



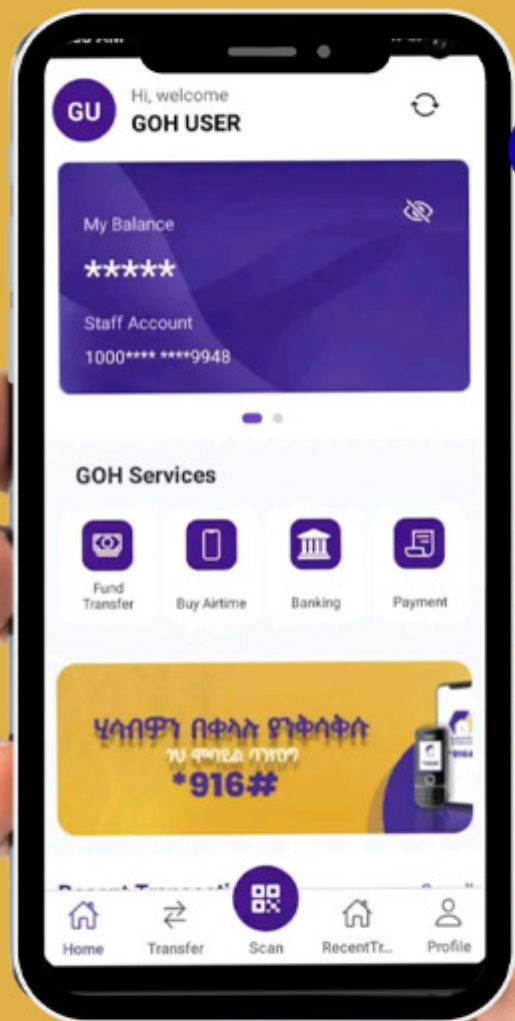
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GOH BETOCH BANK

ANNUAL REPORT 2024/25

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Bank of the Generation

GOH MOBILE BANKING



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Bank of the Generation



Vision

To be the preferred Bank in Ethiopia in mortgage and commercial banking !

Mission

To provide excellent banking services, through state-of-the-art technology and talented staff, and create sustainable value to the stakeholders.



Core Values

- Customer Centricity
- Integrity
- Agility
- Accountability
- Collaboration
- Innovation
- Corporate Social Responsibility

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Board of Directors



Ato Belachew Hurrissa
Chairperson



W/ro Fasika Kebede
V/chairperson



Ato Shimeles G/Giorgis
(Representing ELIG S.C)
Member



Dr.Eng.Wubishet Jekale
Member



Ato Kefene Gurmu
Member



Ato Semere Assefa
Member



Ato Samson Tesfaye
Member



Ato Zemete Seyoum
Member



W/ro Muluaem Merid
Member

Executive Management



Ato Girum Tsegaye
Chief Executive Officer



Ato Moges Abayneh
Chief Corporate Services Officer



Ato Eskinder Dibekulu
Chief Operations Officer



Ato Ayalkibet Amdemariyam
Director-Human Capital Management



Ato Safework Mulugeta
Director- Credit Management

Middle Management



Ato Yosef Gizachew
Director, Transaction Banking
& Branch Operations



Ato Biniyam Kebede
Director- Office of Strategy
Management



W/ro Helen Asamnew
Director-Information Systems



W/ro Meskerem Melesse
Director- Company Secretary
& Executive Assistant to the CEO



Ato Berhanu Assefa
Director-Legal Services



Ato Esayas Desalegn
Director- Engineering
Services



W/ro Kalkidan Wubshet
Director- Supply Chain
Management



Ato Fikadu Lemma
Director- Marketing & Business
Development



W/rt Meseret Hailu
A/Director- International Banking



Ato Dereje Mulat
Director- Risk & Compliance
Management



Ato Bethel Wossene
Director- Finance & Treasury



Ato Mesfin Solomon
Director-Internal Audit

Chairperson's Statement to shareholders,

Dear Distinguished Shareholders,

On behalf of the Board of Directors of Goh Betoeh Bank, it is with great pleasure that I welcome you to our 4th Annual General Meeting and present the Annual Performance Report for the fiscal year ended June 30, 2025.

The past year was defined by a complex global economic environment. Persistent geopolitical tensions from the conflict in Ukraine to crises in the Middle East alongside shifts in U.S. trade policy, created a climate of uncertainty, disrupting global supply chains and fueling inflationary pressures. In Ethiopia, the government's bold macroeconomic reforms, including the transition to a market-based foreign exchange regime and financial sector liberalization, have improved foreign exchange supply and helped to stabilize the economy. However, challenges persist, with rising costs of living due to subsidy phase-outs, increased taxes, and internal unrest. For Goh Betoeh Bank, the lack of a supportive mortgage environment and limited access to long-term funding have remained significant hurdles.



Despite these headwinds, the year was marked by both challenge and opportunity. Our resilience and determination allowed us to achieve remarkable growth and deliver strong results across all key performance indicators.

We consistently refine our governance structures to align with our growth and strategic direction, proactively engaging with regulators to ensure full compliance with the latest financial laws and requirements. We are committed to maintaining strong governance and long-term stability.

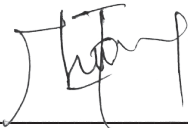
Our financial performance was robust. We generated a total income of Birr 475.6 million and a gross profit before tax of Birr 68.9 million. We successfully raised an additional Birr 99.6 million, bringing our total

paid-up capital to Birr 1.51 billion. The bank's deposits grew by Birr 294.1 million to Birr 1.32 billion, while outstanding loans increased by Birr 120.1 million, reaching a total of Birr 1.67 billion.

Looking ahead, we have developed a new five-year strategy spanning 2025/26 to 2029/30. This strategy is informed by our four years of experience and is designed to capitalize on market opportunities by prioritizing resource mobilization, operational efficiency, and enhanced customer service. With the Board's strategic vision, the management team's leadership, and the unwavering commitment of our employees, we are well-positioned to drive sustained growth and bolster the bank's financial position in the year ahead. One of the key parts in the strategy will be fulfillment of the minimum capital before the deadline, which requires coordinated effort from all our shareholders and stakeholders.

In closing, I extend my deepest gratitude to you, our shareholders, for your continued trust and confidence. I also wish to thank my fellow Board members, the management team for their exemplary leadership, and our employees for their tireless dedication. We are also grateful to the National Bank of Ethiopia and our valued stakeholders for their collaborative support, which has been instrumental to our success.

Sincerely,



Belachew Hurrissa

Chairperson, Board of Directors

Chief Executive Officer's Statement

On behalf of the Management Team, I am honored to present Goh Betoch Bank's Annual Performance Report for the 2024/25 fiscal year. This was a year defined by resilience, strategic growth, and significant progress as we navigated a dynamic economic environment.

We have achieved strong operational and financial results. The year was characterized by our strategic focus on commercial banking, based on which we have opened new branches, to expand our customer base and retail deposit mobilization. We recorded a profit before tax of Birr 68.9 million and raised our total assets by 27.4% to Birr 3.64 billion. Our paid-up capital reached Birr 1.51 billion, resulting in a 7.1% increase. We have successfully mobilized Birr 1.32 billion in deposits from over 50,000 customers, which is an increase of Birr 294.1 million (28.7%), and our outstanding loans and advances reached Birr 1.67 billion.

To better serve our customers and broaden our offerings, we have opened six new branches, and successfully launched our USSD mobile banking, bringing accessibility and convenience.

While our performance was robust, we recognize the challenges posed by limited access for long-term funding, limited mortgage loan disbursements and the evolving market for mortgage banking. These insights, gathered from our four years of experience and a thorough analysis, have shaped our forward-looking five-year strategy. The new strategy 2030 is designed to accelerate our growth by prioritizing commercial banking in the short term and build the financial strength and market presence needed before fully realizing our potential in the mortgage sector.



Our strategy focuses on:

- Strengthening our financial foundation through enhanced resource mobilization.
- Expanding our reach with strategic branch openings.
- Driving innovation through digital services and key partnerships and
- Optimizing efficiency to deliver exceptional service and value to our customers.

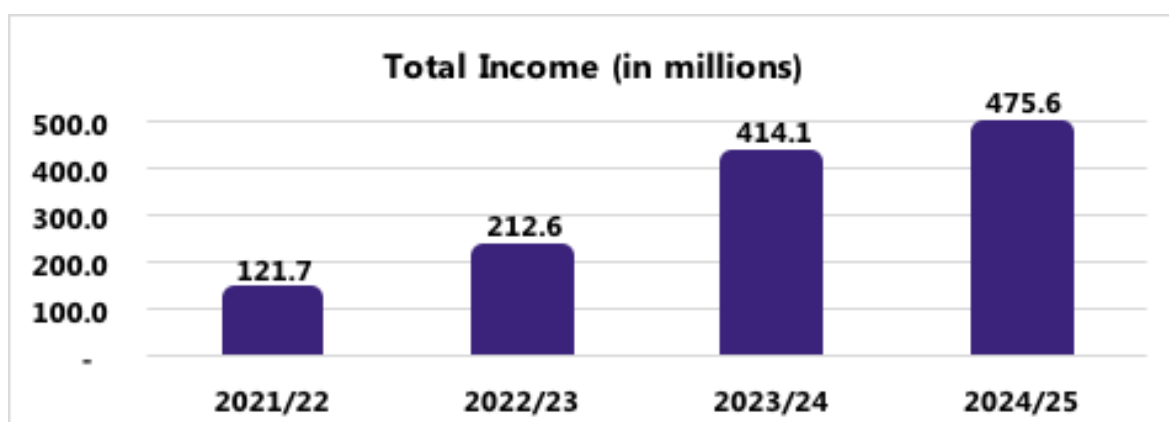
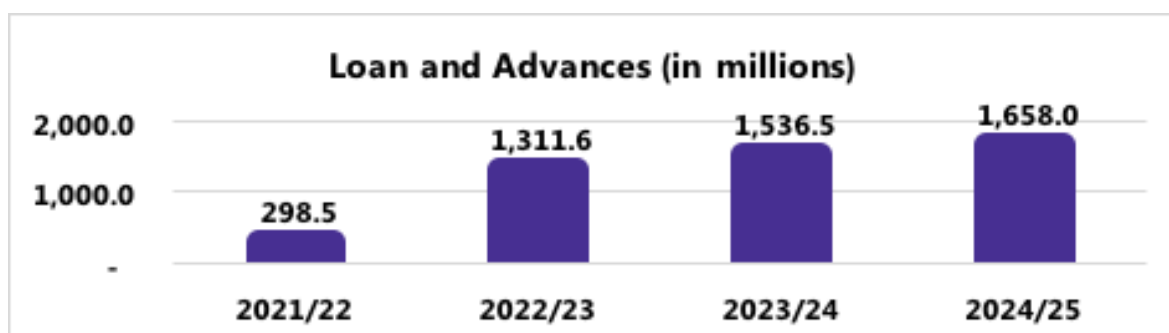
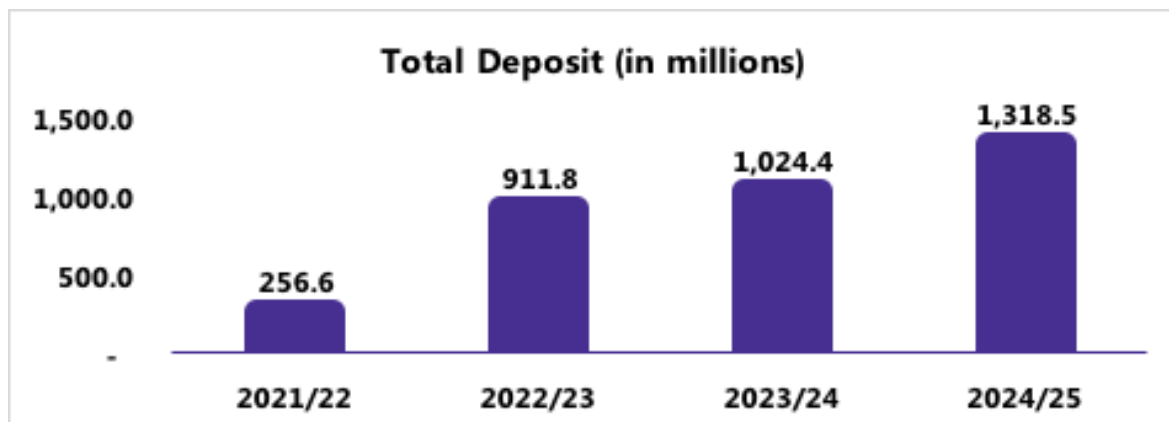
The management and staff are fully committed to executing this strategy with precision. We are confident that it will ensure sustained growth and create greater value for our customers and stakeholders in the years ahead.

