit quality
Stage 1	Pass	Up to date within contractual terms or has less than 30 days arrears	Performing
Stage 2	Special Mentio	31 to 90 days	Performing-SICR
Stage 3	Substandard	91 to 180 days	In Default
	Doubtful	181 to 360 days	
	Loss	above 360 days	

The following tables show reconciliations from the opening to the closing balance of the loss allowance by class of financial instrument.

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a)ECL Reconciliation for on balance sheet facilities

In Birr'000	12 month ECL	2026 Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Loans and advances to customers at amortized cost (on balance sheet exposures)				
Balance as at 1 July 2025	**163,574**	**90,700**	**1,070,406**	**1,324,680**
Transfer to 12 months ECL	320,371	(68,547)	(251,824)	
Transfer to Lifetime ECL not credit impaired	(5,626)	54,765	(49,139)	
Transfer to Lifetime ECL credit impaired	(3,686)	(721)	4,407	
Net remeasurement of Loss allowance	(219,268)	(31,626)	585,034	334,139
Net financial assets originated	73,942	4,767	10,864	89,573
Financial assets derecognized	(29,609)	(11,044)	(81,154)	(121,808)
Balance as at 30 June 2026	**299,697**	**38,294**	**1,288,593**	**1,626,585**

In Birr'000	12 month ECL	2025 Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Loans and advances to customers at amortized cost (on balance sheet exposures)				
Balance as at 1 July 2024	**138,293**	**8,159**	**624,250**	**770,702**
Transfer to 12 months ECL	1,591	(1,000)	(591)	
Transfer to Lifetime ECL not credit impaired	(65,812)	65,972	(160)	
Transfer to Lifetime ECL credit impaired	(408,585)	(6,972)	415,557	
Net remeasurement of Loss allowance	453,623	2,128	29,898	485,649
Net financial assets originated	64,722	23,975	64,660	153,356
Financial assets derecognized	(20,258)	(1,562)	(63,209)	(85,028)
Balance as at 30 June 2025	**163,574**	**90,700**	**1,070,406**	**1,324,680**

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b) Notes to ECL Movement for on balance sheet facilities

In Birr'000 Loans and advances to customers at amortized cost (on balance sheet exposures)	2026 Stage 1	Stage 2	Stage 3	Total
Balance as at 1 July 2025	**163,574**	**90,700**	**1,070,406**	**1,324,680**
Transfer to stage 1 (12 months ECL)	320,371	(68,547)	(251,824)	
Transfer to stage 2 (Lifetime ECL not credit impaired)	(5,626)	54,765	(49,139)	
Transfer to stage 3 (Lifetime ECL credit impaired)	(3,686)	(721)	4,407	
Net remeasurement of loss allowance	(219,268)	(31,626)	585,034	334,139
New financial assets originated	73,942	4,767	10,864	89,573
Financial assets derecognized	(29,609)	(11,044)	(81,154)	(121,808)
Balance as at 30 June 2026	**299,697**	**38,294**	**1,288,593**	**1,626,585**

In Birr'000 amortized cost (on balance sheet exposures)	2025 Stage 1	Stage 2	Stage 3	Total
Balance as at 1 July 2024	**138,293**	**8,159**	**624,250**	**770,702**
Transfer to stage 1 (12 months ECL)	1,591	(1,000)	(591)	
Transfer to stage 2 (Lifetime ECL not credit impaired)	(65,812)	65,972	(160)	
Transfer to stage 3 (Lifetime ECL credit impaired)	(408,585)	(6,972)	415,557	
Net remeasurement of loss allowance	453,623	2,128	29,898	485,649
New financial assets originated	64,722	23,975	64,660	153,356
Financial assets derecognized	(20,258)	(1,562)	(63,209)	(85,028)
Balance as at 30 June 2025	**163,574**	**90,700**	**1,070,406**	**1,324,680**

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In Birr'000	Cash and balances with banks	Investment securities (debt instruments)	Other receivables and financial assets	Total
		2026		
Other financial assets				
Balance as at 1 July , 2025	**570**	**190**	**24,879**	**25,639**
Net remeasurement of loss allowance	207	12	37,001	37,220
Amounts directly written off during the year				-
New financial assets originated or purchased				-
Balance as at 30 June .2026	**777**	**203**	**61,880**	**62,859**

In Birr'000	Cash and balances with banks	Investment securities (debt instruments)	Other receivables and financial assets	Total
		2025		
Other financial assets				
Balance as at 1 July , 2024	**308**	**144**	**40,075**	**40,527**
Net remeasurement of loss allowance	262	47	30,983	31,292
Amounts directly written off during the year			(46,179)	(46,179)
New financial assets originated or purchased				-
Balance as at 30 June .2025	**570**	**190**	**24,879**	**25,639**

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c)ECL Reconciliation for off balance sheet facilities.

	2026			
In Birr'000 **Letter of credit and financial guarantee contracts (off balance sheet exposures)**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Balance at 1 July 2025	**3,447**			**3,447**
Transfer to stage 1 (12 months ECL)				
Transfer to stage 2 (Lifetime ECL not credit				
Transfer to stage 3 (Lifetime ECL credit				
Net remeasurement of loss allowance				
New financial assets originated or purchased	(1,665)			(1,665)
Financial assets derecognized				
Balance as at 30 June 2026	**1,782**			**1,782**

	2025			
In Birr'000 **Letter of credit and financial guarantee contracts (off balance sheet exposures)**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Balance at 1 July 2024	**2,199**			**2,199**
Transfer to stage 1 (12 months ECL)				
Transfer to stage 2 (Lifetime ECL not credit				
Transfer to stage 3 (Lifetime ECL credit				
Net remeasurement of loss allowance				
New financial assets originated or purchased	1,248			1,248
Financial assets derecognized				
Balance as at 30 June 2025	**3,447**			**3,447**

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The following table provides a reconciliation for June 30, 2026 and 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.

2026

In Birr'000	Loans and advances to customers at amortized cost	Letter of Credit & financial guarantee contracts	Other receivables and financial assets	Total charge/(credit)
Net remeasurement of loss allowance	334,139		37,220	371,360
New financial assets originated or purchased	89,573			89,573
Financial assets derecognized	(121,808)			(121,808)
Amounts directly written off during the year	14,420			14,420
Additional Provision direct posted	(4,369)			(4,369)
Total	**311,956**	**-**	**37,220**	**349,176**

2025

In Birr'000	Loans and advances to customers at amortized cost	Letter of Credit & financial guarantee contracts	Other receivables and financial assets	Total charge/(credit)
Net remeasurement of loss allowance	485,649	1,248	31,292	518,189
New financial assets originated or purchased	153,356			153,356
Financial assets derecognized	(85,028)			(85,028)
Amounts directly written off during the year	56,774			56,774
Recoveries of amounts previously written off				-
Total	**610,751**	**1,248**	**31,292**	**643,291**

4.3.7 Statement of Prudential adjustments

Provisions under prudential guidelines are determined using the time based provisioning prescribed by the National Bank of Ethiopia (NBE) Directives No SBB/90/2024. As a result of the differences in the methodology/provision, there will be variances in the impairments allowances required under IFRS-9 and NBE requirements.

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

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

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If the Prudential provisions is greater than IFRS provisions; the excess provision resulting should be transferred from the general reserve (retained earnings) account to a "regulatory risk reserve" and

If the Prudential provisions is less than IFRS provisions; the IFRS determined provision is charged to the statement of profit & loss and other comprehensive income and the cumulative balance in the regulatory risk reserve is thereafter reversed to the general reserve(retained earnings) account

	30 June 2026 Birr'000	30 June 2025 Birr'000
Total impairment on Loans & advances based on IFRS	1,626,585	1,324,680
Total impairment on loans & advances based on NBE Requirement	1,508,898	1,015,271
Variation(Amount transferred (to)/from Regulatory Risk Reserve)	**117,686**	**309,409**

	30 June 2026 Birr'000	30 June 2025 Birr'000
Impairment on Loans & advances based on IFRS for the period	311,956	610,751
Impairment on loans & advances based on NBE Requirement for the period	508,047	363,155
Variation(Amount transferred(to)/from Regulatory Risk Reserve)	**(196,091)**	**247,596**

Further, the Bank compared the provision for other assets and off-balance sheet based on NBE Directive with impairment for other assets under IFRS-9 as below

	30 June 2026 Birr'000	30 June 2025 Birr'000
Total impairment on other assets based on IFRS	61,880	24,879
Total impairment on other assets(claims) based on NBE Requirement	54,129	43,689
Variation(Amount transferred to Regulatory Risk Reserve)	**7,751**	**(18,810)**

	30 June 2026 Birr'000	30 June 2025 Birr'000
Impairment on other assets based on IFRS for the period	37,001	30,983
Impairment on other assets(claims) based on NBE Requirement for the period	10,440	30,921
Variation(Amount transferred (to)/from Regulatory Risk Reserve)	**26,561**	**62**

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	30 June 2026 Birr'000	30 June 2025 Birr'000
Total impairment for off-balance sheet based on IFRS	1,782	3,447
Total impairment off-balance sheet on NBE Requirement	380,877	356,224
Variation(Amount transferred to Regulatory Risk Reserve)	**(379,095)**	**(352,777)**

	30 June 2026 Birr'000	30 June 2025 Birr'000
Impairment on other assets based on IFRS for the period	(1,665)	1,248
Impairment on off-balance sheet based on NBE Requirement for the period	24,653	316,018
Variation(Amount transferred (to)/from Regulatory Risk Reserve)	**(26,318)**	**(314,770)**

Summary of Impairment on Financial Assets	30 June 2026 Birr'000	30 June 2025 Birr'000
Total impairment on Loans & advances based on IFRS	1,626,585	1,324,680
Total impairment on other assets based on IFRS	61,880	24,879
Total impairment for off-balance sheet based on IFRS	1,782	3,447
	1,690,246	**1,353,005**
Total impairment on loans & advances based on NBE Requirement	1,508,898	1,015,271
Total impairment on other assets(claims) based on NBE Requirement	54,129	43,689
Impairment on other assets(claims) based on NBE Requirement for the period	380,877	356,224
	1,943,904	**1,415,184**
Variation(Amount transferred (to)/from Regulatory Risk Reserve)	**253,658**	**62,179**

The Bank has compared the provision based on NBE Directive with impairment under IFRS-9 for comparative periods and hence the bank transferred an amount of Birr 253.66 million from retain earnings to regulatory risk reserve as the impairment balance under IFRS was less than the provision amount to be held as per NBE requirements. Where as, as of June 30, 2025 the impairment loss allowance was Birr.62.18 million.

On the other hand, as per the requirements of IFRS , banks should recognize interest income on the written down amount of the loan after the impairment loss, on an accrual basis, using the EIR for non performing loans. However, As per the requirement of NBE, such interest on non-accrual status shall be kept in the suspended interest account(off balance sheet) and shall not be reported as income. Thus the amount reported as income(net of tax) as per IFRS is transferred to regulatory risk reserve

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		30 June 2026 Birr'000	30 June 2025 Birr'000
Interest income on NPL reported per IFRS at the end of previous period		447,003	289,528
Interest income on NPL reported per IFRS for the period	18,123.51	12,686	157,474
Sub Total		**459,689**	**447,003**
Amount transferred to Regulatory Risk Reserve(Net of tax & Legal Reserve)		459,689	447,003
Transfer from/to provision on impaired loans		253,658	62,179
Total amounts transferred to Regulatory Risk Reserve		**713,347**	**509,181**

4.3.8 Concentrations of credit risk

The bank focuses on the diversification of its lending portfolio by setting industry sector limits based on forecasts spanning a one-year horizon to ensure that its performance is not negatively impacted by a large sectoral exposure default.

Additionally, regular stress tests are performed on the portfolio to ensure that the bank holds sufficient capital to with stand any loss arising from significant exposure to a sector, single customer and group of closely related customers.

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

	Amount ETB (2026)	Amount ETB (2025)
Gross Carrying amount		
Loans & Advances to customers	53,213,588	42,685,677
Investment securities-Equity Investment at FVOCI	1,069,832	702,961
financial asset at amortized Cost(Bills & Bonds)	4,051,172	3,808,011
Other receivables & financial asset	1,177,735	967,877
Amount committed/guaranteed	12,662,457	14,511,180
Concentration by sector for Equity Investment		
Financial Institutions	92,659	103,409
Financial Infrastructure	938,476	570,096
Industry	38,698	29,456
	1,069,832	702,961
Concentration by sector for loans to customers		
Agriculture	136,869	142,549
Transportation	5,216,106	3,848,348
Manufacturing/industry	3,852,619	3,395,118
Domestic trade and services	13,858,529	9,441,204
Import and export	16,775,184	16,259,857
Building and construction	10,370,579	6,147,213
Staff Loan	3,003,703	3,451,388
	53,213,588	**42,685,677**

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4.3.9 Offsetting financial assets and financial liabilities

The Bank does not offset financial assets against financial liabilities.

4.3.10 Commitment and Guarantee

The Bank makes available to its customers guarantees which may require the bank to make payments on their behalf and enters into commitments to extend lines to secure their liquidity needs. Letters of credit and guarantees commit the bank to make payments on behalf of customers in the event of a specific act, generally related to the import or export of goods. Such commitments expose the bank to similar risks to loans and are mitigated by the same control processes and policies

The maximum exposure to credit risk relating to guarantee and letter of credit is the maximum amount the bank could have to pay if the guarantee is called upon. The maximum exposure to credit risk relating to loan commitment is the full amount of the commitment. The table below shows the bank's maximum credit risk exposure for the commitment and guarantee

	30 June 2026 Birr'000	30 June 2025 Birr'000
Guarantee	1,548,107	1,909,601
Letter of Credit (net of margin)	7,684,537	4,791,092
Loan Commitment	420,589	1,323,904
Commitments (Line of Credit)	3,009,223	6,486,583
	12,662,457	**14,511,180**

4.3.11 Write-off policy

The bank writes off a loan and receivables as and when the Credit Committee and written-off Committee determines that the loans and receivables are uncollectible.