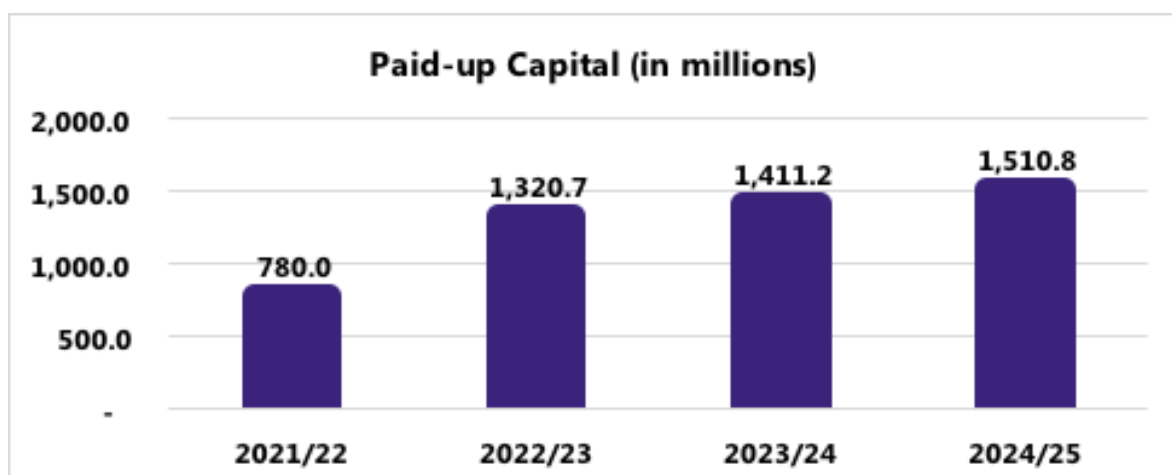
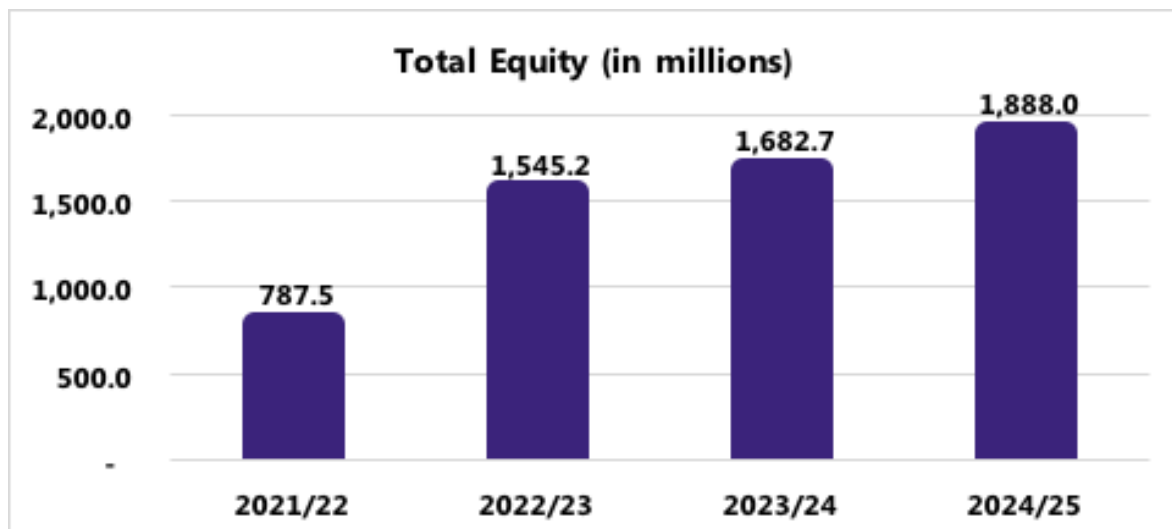
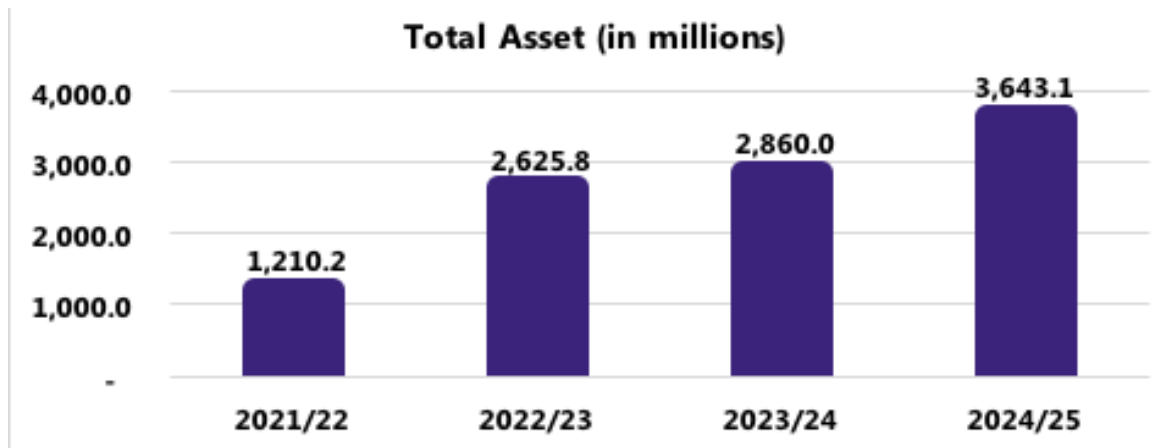
In closing, I extend my heartfelt gratitude to our customers for their unwavering trust, our Board of Directors for their visionary leadership, our dedicated employees for their tireless commitment, and our shareholders for their continued support. Together, we have achieved remarkable results in 2024/25, and I am confident that our shared dedication will lead to even greater success.



Girum Tsegaye
Chief Executive Officer

Goh Betoch Bank's Yearly Performance Trajectory





Report of the Board of Directors'

Review of Major Macroeconomic Situations

Global Economic Outlook

During the 2024/25 fiscal year, the global economy navigated a complex and uncertain landscape marked by persistent geopolitical tensions, notably the Russia-Ukraine conflict and crises in the Middle East. These factors, alongside shifts in global trade policies, have disrupted supply chains and fueled inflationary pressures.

According to the International Monetary Fund (IMF), global GDP growth was 3.2% in 2024, and is projected at 3.0% for 2025. This reflects a continued slowdown from previous years, though the global economy has demonstrated resilience and avoided a widespread recession. However, the IMF has consistently warned that sustained trade frictions and escalating geopolitical risks could further erode growth prospects.

Ethiopian Economic Outlook

Ethiopia's economy has been driven by its "Homegrown Economic Reform Agenda (HGER 2.0)," which is supported by a four-year, \$3.4 billion Extended Credit Facility from the IMF, approved in July 2024. The program is designed to address macroeconomic imbalances and lay the foundation for private sector-led growth. This includes key measures such as:

- **Moving towards a market-determined foreign exchange regime:** This policy is aimed at addressing external imbalances and relieving persistent foreign exchange shortages.
- **Liberalizing the financial sector:** Legal frameworks are being put in place to allow foreign bank entry, which is expected to increase competition and efficiency.
- **Operationalizing the Ethiopian Securities Exchange (ESX):** The ESX officially launched on January 10, 2025, providing a platform for companies to raise capital and for investors to trade securities.

These reforms have been credited with improving economic stability. Inflation, while still high, has shown signs of easing, with the annual rate falling to 13.7% in July 2025. However, challenges persist, including rising costs of living due to the gradual phase-out of subsidies on fuel and fertilizer, a growing tax burden, and ongoing internal unrest that continues to disrupt economic activity.

Ethiopian Banking Industry

The 2024/25 fiscal year has been transformative for Ethiopia's banking sector. The liberalization of the financial sector and the impending entry of foreign banks are poised to intensify competition, compelling local banks to enhance their efficiency, product offerings, and customer service. The National Bank of Ethiopia (NBE) has also repealed restrictive policies, such as the mandatory bond purchases, which is expected to alleviate liquidity constraints.

The operationalization of the Ethiopian Securities Exchange could provide a new avenue for banks to raise capital and diversify their revenue streams. Concurrently, the banking sector is experiencing a surge in digital financial services, driven by investments in digital payment systems and micro-lending. This is expanding financial inclusion and operational efficiency.

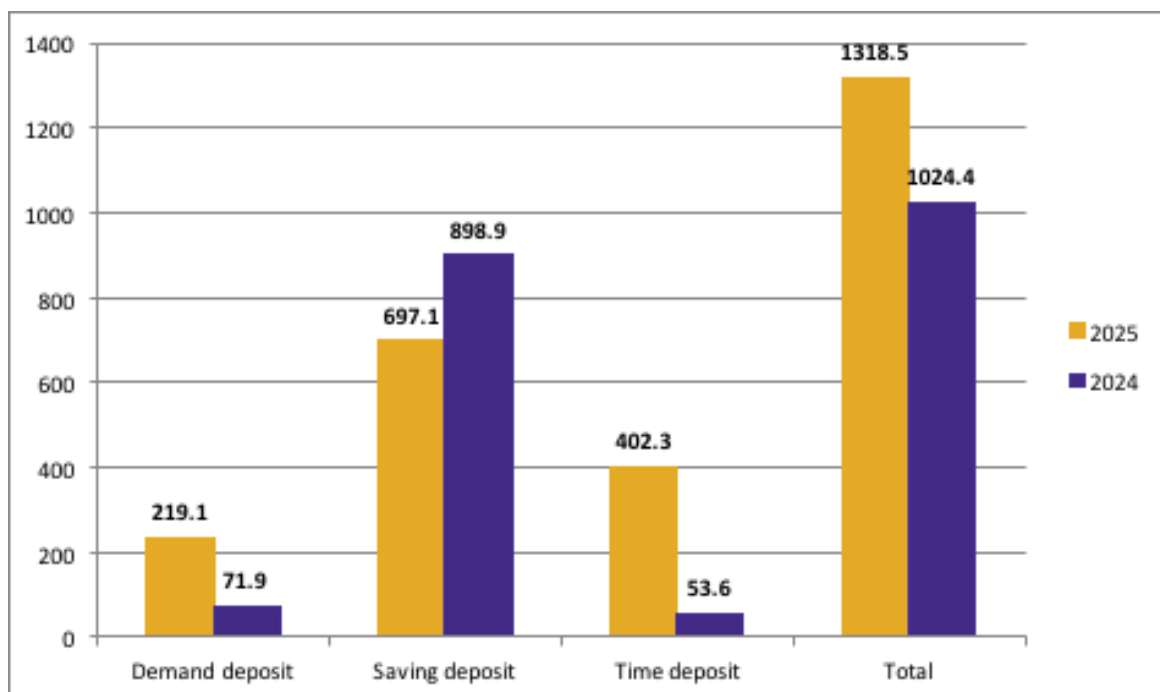
1. Operational Performance Highlight

1.1 Deposits

The Bank's total deposit balance reached Birr 1.32 billion, an increase of Birr 294.1 million (28.7%) from the previous year's balance of Birr 1.02 billion. This significant growth highlights our effective strategies in attracting and retaining deposits.

Furthermore, the number of deposit accounts grew by 19,902 (65.2%), reaching a total of 50,432 from 30,530 last year. This substantial increase in account holders is a key indicator of growing public trust and confidence in our bank.

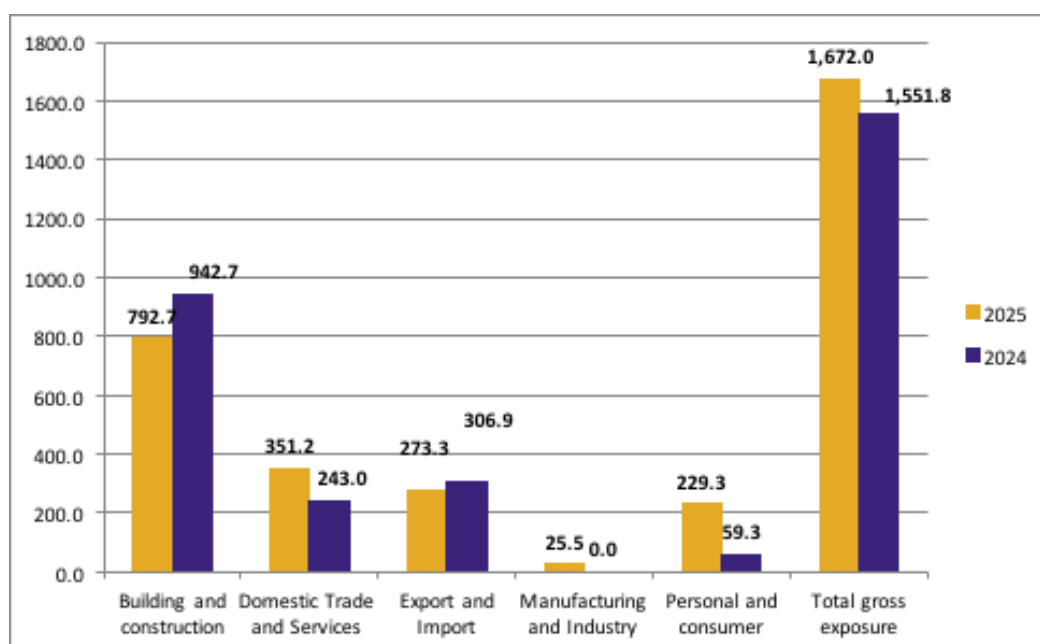
Figure 1: Deposit Portfolio



1.2. Loans and Advances

The Bank's total outstanding loans and advances at the end of the 2024/25 fiscal year stood at Birr 1.67 billion, representing an increase of Birr 120.1 million from the previous year's balance of Birr 1.55 billion. The Bank is strategically diversifying its loan portfolio to include non-mortgage sectors. As of June 30, 2025, the Bank's outstanding loan portfolio is comprised of Building and Construction, which constitute 47.4% of the total, followed by Domestic Trade and Services at 21.0%, Export and Import at 16.3% and the other loans account the remaining.

Figure 2: Outstanding Loan by Sector



1.3. International Banking

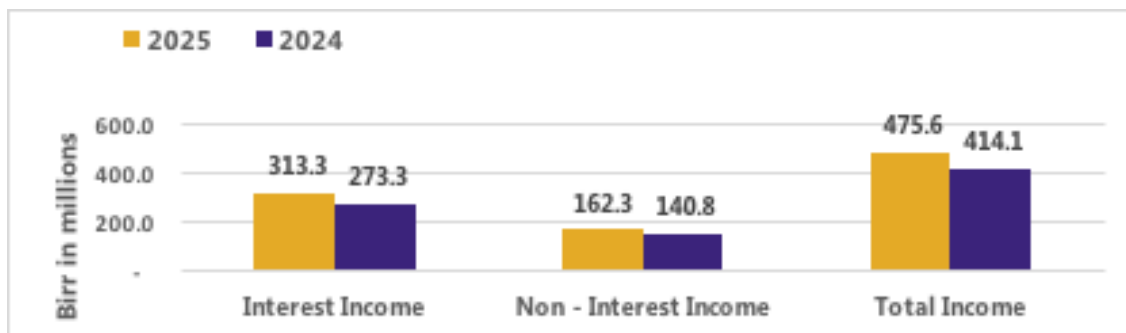
During the 2024/25 fiscal year, the Bank successfully mobilized USD 6.5 million in foreign currency. This was primarily achieved through export proceeds and participation in the FOREX auction market.

2. Financial Statements and Position

2.1. Income

The Bank generated a total income of Birr 475.6 million during the financial year 2024/25, exhibiting Birr 61.5 million (14.9%) increment from previous year's balance of Birr 414.1 million. Of the total income, interest income and non-interest income consisted of 65.9% (Birr 313.3 million) and 34.1% (Birr 162.3 million), respectively.

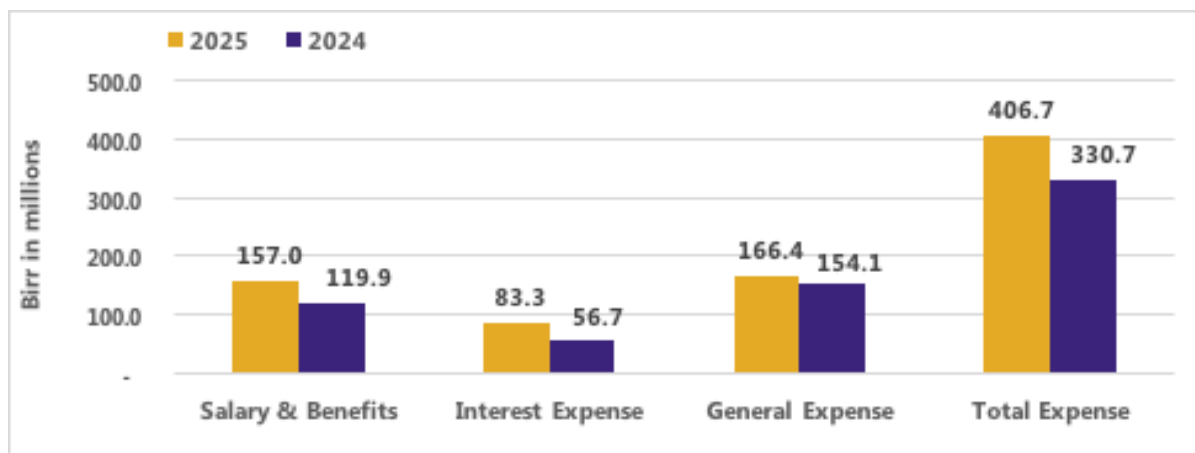
Figure 3: Income by Category



2.2. Expense

The Bank's total expenses for the 2024/25 fiscal year reached Birr 406.7 million, marking an increase of Birr 76.0 million (23.0%) compared to the previous year's balance of Birr 330.7 million. General Expenses, including depreciation and provisions, accounted for 40.9%, Salaries and Benefits 38.6%, and Interest Expenses 20.5% of the total expenses

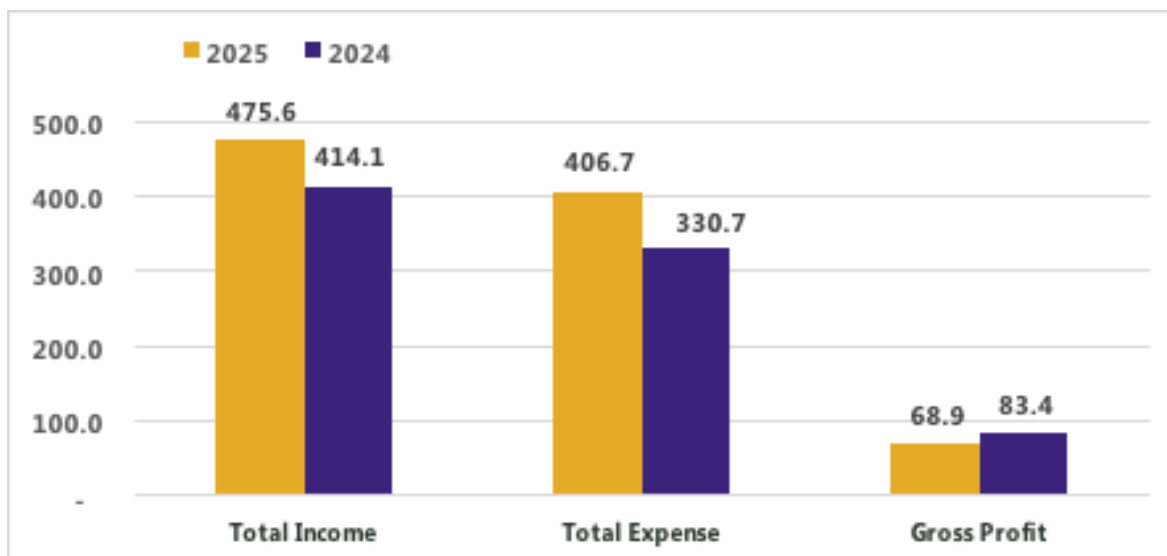
Figure 4: Expense by Category



2.3. Profit

The Bank earned a gross profit before tax of Birr 68.9 million in the year, with a slight decline compared to last year's profit of Birr 83.4 million. This is because last year's income included income from sales of assets.