This determination is reached after considering information such as the occurrence of significant changes in the borrower's financial position such that the borrower can no longer pay the obligation or that proceeds from collateral will not be sufficient to pay back the entire exposure.

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4.4 Liquidity risk

Liquidity risk is the risk that the Bank cannot meet its maturing obligations when they become due, at reasonable cost and in a timely manner. Liquidity risk arises because of the possibility that the Bank might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances. Such scenarios could occur when funding needed for illiquid asset positions is not available to the Bank on acceptable terms.
Liquidity risk management in the Bank is solely determined by Asset and Liability Committee, which bears the overall responsibility for liquidity risk. The main objective of the Bank's liquidity risk framework is to maintain sufficient liquidity in order to ensure that we meet our maturing obligations.

4.4.1 Management of liquidity risk

Liquidity risk arises in the general funding activities of the Bank and the management of asset & liability positions of the bank. It includes 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 a reasonable funding base. Funds are raised mainly from customers' deposits. The asset and liability management committee(ALCO) is responsible for managing funding mismatches and attaining the desired level of liquidity in the manner described in the risk management policy.

The day-to-day liquidity management is performed by the Finance Directorate in collaboration with the respective directorates with in a comprehensive framework set by the Assets and Liabilities Committee, and monitored independently by the Risk Management and Compliance Directorate. The Bank monitors and reports liquidity risk daily, paying particular attention to ensuring that there are optimal levels of cash and cash equivalent instruments to fund increases in assets, unexpected decreases in liabilities, as well as meeting legal requirements, while optimizing the cost of carrying any excess liquidity

To manage liquidity risk, the Bank performs daily/weekly monitoring of future expected cash flows on clients' and banking operations' which forms part of the asset and liability management process. The Bank also has to comply with minimum levels of liquidity required by the National Bank of Ethiopia (NBE).
The Bank seeks to maintain a stable funding base primarily consisting of amounts due to other banks, corporate and retail customer deposits. The Bank invests the funds in diversified portfolios of liquid assets, in order to be able to respond quickly and smoothly to unforeseen liquidity requirements. The liquidity management of the Bank requires consideration of the level of liquid assets necessary to settle obligations as they fall due, maintaining access to a range of funding sources, maintaining funding contingency plans, and monitoring liquidity ratios against regulatory requirements including minimum levels of liquidity required by the NBE.

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4.4.2 Maturity analysis of financial liabilities

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

30 June 2026	0 - 30 days Birr'000	31 - 90 days Birr'000	91 - 180 days Birr'000	181 - 365 days Birr'000	Over 1 year Birr'000	Total Birr'000
Deposit from customers	1,137,155	6,815,810	7,274,960	11,012,300	29,638,590	55,878,815
Due to financial institution	5,197,125	1,323,530	600,000	131,900	-	7,252,555
Borrowing	900,000	-	-	-	-	900,000
Other liabilities	2,132,560	1,016,480	444,530	560,830	814,716	4,969,116
Total financial liabilities	**9,366,840**	**9,155,820**	**8,319,490**	**11,705,030**	**30,453,306**	**69,000,486**

30 June 2025	0 - 30 days Birr'000	31 - 90 days Birr'000	91 - 180 days Birr'000	181 - 365 days Birr'000	Over 1 year Birr'000	Total Birr'000
Deposit from customers	2,012,726	3,356,435	5,872,891	7,788,291	27,592,827	46,623,171
Due to financial institution	1,518,787	1,446,026	1,051,190	552,413	-	4,568,416
Borrowing	1,402,708	-	-	-	-	1,402,708
Other liabilities	604,106	1,315,779	9,718	57,747	242,806	2,230,157
Total financial liabilities	**5,538,327**	**6,118,241**	**6,933,799**	**8,398,451**	**27,835,634**	**54,824,452**

4.5 Market risk

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

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

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4.5.1 Management of market risk

The main objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

4.5.2 Management of market risk

Market risk is monitored by the Risk & Compliance Management Directorate on regularly, to identify any

(i) Interest rate risk

Interest rate risk is a risk resulting from changes in interest rates. It is the probability that the rising and falling of interest rates will adversely affect the Bank's interest margin or the value of its net worth. The Bank often revises its lending rate across segments of the credit portfolio based on the changes in the cost of funds, reserve requirements and the perceived risk in each credit portfolio segment to keep the overall profitability.

The asset and liability management committee is responsible for managing rate--sensitive assets and liabilities and the effects of rate, volume and mix changes in order to preserve and optimize the interest return. The Bank has the discretion of setting and revising interest rates but it is required to notify the National Bank of Ethiopia of any such changes accompanied by Board approvals.

30 June 2026	Fixed Birr'000	interest bearing Birr'000	Total Birr'000
Assets			
Cash and bank balances	11,976,621	2,279,859	14,256,481
Loans and advances to customers	53,213,588		53,213,588
Financial assets at fair value through OCI (Equity Investment)		1,069,832	1,069,832
Financial assets at amortized cost(Bills & Bonds)	4,051,172		4,051,172
Other receivables & financial assets		1,177,735	1,177,735
Total	**69,241,382**	**4,527,427**	**73,768,809**
Liabilities			
Deposit from customers	41,251,846	12,287,552	53,539,397
Deposit from IFB customers		2,339,417	2,339,417
Due to financial institutions	7,199,542	53,013	7,252,555
Borrowings	900,501		900,501
Other financial liabilities		4,925,719	4,925,719
Total	**49,351,889**	**19,605,702**	**68,957,590**

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30 June 2025	Fixed Birr'000	interest bearing Birr'000	Total Birr'000
Assets			
Cash and bank balances	8,513,437	1,946,307	10,459,744
Loans and advances to customers	42,685,677		42,685,677
Financial assets at fair value through OCI (Equity Investment)		702,961	702,961
Financial assets at amortized cost(Bills & Bonds)	3,808,011		3,808,011
Other receivables & financial assets		967,877	967,877
Total	**55,007,125**	**3,617,145**	**58,624,270**
Liabilities			
Deposit from customers	34,749,964	9,458,209	44,208,172
Deposit from IFB customers		2,414,999	2,414,999
Due to financial institutions	4,457,707	110,709	4,568,416
Borrowings	1,402,708		1,402,708
Other financial liabilities		2,230,157	2,230,157
Total	**40,610,379**	**14,214,073**	**54,824,452**

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(ii) Foreign exchange risk

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

The Bank is exposed to exchange rate risks to the extent of balances and transactions denominated in a currency other than the Ethiopian Birr. The Bank's foreign currency bank accounts act as a natural hedge for these transactions. Management has set up a policy to manage the Bank's foreign exchange risk against its functional currency. Foreign exchange risk arises from our non-trading asset and liability positions, denominated in currencies other than the functional currency of the bank. Transactions in foreign currency are recorded at the rate in effect at the date of the transaction. The bank translates monetary assets and liabilities denominated in foreign currencies at the mid-rate of exchange in effect at the reporting date.

The table below summarizes the impact of increases/decreases of 10% on profit or loss arising from the Bank's foreign denominated asset & liabilities.

The net foreign currency denominated assets and/or (liabilities) exposed to risk as at year end June 30, 2026 was Birr 6.529 billion and June 30, 2025 was Birr 3.468 billion.

Foreign currency denominated balances

30 June 2026

	USD Birr'000	GBP Birr'000	EURO Birr'000	AED Birr'000	SAR Birr'000	Total Birr'000
Financial assets						
Cash and bank balan	8,227,407	228,918	1,015,032	21,635	5,323	9,498,314
Other assets	5,382					5,382
	8,232,789	**228,918**	**1,015,032**	**21,635**	**5,323**	**9,503,696**
Financial liabilities						
Deposit from custome	2,408,432	113,860	440,249			2,962,542
Other liabilities	11,251					11,251
	2,419,683	**113,860**	**440,249**	**-**	**-**	**2,973,793**
Net FCY denominated balances	**5,813,105**	**115,058**	**574,783**	**21,635**	**5,323**	**6,529,903**

Foreign currency denominated balances

30 June 2025

	USD Birr'000	GBP Birr'000	EURO Birr'000	AED Birr'000	SAR Birr'000	Total Birr'000
Financial assets						
Cash and bank balan	5,762,463	119,267	412,285	19,472	59,204	6,372,691
Other assets	58,432					58,432
	5,820,895	**119,267**	**412,285**	**19,472**	**59,204**	**6,431,124**
Financial liabilities						
Deposit from custome	2,654,309	69,336	216,170			2,939,815
Other liabilities	22,923					22,923
	2,677,232	69,336	216,170	-	-	2,962,738
Net FCY denominated balances	**3,143,663**	**49,931**	**196,116**	**19,472**	**59,204**	**3,468,386**

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4.5.2 *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 sensitivity of the Bank's earnings to fluctuations in exchange rates is reflected by varying the

	30 June 2026 Birr'000	30 June 2025 Birr'000
Effect of 10% increase in USD on profit or loss	581,311	314,366
Effect of 10% decrease in USD on profit or loss	(581,311)	(314,366)
Effect of 10% increase in GBP on profit or loss	11,506	4,993
Effect of 10% decrease in GBP on profit or loss	(11,506)	(4,993)
Effect of 10% increase in EURO on profit or loss	57,478	19,612
Effect of 10% decrease in EURO on profit or loss	(57,478)	(19,612)
Effect of 10% increase in AED on profit or loss	2,163	1,947
Effect of 10% decrease in AED on profit or loss	(2,163)	(1,947)
Effect of 10% increase in SAR on profit or loss	532	5,920
Effect of 10% decrease in SAR on profit or loss	(532)	(5,920)

4.6 Capital management

The Bank's objectives when managing capital are:

- To safeguard the Bank's ability to continue as a going concern so that it can continue to provide returns for the shareholders and benefits for the other stakeholders.
- To maintain a strong capital base to support the current and future development needs of the business.
- To comply with the capital requirements set by the National Bank of Ethiopia (NBE).

"The National Bank of Ethiopia sets and monitors capital requirements for all banks 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 profiles
_promotes public confidence in the bank

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4.6.1 Regulatory

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

With effect from 12th April 2021, the National Bank of Ethiopia requires that(SBB/78/2021):

i) The minimum paid up capital required to obtain a Banking business license shall be ETB 5 Billion, which shall be fully paid in cash and deposited in a Bank in the name and to the account of the Bank under establishment. For existing Banks, whose paid up capital is below ETB 5 Billion shall raise their paid--up capital to the said amount by June 30, 2026. Accordingly, the bank has already surpassed the minimum required paid-up capital prior to the stated period.

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

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

The Bank had met all the above requirements by the National Bank of Ethiopia as at 30 June 2026 and 30 June 2025. The makeup of the Bank's capital is as presented in the statement of changes in equity.

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

4.6.2 Capital adequacy ratio

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

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

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

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

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

	30 June 2026
Common Equity Tier 1 (CET1) Capital: Instruments and Reserves:	
Common Shares/stock issued by the bank that meet the criteria for inclusion in CET1 capital	6,189,560
Stock Surplus (Share Premiums)	18,003
Legal / Statutory reserve	2,334,318
CET1 Capital Before Deductions	8,541,880
Goodwill and other intangible assets	59,713
Reciprocal cross holdings in CET1 capital instruments of Banking, Financial and Insurance E	32,791
Total Deductions from CET1	92,504
CET 1 Capital after Deductions	**8,449,376**
Tier 2 Capital: Instruments and Provisions	
Certain loan loss provisions such as general provisions/general loan-loss reserve (up to 1.25 percentage point of Credit Risk RWA)	775,004
Tier 2 Capital	**775,004**
TOTAL ELIGIBLE CAPITAL BASE	**9,224,380**
On balance Credit Risk	57,921,835
Off balance Credit Risk	4,078,447
Operational Risk	4,966,873
Market Risk	469,227
Total Risk Weighted Asset	**67,436,382**
Total Eligible Capital to Risk Weighted Asset Ratio(Minimum 11%)	13.68%
Common Equity Tier 1 to Risk Weighted Asset(Minimum 7%)	12.53%
Total Tier 1 Capital to Risk Weighted Asset (Minimum 9%)	12.53%

The Bank was in compliance with all statutory capital requirements.

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4.7 Operational risks

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

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

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

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

'-Compliance with regulatory and other legal requirements ,

'-Documentation of controls and procedures ,

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

'-Training and professional development.

'-Insurance coverage etc.

4.8 Strategic and Business Model risk

These risks arise from the Bank's core strategy, business model, and competitive environment. The Bank's focus on a platform-based financial services model introduces unique opportunities and potential challenges

Intense Competition in the Financial Services Sector:

• Description: The Bank faces competitive threats from existing banks, new market entrants, and financial technology (fintech) companies. Aggressive competition could lead to pressure on pricing, loss of customers, and a reduced ability to grow market share.

• Potential Impact: Loss of market share and reduced profitability.

• Mitigation Measures: The Bank aims to differentiate its ecosystem with unique offerings, continuously innovate its digital platform, and conduct ongoing market and competitor analysis.

Risks Associated with Strategic Partnerships:

• Description: The Bank's mission focuses on delivering platform-based financial services through collaboration with partners. Unsuccessful strategic partnerships, resulting from misaligned goals or poor execution, could hinder the Bank's ability to expand its service offerings and customer base.

• Potential Impact: Lost revenue opportunities and reputational damage.

• Mitigation Measures: The Bank plans to conduct comprehensive due diligence on potential partners, establish clear objectives and service level agreements (SLAs), and perform regular evaluations of partnership success.

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4.9 Environmental, Social, and Governance (ESG) Risks

ESG risks encompass a broad range of non-financial factors that can significantly influence the Bank's long-term sustainability, reputation, and regulatory compliance. These include environmental challenges, social responsibility issues, and governance shortcomings.