Figure 5: Gross Profit Before Tax



2.4. Balance Sheet

As of June 30, 2025, the Bank's total assets amounted to Birr 3.64 billion, representing a notable increase of Birr 783.2 million (27.4%) from the prior year's balance of Birr 2.86 billion. Total liabilities stood at Birr 1.76 billion, with customer deposits comprising the majority at 75.1% of the total. The Bank's total equity reached Birr 1.89 billion, reflecting an increase of Birr 205.3 million (12.2%) compared to the previous year's balance of Birr 1.68 billion. The paid-up capital reached 1.51 billion Birr which is an increase of Birr 99.6 million (7.1%) compared to last year.

2.5. Dividend to Shareholders Proposal

Based on the foregoing results, the Board of Directors recommends a dividend amount of Birr 52.3 million to be distributed to shareholders proportionate to their respective paid-up shares. Shareholders are expected to plough-back their dividend to help increasing the capital of the bank.

3. Non-Financial Developments

3.1 Branch Expansion

During the 2024/25 fiscal year, we have successfully expanded our branch network by opening 6 new branches and 2 new sub-branches. This strategic move brings our total count to 15 branches, with 10 branches strategically located in the capital and 5 in key regional cities.

This expansion was a direct response to the unique demands of our existing customers, who frequently require in-person visits to conduct transactions and seek advisory services. By increasing our physical footprint, we aim to better serve these needs, particularly to strengthen the bank's commercial wing. This effort underscores our commitment to enhancing accessibility and service delivery across the country.

3.2 Human Capital and Talent Management

Goh Betoach Bank's workforce grew significantly in the 2024/25 fiscal year, increasing by 28% to a total of 232 employees, up from 181 the previous year. The employee gender ratio is 72% male (166 employees) and 28% female (66 employees).

Recognizing that a competent and motivated team is crucial for success, the bank considers human capital development as its core strategic priority. This commitment is demonstrated by a substantial investment in comprehensive training programs. These initiatives are designed to both enhance employee skills for a competitive advantage and meet the National Bank of Ethiopia's (NBE) requirements for training budget utilization. A total of 822 employees participated in these programs, which were conducted by both internal and external trainers, reflecting our dedication to a high-performance culture and sustainable growth.

3.3 Information Technology

During the 2024/25 fiscal year, the Bank achieved significant milestones in its digital transformation agenda, showcasing a commitment to enhancing technological capabilities and service delivery. We are pleased to report the successful finalization and launch of our USSD mobile banking service, which provides a convenient and accessible platform for our customers.

Furthermore, leveraging our enhanced in-house expertise, we have completed the development of a comprehensive mobile banking application, which is slated for launch in September 2025. This new application will offer a richer, more intuitive user experience and expand the range of services available to our clients.

In addition to these advancements, the Bank has maintained rigorous oversight of its information technology systems and infrastructure. Proactive measures have been implemented to prevent, detect, and mitigate cyber threats, thereby safeguarding the integrity of our data, systems, and networks. To reinforce our defenses, ongoing cybersecurity awareness sessions have been conducted to staff members, ensuring a high level of readiness and vigilance across the organization. These initiatives underscore our dedication to both innovation and the security of our operations.

4. Risk Management

During the 2024/25 fiscal year, Goh Betoach Bank made significant strides in bolstering its risk management and compliance frameworks. The bank ensured adherence to both its internal policies and directives from the National Bank of Ethiopia (NBE). A comprehensive Risk Management Capability and Maturity Assessment was conducted, which critically evaluated and improved the bank's risk practices. Furthermore, a thorough review of the Risk and Compliance Management Framework was carried out to align it with current best practices and evolving regulatory requirements.

These efforts focused on the critical tasks of identifying, assessing, monitoring, and mitigating various risks, including those related to credit, liquidity, foreign exchange, interest rates, and operations.

A key aspect of this enhancement was the implementation of modern risk management tools. The bank adopted electronic Know Your Customer (eKYC) and Anti-Money Laundering (AML) tools to strengthen its defenses against financial crime. eKYC streamlines customer identity verification, reducing the risk of fraud, while AML tools provide robust measures to combat money laundering and terrorist financing. This technological upgrade reflects a proactive approach to compliance.

The bank also reinforced its adherence to the Ethiopian Financial Intelligence Centre (EFIC) framework, which is crucial for maintaining the integrity of the financial system. By integrating these tools and strengthening its framework, the bank demonstrated a strong commitment to managing risk effectively and ensuring the security of its operations

5. Corporate Social Responsibility (CSR)

In the 2024/25 fiscal year, Goh Betoach Bank demonstrated its commitment to corporate social responsibility by engaging in various community and societal initiatives. The bank strengthened its relationship with stakeholders through impactful social, environmental, and humanitarian activities.

These efforts included providing financial support initiated by the government to improve the well-being of the community. The bank's participation not only fulfilled its obligations as a responsible corporate citizen but also enhanced its reputation and goodwill within the communities it serves

6. Corporate Governance Statement

The corporate governance structure of the Bank is designed to ensure effective supervision, by the Board, in running the Bank's business and enhancing long-term shareholders' values.

There are four standing sub-committees of the board: Credit Committee, Risk Management and Compliance Committee, Audit Committee, and Nomination and Remuneration Committee that deal with the various business affairs of the Bank. The Bank remains committed to observing and adhering to the highest standards of corporate governance and business ethics.

7. Future Prospect

Goh Betoach Bank has launched Strategy 2030, a comprehensive five-year plan (2026–2030) to boost performance and accelerate growth. This strategy focuses on sustainable growth, operational excellence,

and human capital development by leveraging opportunities in both the mortgage and commercial banking sectors.

The bank's key priorities include:

- **Strengthening financial resilience** by mobilizing resources.
- **Expanding branch network** to reach more customers.
- **Advancing digital innovation.**
- **Forging strategic partnerships.**
- **Improving operational efficiency to better serve clients.**

The leadership and staff are fully committed to executing this plan to ensure continued growth and increase value for stakeholders.

Goh Betch Bank encourages its shareholders to actively collaborate and increase their capital contributions. This is necessary to meet the National Bank of Ethiopia's (NBE) minimum capital requirements promptly. The bank remains committed to transparency and open communication with all stakeholders as it works toward its strategic goals.

In the 2025/26 fiscal year, the bank will continue to pursue its strategy, building on its strengths to face emerging challenges while maintaining a focus on sustainable growth. Although external economic conditions are beyond its control, the bank will use its expertise and networks to deliver returns to shareholders. With a skilled management team and the staff, the bank is well-positioned to seize opportunities and create long-term value.



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Correspondent Banks And Finance Partners



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ጠቀም ያለ ወለድ የሚያስገኝ**



גוה בֶּתוֹחַ בַּנְק
GOH BETOCH BANK

AUDITORS' REPORT FOR THE YEAR ENDED 30 JUNE 2025

בַּנְק דֶּל-דּוֹר
Bank of the Generation

Goh Betoch Bank Share Company

Annual Financial Report

For the year ended 30 June 2025

Directors and statutory information

Board of directors

Ato Belachew Hurrisa
Woy. Fasika Kebede
Dr. Eng. Wubishet Jekale
Ato Shimeles G/Giorgis
(Representing Ethio-Life and General Insurance SC)
Ato Semere Assefa
Ato Zemete Siyoum
Ato Samson Tesfaye
Ato Kefene Gurmu
Woy. Mulualem Merid

Title

Board Chairperson
Board Vice chairperson
Board Director
Board Director

Board Director
Board Director
Board Director
Board Director
Board Director

Appointment date

November 25, 2023
November 25, 2023
November 25, 2023
November 25, 2023

November 25, 2023
November 25, 2023
November 25, 2023
November 25, 2023
November 25, 2023

Executive management

Ato Girum Tsegaye
Ato Eskinder Dibekulu
Ato Moges Abayneh

Chief Executive Officer
Chief Operations Officer
Chief Corporate Services Officer

February 1, 2024
October 27, 2021
April 6, 2023

Company secretary

Woy. Meskerem Melesse

September 13, 2021

Independent auditor

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

Consultants

Consultant engaged for IAS 19 compliance

QED Actuaries & Consultants
38 Wierda Road West, Sandton, South Africa

Consultant engaged for IFRS 9 Macroeconomic Overlay Model, and Fair value estimation for equity investment

PricewaterhouseCoopers Limited
PwC Tower, Waiyaki Way/Chiromo Road,
Westlands Nairobi, Kenya

Principal bankers

Local banks

Bank of Abyssinia SC
Commercial Bank of Ethiopia
Oromia Bank SC

Foreign banks

Aktif Yatrim Bankasi A.S Istanbul, Turkey
Bank of Beirut, UK Ltd, London
CAC International Bank Djibouti, Djibouti
East Africa Bank Djibouti, Djibouti
Exim Bank S.C Djibouti, Djibouti
Kenya Commercial Bank, Kenya
Bank of Africa

SWIFT CODE: GOBTETAA



Goh Betoch Bank Share Company Annual Financial Report For the year ended 30 June 2025 *Statement of Directors' Responsibilities*

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 of 1243/2021, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Bank is required to keep such records as are necessary to:

- a) exhibit clearly and correctly the state of its affairs;
- b) explain its transactions and financial position; and
- c) enable the regulatory body 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.

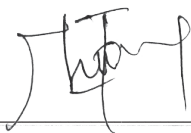
The Bank's Directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards, Banking Business Proclamation, Commercial Code of Ethiopia 1243/2021 and the relevant Directives issued by the National Bank of Ethiopia.

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

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

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

Signed on behalf of the Directors by:


Belachew Hurrissa
Chairperson of Board of Directors


Girum Tsegaye
Chief Executive Officer





Tafesse, Shisema and Ayalew Certified Audit Partnership

Chartered Certified Accountants (UK) and Authorised Auditors (Ethiopia)

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

INDEPENDENT AUDITOR'S REPORT ON THE ACCOUNTS OF GOH BETOCH BANK SHARE COMPANY

Report on the Audit of the financial statement

Opinion

We have audited the financial statements of Goh Betoch Bank Share Company specified on page 6-56, which comprise the statement of financial position as at 30 June 2025, 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 2025, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional 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 19 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.



Providers of Audit and Assurance, Management Consultancy and Tax Advisory Services

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.