Climate and Environmental Risk:

- Description: The Bank faces environmental and climate-related risks stemming from evolving regulations, physical climate impacts, and broader transition dynamics associated with sustainability and low-carbon initiatives.
- Potential Impact: These risks may affect the Bank's financial stability, potentially leading to reputational damage and possibly regulatory penalties.
- Mitigation Measures: The Bank has implemented an ESG framework, integrating climate risk considerations into its risk management processes, strategic planning, and lending practices.

Social Inclusion and Gender Gaps:

- Description: Inadequate efforts to promote financial inclusion and gender equality may result in regulatory scrutiny and reputational challenges.
- Potential Impact: Reduced stakeholder trust, potential for regulatory intervention.
- Mitigation Measures: The Bank is expanding inclusive finance initiatives and enhancing its product offerings for SMEs and women-led businesses, particularly through its Digital Financial Service platform to promote equitable access to financial services.

4.10 Fair value of financial assets and liabilities

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

When applicable, 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

When there is no quoted price in an active market, the bank uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique would take into account in pricing a transaction.

Investment securities with observable market prices including equity securities are fair valued using that information. Investment securities that do not have observable market data are fair valued either using discounted cash flow method or quoted market prices for securities with similar yield characteristics.

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 of three levels as described below, based on the lowest level input that is significant to the fair value measurement as a whole.

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4.10.1 Valuation models

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

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

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

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

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

The following table summarizes the carrying amounts of financial assets and liabilities not measured at fair value 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 2026		30 June 2025	
	Gross Carrying amount	Net Carrying amount	Gross Carrying amount	Net Carrying amount
Financial assets	Birr'000	Birr'000	Birr'000	Birr'000
Cash and bank balances	14,256,481	17,412,272	10,459,744	13,009,174
Loans & advances to customers	53,213,588	51,587,004	42,685,677	41,360,997
Financial assets at amortized cost	4,051,172	4,050,970	3,808,011	3,807,820
Other financial assets	1,177,735	1,115,856	967,877	942,999
Total	**72,698,977**	**74,166,101**	**57,921,309**	**59,120,990**
Financial liabilities				
Deposit from customers	53,539,397	53,539,397	44,208,172	44,208,172
Deposit from customers-IFB	2,339,417	2,339,417	2,414,999	2,414,999
Due to financial institutions	7,252,555	7,252,555	4,568,416	4,568,416
Borrowings	900,501	900,501	1,402,708	1,402,708
Other financial liabilities	4,925,719	4,925,719	2,230,157	2,230,157
Total	**68,957,590**	**68,957,590**	**54,824,452**	**54,824,452**

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Financial instruments measured at fair value

The following table summarizes the carrying amounts and fair value of financial assets measured at fair value 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 2026		30 June 2025	
	Carrying amount at cost	Carrying amount at Fair value	Carrying amount at cost	Carrying amount at Fair value
	Birr'000	Birr'000	Birr'000	Birr'000
Financial assets at fair value through OCI	275,360	1,069,832	223,850	702,961
	275,360	1,069,832	223,850	702,961

4.10.3 Valuation technique using significant unobservable inputs

The Bank's investment on equity has measured at fair value on subsequent recognition.

4.10.4 Transfers between the fair value hierarchy categories

During the two reporting periods covered by these annual financial statements, there were no movements between levels as a result of significant inputs to the fair valuation process becoming observable or unobservable.

4.10.5 Offsetting financial assets and financial liabilities

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

Bunna Bank Share Company
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	30 June 2026	30 June 2025
	Birr'000	Birr'000
5 Interest income on:-		
Loans and advances to customers	8,683,456	7,156,681
Digital Lending	708,594	183,964
Investment securities-Treasury Bills	-	4,325
Investment securities-Treasury & DBE Bonds	345,874	282,342
Deposit due from banks	346,506	283,752
	10,084,431	**7,911,065**

Interest income on loans and advances to customers for the Bank includes interest income on impaired financial assets of Birr 18.12 million(for 2025, Birr 224.96 million) recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

	30 June 2026	30 June 2025
	Birr'000	Birr'000
6 Interest expense on:-		
Savings deposits	2,481,276	2,092,276
Fixed time deposits	1,360,058	944,345
Borrowings	348,408	418,248
Lease liability	35,813	37,024
	4,225,556	**3,491,894**

The interest expense on lease liability arises as a result of application of IFRS-16, in which rent on office buildings is recognized as interest expense on lease liability and deprecation expense on right of use asset.

	30 June 2026	30 June 2025
	Birr'000	Birr'000
7 Net fee and commission income		
Fee and commission income on:-		
Letter of guarantee	110,153	151,557
Service charge	573,840	889,152
Letter of credit	807,156	420,873
ATM & Mobile Services	84,294	74,499
Other services	3,806	2,997
Cash payment orders	1,329	924
	1,580,579	1,540,004
Fees & Commission expense	-	
Net fees and commission income	1,580,579	1,540,004

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	30 June 2026	30 June 2025
	Birr'000	Birr'000
8 Other operating income		
Dividend Income on Equity Investment	55,642	49,138
Loan administration fee	137,121	42,530
Fees for Un paid Margin Credit Facility	231,610	-
Swift charge	103,148	44,951
Disposal of property, plant and equipment	49,767	7,683
Disposal of acquired properties	1,103	20
Penality Income	9,026	7,684
IFB operating Profit sharing	62,080	12,605
Recovery after written off loans and advance	1,466	1,539
Sundries	3,884	26,543
	654,848	192,694

	30 June 2026	30 June 2025
	Birr'000	Birr'000
9 Impairment charge		
9a Impairment loss expense Loans and advances to customers	311,956	610,751
9b Impairment losses on other financial assets		
Impiarment loss expense-Bills & Bonds	12	47
Impiarment loss expense-Financial Gurantee	370	1,132
Impiarment Loss Expense-Letter & line of Credit	(2,035)	115
Impiarment loss expense-Bank Deposit	207	262
Impairment loss expense other receivables	37,001	30,983
Sub Total	35,556	32,539
Total	**347,512**	**643,291**

	30 June 2026	30 June 2025
	Birr'000	Birr'000
10 Net gain on foreign exchange		
Gain on foreign exchange dealing & revaluation	2,126,709	4,038,928
Loss on foreign exchange dealing & revaluation	(781,642)	(1,942,898)
	1,345,067	**2,096,030**

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	30 June 2026 Birr'000	30 June 2025 Birr'000
11 Administration and general expenses		
Amortisation of leasehold land	1,164	1,164
Amortization Expense on Short term lease	22,991	15,926
Stationery and office supplies	58,611	70,192
Business travel and transportation	18,029	13,047
Perdiem and travel	14,925	10,896
Telephone, internet and fax	62,081	55,963
ATM, POS & Mobile Top-up Service	8,356	9,715
Visa and Master Card Related expense	33,689	31,277
Repair and maintenance	169,689	151,935
Insurance premium	13,713	13,785
Deposit Insurance Fund Preimum	148,604	126,770
Fuel and lubricant	28,530	27,485
Core banking solution technical support fee	102,466	69,391
Conference and meeting	10,910	8,492
Utilities	12,495	9,072
Network & Electric Cables	9,673	13,280
Correspondent's charges	5,802	4,394
Stamp duty charge expense	2,687	922
Advertisement/ publicity	43,084	31,786
Sponsership	40,195	11,306
Donation and contribution	18,383	20,265
Subscription and publication	3,397	6,624
Consultancy fees	36,293	4,837
Cleaning Supplies	5,030	3,808
Bank charges	2,424	821
Directors allowance	1,080	1,030
Security and janitorial service	345,930	359,378
Audit fee	1,075	730
Entertainment	8,502	6,729
Impairment losses-PPE	4,508	-
Impairment losses-Non-current asset held for Sales	3,262	-
Partnership Management Expense	89,771	26,081
Other administrative expenses	98,238	54,272
	1,425,587	1,161,370

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	30 June 2026 Birr'000	30 June 2025 Birr'000
12 Personnel expenses		
Short term employee benefits:		
Basic salaries	2,126,115	1,772,248
Staff allowances	629,215	614,965
Training and education	200,893	111,463
Leave pay	21,699	19,181
Medical	75,555	51,980
Staff insurance	24,839	21,599
Bonus	211,199	235,644
Overtime payment	535	683
Provident/ pension fund	274,803	228,352
Amortization of prepaid employee benefits	24,259	53,248
Other allowances and benefits	4,345	4,404
Sub Total	**3,593,457**	**3,113,766**
Long term employee benefits:		
Severance pay	67,860	51,131
Total Personnel Expenses	**3,661,317**	**3,164,897**

	30 June 2026 Birr'000	30 June 2025 Birr'000
13 Company income and deferred tax		
13a Current income tax		
Company profit tax	884,689	664,538
Add: 5% tax on Interest income -Foreign Deposit	0	3,185
Tax Expense Paid	0	10,681
Deferred income tax/(credit) to profit or loss	(9,034)	(8,452)
Total charge to profit or loss	875,656	669,952
Tax (credit) on other comprehensive income	81,397	23,905
Tax Fair Value on Equity investment		
Total tax in statement of comprehensive income	**957,053**	**693,857**

13b Reconciliation of effective tax to statutory tax

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

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	30 June 2026 Birr'000	30 June 2025 Birr'000
Profit before tax	3,292,083	2,627,204
Add: Disallowed expenses		
Entertainment	8,502	6,729
Donation	18,383	20,265
Severance expense	67,860	51,131
Non-Allowable Sponsorship Expense	10,195	2,555
Accrued Leave Expense	21,699	19,181
Penalty	64	2,852
Non Allowable other expense	6,000	4,069
Amortization of prepaid employee benefits	24,259	53,248
Non Allowable Well Ness & Fitness expense	703	504
Gain on Disposal of PPE-IFRS	(49,767)	(5,259)
Gain on Disposal of PPE-Per Tax	54,245	6,240
Employee benefits per Market Rate	51,848	42,729
Provision for other claims	37,001	30,983
Impairment Loss Expense for Bonds & Deposits	219	309
Impairment Loss Expense for Guarantee & LC	(1,665)	1,248
Provision for loans and advances IFRS accounting	311,956	610,751
Interest on lease liability IFRS Accounting	35,635	36,408
Amortization expense on short term lease-IFRS	16,105	13,331
Deprecation on right of use asset-IFRS accounting	441,907	399,673
Impairment losses-PPE	4,508	
Impairment losses-Non-current asset held for Sales	3,262	
Depreciation on PPE for accounting purpose	243,792	219,847
Amortization on Intangible for accounting purpose	27,172	30,071
Total disallowable expenses	**1,333,883**	**1,546,863**
Less: Allowed expenses & Exempt Income		
Depreciation for tax purpose	318,418	281,557
Provision for loans tax purpose 80% of NBE Requirement(Note 4.3.7)	406,438	290,524
Provision for other claims (80% of NBE Requirements)	8,352	24,737
Provision for off-balance sheet(80% as NBE Requirement)	19,722	284,979
Severance pay-paid	14,079	16,442
Rent Expense	491,972	441,145
Interest income exempted- Bills & Bonds	340,972	284,847
Interest income taxed at source-on local deposit	21,405	221,867
Dividend Income on Equity Investment(taxed at source/exempted)	55,642	49,138
Interest income -Foreign Deposit	-	63,705
Total allowed expenses	**1,677,002**	**1,958,943**
Taxable profit	**2,948,965**	**2,215,125**
Current tax at 30%	884,689	664,538
Add: 5% tax on Interest income -Foreign Deposit	-	3,185
Tax Expense Paid	-	10,681
Deferred tax	(9,034)	(8,452)
Income tax expense/ (credit) recognized in profit or loss	**875,656**	**669,952**

13c Current income tax liability	30 June 2026 Birr'000	30 June 2025 Birr'000
Balance at the beginning of the year	667,595	189,224
Profit tax payable	884,689	664,538
Add: 5% tax on Interest income -Foreign Deposit	-	3,185
Payment during the year	(667,595)	(189,224)
	884,689	**667,723**
WHT to already paid	(607)	(128)
Advance Profit Tax paid	(333,652)	
Balance at the end of the year	550,431	667,595

All tax payable are current in nature.

13d Deferred income tax

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

	30 June 2026 Birr'000	30 June 2025 Birr'000
The analysis of deferred tax assets/(liabilities) is as follows:		
To be recovered after more than 12 months	(10,465)	(14,632)
To be recovered within 12 months		
	(10,465)	(14,632)

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):	As At 1 July 2025	Credit/ (charge) to P/L	Credit/ (charge) to OCI	30 June 2026
	Birr'000	Birr'000	Birr'000	Birr'000
Property, plant and equipment	(63,530)	(13,610)		(77,140)
Post employment benefit obligation	66,779	16,134	13,212	96,124
Accrued leave payment	26,154	6,510		32,664
Fair Value on Equity investment	(143,733)		(94,609)	(238,342)
Total deferred tax assets/(liabilities)	(114,330)	9,034	(81,397)	(186,694)

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Deferred income tax assets/(liabilities):	As At 1 July 2024	Credit/ (charge) to P/L	Credit/ (charge) to OCI	30 June 2025
	Birr'000	Birr'000	Birr'000	Birr'000
Property, plant and equipment	(55,821)	(7,708)		(63,530)
Post employment benefit obligation	48,087	10,407	8,285	66,779
Accrued leave payment	20,400	5,754		26,154
Fair Value on Equity investment	(111,543)		(32,190)	(143,733)
Total deferred tax assets/(liabilities)	**(98,878)**	**8,452**	**(23,905)**	**(114,330)**

14 Cash and bank balances

	30 June 2026 Birr'000	30 June 2025 Birr'000
Cash in hand	1,871,400	1,608,579
Balance held with National Bank of Ethiopia	408,460	337,728
Deposits with local banks	2,479,913	2,177,153
Deposits with foreign banks	9,496,708	6,336,285
Sub-Total	**14,256,481**	**10,459,744**
Restricted Fund Balance	3,156,568	2,550,000
Sub-Total	**3,156,568**	**2,550,000**

14a Impairment allowance on Bank Deposit

Impiarment Loss Allowance on Bank Deposit	(777)	(570)
Net Cash and bank balance	**17,412,272**	**13,009,174**

Maturity analysis

	30 June 2026 Birr'000	30 June 2025 Birr'000
Current	14,255,704	10,459,174
Non- current	3,156,568	2,550,000
	17,412,272	**13,009,174**

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As per IFRS-9, impairment loss allowance is computed for bank deposits. Accordingly, impairment was computed as per the requirement for all deposit with NBE, deposit with local banks and deposit with foreign banks.

For the purpose of the cash flow statement, cash and cash equivalents comprise of cash on hand, cash at bank, short term deposit with banks . Cash and cash equivalent does not include restricted cash with NBE (birr 3.15 billion) which is not available for use by the bank for normal day to day cash operations.

14b ***Cash and cash equivalents***

	30 June 2026 Birr'000	30 June 2025 Birr'000
Cash in hand	1,871,400	1,608,579
Balance held with National Bank of Ethiopia	408,460	337,728
Deposits with local banks	2,479,913	2,177,153
Deposits with foreign banks	9,496,708	6,336,285
	14,256,481	**10,459,744**
Impiarment Loss Allowance on Bank Deposit	(777)	(570)
Net Cash and bank balance	**14,255,704**	**10,459,174**

	30 June 2026 Birr'000	30 June 2025 Birr'000
15 Loans and advances to customers		
Agriculture	136,869	142,549
Transportation loan	5,216,106	3,848,348
Manufacturing/industry	3,852,619	3,395,118
Domestic trade and services	13,858,529	9,441,204
Import and export	16,775,184	16,259,857
Building and construction	10,370,579	6,147,213
Staff Loan	3,003,703	3,451,388
Gross amount	**53,213,588**	**42,685,677**
- Impairment Allowance on Loans & Advances	(1,626,585)	(1,324,680)
Loans and advances to customers(net)	**51,587,004**	**41,360,997**

	30 June 2026 Birr'000	30 June 2025 Birr'000
Maturity analysis		
Current	10,535,073	9,107,145
Non- current	41,051,931	32,253,853
Loans and advances to customers (net)	**51,587,004**	**41,360,997**

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15a Impairment allowance on loans and advances to customers

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

Expected credit loss allowance	**As at 30 June 2025**	**Charge for the year**	**As at 30 June 2026**
	Birr'000	**Birr'000**	**Birr'000**
Agriculture	6,091	2,641	8,732
Transportation loan	51,577	(3,372)	48,205
Manufacturing/industry	134,884	5,389	140,273
Domestic trade and services	560,816	204,594	765,409
Import and export	356,433	51,268	407,701
Building and construction	209,301	34,688	243,990
Staff Loan	5,578	2,328	7,906
	1,324,680	**297,536**	**1,622,216**
Written off Loan	(14,420)	14,420	4,369
	1,310,260	**311,956**	**1,626,585**

Expected credit loss allowance	**As at 30 June 2024**	**Charge for the year**	**As at 30 June 2025**
	Birr'000	**Birr'000**	**Birr'000**
Agriculture	2,014	4,077	6,091
Transportation loan	37,931	13,646	51,577
Manufacturing/industry	61,188	73,696	134,884
Domestic trade and services	193,725	367,090	560,816
Import and export	280,126	76,307	356,433
Building and construction	191,358	17,943	209,301
Staff Loan	4,360	1,218	5,578
	770,702	**553,977**	**1,324,680**
Written off Loan	(56,774)	56,774	
	713,928	**610,751**	**1,324,680**

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16 Investment securities

a) Financial asset at fair value through OCI-Investment on equity/share

	As at 30 June 2026 Birr'000	As at 30 June 2025 Birr'000
Bunna Insurance S.C	31,806	35,018
EthSwitch S.C	938,476	570,096
Abay Industrial Development	30,920	26,096
Ethiopian Re-Insurance S.C	55,341	63,391
Capital Yefinance Lihket Maekel	7,778	3,360
Aboll Bunna Micro Finance S.co	5,512	5,000
	1,069,832	**702,961**

2026	Percentage of shareholding (at cost)		30 June 2026 Birr'000	Fair Value Gain/loss Birr'000	30 June 2026 Birr'000
Name of Investee		**No. of share**	**At Cost**		**At Fair Value**
Bunna Insurance S.C	4.06%	327,910	32,791	(985)	31,806
EthSwitch S.C	4.23%	147,667	147,667	790,809	938,476
Abay Industrial Developmer	0.52%	257	25,743	5,177	30,920
Ethiopian Re-Insurance S.C	2.12%	5,916	59,159	(3,818)	55,341
Capital Yefinance Lihket Ma	6.7%	5,000	5,000	2,778	7,778
Aboll Bunna Micro Finance	10.00%	5,000	5,000	512	5,512
			275,360	**794,473**	**1,069,832**

2025	Percentage of shareholding (at cost)		30 June 2025 Birr'000	Fair Value Gain/loss Birr'000	30 June 2025 Birr'000
Name of Investee		**No. of share**	**At Cost**		**At Fair Value**
Bunna Insurance S.C	4.06%	327,910	32,791	2,227	35,018
EthSwitch S.C	4.23%	108,534	108,534	461,562	570,096
Abay Industrial Developmer	0.52%	224	24,700	1,396	26,096
Ethiopian Re-Insurance S.C	2.12%	5,018	50,180	13,211	63,391
Capital Yefinance Lihket Ma	6.7%	2,645	2,645	715	3,360
Aboll Bunna Micro Finance	10.00%	5,000	5,000	0	5,000
			223,850	**479,111**	**702,961**

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Additional Investment/Current changes during the period for each investee company-2025/2026

		30 June 2026 Birr'000	Fair Value Gain/loss	30 June 2026 Birr'000
	No. of share	At Cost		At Fair Value
Bunna Insurance S.C	-	-	(3,212)	(3,212)
EthSwitch S.C	39,133	39,133	329,247	368,380
Abay Industrial Development S.C	33	1,043	3,782	4,825
Ethiopian Re-Insurance S.C	898	8,979	(17,029)	(8,050)
Capital Yefinance Lihket Maekel	2,355	2,355	2,062	4,417
Aboll Bunna Micro Finance S.co	-	-	512	512
Net Current change on Equity Investment		**51,509**	**315,362**	**366,872**

		30 June 2025 Birr'000	Fair Value Gain/loss	30 June 2025 Birr'000
	No. of share	At Cost		At Fair Value
Bunna Insurance S.C	147,910	14,791	(17,538)	(2,747)
EthSwitch S.C	34,796	34,796	163,662	198,458
Abay Industrial Development S.C	-	2,300	(53,365)	(51,065)
Ethiopian Re-Insurance S.C	1,870	18,701	13,824	32,525
Capital Yefinance Lihket Maekel	145	145	715	860
Aboll Bunna Micro Finance S.co	-	-	-	0
Net Current change on Equity Investment		**70,733**	**107,299**	**178,032**

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The Bank has elected to recognise changes in the fair value of investments in equity securities in OCI, as explained in the note. These changes are accumulated within the other reserve or fair value reserve within equity. The Bank transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

b)Financail asset at amortized Cost(Bills & Bonds):	**30 June 2026**	**30 June 2025**
	Birr'000	**Birr'000**
Treasury Bonds	2,797,541	2,739,878
Government Bond	1,253,631	1,068,133
	4,051,172	**3,808,011**
c)Impairment allowance on NBE Bills & Bonds		
Impiarment Loss Allowance on Bills & Bonds	(203)	(190)
Net Bills & Bonds	4,050,970	3,807,820
Total investment securities(Bills & Equities)	**4,050,970**	**3,807,820**

Maturity analysis of investment securities	**30 June 2026**	**30 June 2025**
	Birr'000	**Birr'000**
Current	349,800	258,520
Non- current	3,701,372	3,549,491
	4,051,172	**3,808,011**

As per NBE directive No SBB/81/2021, the bank has made an additional investment on DBE bond of Birr 426 million during the year 2025/2026 based on the outstanding Loans & Advances balance of the bank for the year ended June 30, 2025. However, effective 2025/2026 the directive is repealed by SBB/98/2025

As per IFRS-9 requirement, impairment loss allowance is computed for investment on Bills and Bonds. Thus, impairment loss allowance is computed for Treasury Bills, Treasury Bonds and Government Bonds.

17 Other financial assets and prepayments	**30 June 2026**	**30 June 2025**
	Birr'000	**Birr'000**
Financial assets		
Un-cleared effects local and foreign	98,088	76,992
Other receivables and Staff Advances	1,079,648	890,885
	1,177,735	**967,877**
Balance as of June 30, 2025	24,879	40,075
Impairment Allowance on other financial assets	37,001	30,983
Written off Receivables	0	(46,179)
	(61,880)	**(24,879)**
Net other financial asset	**1,115,856**	**942,999**

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17.0 Impairment allowance on other assets

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

	30 June 2026	30 June 2025
	Birr'000	Birr'000
Balance at the beginning of the year	24,879	40,075
Written off- Receivables	0	(46,179)
Charge for the year	37,001	30,983
Balance at the end of the year	**61,880**	**24,879**

	30 June 2026	30 June 2025
	Birr'000	Birr'000

	30 June 2026	30 June 2025
	Birr'000	Birr'000
17a Non-financial assets and prepayments		
Advance for purchases of goods and services	218,124	107,396
Other Non-Financail Assets	474,971	200,569
Assets in stock	27,820	26,694
Other receivables	32,100	36,373
Stock of stationery and printing materials	130,754	76,466
Short term lease & Low value asset	16,274	15,466
Prepaid insurance	11,070	10,090
Prepaid staff assets	1,397,407	1,429,125
Sub-Total	**2,308,522**	**1,902,180**
Total other assets	**3,424,377**	**2,845,179**

Maturity analysis	30 June 2026	30 June 2025
	Birr'000	Birr'000
Current	2,026,970	1,416,054
Non- current	1,397,407	1,429,125
	3,424,377	**2,845,179**

Prepaid rent is reclassified to Right of use asset except short term Lease and low value assets as per IFRS-16 requirements and new contracts and payments for rent of office building during the year is also reported under Right of use asset(Note-19).

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18 Non-current assets held for sale

	30 June 2026 Birr'000	30 June 2025 Birr'000
Balance as at the beginning of the year	86,979	43,628
Repossessed collateral during the period	899,381	53,298
Disposals during the period	(372)	(9,948)
Sub-Total	**985,988**	**86,979**
Allowance for Impairment of Non current Assets Held for Sale	(3,262)	
Balance at the end of the year	**982,726**	**86,979**

Bunna Bank S.C. took over collateral of some customers and these were recorded in the books as Assets classified as held for sale as the Bank had no intention to make use of the property for administrative use. 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. These assets have been valued by in-house engineers responsible for collateral valuation using the market approach determined using Level 3 inputs.
There is no cumulative income or expenses in OCI relating to assets held for sale.

19 Right of use asset

The statement of financial position shows in separate line item for the right-of-use assets.
When measuring right of use asset ,the bank discounted lease liabilities using its incremental borrowing rate at lease commencement date. The incremental borrowing rate was computed based on weighted-average rate of saving deposit and fixed time deposit . The rate applied for this computation is 7.36%

Note to the movement of Right of use asset during the period July 01, 2025 to June 30, 2026

Description	30 June,2026 Birr'000	30 June,2025 Birr'000
Balance as of July 01, 2025	1,060,719	1,151,057
Additional prepayments of new lease (office rent)contract for the period	439,924	229,513
Discounted Lease liabilities for new lease (office rent)contracts during the period	165,468	105,468
Sub Total	**1,666,110**	**1,486,038**
Depercation expense of Right of use asset for the period	(441,907)	(401,219)
Termination/reclassification Right of use asset	(18,314)	(24,101)
Net carrying Value of Right of use asset as of June 30, 2026	**1,205,889**	**1,060,719**

The bank has lease contract for office building of branches, district offices, and head office

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	30 June 2026	30 June 2025
20 Leasehold land	**Birr'000**	**Birr'000**
As at 1 July(BBF-Head Quarter-Mexico)	68,838	68,838
Head Quarter(Bole)	1,111	1,111
Bahirdar District Office	406	406
Advance/down Payments during the year		
Accumulated Amortisation	(9,992)	(8,828)
Balance at the end of the period	**60,363**	**61,527**

The bank is acquired a 1,043 square meter of land through lease for 60 years from Addis Ababa City Government Land Development and Management Bureau Tenure Administration Transitional Period Service Project Office on October 19, 2020. The total cost of the leasehold land is Birr 68,838,000, which shall be amortized over sixty years. The bank has paid Birr 20,651,400 (30%) as down payment and Birr 4,658,037.99 as first , second and third round repayment with total pre-payments of Birr 25,309,075.98.

In addition the bank has leasehold land contract with Addis Ababa City Government Land Development and Management Bureau and Bahirdar City administration land management office for Bunna Head quarter building and Bahirdar District office. The leased period for Bunna Head Quarter Building (616 square meter) is for 99-years effective from 2005 and the Bahirdar District office (450 suare meter) is for 99-years effective from 2019.

Further, the bank has made consensus with Addis Ababa City Government Land Development & Administration Bureau on June 11, 2022 and to secure land with 4,570 square meter for Bunna Bank Head Quarter Building and paid an advance amount of Birr 15.77 million which is 15% of the total lease value of Birr 105.14 million.