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

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

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.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Ayalew Asres.



Addis Ababa
04 October 2025

Goh Betoch Bank Share Company

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2025

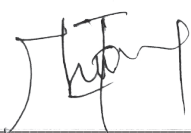
		30 June 2025	30 June 2024
	Notes	Birr'000	Birr'000
Interest income	7	313,311	273,266
Interest expense	8	(83,290)	(56,648)
Net interest income		230,021	216,618
Fee and commission income	9	83,723	37,591
Fee and commission expense	10	(9,252)	(5,055)
Net Fee and commission income		74,471	32,536
Net gain on foreign exchange valuation	11	46,235	4,841
Other operating income	12	30,905	98,391
		77,140	103,232
Total operating income		381,632	352,386
Loan impairment charge	13	1,378	(8,431)
Other assets impairment charge	14	(689)	(2,471)
Impairment on financial Guarantees	42	(13)	(1)
Net operating income		382,308	341,483
Personnel expenses	15	(156,950)	(119,928)
Depreciation & Amortization Intangible assets	24-25	(32,668)	(29,775)
Interest expense on lease Liability	29	(2,980)	(1,443)
Other operating expenses	16	(120,817)	(106,926)
Profit before tax		68,893	83,411
Income tax expense	17	(3,367)	(3,318)
Profit after tax		65,526	80,093
Other comprehensive income (OCI)			
Items that will not be subsequently reclassified into profit or loss:			
Re-measurement gain/(loss) on retirement benefits obligations	31(c)	(755)	1,889
Deferred tax liability/(asset) on re-measurement benefit obligation	17(c)	227	(567)
Fair value gain(loss) on equity investment	20	123,494	7,055
Deferred tax liability/(asset) on re-measurement gain/(loss) on equity investment	17(c)	(37,048)	(42,097)
Total other comprehensive income for the period		85,917	(33,720)
Total comprehensive income for the period		151,443	46,374
Earnings per share of Birr 1000 par value	33	56.64	76.05



Goh Betoch Bank Share Company
Statement of Financial Position
As at 30 June 2025

		30 June 2025	30 June 2024
	Notes	Birr'000	Birr'000
ASSETS			
Cash and bank balance	18	402,568	190,398
Loans and advances to customers	19	1,657,970	1,536,454
<i>Investment Securities:</i>			
Equity Investments at fair value-OCI	20	462,413	306,830
Financial Assets at amortized cost (Bonds)	20	227,875	167,265
Other assets	21&22	307,182	345,741
Right of use assets	23	112,366	48,065
Property, plant and equipment	24	167,281	175,906
Intangible Assets-Software	25	50,748	63,501
Construction in progress	26	24,607	24,607
Non current asset held for sale	27	221,484	-
Profit tax receivables	17	8,616	-
Deferred tax asset	17(c)	-	1,183
Total assets		3,643,110	2,859,950
LIABILITIES			
Deposits from customers	28	1,318,496	1,024,353
Current tax liabilities	17	-	-
Lease Liability	29	68,354	35,584
Other liabilities	30	240,223	64,135
Defined benefits obligation	31	8,201	4,844
Profit tax payable	17	8,616	-
Deferred tax liabilities	17(d)	111,250	48,377
Total liabilities		1,755,140	1,177,293
EQUITY			
Share Capital	32	1,510,830	1,411,240
Retained Earning/(Loss)	34	52,383	22,976
Legal Reserve	35	39,654	23,272
Regulatory Risk Reserve	36	42,710	43,098
General Reserve	37	-	1,741
Other Reserve-OCI	38	242,393	180,330
Total equity and liabilities		3,643,110	2,859,950

The financial statements were approved and authorized for issue by the Board of Directors on October 12, 2025 and were signed on its behalf by:


Belachew Hurrissa
Chairperson of Board of Directors




Girum Tsegaye
Chief Executive Officer

Goh Betoch Bank Share Company

Statement of Changes in Equity

For the year ended 30 June 2025

Notes	Share Capital Birr'000	Retained Earning/(Loss) Birr'000	Legal Reserve Birr'000	Regulatory Risk Reserve Birr'000	General Reserve Birr'001	Other Reserve-OCI Birr'000	TOTAL Birr'000
As at 1 July 2023	1,320,680	880	3,249	6,003	949	213,483	1,545,244
32 Issues of ordinary shares	90,560						90,560
34 Profit after tax		80,093					80,093
34 Prior period adjustment							-
Dividend paid							-
38 Re-measurement on equity & benefit plan						(33,153)	(33,153)
35 Transfer to legal reserve		(20,023)	20,023				-
36 Regulatory Risk Reserve		(37,095)		37,095			-
37 Transfer to general reserve		(880)			792		(88)
As at 30 June 2024	1,411,240	22,976	23,272	43,098	1,741	180,330	1,682,657
As at 1 July 2024	1,411,240	22,976	23,272	43,098	1,741	180,330	1,682,657
32 Issues of ordinary shares	99,590						99,590
34 Profit after tax		65,526					65,526
34 Prior period adjustment		2,851				(23,868)	(21,017)
Dividend paid		(22,976)			(1,741)		(24,717)
38 Re-measurement on equity & benefit plan		(16,382)				85,917	85,917
35 Transfer to legal reserve		388	16,382	(388)			-
36 Regulatory Risk Reserve							-
37 Transfer to general reserve							-
As at 30 June 2025	1,510,830	52,383	39,654	42,710	-	242,394	1,887,971
						0	0



Goh Betoch Bank Share Company

Statement of Cash Flow

For the year ended 30 June 2025

		30 June 2025	30 June 2024
	Notes	Birr'000	Birr'000
Cash flows from operating activities			
Cash generated from operations	39	147,902	(137,208)
Income tax paid			
Net cash (outflow)/inflow from operating activities		147,902	(137,208)
Cash flows from investing activities			
Purchase of investment securities	21	-	(90,507)
Purchase of equity investment	20	(32,090)	(32,867)
Construction in progress	26		84,929
Purchase of property, plant and equipment	24	(11,285)	(37,579)
Purchase of intangible assets	25	-	(42,076)
Lease liability	29	32,770	(85,075)
Proceeds from disposal of property, plant and equipment	39	-	75,443
Net cash (outflow)/inflow from investing activities		(10,605)	(127,732)
Cash flows from financing activities			
Issuance of shares	32	99,590	90,560
Dividend paid	34	(24,717)	-
Decrease in general reserve			
Transfer to reserves	37		(88)
Net cash (outflow)/inflow from financing activities		74,873	90,472
Net increase/(decrease) in Cash and bank balances		212,170	(174,468)
Cash and Bank balances at the beginning of the year	18	190,398	364,866
Cash and bank balances at the end of the year	18	402,568	190,398



Goh Betoch Bank Share Company
Note to the Financial Statements
For the year ended 30 June 2025

1 General information

Goh Betoch Bank or "the Bank" is a share company domiciled in Ethiopia. The Bank was established on October 8, 2020 in accordance with the provision of the commercial code of Ethiopia, and the banking business proclamation. The Bank's registered office is:

Bole Sub city Woreda 2,
Zimbabwe Street,
P.O.Box 1704 code 1250
Addis Ababa, Ethiopia.

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

2 Summary of significant accounting policies

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

2.1 Basis of preparation

The financial statements of the Bank have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB).

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.

2.2 Changes in accounting policies and disclosures

The Bank has consistently applied the accounting policies to all periods presented in these consolidated and separate financial statements. There may be new IFRSs or amendments to existing ones that are expected to be applicable in the subsequent periods. The summary of these standards, and their impacts are stated here:

2.2.1 New standards, amendments and interpretations

Pronouncement and Effective date

Effective 1 January 2025:

Amendments to IAS 21 introduce new requirements for recognizing and disclosing transactions in currencies that are not exchangeable.

Effective 1 January 2026:

Updates to IFRS 9 and IFRS 7 refine the classification and derecognition of financial instruments, address ESG-linked features, and expand disclosure obligations, annual improvements enhance the clarity and consistency of IFRS 1, 7, 9, 10, and IAS 7, and additional guidance is introduced for contracts related to nature-dependent electricity.

Effective 1 January 2027:

IFRS 18 supersedes IAS 1, establishing revised standards for financial statement presentation and disclosure, and IFRS 19 provides simplified disclosure requirements for subsidiaries that do not have public accountability.

2.2.2 Impact on Bank's financial statements

The Bank shall implements the amendments upon their effective dates, and these modifications are anticipated to have no material impact on the financial statements.

2.3 Basis of measurement

The financial statements have been prepared under the historical cost convention with the exception of the following:

- (i) Financial assets and liabilities measured at amortized cost;
- (ii) Derivative financial instruments which are measured at fair value; and
- (iii) Non-derivative financial instruments (with fixed or determinable payments that are not quoted in an active market) carried at fair value through profit or loss, or fair values through OCI measured at fair value.



Goh Betoch Bank Share Company
Note to the Financial Statements
For the year ended 30 June 2025

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. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated and separate financial statements are disclosed in Notes.

2.4 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (functional currency). All values are rounded to the nearest thousand, except when otherwise indicated. The financial statements are presented in thousands of Ethiopian Birr (Birr' 000).

2.5 Foreign currency translation

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at historical cost are translated to the functional currency using the exchange rate at the transaction date, and those measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined and are recognized in the profit or loss. When a gain or loss on non-monetary item is recognized in other comprehensive income, any exchange component of that gain or loss shall be recognized in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognized in profit or loss, any exchange of that gain or loss shall be recognized in profit or loss.

2.6 Cash and cash equivalents

For the purposes of the statement of cash flow, cash and cash equivalents comprise balances with original maturities of three (3) months or less than three months 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. They include cash and non-restricted balances with central banks, treasury bills and other eligible bills, amounts due from other banks and short-term government securities.

2.7 Going concern

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

2.8 Financial instruments

2.8.1 Financial assets

(a) Initial recognition and measurement:- Financial instruments are recognized initially when the Bank becomes a party to the contractual provisions of the instruments. Financial instruments carried at fair value through profit or loss are initially recognized at fair value with transaction costs, which are directly attributable to the acquisition or issue of the financial instruments, being recognized immediately through profit or loss.

Financial instruments that are not carried at fair value through profit or loss are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial instruments. Financial instruments are recognized or de-recognized on the date the Bank settles the purchase or sale of the instruments (settlement date accounting).



Goh Betoch Bank Share Company
Note to the Financial Statements
For the year ended 30 June 2025

(b) Subsequent measurement:- Subsequent to initial measurement, financial instruments are measured either at amortized cost or fair value depending on their classification category.

(c) Classification of financial assets

Subsequent to initial recognition, all financial assets within the Bank are measured at:

- (i) amortized cost;
- (ii) fair value through other comprehensive income (FVOCI); or
- (iii) fair value through profit or loss (FVTPL).

The Bank's financial assets are subsequently measured at amortized cost if they meet both criteria ('(i) Hold to collect and sell' business model and '(ii) 'SPPI' contractual cash flow characteristics) are not designated at FVTPL.

(d) Debt instruments:- contractual obligations of the issuer to repay the lender in accordance with a specified maturity and under the contractual terms) are measured at amortized cost by the Bank if they meet both of the following criteria and are not designated at FVTPL:

- (i) 'Hold to collect and sell' business model test: The asset is held within a business model whose objective is achieved by both holding the financial asset in order to collect contractual cash flows and selling the financial asset; and
- (ii) 'SPPI' contractual cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

All other financial assets including equity investments are measured at fair value.

A financial asset is classified and measured at fair value through profit or loss (FVTPL) by the Bank if the financial asset is:

1. A debt instrument that does not qualify to be measured at amortized cost or FVOCI;
 2. An equity investment which the Bank has not irrevocably elected to classify as FVOCI and present subsequent changes in fair value in OCI;
- (i) 'Hold to collect' business model - The asset is held within a business model whose objective is to hold the financial asset in order to collect contractual cash flows; and associated with the principal amount outstanding during a particular period of time.
 - (ii) SPPI contractual cash flow characteristics - The contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding on a specified date. Interest in this context is 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.

2.8.2 Financial liabilities

Financial liabilities are either classified as:

- (i) Financial liabilities at amortized cost; or
- (ii) Financial liabilities at fair value through profit or loss (FVTPL).

Financial liabilities are measured at amortized cost unless either:

- (i) The financial liability is held for trading and is therefore required to be measured at FVTPL, or
- (ii) The Bank elects to measure the financial liability at FVTPL (using the fair value option).



Goh Betoch Bank Share Company
Note to the Financial Statements
For the year ended 30 June 2025

2.8.3 Financial guarantees contracts and loan commitments

A financial guarantee contract is a contract that requires the Bank (issuer) to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Loan commitments are commitments to provide credit under pre-specified terms and conditions. Financial guarantees issued or commitments to provide a loan at a below-market interest rate are initially measured at fair value. Subsequently, they are measured at the higher of the loss allowance determined in accordance with IFRS 9 and the amount initially recognized less, when appropriate, the cumulative amount of income recognized in accordance with the principles of IFRS-15.

The Bank has issued no loan commitments that are measured at FVTPL. Liabilities arising from financial guarantees and loan commitments are included within provisions. The Bank conducts business involving commitments to customers.

The majority of these facilities are set-off by corresponding obligations of third parties. Contingent liabilities and commitments comprise usance lines and letters of credit. Usance and letters of credit are agreements to lend to a customer in the future subject to certain conditions. An acceptance is an undertaking by a bank to pay a bill of exchange drawn on a customer.

Letters of credit are given as security to support the performance of a customer to third parties. As the Bank will only be required to meet these obligations in the event of the Customer's default, the cash requirements of these instruments are expected to be considerably below their nominal amounts.

Contingent liabilities and commitments are initially recognized at fair value. The carrying amount of contingent liabilities are subsequently measured at the higher of the present value of any expected payment when a payment under the contingent liability has become probable.

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

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as 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.

The Bank holds a portfolio of long-term fixed-rate loans for which the Bank has the option to revise the interest rate. These reset rights are limited to the market rate at the time of revision. But the Bank has determined that the contractual cash flows of these loans are SPPI because the option varies the interest rate in a way that is consideration for the time value of money, credit risk, other basic lending risks and costs associated with the principal amount outstanding.

2.8.5 Reclassifications

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

2.8.6 Derecognition of Financial assets

The Bank derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire (see also Modifications of financial assets and financial liabilities), 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 in which the Bank neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.



Goh Betoch Bank Share Company
Note to the Financial Statements
For the year ended 30 June 2025

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 is recognized in profit or loss.

2.8.7 Derecognition of Financial liabilities

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

2.8.8 Modifications of financial assets

A financial asset is derecognized by the Bank when its terms are modified and the cash flows are significantly different. In such cases, the original rights to cash flows are considered expired, leading to the derecognition of the original asset and the recognition of a new financial asset at fair value, plus any applicable transaction costs. Fees associated with the modification are handled as follows:

- Fees that affect the fair value of the new asset or reimburse eligible transaction costs are included in the asset's initial measurement.
- Other fees are recognized in profit or loss as part of the gain or loss on derecognition.

If the modification of a financial asset measured at amortized cost or FVOCI does not result in derecognition of the financial asset, then, any costs or fees incurred and fees received as part of the modification adjust the gross carrying amount of the modified financial asset and are amortized over the remaining term of the modified financial asset.

2.8.9 Modifications of financial liabilities

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

If the modification of a financial liability is not accounted for as derecognition, then the amortized cost of the liability is 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.

2.8.10 Offsetting

Financial assets and liabilities are offset and shown as a net amount in the statement of financial position only if the Bank has a legally enforceable right to set off the amounts and intends to either settle them on a net basis or realize the asset and settle the liability at the same time. Income and expenses are presented on a net basis only when allowed under IFRS or for gains and losses from similar transactions by the Bank.

2.9 Amortized cost measurement

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

2.10 Fair value measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Bank has access at that date. The fair value of a liability reflects its non-performance risk which is the risk that a liability won't be settled as expected.



Goh Betoch Bank Share Company
Note to the Financial Statements
For the year ended 30 June 2025

The best evidence of the fair value of a financial instrument at initial recognition is the transaction price – i.e. the fair value of the consideration given or received. However, in some cases the initial estimate of fair value of a financial instrument on initial recognition may be different from its transaction price. If this estimated fair value is evidenced by comparison with other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable markets, then the difference is recognized in profit or loss on initial recognition of the instrument. In other cases, the fair value at initial recognition is considered to be the transaction price and the difference is not recognized in profit or loss immediately but is recognized over the life of the instrument on an appropriate basis or when the instrument is redeemed, transferred or sold, or the fair value becomes observable.

2.11 Assets pledged as collateral

Financial assets transferred to external parties and which do not qualify for de-recognition are reclassified in the statement of financial position from treasury bills and investment securities to assets pledged as collateral, if the transferee has received the right to sell or re-pledge them in the event of default from agreed terms. Assets pledged as collateral are initially recognized at fair value, and are subsequently measured at amortized cost or fair value as appropriate. These transactions are performed in accordance with the usual terms of securities lending and borrowing.

2.12 Impairment

The Bank recognizes loss allowances for ECL on the following financial instruments that are not measured at FVTPL:

- Financial assets that are debt instruments;
- Lease receivables;
- Financial guarantee contracts issued; and
- Loan commitments issued.

No impairment loss is recognized on equity investments. The Bank measures loss allowances at an amount equal to lifetime ECL, except for the following, for which they 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 on which credit risk has not increased significantly since their initial recognition.

12-month ECL are the portion of ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Financial instrument for which a 12-month ECL is recognized are referred to as 'stage 1 financial instruments'. Life-time ECL are the ECL that result from all possible default events over the expected life of the financial instrument. Financial instruments for which a lifetime ECL is recognized but which are not credit-impaired are referred to as 'Stage 2 financial instruments'.

Financial instruments for which lifetime ECL is recognized which are credit impaired are referred to as 'Stage 3 financial instruments'. Loss allowances for other assets and lease receivables are always measured at an amount equal to lifetime ECL. The Bank considers debt investment securities to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade' or its is a sovereign debt instruments issued in the local currency.

2.13 Measurement of ECL

ECL are a probability-weighted estimate of credit losses. They are measured as follows:

(i) Financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Bank expects to receive);

(ii) Financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows;



Goh Betoch Bank Share Company
Note to the Financial Statements
For the year ended 30 June 2025

(iii) **Undrawn loan commitments:** as the present value of the difference between the contractual cash flows that are due to the Bank if the commitment is drawn down and the cash flows that the Bank expects to receive; and

(iv) **Financial guarantee contracts:** the expected payments to reimburse the holder less any amount that the Bank expects to recover.

2.14 Reversal of Impairment and Backward Transfer Criteria

When the Bank has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period but determines at the current reporting date that criteria for recognizing the lifetime ECL is no longer met i.e. cured, the Bank measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

IFRS 9 states that when a financial asset moves from Stage 3 (credit-impaired) to Stage 2 (not credit-impaired), a reversal of impairment should occur. The reversal amount is recognized in profit or loss.

For backward transfers, a financial instrument can move from Stage 2 to Stage 1 when there is significant improvement in credit risk, typically assessed over a period where evidence supports that the risk has stabilized. The reversal of ECL would then reflect only the 12-month ECL going forward.

2.15 Credit-impaired financial assets

At reporting date, the Bank assesses whether financial assets carried at amortized cost are credit-impaired referred to as 'Stage 3 financial instruments. A financial asset is '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 reorganisation; or
- The disappearance of an active market for a security because of financial difficulties.

2.16 Presentation of allowance for ECL in the statement of financial position

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

Financial assets measured at amortized cost: as a deduction from the gross carrying amount of the assets;

Loan commitments and financial guarantee contracts: generally, as a provision.

2.17 Collateral

The Bank secures collateral from customers as needed to manage credit risk exposure. This collateral typically consists of a lien on the customer's assets, providing the Bank a claim on those assets if the customer defaults.

2.18 Property, and equipment

Property and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Where significant parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Bank and the cost of the item can be measured reliably.



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All other repairs and maintenance are charged to profit or loss during the financial year in which they are incurred. Property and equipment are depreciated on the straight line basis to their residual values over the estimated useful lives of the assets. Depreciation is included in profit or loss. Depreciation is calculated on a straight line basis to write down the cost of property and equipment to their residual values over their estimated useful lives as follows:

Asset class	Useful life (Years)	Residual Value
Buildings	50	10%
Motor vehicles	10	10%
Furniture and fittings-medium lived	10	1%
Furniture and fittings-long lived	20	1%
Office equipment-short lived	5	1%
Office equipment-long lived	10	1%
Computer and accessories	7	1%
Intangible assets	6	0%
Right of use assets	Lease term	

2.19 Construction/work in progress

Construction/work in progress consists of items of property and equipment that are not yet available for use. Work in progress is carried at cost less any required impairment. Depreciation starts when assets are available for use. An impairment loss is recognized if the asset's recoverable amount is less than cost. The asset is reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. Once the items are available for use, they are transferred to relevant classes of property and equipment as appropriate.

2.20 De-recognition of property and equipment

Property and equipment are derecognized on disposal, or when no future economic benefits are expected from their use or disposal. Gains and losses on disposal are determined by comparing proceeds with carrying amount. These are included in profit or loss. Depreciation methods, useful lives and residual values are reassessed at each reporting date and adjusted if appropriate.