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	Cost Birr'000	Amortisation Birr'000	Net book value Birr'000
21 Intangible assets			
As at 30 July 01, 2024	**224,387**	**(112,031)**	**112,356**
Additions/(amortisation)	13,151	(30,071)	(16,920)
Disposed(re-classification)	(9,380)	828	(8,552)
As at 30 June 2025	**228,159**	**(141,274)**	**86,884**
Additions/(amortisation)		(27,172)	(27,172)
Disposed(re-classification)			-
As at 30 June 2026	**228,159**	**(27,172)**	**59,713**

Net Changes	June 30,2026	June 30,2025
Software Under progress(BBF)	827	9,380
Addition During the period		828
Re-Classification to IT Software		(9,380)
	827	**827**
Intangible Asset-Software(BBF)	228,159	215,007
Addition During the period		13,151
Re-Classification IT Software from Under Progress		
	228,159	**228,159**
Accumulated Amortization(BBF)	142,102	112,031
Addition During the period	27,172	30,071
	169,274	**142,102**
Net Book Value(BBF)	86,885	112,356
Change During the period	(27,172)	(25,472)
	59,713	**86,885**

This includes the cost of core banking application software. The bank's intangible asset has definite useful life. No borrowing cost was capitalized during the year.

22 Construction Under progress

	June 30,2026	June 30,2025
Construction Under progress(BBF)	738,369	577,305
Addition During the period	187,309	161,063
Re-Classification to PPE		
	925,678	738,369

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23 Property, plant and equipment	Premises Birr'000	Office and other equipments Birr'000	Computer & Accessories Birr'000	Furniture and fittings Birr'000	Motor vehicles Birr'000	Total Birr'000
Cost:						
As at 30 June 2024	441,143	563,876	643,387	270,346	261,300	2,180,052
Additions		15,474	418,342	4,279	2,049	440,143
Disposals	(1,065)	(3,201)	(2,481)	(3,058)	(6,453)	(16,258)
Reclassification						-
As at 30 June 2025	**440,078**	**576,149**	**1,059,248**	**271,567**	**256,895**	**2,603,937**
As at 30 June 2025	440,078	576,149	1,059,248	271,567	256,895	3,342,305
Additions		33,116	155,456	25,355		213,927
Disposals		(39)	(188)	(49)	(28,080)	(28,356)
Reclassification						-
As at 30 June 2026	**440,078**	**609,227**	**1,214,515**	**296,873**	**228,815**	**2,789,508**
Accumulated amortisation and impairment losses:						
As at 30 June 2024	28,864	148,925	226,411	84,320	81,638	570,159
Charge for the year	8,503	62,390	99,929	25,224	23,801	219,847
Disposals	(107)	(2,323)	(1,725)	(1,944)	(3,986)	(10,086)
As at 30 June 2025	**37,260**	**208,992**	**324,615**	**107,600**	**101,453**	**779,920**
As at 30 June 2025	**37,260**	**208,992**	**324,615**	**107,600**	**101,453**	**779,920**
Charge for the year	8,503	60,752	128,719	25,620	20,197	243,792
Impairment losses		723	2,031	1,580	174	4,508
Disposals		(8)	(68)	(26)	(16,941)	(17,042)
As at 30 June 2026	**45,763**	**270,459**	**455,298**	**134,774**	**104,884**	**1,011,177**
Net book value						
As at 30 June 2025	**402,818**	**367,157**	**734,632**	**163,967**	**155,442**	**1,824,017**
As at 30 June 2026	**394,315**	**338,768**	**759,218**	**162,099**	**123,931**	**1,778,330**

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24 Deposit from customers	30 June 2026 Birr'000	30 June 2025 Birr'000
Demand deposits	12,287,552	9,458,209
Savings deposits	28,829,221	24,745,744
Special savings	7,810,996	7,225,569
Fixed time deposits	4,611,629	2,778,650
	53,539,397	**44,208,172**

25 Deposit from IFB customers	30 June 2026 Birr'000	30 June 2025 Birr'000
Wadiah Current account	275,926	362,910
Qard Current account	17,274	11,269
Wadiah saving account	2,046,218	2,040,820
	2,339,417	**2,414,999**

Maturity analysis	30 June 2026 Birr'000	30 June 2025 Birr'000
Current	26,240,225	29,407,198
Non- current	29,638,590	17,215,973
	55,878,815	**46,623,171**

26 Due to other banks/Financial Institutions	30 June 2026 Birr'000	30 June 2025 Birr'000
Demand deposits	53,013	110,709
Savings deposits	1,496,509	1,313,043
Fixed time deposits	5,703,033	3,144,663
	7,252,555	**4,568,416**

Maturity analysis	30 June 2026 Birr'000	30 June 2025 Birr'000
Current	7,252,555	4,568,416
Non-current		
	7,252,555	**4,568,416**

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	30 June 2026	30 June 2025
27 Borrowings	**Birr'000**	**Birr'000**
Interbank Money Market Borrowing		
Principal	900,000	1,400,000
Accrued Interest	501	2,708
	900,501	**1,402,708**

This represents short term liquidity borrowed from Other Banks in the Inter Bank Money Market with maturity periods of Seven Days and Overnight @ Interest Rate ranges from 12% to 18% calculated using simple interest rate method on the outstanding balance to meet its current obligations.

	30 June 2026	30 June 2025
28 Other liabilities	**Birr'000**	**Birr'000**
Financial liabilities		
Audit fee payable	730	730
Blocked Amounts	15,873	10,406
Cashier's payment order (CPO) payable	80,501	104,839
Telegraphic Transfer (TT) payable	6,748	6,801
Provision For Bonus	200,000	200,000
Payable for the purchase of goods & services	312,241	76,471
Board of directors' share on profit	1,350	1,350
Allocation for founders	1,240	1,240
Exchange payable to NBE	61,505	34,597
Dividend payable	100,351	119,571
Share holders service charge payable	133	133
Old CPO and Others payables	70,400	48,384
Impiarment Loss Allowance on off balance sheet	1,782	3,447
Credit Reference System (CRS) fund payable	763	528
Margins held in LCs and CAD	3,840,126	1,507,657
Other payables	231,976	114,003
	4,925,719	**2,230,157**

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Non-financial liabilities	30 June 2026 Birr'000	30 June 2025 Birr'000
Unearned income	313,148	182,228
Employees' income tax payable	47,855	45,406
Accrued leave payable	108,880	87,181
10% tax on interest on deposits	23,851	8,901
Pension fund payable	18,505	16,560
Stamp duty charge	6,593	1,261
Vat payable	137,969	33,504
Graduate tax payable	8	194
Witholding tax payable	8,661	1,826
Sub-Total	**665,471**	**377,061**
Total Other Liabilities	**5,591,190**	**2,607,218**

Maturity analysis	30 June 2026 Birr'000	30 June 2025 Birr'000
Current	5,410,127	2,468,206
Non-current	181,063	139,012
	5,591,190	**2,607,218**

29 Lease Liabilities

The bank recognizes a lease liability at the present value of unpaid lease contract. The rate used to compute the present value of the lease liability is 7.36% which is the incremental borrowing rate computed as the weighted average rate of saving & fixed time deposit of the bank

Note to movement of lease liabilities during the period July 01, 2025 to June 30, 2026

Description	30 June,2026 Birr'000	30 June,2025 Birr'000
Balance as of July 01, 2025	513,718	490,211
Additional discounted value for new lease contract of the period	165,468	108,572
Interest on lease liability for the period	35,635	36,846
Sub total	**714,821**	**635,629**
Payment of lease liabilities during the period	(149,037)	(105,851)
Terminated Lease Liability	(19,143)	(16,059)
Net carrying Value of lease liabilities as of June 30, 2026	**546,641**	**513,718**

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Maturity Analysis	30 June 2026 Birr'000	30 June 2025 Birr'000
No later than 1 year	180,829	134,572
Later than 1 year and no later than 5 years	365,812	368,873
Later than 5 years		10,273
	546,641	**513,718**

30 Leasehold Land payable

The bank recognizes a Leasehold land payable for unpaid portion for a leased hold land agreement made with Addis Ababa City Government Land Development and Management Bureau Tenure Administration Transitional Period Service Project Office . The Leasehold land payable has 30-years installment period with annual installment of Birr 1,552,680 at an annual interest rate of 11.50%

Note to movement of lease liabilities during the period July 01, 2025 to June 30, 2026

Description	30 June,2026 Birr'000	30 June,2025 Birr'000
Balance as of July 01, 2025	43,475	45,028
Settlement during the period	(1,553)	(1,553)
Sub total	**41,922**	**43,475**
Net carrying Value of lease liabilities as of June 30, 2026	**41,922**	**43,475**

31 Defined benefit obligations

The Bank operates an unfunded severance pay plan for its management staff who have served the Bank for 3 years and above and are below the retirement age (i.e. has not met the requirement to access the pension fund). The final pay-out is determined by reference to current benefit's level (monthly salary) and number of years in service and is calculated as 1 month salary for the first year in employment plus 1/2 of monthly salary for each subsequent in employment to a maximum of 18 months final monthly salary.

The bank also pay severance payments for non-managerial employees who have served the bank for more than five years (as per revised labor proclamation 1156/2019). The benefit applicable for the non-management employees is thirty times the average daily salary of their last week of service for the first year of service, with part-years pro-rata, plus ten times the average daily wages of their last week of service for each completed year of service after the first year of services.

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

	30 June 2026 Birr'000	30 June 2025 Birr'000
A Liability recognized in the financial position		
Severance pay	320,407	222,595

	30 June 2026 Birr'000	30 June 2025 Birr'000
B Amount recognized in the profit or loss		
Current service cost	35,218	18,687
Interest cost	32,642	32,444
	67,860	**51,131**

	30 June 2026 Birr'000	30 June 2025 Birr'000
C Amount recognized in other comprehensive income:		
Remeasurement gain/loss on economic assumptions	(35,088)	30,673
Remeasurement gain/loss on experience	79,127	(3,057)
	44,039	**27,616**

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

	30 June 2026 Birr'000	30 June 2025 Birr'000
At the beginning of the year	222,591	160,290
Current service cost	35,218	18,687
Interest cost	32,642	32,444
Remeasurement losses	44,039	27,616
Benefits paid	(14,079)	(16,442)
At the end of the year	**320,407**	**222,591**

The significant actuarial assumptions were as follows:

i) Financial Assumption Long term Average

	30 June 2026	30 June 2025
Discount rate (p.a)	15.50%	14.00%
Inflation Rate	13.50%	12.20%
Long term salary increase(p.a)	13.50%	14.20%

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ii) Mortality in Service

Mortality is normally expressed as the probability of death within the next year for an individual of a specific age. Different mortality rates are thus set for each age group (higher rates for older people) and this set of rates is referred to as a mortality table. Different mortality tables can be used for males and females, as appropriate

The mortality table used for the current employees was DHS 2016 tables as published by the CSA (Central Statistics Agency) of Ethiopia. Based on our knowledge of the region mortality, we believe that this table is suitable for use in this valuation. Since the rates are provided in 5-year bands, we applied the rate provided per band as the mortality rate for the age in the middle of each band and interpolated linearly for rates in between these ages.

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

These rates combined are approximately summarized as follows:

	Mortality rate	
Age	Male	Female
20	0.306%	0.223%
25	0.303%	0.228%
30	0.355%	0.314%
35	0.405%	0.279%
40	0.515%	0.319%
45	0.450%	0.428%
50	0.628%	0.628%
55	0.979%	0.979%
60	1.536%	1.536%

iii) Withdrawal from Service

The withdrawal rates are believed to be reasonably representative of the Ethiopian experience.

Age	Resignation
20	15.00%
25	12.50%
30	10.00%
35	7.50%
40	5.00%
45	2.50%
50+	0.00%

The sensitivity of the overall defined benefit liability to changes in the weighted principal assumption is:

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		Impact on defined benefit obligation 30 June 2026	
	Change in assumptio	Impact of an increase	Impact of a decrease
		Birr'000	Birr'000
Discount rate	1.0%	306,562	335,729
Long term salary increase rate	1.0%	334,677	307,375
Demographic Assumptions	10.0%	324,028	316,740

		Impact on defined benefit obligation 30 June 2025	
	Change in assumptio	Impact of an increase	Impact of a decrease
		Birr'000	Birr'000
Discount rate	1.0%	209,813	236,286
Long term salary increase rate	1.0%	236,139	209,726

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 recognised within the statement of financial position.

32 Share capital	30 June 2026 Birr'000	30 June 2025 Birr'000
Authorized		
200,000,000 ordinary shares of ETB 100 each	20,000,000	6,500,000
Issued and fully paid		
61,895,598 ordinary shares of ETB 100 each	6,189,560	5,054,936

Movement of share capital	30 June 2026 Birr'000	30 June 2025 Birr'000
Paid up capital at the beginning of the period	5,054,936	4,826,221
Dividend Capitalized during the period	1,134,624	228,715
Ending Paid up Capital at the End of the period	**6,189,560**	**5,054,936**

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According to NBE Directive No. SBB/78/2021 titled "Minimum Capital Requirement for Banks", existing banks whose paid up capital is below Birr 5 Billion shall raise their paid-up capital to Birr 5 Billion up to June 30, 2026. The Bank has already surpassed the minimum requirement prior to the stated date. The bank's authorized capital has been raised to Birr 20 Billion at the extraordinary shareholders' meeting held on 22 November 2025 and shall be fully paid with in five years.

Share premium	**30 June 2026 Birr'000**	**30 June 2025 Birr'000**
Share Premium at the beginning of the period	18,003	18,003
	18,003	18,003
Tax on share premium for the period(30%)	-	-
Share premium at the end of the period(net of tax)	**18,003**	**18,003**

Share premium represents the excess of contributions received over the nominal value of shares issued.

33 Earnings per share

Earnings per share (EPS) is calculated by dividing the profit after tax by the weighted average number of ordinary shares outstanding during the period.