2.21 Intangible assets

Computer software:- Software that is not integral to the related hardware acquired by the Bank is stated at cost less accumulated amortization and accumulated impairment losses. Costs associated with maintaining computer software programs are recognized expenses as they are incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Bank, are recognized as intangible assets when the following criteria are met:

(i) it is technically feasible to complete the software product so that it will be available for use; (ii) management intends to complete the software product and use or sell it; (iii) there is an ability to use or sell the software product; (iv) it can be demonstrated how the software product will generate probable future economic benefits (v) adequate technical, financial and other resources to complete the development and to use/sell the software product are available (vi) the expenditure attributable to the software product during its development can be reliably measured.

2.22 Impairment of non-financial assets

The carrying amounts of the Bank's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each period at the same time.



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2.23 Leases

It is an on-balance sheet accounting model for leases. As a result, the Bank, as a lessee has recognized the right-of-use assets representing its right to use the underlying assets and lease liabilities representing its obligation to make lease payments. The major lease transaction wherein the Bank is a lessee relates to the lease of Bank's branches.

The interest expense part of the lease payment is charged to the income statement over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payment made.

The Bank does not apply the standard to leases with a remaining term of 12 months. Additionally, leases with maximum lease term of less than 12 months and amount less than equivalent to \$5,000.00 at buying rate are exempted. Average borrowing interest rate of 6% was applied. The borrowing rate was based on the industry average cost of fund.

2.24 Provisions

Provisions are recognized when the Bank has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provisions are determined by discounting the expected future cash flows that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Contingent liabilities are possible obligations that arise from past events whose existence will be confirmed only by the occurrence, or non-occurrence, of one or more uncertain future events not wholly within the Bank's control. Contingent liabilities are not recognized in the financial statements but are disclosed in the notes to the financial statements.

2.25 Employee benefits

2.25.1 Post-employment benefits

(a) Defined contribution plan:- A defined contribution plan is a pension plan under which the Bank pays fixed contributions into a separate entity. The Bank has no legal or constructive obligations to pay further contributions. For defined contribution plans, the Bank makes contributions on behalf of qualifying employees to a mandatory scheme under the provisions of the Ethiopian Private Organization Employees Social Security Agency. The contributions are recognized as employee benefit expense when they are due. The contribution by employees and the Bank are 7% and 11% respectively of the employees' basic salary.

(b) Defined benefit plan

The liability or asset recorded on the balance sheet for defined benefit obligation plans represents the present value of the defined benefit obligation at the end of the reporting period, minus the fair value of plan assets. This obligation is calculated annually by independent actuaries using the projected unit credit method.

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. Past-service costs are recognized immediately in profit(loss).

Actuarial gains and losses resulting from experience adjustments and changes in actuarial assumptions are recognized in equity as other comprehensive income in the period they occur.



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2.25.2 Short-term benefits

Short-term benefits consist of salaries, accumulated leave allowances, bonuses and other benefits. Short-term employee benefits are measured on an undiscounted basis and are expensed as the related services are provided. They are included in salary expenses in the profit or loss. A liability is recognized for the amount expected to be paid under short-term cash benefits such as accumulated leave and leave allowances if the Bank has a present legal or constructive obligation to pay this amount as a result of past services provided by the employee and the obligation can be measured reliably.

2.25.3 Termination benefits

The Bank recognizes termination benefits as an expense excluding dismissals whose employment is terminated by the bank before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits, and the Bank settles termination benefits within twelve months and are accounted for as short-term benefits.

2.26 Share capital and reserves

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

(ii) Share premium:- Premiums from the issue of shares are reported in share premium.

(iii) Dividends on ordinary shares:- are recognized in equity in the period in which they are approved by the Bank's shareholders. Dividends for the period that are declared after the end of the reporting period are dealt with in the subsequent events note.

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

(v) Legal reserve:- The Ethiopian banking regulations require the Bank to make an annual appropriation to a statutory reserve. As stipulated by National Bank of Ethiopia directives No. SBB/4/95, of the Bank's an appropriation of 25% of profit after tax is made if the statutory reserve is less than the paid-up share capital and 10% of profit after tax if the statutory reserve is greater than the paid-up share capital.

(vi) Retained earnings:- comprise the undistributed profits from previous periods which have not been reclassified to any specified reserves.

(vii) Fair value reserve:- comprises fair value movements on equity instruments carried at FVOCI.

2.27 Recognition of interest income and expense

2.27.1 Interest income and expense

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 at a constant rate to: (i) the gross carrying amount of the financial asset; or (ii) the amortized cost of the financial liability.

2.27.2 Calculation of interest income and expense

The effective interest rate of a financial asset or financial liability is calculated on initial recognition of a financial asset or a financial liability. In calculating interest income and expense, the constant 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. The effective interest rate is revised as a result of periodic re-estimation of cash flows of floating rate instruments to reflect movements in market rates of interest.

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.



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2.28 Fee and commission income and expense

Fee and commission income and expense are integral to a financial asset or financial liability. The calculation includes transaction costs and fees either paid or received. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

Loan processing and collateral estimation fees are recognized as income over the period of the loan. Fees collected upfront are initially recorded as deferred income and amortized over the loan term.

2.29 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 income statement and it is further broken down into realized and unrealized portion.

2.30 Operating expense

Expenses are decreases in economic benefits during the accounting period in the form of outflows, depletion of assets or incurrence of liabilities that result in decrease in equity, other than those relating to distributions to equity participants.

Expenses are recognized on an accrual basis regardless of the time of spending cash. Expenses are recognized in the income statement when a decrease in future economic benefit related to a decrease in an assets or an increase of a liability has arisen that can be measured reliably. Expenses are measured at historical cost.

Only the portion of cost of a previous period that is related to the income earned during the reporting period is recognized as an expense. Expenses that are not related to the income earned during the reporting period, but expected to generate future economic benefits, are recorded in the financial statement as assets. The portion of assets which is intended for earning income in the future periods shall be recognized as an expense when the associated income is earned.

Expenses are recognized in the same reporting period when they are incurred in cases when it is not probable to directly relate them to particular income earned during the current reporting period and when they are not expected to generate any income during the coming years.

2.31 Current and deferred tax

(i) Current tax:- comprises the expected tax payable or receivable on the taxable income or loss for the year, and any adjustment to tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date and is assessed as follows: - Company income tax is computed on taxable profits based on the tax regulation.

(ii) Deferred tax:- is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Bank expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.



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Deferred tax assets and liabilities are only offset when there is a legally enforceable right to offset current tax liabilities against current tax assets and the intention to settle on a net basis or to realize the asset and settle the liability simultaneously.

3 Financial risk management

The Bank is exposed to various types of financial risks, the most important of which are credit risk, liquidity risk and market risk. The Bank's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Bank's financial performance.

3.1 Risk management structure

The Board of Directors has the overall responsibility for the establishment and oversight of the Bank's risk management framework. The Board of Directors has established various committees, which are responsible for monitoring the Bank's risk in their specified areas. The senior management has the responsibility to develop and implement risk management policies and procedures. The risk and compliance department is responsible for monitoring compliance with the Bank's risk management policies and procedures and for reviewing the adequacy of the risk management framework in relation to the risks faced by the Bank and reports to the Board regarding risk management issues. Asset Liability Committee (ALCO) is responsible for managing the Bank's financial assets and financial liabilities and the overall financial performance.

3.2 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. 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.

3.3 Risk mitigation

The Bank uses various mitigating techniques to reduce its risk to the level acceptable. It uses Board approved risk tolerance limit as a risk limit control. This risk tolerance limit is composed of risk limit by sector, by credit product, by maturity, by geography and risk grade. The Bank also apply the limits imposed by National Bank of Ethiopia such as single borrower limit, related party limit, liquidity requirement, and capital adequacy.

In addition, the Bank has established an appropriate risk management environment, sound credit, liquidity and capital management policies and strategies.

3.4 Credit risk

Credit risk is the risk that a customer or counterparty will default on its contractual obligations resulting in financial loss to the Bank. The Bank's main income generating activity is lending to customers and therefore credit risk is the principal risk. Exposure to credit risk is managed through periodic analysis of the ability of borrowers and potential borrowers to determine their capacity to meet principal and interest thereon and restructuring such limits as appropriate. Exposure to credit risk is also mitigated, in part, by obtaining collateral, commercial and personal guarantees.

3.5 Management of credit risk

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



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3.6 Credit quality analysis

An analysis of the Bank's credit risk exposure per class of financial assets without taking into account the effects of any collateral or other credit enhancements is provided on the following table:

3.6.1 Loans and advances to customers

	30 June 2025			30 June 2024
	Birr'000			Birr'000
	Stage 1	Stage 2	Stage 3	Total
Stage 1	1,633,754	15,472	22,747	1,671,973
Stage 2		-		118,305
Stage 3				-
Total gross exposure	1,633,754	15,472	22,747	1,671,973
Loss allowance	(11,721)	(202)	(2,080)	(14,003)
Net carrying amount	1,622,033	15,270	20,667	1,657,970

3.6.2 Off balance sheet items

	30 June 2025			30 June 2024
	Birr'000			Birr'000
	Stage 1	Stage 2	Stage 3	Total
Stage 1	324,902			324,902
Stage 2		-		-
Stage 3			-	-
Total gross exposure	324,902	-	-	324,902
Loss allowance	(8,823)			(8,823)
Net carrying amount	316,079	-	-	316,079

The off balance sheet items include Loan commitments includes unutilized revolving credit facilities, letter of credits, and all types of guarantees.

3.6.3 Credit concentrations by sector

The Bank monitors credit risk by sectorial distribution against its own risk concentration limit. An analysis of concentrations of credit risk at 30 June 2025 is give below.

Sectors	30 June 2025	30 June 2024
	Birr'000	Birr'000
Building and construction	792,739	942,661
Domestic Trade and Services	351,187	242,963
Export and Import	273,324	306,941
Hotel and Tourism	-	-
Manufacturing and Industry	25,466	-
Personal and consumer	229,257	59,271
Transport and Communication	-	-
Total gross exposure	1,671,973	1,551,836
- Less impairment	(14,003)	(15,382)
Net Amount	1,657,970	1,536,454



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3.6.4 Expected credit loss concentrations by sector

The table below details the expected credit loss distribution for loans and advances, categorized by product type, for both the current and previous years.

Sectors	30 June 2025	30 June 2024
	Birr'000	Birr'000
Building and construction	5,976	7,723
Domestic Trade & Services	2,785	1,581
Export and Import	1,548	1,486
Hotel and Tourism	-	-
Manufacturing and Industry	1,565	-
Personal and consumer	2,129	4,592
Transport and Communication	-	-
Total	14,003	15,382

3.6.5 Loan and advance by products

The table below provides a summary of the outstanding loans and advances, categorized into three stages by product type, for both the current and previous years.