Dividend per share (DPS) is calculated by dividing the profit after deducting(tax, legal reserve, regulatory risk reserve and director's share on profit) by the weighted average number of ordinary shares outstanding during the period.

	30 June 2026 Birr'000	**30 June 2025 Birr'000**
Profit after tax	2,416,427	1,957,253
Weighted average number of ordinary shares outstanding	57,160	49,098
Earnings per share (Birr 100)	**42.28**	**39.86**
Earnings per share (Birr 1000)	**422.75**	**398.65**
Amount eligible for dividend(Ending retained earnings)	1,580,233	1,246,937
Weighted average number of ordinary shares outstanding	57,160	49,098
Dividend per share (Birr 100)	**27.65**	**25.40**
Dividend per share (Birr 1000)	**276.46**	**253.97**

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34 Retained earnings	30 June 2026 Birr'000	30 June 2025 Birr'000
At the beginning of the year	1,246,937	490,116
Dividend declared	(1,246,937)	(490,116)
Profit for the year	2,416,427	1,957,253
Director's Share on profit	(1,288)	(1,350)
Transfer to legal reserve	(604,107)	(489,313)
Prior Period Adjustment	(26,634)	0
Transfer (to)/from regulatory risk reserve	(204,166)	(219,653)
At the end of the year	**1,580,233**	**1,246,937**

35 Other comprehensive income(Other Reserve)	30 June 2026 Birr'000	30 June 2025 Birr'000
At the beginning of the year	262,004	206,226
Remeasurement gain/loss on retirement benefits obligations&Equit	(44,039)	(27,616)
Tax (credit) on other comprehensive income	(81,397)	(23,905)
Fair Value Reserve-Equity Investment for the period	315,362	107,299
At the end of the year	**451,930**	**262,004**

36 Legal reserve	30 June 2026 Birr'000	30 June 2025 Birr'000
At the beginning of the year	1,730,211	1,240,898
Transfer from profit or loss	604,107	489,313
At the end of the year	**2,334,318**	**1,730,211**

The Banking Business proclamation 1360/2025 article 22.1 requires ,the bank shall, at the end of each financial year, transfer to legal reserve account at least twenty five percent of the net profit until such account equals its capital. When the legal reserve equals the capital of the bank,the amount to be retained by the bank as a legal reserve from net profit each year shall be determined by NBE directives.

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Notes to the Financial Statements
For the year ended 30 June 2026

		30 June 2026 Birr'000	30 June 2025 Birr'000
37 Regulatory risk reserve			
At the beginning of the year		509,181	289,528
Transfer from/to provision on impaired loans	191,479		
Transfer from suspended interest (net of tax)	12,686	204,166	219,653
At the end of the year		**713,347**	**509,181**

The Regulatory risk reserve is a non-distributable reserves required by the regulations of the National Bank of Ethiopia (NBE) to be kept for impairment losses on loans and receivables in excess of IFRS charge as derived using the expected credit loss model.
Where the loan loss impairment determined using the National Bank of Ethiopia (NBE) guidelines is higher than the loan loss impairment determined using the expected credit loss model under IFRS, the difference is transferred to regulatory risk reserve and it is non-distributable to the owners of the Bank.

Where the loan loss impairment determined using the National Bank of Ethiopia (NBE) guidelines is less than the loan loss impairment determined using the expected credit loss model under IFRS, the difference is transferred from regulatory risk reserve to the retained earning to the extent of the non-distributable reserve previously recognized. Moreover, according to NBE directives interest income on impaired loans are not distributable to shareholders of the Bank, the amount net of tax is transferred to regulatory risk reserve.

Bunna Bank Share Company
Notes to the Financial Statements
For the year ended 30 June 2026

38 Cash generated from operating activities	Notes	30 June 2026 Birr'000	30 June 2025 Birr'000
Profit before tax		3,292,083	2,627,204
Adjustments for non-cash items:			
Depreciation of property, plant and equipment	23	243,792	219,847
Depreciation on right of use asset	19	441,907	401,219
Amortization of prepayment for leasehold land	11	1,164	1,164
Impairment losses-PPE		4,508	
Amortization of intangible assets		27,172	30,071
Interest on lease liability		35,635	36,846
Written off loan		(14,420)	(56,774)
Written off receivables		-	(46,179)
Gain/ (loss) on disposal of property, plant and equipment		(49,767)	(5,259)
Impairment on loans and receivables		311,956	610,751
Impairment on other assets		37,001	30,983
Impairment Loss Expense-NBE Bills & Bonds		12	47
Impairment Loss Expense-Financial Guarantee		370	1,132
Impairment Loss Expense-Letter of Credit		(2,035)	115
Impairment Loss Expense-Bank Deposit		207	262
Income statement charge on defined benefit obligations		67,860	51,131
Net interest income		(5,858,875)	(4,419,171)
Changes in working capital:			
Decrease/ (increase) in loans and advances to customers		(10,533,639)	(3,810,663)
Decrease/ (increase) in other assets		(616,200)	(644,605)
Decrease/ (increase) in non-current asset held for sale		(895,747)	(43,351)
Increase/ (decrease) in deposits from customers		9,331,225	7,146,492
Increase/ (decrease) in deposits from customers-IFB		(75,582)	473,570
Increase/ (decrease) in due to other financial institutions		2,684,139	(295,142)
Advance profit Tax paid		(333,652)	
Increase/ (decrease) in other liabilities		2,984,349	1,512,744
		1,083,465	**3,822,433**

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

	30 June 2026 Birr'000	30 June 2025 Birr'000
Proceeds on disposal	61,080	9,312
Net book value of property, plant and equipment disposed	(11,313)	(4,053)
Gain/(loss) on sale of property and equipment	49,767	5,259

Bunna Bank Share Company
Notes to the Financial Statements
For the year ended 30 June 2026

39 Related party transactions

The Bank is owned by several diverse shareholders without ultimate parent company.

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

	Nature of relationship	30 June 2026 Birr'000	30 June 2025 Birr'000
a *Transactions with related parties*			
Deposit of Related Parties			
	Bunna Insurance S.c	367,390	281,092
	Lanchihun Business	4,866	58,959
		372,256	**340,051**
Loans to related parties			
	Lanchihun Business	91,467	82,685
	Senior Management	415,187	435,192
	Board of Directors	88	176
		506,742	**518,052**

The Bank disbursed a long-term special mortgage loan to a member of Senior Management.These loans were granted under a special scheme and are secured by property owned by the respective borrower.

b *Key management compensation*

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

	30 June 2026 Birr'000	30 June 2025 Birr'000
Salaries and other short-term employee benefits	78,387	40,202
Board of Director's share on annual profit	1,350	1,350
Sitting allowance of Board of Directors	1,080	1,030
	80,817	**42,582**

The bank has availed well furnished residential house which was purchased in the name of the bank with value of Birr 69 million to the Chief Executive Officer.

Bunna Bank Share Company
Notes to the Financial Statements
For the year ended 30 June 2026

40 Employees

The average number of persons employed/(terminated) by/from the Bank during the year and at the end of the year was as follows:

	30 June 2026	30 June 2025
Net Change	Birr'000	Number
Senior Management	3	13	10
Managerial Position	73	673	600
Non-Managerial Position	-221	3,137	3,358
	(145)	**3,823**	**3,968**

41 Contingent assets and liabilities

Litigation is a common occurrence in the banking industry due to the nature of the business. The bank has established protocol for dealing with legal claims. The bank use the best available information, including independent legal opinions, to determine any provisions for losses or disclosures to be made in the financial statements. The bank had several unresolved legal claims arising in the ordinary course of business at the year end

The unresolved legal disputes are individually evaluated at the year end for potential losses to the bank. Where necessary, the bank seek independent legal advice on the significant unresolved legal matters. Based on the information available , the bank believe the ultimate resolution of the unresolved legal proceedings will not have a material effect on the bank's operations

a *Contingent assets*

The bank has a contingent asset of Birr. 1.72 million as of June 30, 2026.

b *Contingent liabilities*

The maximum exposure of the Bank to these legal cases as at 30 June 2026 is Br. 1,144.30 million (as of June 30, 2025 was Birr 656.54 million) the majority of which Birr 795.10million was claimed guarantee which is secured with collateral and Br. 349.20 million claimed dividend tax of capitalized dividend by the Ministry of Revenues Large tax payers Branch Office from which Br.138.87 million is paid and kept as receivable as the case is not closed. No provision has been made in the financial statements as the bank believe that it is not probable that the economic benefits would flow out of the Bank in respect of these legal actions.

42 *Guarantees and letters of credit*

The Bank conducts business involving performance bonds and guarantees. These instruments are given as a security to support the performance of a customer to third parties. As the Bank will only be required to meet these obligations in the event of the customer's default, the cash requirements of these instruments are expected to be considerably below their nominal amounts.
Letters of credit commit the bank to make payment to third parties, on production of documents, which are subsequently reimbursed by customers
The table below summarizes the fair value amount of contingent liabilities for the account of customers

Bunna Bank Share Company
Notes to the Financial Statements
For the year ended 30 June 2026

	30 June 2026 Birr'000	30 June 2025 Birr'000
Guarantees issued and outstanding	1,548,107	1,909,601
Commitment on letter of credit net of margin held	7,684,537	4,791,092
Commitments on Line of Credit	3,009,223	6,486,583
	12,241,867	**13,187,276**

43 Commitments

To meet the financial needs of the customers, the Bank enters into various irrevocable commitments. Even though these obligations may not be recognized on the statement of financial position, they do contain credit risk and are therefore part of the overall risk of the bank.

The Bank has commitments, not provided for in these financial statements as follows:

	30 June 2026 Birr'000	30 June 2025 Birr'000
Unutilized Revolving facilities	102,778	417,059
Unutilized Overdraft facilities	301,431	379,147
Loan Commitment (Approved but not disbursed)	16,380	527,698
	420,589	**1,323,904**

Capital Expenditures

	30 June 2026 Birr'000	30 June 2025 Birr'000
Contractual Value of Construction Building 3B-G-23 (China Jianggsu)	2,490,000	2,490,000
Advance paid to date	(667,345)	(499,606)
Outstanding Commitment	**1,822,655**	**1,990,394**
Contractual Value of Consultancy service for Construction of Building (A.A.I.T)	48,110	48,110
Advance paid to date	(27,899)	(8,517)
Outstanding Commitment	20,211	39,593
Total Commitments of Capital Expenditure	**1,842,866**	**2,029,987**

44 Events after reporting period

Subsequent to the reporting date, the National Bank of Ethiopia (NBE) announced the removal of the credit growth cap applicable to commercial banks, following the decision of its Monetary Policy Committee and approval by the NBE Board on 13 July 2026. The credit growth cap had been introduced as a temporary monetary policy instrument to contain credit expansion and inflationary pressures.

The NBE stated that the removal of the cap represents a transition toward an interest-rate-based monetary policy framework and does not constitute a relaxation of its overall monetary policy stance. The NBE will continue to monitor credit expansion and may use other monetary policy instruments, including targeted reserve requirements, where necessary.

Consequently,management has assessed the potential implications of this development on the Bank's lending activities, credit growth, liquidity and financial position and will continue to monitor the impact of the revised regulatory environment.

Bunna Bank Share Company
Notes to the Financial Statements
For the year ended 30 June 2026

Subsequent to the initial acquisition of land, the Bank acquired an additional 308 square meters of land through a lease agreement with the Addis Ababa City Government Land Development and Management Bureau, Tenure Administration Transitional Period Service Project Office on August 21, 2026.

The additional land was obtained to supplement the Bank's previously leased land in Addis Ababa. The lease term is 60 years, and the total lease cost amounts to Birr 18,692,067.24, which will be amortized over the lease term. The Bank paid Birr 9,346,033.62 (50%) as a down payment, while the remaining balance is payable over 20 years, in accordance with the terms of the lease agreement.

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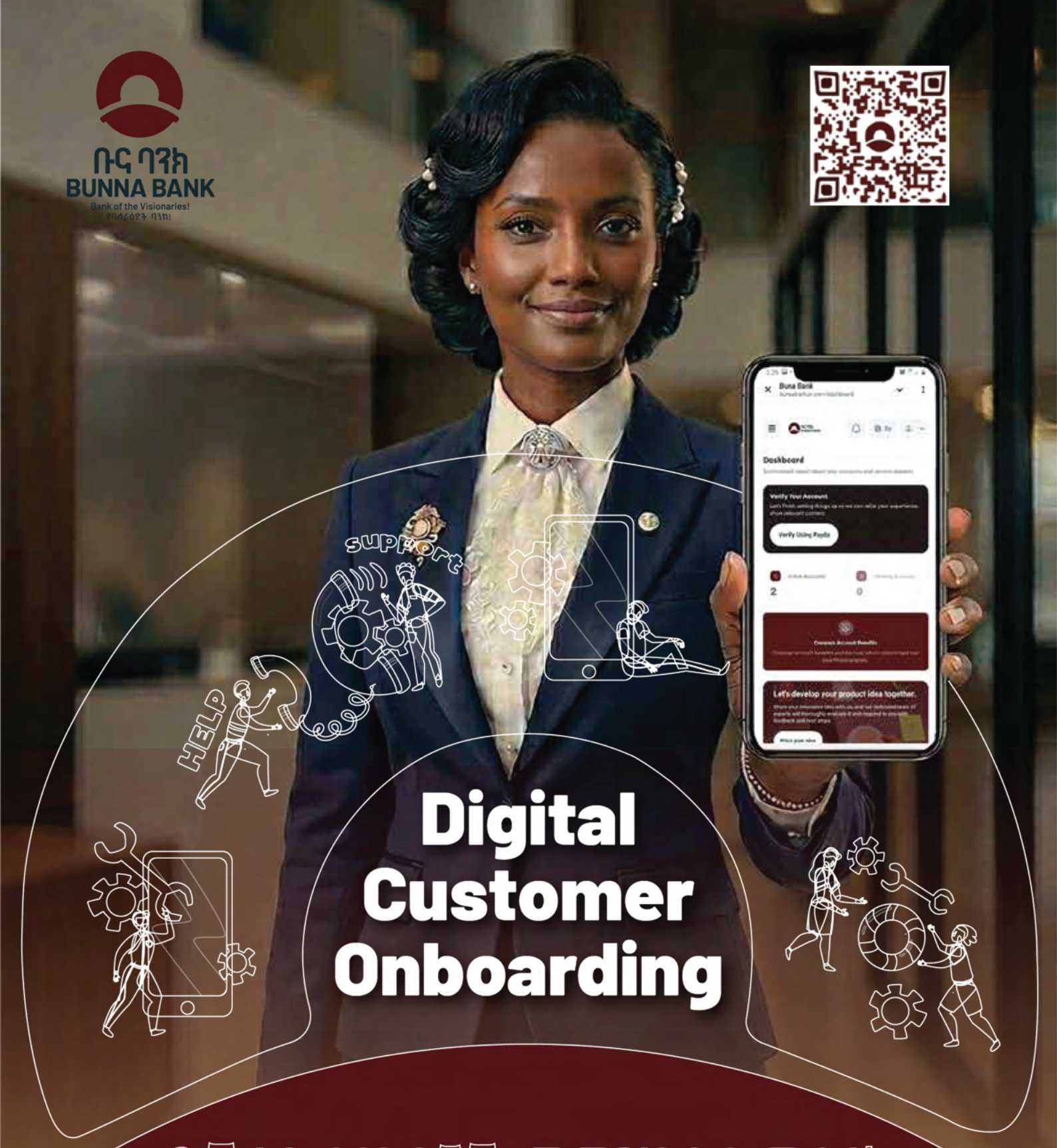
BUNNA BANK
Bank of the Visionaries!
የባለራዕዮች ባንክ!



Digital Customer Onboarding

ዲጂታል የደንበኞች መመዝገቢያ መድረክ

onboardingportal.bunnabanksc.com

ከየትኛውም ቦታ ሆነው የቡና ባንክ ሂሳብ መክፈት፣ የፋይዳ መታወቂያዎን ማያያዝ፣ የኤቲኤም ካርድ ማዘዝ፣ የሞባይል ባንኪንግ ማስጀመር፣ ከባንኩ የስራ ክፍሎች ጋር ቀጠሮ ማስያዝ እንዲሁም የቅርንጫፎች፣ የኤቲኤም፣ የኢንተራክቲቭ ቴለር ማሽን (ITM) እና የመርቻንት አቅጣጫ ማየትን ጨምሮ በርካታ ዘመናዊ አገልግሎቶችን በአንድ ወጥ ስነ-ምህዳር በአጅ ስልክዎ ብቻ ያግኙ፤
አሁኑኑ የቡና ባንክን ዲጂታል የደንበኞች መመዝገቢያ መድረክ በመጠቀም ህይወትዎን ያቅልሉ!

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HEADOFFICE ADDRESS

S/N	Work Unit	Telephone
1	Chief Executive Office	011-155-4783
2	Chief Finance and Corporate Service Office	011-158-0868
3	Chief Banking Transformation Office	011-614-6524
4	Chief Corporate Banking Office	011-158-0864
5	Chief Information and Digital Office	011-158-0828
6	Chief People and Culture Office	011-557-9262
7	Chief Product and Service Innovation Office	011-614-6066
8	Chief Retail and Branch Banking Office	011-158-0872
9	Chief Strategy and Partnership Office	011-126-4385
10	Accounting and Financial Management Directorate	011-126-2822
11	Branch Banking Directorate	011-557-9924
12	Contact Center and Digital Customer Acquisition Directorate	8501
13	Corporate Business Development and Relationship Management Directorate	011-557-7956
14	Corporate Communication Directorate	011-126-4385
15	Credit Relationship Management Directorate	011-158-0877

HEADOFFICE ADDRESS

S/N	Work Unit	Telephone
16	Credit Underwriting Directorate	011-614-6583
17	Deputy Chief-Digital Office	011-158-0828
18	Deputy Chief-Technology Office	011-557-8297
19	Digital Banking Directorate	011-557-8290
20	Digital Center of Excellence and Digital Factory Directorate	011-126-4861
21	Digital Financial Innovation Hub	011-614-6066
22	Engineering Service Directorate	011-614-7300
23	Enterprise Application Development and Operations Directorate	011-557-8421
24	Ethics,Business Conduct and Sustainability Directorate	011-158-0872
25	Executive Support Directorate	011-155-4783
26	Facilities Management Directorate	011-557-7521
27	Financial Technology Partnership Directorate	011-614-6066
28	Infrastructure and Data Management Directorate	011-126-5957
29	Interest Free Banking Directorate	011-557-9340
30	Internal Audit Directorate	011-158-0874

HEADOFFICE ADDRESS

S/N	Work Unit	Telephone
31	International Banking Directorate	011-158-0827
32	IT - Security Management Directorate	011-557-8308
33	IT and Digital Service Management Directorate	011-158-0828
34	Legal Service Directorate	011-158-0863
35	Market Research and Business Intelligence Directorate	011-557-8432
36	Office of the Company Secretary	011-155-4818
37	People Operation Management Directorate	011-158-0882
38	People Performance and Development Directorate	011-557-6914
39	People Solutions Directorate	011-557-9262
40	Retail and SME Product Portfolio Management Directorate	011-557-9180
41	Risk Management & Compliance Directorate	011-126-5587
42	Strategic Planning and Performance Management Directorate	011-557-9683
43	Strategy and Data Intelligence Directorate	011-158-0828
44	Technology Partnership Directorate	- -
45	Treasury and Investments Directorate	011-158-0360

DISTRICT ADDRESS

Districts	Telephone	Email
Mekelle District	0342-41-79-40	bib951@bunna banksc.com
South Addis Ababa District	0113-69-96-63	bib955@bunnabanksc.com
East Addis Ababa District	0111-54-33-93	bib952@bunnabanksc.com
West Addis Ababa District	0115-57-92-71	bib953@bunnabanksc.com
Bahirdar District	0583-20-38-95/ 2209/4707	bib954@bunnabanksc.com
Dessie District	0333-12-56-01/ 0333-12-31-63	bib956@bunnabanksc.com
Adama District	0222-11-38-87	bib959@bunnabanksc.com
Jimma District	0472-11-32-80	bib957@bunnabanksc.com
Debrebirhan District	0116-37-53-06/ 0116376475	bib960@bunnabanksc.com
Hawassa District	0462-21-97-69	bib958@bunnabanksc.com
Debremarkos District	0581-78-91-48	bib961@bunnabanksc.com

BRANCH ADDRESS

S.N.	Branch Name	Phone Number
1	MAIN BRANCH	011-158-0884
2	HAYAHULET MAZORIA	011-662-2133
3	MESALEMIA	011-278-2246
4	BOLE MEDHANIALEM	011-662-2447
5	ADAMA	022-112-0535
6	GENET	011-552-5469
7	BAHIR DAR	058-222-2200
8	AYER TENA	011-348-6500
9	HABTE GIORGIS	011-155-8224
10	ASIRA SIMINT MAZORIA	011-280-0797
11	BEKLO BET	011-416-3230
12	MEKELLE	034-440-0094
13	MERKATO	011-278-1435
14	GONDAR	058-111-2443
15	HOSSANA	046-555-2161



BRANCH ADDRESS

S.N.	Branch Name	Phone Number
16	BICHENA	058-665-1053
17	KOBO	033-334-1274
18	JIMMA	047-112-2085
19	HAWASSA	046-220-5585
20	KOTEBE	011-667-8036
21	SHASHEMENE	046-110-0245
22	OLYMPIA	011-557-2221
23	GAMBELLA	047-551-0079
24	DESSIE	033-112-0050
25	DEBRE BIRHAN	011-681-1364
26	GERJI	011-639-4011
27	BALE GOBA	022-661-2528
28	HALABA	046-556-0643
29	BALE ROBE	022-665-2800
30	GOJAM BERENDA	011-126-2724



BRANCH ADDRESS

S.N.	Branch Name	Phone Number
31	KOBO ROBIT	033-113-0168
32	SHASHEMENE ARADA	046-211-0052
33	YIRGALEM	046-225-1295
34	BELAY ZELEKE	058-220-5343
35	BOLE RWANDA	011-639-2352
36	DEBRE MARKOS	058-771-1645
37	HAWASSA TABOR	046-212-0037
38	MOYALE	046-444-0110
39	DEJEN	058-776-0019
40	MEKELLE ENKODO	034-440-6749
41	BOLE ASRASIMINT	011-663-1289
42	NEKEMTE	057-661-3106
43	ADAMA DEMBELLA	022-111-4181
44	DIRE DAWA	025-411-0115
45	HARAR	025-466-0035



BRANCH ADDRESS

S.N.	Branch Name	Phone Number
46	LIDETA	011-557-6260
47	DOLOMANA	022-668-0025
48	ASSOSA	057-775-0411
49	GHIMBI	057-771-0457
50	ANGER GUTEE	057-634-0191
51	SHOLA GEBEYA	011-667-3648
52	EMPERIAL	011-667-3761
53	WORETA	058-446-1155
54	TOGOCHALE	025-882-0112
55	WOLDIA	033-331-1105
56	KOREM	034-551-0156
57	WUKRO	034-443-1174
58	MERAWI	058-330-0473
59	WELLO SEFER	011-470-0461
60	SUMMIT	011-667-8493



BRANCH ADDRESS

S.N.	Branch Name	Phone Number
61	BONGA	047-331-1193
62	JIGJIGA	025-278-0000
63	SEKOTA	033-440-0009
64	ALAMATA	034-774-0071
65	GULELE	011-273-4237
66	SHALLA	011-667-2773
67	KALITI	011-471-7231
68	BETHEL	011-349-3499
69	MESKEL FLOWER	011-470-2469
70	ADIGRAT	034-445-0342
71	KOLFE	011-273-8733
72	BAHIR DAR MEHALE GEBEYA	058-222-2103
73	ADDISU GEBEYA	011-126-8278
74	CMC	011-667-5705
75	KAHEN SEFER	011-558-6485



BRANCH ADDRESS

S.N.	Branch Name	Phone Number
76	WOLETE	011-367-9195
77	MEGENAGNA	011-667-4416
78	KEBEDE MICHAEL	011-667-4264
79	HAILE G/SELASIE AVENUE	011-635-3818
80	LEBU	011-471-3185
81	BISHOFTU	011-430-0489
82	ARBA MINCH	046-881-4038
83	LAFETO	011-471-0949
84	GERJI MEBRAT HAIL	011-639-4334
85	DESSIE TOSSA	033-312-0107
86	CASTLE	034-241-5348
87	SHIRE	034-244-0197
88	JEMO	011-471-3213
89	LEGETAFO	011-667-9254
90	KOTEBE ZERO HULET	011-639-8143



BRANCH ADDRESS

S.N.	Branch Name	Phone Number
91	GOFA	011-470-3836
92	ABDINONO	011-260-1889
93	ABINET	011-557-8870
94	HUMERA	034-248-0132
95	ABAYMADO	058-321-1403
96	EHILBERENDA	011-229-1044
97	METEMA	058-555-5577
98	SOSIT KUTIR MAZORIA	011-369-2639
99	ALEMGENA	011-367-9631
100	NEFAS SILK	011-470-8293
101	WUHA LIMAT	011-689-3083
102	TOR HAILOCH	011-384-2035
103	DEBRE WORK	058-663-0610
104	LANCHA	011-470-1678
105	ADET	058-338-1193



BRANCH ADDRESS

S.N.	Branch Name	Phone Number
106	GODE	025-776-1882
107	URAEL	011-557-8013
108	GOMA TERA	011-231-6020
109	ALEM BANK	011-369-5200
110	HANAMARIYAM	011-471-1205
111	ADAMA ARADA	022-211-3896
112	BOLE BULBULA	011-462-2645
113	BURAYU	011-260-4876
114	MOTTA	058-661-2013
115	SUMMIT SAFARI	011-668-0060
116	AYAT	011-639-1482
117	GULLELE FINANCE	011-273-3610
118	DIRE DAWA SABIAN	025-411-0989
119	ASKO	011-273-1821
120	ASSELA	022-238-3412



BRANCH ADDRESS

S.N.	Branch Name	Phone Number
121	LOGIA	033-550-0862
122	KERA	011-470-2566
123	KOMBOLCHA	033-351-1516
124	NEJO	057-774-1283
125	KUAS MEDA	011-230-4001
126	GAMBELLA NEW LAND	047-151-5588
127	BAHIR DAR TANA	058-320-6106
128	ATSBI	034-340-0559
129	SHEWA ROBIT	033-664-2077
130	GONDAR FASIL	058-211-7696
131	TEKLEHAIMANOT	011-273-5812
132	GOBEYE	033-456-0220
133	AXUM	034-275-7717
134	ENTICHO	034-449-1122
135	EDAGA HAMUS	034-773-0702



BRANCH ADDRESS

S.N.	Branch Name	Phone Number
136	KONSO CARAT	046-773-0657
137	WELAYTA SODO	046-180-4831
138	WUCHALE	033-224-0332
139	MERSA	033-333-1160
140	ANGACHA	046-340-0401
141	KECHENE MEDHANIALEM	011-172-5132
142	ATAYE	033-661-0862
143	AMANUEL	058-777-0373
144	BURE DAMOT	058-774-1446
145	SILASSIE	011-172-5236
146	FICHE	011-160-9713
147	WOSSEN	011-668-0499
148	ABAJIFAR	047-211-6382
149	YEKA ABADU	011-878-7976
150	DEMBECHA	058-773-0789



BRANCH ADDRESS

S.N.	Branch Name	Phone Number
151	DAMBOYA	046-245-0397
152	DENBEL AREA	011-557-1796
153	MEHAL EHIL BERENDA	011-273-5315
154	DEBARK	058-417-3617
155	SULULTA	011-161-7993
156	MAKSEGNIT	058-320-0697
157	TELE MEDHANIALEM	011-650-6868
158	HOSSAENA GOMBORA	046-178-5395
159	MERABE MERKATO	011-273-3607
160	GERBA	033-454-0664
161	DABAT	058-113-0878
162	WOLKITE	011-365-9672
163	KIRKOS	011-470-4308
164	CHURCHILL	011-171-9168
165	DEBRE TABOR	058-141-5407



BRANCH ADDRESS

S.N.	Branch Name	Phone Number
166	STADIUM	011-558-3171
167	FURI	011-380-2103
168	SEBETA	011-338-4374
169	LAFTO MEBRAT HAILE	011-471-0380
170	DEBRE-EBA	011-637-5402
171	AYERTENA 05	011-369-4028
172	SARIS ADDIS SEFER	011-470-8854
173	MEKELLE MOMONA	034-240-1624
174	BESHALE	011-666-1725
175	GURD SHOLA	011-668-3798
176	MEKANISA	011-369-9520
177	MILITARY TERA	011-273-3571
178	DIL BER	011-154-6775
179	HOLETA	011-261-0537
180	BOLE FLAMINGO	011-557-5338



BRANCH ADDRESS

S.N.	Branch Name	Phone Number
181	MERI LOKE	011-673-3478
182	KALITY MASELTEGNA	011-462-6146
183	AFRICA UNION	011-470-5252
184	SEFERA	011-471-1137
185	MEKELLE ADISHUMDHUN	034-241-3275
186	GEFERSA	011-260-1356
187	SIDAMO TERA	011-273-3922
188	SEBATEGNA	011-273-4853
189	FINOTE SELAM	058-775-2047
190	INJIBARA	058-227-1685
191	SARIS DAMA	011-470-9921
192	GORO	011-666-1127
193	BAHIR DAR GHION	058-320-6232
194	GOFA CAMP	011-470-6896
195	DANGILA	058-221-2093



BRANCH ADDRESS

S.N.	Branch Name	Phone Number
196	YEJUBE	058-246-0387
197	BAHIR DAR ZENBABA	058-320-9589
198	FELEGE BERHAN	058-279-0475
199	KUY	058-257-0740
200	EBINAT	058-440-0720
201	BILAL	011-273-3295
202	ADDIS KIDAM	058-450-0701
203	ADDIS ZEMEN	058-444-1134
204	TILILI	058-229-0633
205	DUKEM	011-471-8289
206	LIBEN	058-556-8301
207	LAMBERET	011-673-3948
208	DESSIE BUANBUA WUHA	033-311-4927
209	HARBU	033-552-0498
210	MAJETIE	033-316-2182



BRANCH ADDRESS

S.N.	Branch Name	Phone Number
211	ADWA	034-271-3698
212	GOTERA	011-470-9002
213	MEKELLE ADIHAWSI	034-240-3786
214	SELA DINGAY	011-625-0710
215	ARAT KILO	011-126-5927
216	ATSE ZERAYAKOB	011-637-5524
217	DAGMAWI MINILIK	011-637-6548
218	MEHONI	034-664-0749
219	MODJO	022-236-4923
220	HADIS ALEMAYEHU	058-554-1066
221	GISH ABAY	058-320-7441
222	AYAT TAFO	011-639-1853
223	BOLE HAYA ARAT	011-667-1610
224	SHEBEL BERENTA	058-247-0523
225	ARERTI	022-223-0577



BRANCH ADDRESS

S.N.	Branch Name	Phone Number
226	DEJACH WUBIE	011-170-2020
227	RUFAEL	011-273-7193
228	JIGA	058-779-0534
229	SHIMBIT	058-320-1623
230	JAWI	058-278-0455
231	YIFAT	033-664-1144
232	DENEBA	011-620-0951
233	ENKULALE FABRICA	011-273-6583
234	ENEWARI	011-688-0385
235	BISRATE GEBREAL	011-381-3031
236	DEBRE BIRHAN SILASSIE	011-637-5621
237	CHAGNI	058-225-2680
238	HAMUSIT	058-443-0377
239	ESTE	058-447-1770
240	DEBRESINA	011-680-0912



BRANCH ADDRESS

S.N.	Branch Name	Phone Number
241	HAILEMARIAM MAMO	011-637-6122
242	JAKROS SQUARE	011-673-3874
243	TULU DIMTU	011-462-7355
244	EREBEKENTU	011-112-7996
245	DURAME	046-554-1679
246	MARAKI	058-211-1551
247	BALCHI	011-673-0022
248	BULGA	011-619-0017
249	MIZAN TEFERI	047-135-0281
250	DILLA	046-131-3965
251	BEREKA	011-369-4997
252	MERTULEMARIAM	058-666-0654
253	SHAHURA	058-270-0612
254	TEPPI	047-556-3227
255	METU	047-141-7189



BRANCH ADDRESS

S.N.	Branch Name	Phone Number
256	KOKEBE TSIBAH	011-154-3463
257	GINDEWOYIN	058-664-0494
258	DURBETE	058-556-5513
259	YIRGACHEFIE	046-332-1648
260	BOLE ARABSA	011-612-5655
261	FERENSAY LEGASION	011-154-9465
262	LEUL ALEMAYEHU	058-320-4901
263	MERKATO MEHAL GEBEYA	011-273-5964
264	AZENA	058-327-8197
265	QUARIT	058-262-0390
266	SHIROMEDA	011-154-1303
267	GINAGER	011-624-0679
268	LEMI	011-119-0010
269	KERA BULGARIA	011-470-1466
270	SHEMA TERA	011-273-3182



BRANCH ADDRESS

S.N.	Branch Name	Phone Number
271	ETEGIE TAYITU	058-320-5647
272	CHUAHIT	058-334-0492
273	JEMO ANBESA GARAGE	011-385-4026
274	BOLE BULBULA MARIAM MAZORIA	011-462-3859
275	AKAKI	011-472-0095
276	SUMMIT GORO	011-672-6872
277	WOGDI	033-445-1110
278	TULU AWOLIA	033-112-0050
279	LIGUAMA	033-455-0599
280	ABAKORAN	011-273-3690
281	REBU GEBEYA	058-288-0324
282	SHINDI	058-449-0622
283	SEKELA	058-259-0689
284	NIFAS MEWUCHA	058-445-1837
285	KUCHI	058-289-0448



BRANCH ADDRESS

S.N.	Branch Name	Phone Number
286	LEMMI KURA	011-639-1927
287	MEKANE SELAM	033-220-1174
288	KARALO	011-639-1928
289	LUMAMIE	058-772-0693
290	BOLE BESHALE	011-639-1153
291	BUTAJIRA	046-145-2426
292	ADAMA BOKU	022-211-8657
293	SALOGORA	011-462-6937
294	ABMA	058-178-4294
295	MEKI	022-118-1806
296	HURUTA	022-236-1545
297	ABA FASILO	058-320-2373
298	DAGA ESTIFANOS	058-320-8019
299	ADAMA BOSET	022-212-7192
300	TULEFA	011-687-1996



BRANCH ADDRESS

S.N.	Branch Name	Phone Number
301	CHACHA	011-687-1997
302	NIGUS SAHLE SELASSIE	011-637-6521
303	BLUE NILE	058-320-8264
304	ASKO ADDIS SEFER	011-273-1854
305	BEDELLE	047-445-2174
306	SHENO	011-687-1995
307	AGARO	047-221-0016
308	NIGUS TEKLEHAIMANOT	058-178-1332
309	ASAYITA	033-240-8927
310	DEJAZMACH WONDIRAD	011-668-1678
311	JEMO MICHAEL	011-471-3214
312	LAKOMENZA	033-311-4843
313	TIRTIRA	033-314-1091
314	YOGOF	033-351-5606
315	SRINKA	033-331-1106



BRANCH ADDRESS

S.N.	Branch Name	Phone Number
316	YESHI DEBELE	011-384-0773
317	MINALESH TERA	011-231-5018
318	ST. YARED SQUARE	011-667-5706
319	ALEM KETEMA	011-620-0952
320	YEKA MICHEAL	011-878-7977
321	MENDIDA	011-687-1998
322	TULU DIMTU SQUARE	011-462-7356
323	MEHAL MEDA	011-685-1471
324	HAYIK	033-222-1299
325	KIDANE MIHRET	058-320-7908
326	KOGA	058-330-1176
327	WOLISO	011-366-4902
328	GERBA GURACHA	011-131-2492
329	METTI	047-141-7180
330	AMAN	047-135-0282



BRANCH ADDRESS

S.N.	Branch Name	Phone Number
331	MEHAL GENET	058-556-9452
332	HERMATA	047-112-2086
333	QUARA	058-071-0481
334	RAS BITWEDED MENGESHA	058-774-1419
335	KEMISSIE	033-554-3976
336	YEZELEKA	058-554-0454
337	BATI	033-553-1964
338	AKAKI ALEM BANK	011-472-0096
339	AZEZO	058-211-2054
340	YELA SAWLA	046-777-1681
341	FERES BET	058-244-0487
342	ADEA	011-430-0490
343	KIDUS GIORGIS	011-126-4084
344	ANDABET	058-554-7455
345	SIMADA	058-667-0683



BRANCH ADDRESS

S.N.	Branch Name	Phone Number
346	MOLALE	011-622-0799
347	WONJI MAZORIA	022-211-4526
348	KELALA	033-451-0748
349	JAMA DEGOLO	033-226-0771
350	GERAY	058-555-6094
351	BETHEL MICHAEL	011-369-7599
352	YOHANNES	011-126-7091
353	GENDA WUHA	058-071-0482
354	CHIRO	025-951-5261
355	ADDIS ALEM	058-321-9503
356	ADAMA LUGO	022-212-6932
357	ADAMA KELO	022-212-6594
358	ANKOBER	011-685-1472
359	METHBILA	022-223-0578
360	HAWASSA AREBSEFER	046-212-1546



HEADOFFICE ADDRESS

S.N.	Branch Name	Phone Number
361	SHONE	046-553-0867
362	DODOLA	022-665-2802
363	DOYOGENA	046-244-0418
364	HADERO	046-320-0816
365	SHINSHICHO	046-339-0433
366	TERIE	022-240-6636
367	SARBET	011-381-3032
368	YEBOKLA	058-325-4861
369	VARNERO	011-471-3186
370	LAFTO VIEW	011-471-0950
371	MUGAD	033-312-5602
372	MILLE	033-223-0529
373	GERADO	033-312-5603
374	MENAFESHA	033-311-2337
375	SANJA	058-273-0542



HEADOFFICE ADDRESS

S.N.	Branch Name	Phone Number
376	ZIGEM	058-555-9046
377	KOTU GEBEYA	058-220-5344
378	NIGUS HAILEMELEKOT	011-637-5622
379	MIDA	011-620-0953
380	DELGI	058-336-0676
381	SAGURE	022-338-1975
382	AWASH 7KILO	022-241-3074
383	SHEWAREGED GEDLE	011-681-1365
384	ARSI SIRE	022-330-0707
385	JATI	011-260-2471
386	ADAMA GENDE GARA	022-212-4101
387	MIDRE GENET	058-320-8514
388	AMBO	011-260-2470
389	ADAMA SEKEKELO	022-212-0800
390	ZEMERO	033-440-0010



BRANCH ADDRESS

S.N.	Branch Name	Phone Number
391	RASA	011-688-0386
392	MENJAR	022-223-0579
393	AREKA	046-552-1506
394	KARA KORE	011-369-3948
395	ADAMA SILASIE	022-211-5606
396	GARMENT 72	011-470-8294
397	HAWASSA MENEHARIA	046-212-4940
398	SOFUMER	022-244-5789
399	KOSO BER	058-227-0476
400	ANBESAME	058-258-0692
401	TESFA G/SELASSIE	011-666-8070
402	LIMMU	047-221-0017
403	GELAN	011-455-0048
404	SHELF TERA	033-112-9799
405	KALU	033-351-3807



HEADOFFICE ADDRESS

S.N.	Branch Name	Phone Number
406	ETEYA	022-335-0905
407	HARA	033-452-0935
408	WOREILU	033-116-1334
409	GOBESSA	022-336-0649
410	MEKOY	033-444-0635
411	CHIFRA	033-214-0500
412	MERSA ABA GETEYE	033-333-1581
413	LALIBELA	033-336-1397
414	YABELO	046-446-1505
415	BOKOJI	022-332-1741
416	MEKET	033-211-0856
417	WEGEL TENA	033-351-0588
418	ALELTU	011-687-1999
419	SENDAFA	011-687-2000
420	MUKE TURI	011-160-9714



BRANCH ADDRESS

S.N.	Branch Name	Phone Number
421	ABAMEGAL	033-312-5604
422	KHEYIR	011-273-3296
423	ADAMA ELEMO KILTU	022-212-2008
424	CHILALO	022-238-3622
425	WOREBABO	033-221-0352
426	GESHA	047-135-0283
427	JINKA	046-775-2072
428	WORABIE-DUNA	046-145-2427
429	WEGERE	058-211-1552
430	GASHENA	033-211-0857
431	SEMERA	033-240-8928
432	ABAGEDA	022-211-2333
433	ADAMA DEKA ADI	022-211-6530
434	KERSA	022-337-0892
435	FOGERA	058-446-0573



BRANCH ADDRESS

S.N.	Branch Name	Phone Number
436	MEZEZO	011-680-0913
437	CHORA	047-221-0018
438	MANKUSA	058-779-0535
439	DIMA	047-551-0080
440	REMA	058-440-0721
441	Etegie Tayitu	011-5-832056





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BUNNA BANK
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