Product	Stage 1	Stage 2	Stage 3	30 June 2025	30 June 2024
				Birr'000	Birr'000
Building and construction	787,034	-	5,705	792,739	942,661
Domestic Trade & Services	318,673	15,472	17,042	351,187	242,963
Export and Import	273,324	-	-	273,325	306,941
Hotel and Tourism	-	-	-	-	-
Manufacturing and Industry	25,466	-	-	25,466	-
Personal and consumer	229,257	-	-	229,257	59,271
Transport and Communication	-	-	-	-	-
Total	1,633,754	15,472	22,747	1,671,974	1,551,836

3.6.6 Expected credit loss by products

The table below provides a summary of the expected credit loss on loans and advances, categorized into three stages by product type, for both the current and previous years.

Product	Stage 1	Stage 2	Stage 3	30 June 2025	30 June 2024
				Birr'000	Birr'000
Building and construction	5,405	-	571	5,976	7,723
Domestic Trade Services	879	202	1,704	2,785	1,581
Export and Import	1,548	-	-	1,548	1,486
Hotel and Tourism	-	-	-	-	-
Manufacturing and Industry	1,565	-	-	1,565	-
Personal and consumer	2,129	-	-	2,129	4,592
Transport and Communication	-	-	-	-	-
Total	11,526	202	2,275	14,003	15,382



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3.6.7 Collateral on loans and advances

The Bank holds collateral against loans and advances in the form of building, machinery, Vehicles and other registered securities. The value collaterals in respect of loans and receivables are given below:

Collateral Concentration by sector

Sector	Building	Machinery	Vehicles	Others	30 June 2025	30 June 2024
					Birr'000	Birr'000
					Total Collaterals	Total Collaterals
Building and construction	1,647,205	-	-	-	1,647,205	1,508,272
Domestic Trade and Services	367,255	-	11,000	192,433	570,688	314,094
Export and Import	306,579	11,250	66,600	138,688	523,117	278,912
Hotel and Tourism	-	-	-	-	-	-
Manufacturing and Industry	29,919	-	-	-	29,919	-
Personal and consumer	262,454	-	27,080	11,217	300,751	78,182
Transport and Communication	-	-	-	-	-	-
Total	2,613,412	11,250	104,680	342,338	3,071,680	2,179,460
Less: Loan Impairment					(14,003)	(15,382)
Net					3,057,677	2,164,078

Management remains confident in its ability to maintain control and effectively manage the credit risk exposure within the Bank's loan and advances portfolio. The Others' category includes shares issued by other banks.

3.7 Amount arising from expected credit loss

3.7.1 Inputs, assumptions and techniques used for estimating impairment

Please refer to the accounting policy detailed in note 2.12.

3.7.2 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 assesement 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,

3.7.3 Credit risk grading

As a new entrant in the banking industry, we are in the process of establishing an internal credit risk grading framework. We are dedicated to developing a comprehensive system that leverages borrower data and other internal and external information to enhance transparency and risk evaluation. Meanwhile, we utilize the National Bank of Ethiopia's loan classification for risk assessment and adhere to a risk grading system based on IFRS requirements, incorporating forward-looking information (FLI).

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;



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

b) Overdraft exposures

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

3.7.4 Generating the term structure of PD

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

3.7.5 Determining whether credit risk has increased significantly

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

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

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

If there is evidence that there is no longer a significant increase in credit risk relative to initial recognition, then the loss allowance on an instrument returns to being measured as 12-month ECL. Some qualitative indicators of an increase in credit risk, such as delinquency or forbearance, may be indicative of an increased risk of default that persists after the indicator itself has ceased to exist.

In these cases, the Bank determines a probation period during which the financial asset is required to demonstrate good behaviour to provide evidence that its credit risk has declined sufficiently. When contractual terms of a loan have been modified, evidence that the criteria for recognising lifetime ECL are no longer met includes a history of up-to-date payment performance against the modified contractual terms.

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

- the criteria are capable of identifying significant increases in credit risk before an exposure is in default;
- the criteria do not align with the point in time when an asset becomes 30 days past due;
- the average time between the identification of a significant increase in credit risk and default appears reasonable;
- exposures are not generally transferred directly from 12-month ECL measurement to credit- impaired; and
- there is no unwarranted volatility in loss allowance from transfers between 12-month PD (Stage 1) and lifetime PD (Stage 2).

3.7.6 Definition of default

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

- the borrower is unlikely to pay its credit obligations to the Bank in full, without recourse by the Bank to actions such as realising security (if any is held);
- the borrower is more than 90 days past due on any material credit obligation to the Bank,.
- Overdrafts are considered as being past due once the customer has breached an advised limit or been advised of a limit smaller than the current amount outstanding; or
- it is becoming probable that the borrower will restructure the asset as a result of bankruptcy due to the borrower's inability to pay its credit obligations.



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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; and
- based on DATA developed internally and obtained from external sources that largely aligns with that applied by the Bank for regulatory capital purposes.

3.8 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.

External information considered includes economic data and forecasts generated by credible sources, 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.

3.8.1 Sector clustering and historical industry NPL

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

Sector Combination	Macroeconomic factor				
Cluster 1 Agriculture, Consumer Loans, Overdraft, and Interest Free Financing	M2, USD Nominal GDP, USD STER, Economic Growth	Goods imports, USD			
Cluster 2 Domestic Trade Services, Mining and Energy, Transport, Health, Merchandise and Financial services	Savings per capita, LCU Nominal GDP, LCU Transport & communications nominal GVA, LCU	Goods imports, USD			
Cluster 3 Building and Construction, Hotel and Tourism, Manufacturing, Industry, and real estate	PR, Security Risk M1, % of GDP Consumer price index inflation, 2010=100, eop	Goods imports, USD			
Cluster 4 Export, Import, Advance against import Bills, and International trade	Political Risk Index Lending rate, %, ave Central bank policy rate, %, eop	Goods imports, USD	Current account balance, USD	Import cover months	Real GDP, USD (2010 prices)

*Real GDP (LCU, 2010 prices) refers to the Gross Domestic Product (GDP) of a country, adjusted for inflation, and expressed in the local currency units (LCU) of the base year 2010. This measure helps to compare the economic output of different years by removing the effects of price changes over time.

**The Consumer Price Index (CPI) inflation, 2010=100, eop refers to the measure of the average change in prices over time that consumers pay for a basket of goods and services, with the base year set to 2010 (index = 100). "EOP" stands for "end of period," indicating that the index value is measured at the end of a specific period, such as a month or year.



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3.8.2 Statistical Analysis of Macroeconomic Data

The macroeconomic data set obtained from the sources were subjected to statistical analysis and normalization that involved:

- Elimination of incomplete historical and forecasted data;
- Estimation of semi-annual macroeconomic values; and
- Qualitative elimination of statistically insignificant factors.

3.8.3 Macroeconomic historical and forecasted data

The below steps were considered in quantifying the impact of macro-economic scenarios and subsequently determining the FLI analysis:

Step 1: Regress historical NPL's (the target variable) on a list of candidate macro-economic indicators. Lag the indicators as required to obtain the best fit – through analysing the correlation between each indicator and the target variable

Step 2: Consider the variables that were selected in the regression model (the most predictive indicators) – the relationships between the indicators and the target variable should be logical and the indicators should not be highly correlated with one another.

Step 3: Produce base case, best case (optimistic) and worst case (downturn) forecasts of the selected macro-economic indicators, based on trends in the indicators and macro-economic commentaries.

Step 4: Apply the regression formula obtained in Step 1 and 2 to the forecasted macro-economic indicators in step 3 in order to predict the target variable.

Step 5: Calculate base case, best case and worst case scalars of predicted target variables

3.8.4 Sector clustering and historical industry NPL

For the purpose of incorporating forward looking information into the ECL estimation, the NPL information of 17 member Banks, and their segmented exposures into homogeneous pools based on the Macroeconomic variables that affect the specific product type of the Bank.

3.8.5 Macroeconomic historical and forecasted data

- Macroeconomic variables / indicators were identified as a result of statistical analysis of the macroeconomic data set received from the credit rating agencies (S&P and Fitch) and the international organisation, the IMF.
- A statistically significant threshold of 50% was set in order to meet the highly correlated definition
- The scenario weighting performed in step 3 applied a 95% confidence level .
- At 95% confidence level, the number of standard deviation above or below the mean (Z-Score) was 1.96

Micro-economic factor	Jun-23	Jun-24	Jun-25
Consumer price index inflation, 2010=100, ave	763.82	959.96	1,131.52
Exports of goods and services, USD	10,163.16	9,435.45	7,190.30
Government domestic debt, LCU	1,711,834.87	2,095,039.47	2,425,405.02
Nominal GDP, LCU	7,328,259.08	9,765,072.05	12,050,982.17
Private final consumption, LCU	5,727,253.20	7,799,889.06	9,755,080.10
Total domestic demand, LCU	7,845,345.56	10,393,227.73	12,862,804.41
Savings, LCU	1,385,282.44	2,086,867.44	2,442,686.12
Population	124.94	128.11	131.32
Consumer price index inflation, 2010=100, eop	766.97	941.15	1,076.88
M1, LCU	518,230.82	583,000.41	659,488.15
M2, LCU	1,665,828.13	1,926,860.26	2,240,723.49
Current expenditure, LCU	548,963.66	616,751.84	790,988.13
Goods imports, USD	16,010.83	16,138.52	17,587.94
Goods exports, USD	3,711.59	3,672.11	4,361.86
Current account balance, USD	(4,970,521,099.00)	(4,599,280,813.00)	(4,141,870,833.33)
Import cover months	0.63	0.88	1.35



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Micro-economic factor	Jun-23	Jun-24	Jun-25
Total household spending, LCU	5,529,948.12	7,514,793.45	9,371,209.76
Nominal GDP, USD	137,853.99	144,927.85	113,766.06
Real GDP, LCU (2010 prices)	1,042,657.89	1,112,745.44	1,189,776.91
Real GDP, USD (2010 prices)	72,358.56	77,222.51	82,568.35
Real GDP per capita, USD (2010 prices)	579.13	602.77	628.76
Nominal GDP, USD (PPP)	374,678.95	409,756.75	443,051.80
Private final consumption, USD	107,737.00	115,761.68	92,091.83
Private final consumption per capita, USD	862.29	903.59	701.28
Government final consumption, LCU	499,796.37	606,562.84	717,917.21
Government final consumption, USD	9,401.81	9,002.27	6,777.42
Exports of goods and services, LCU	540,269.49	635,749.74	761,652.05
Exports of goods and services per capita, USD	81.34	73.65	54.75
Imports of goods and services, LCU	1,174,311.47	1,330,983.64	1,573,370.11
Imports of goods and services, USD	22,090.31	19,753.73	14,853.24
Total domestic demand, USD	147,581.05	154,250.60	121,429.98
Total domestic demand per capita, USD	1,181.18	1,204.02	924.69
Unemployment, % of labour force, ave	3.49	3.37	3.22
Real effective exchange rate index	27.66	15.90	7.42
Total revenue, LCU	637,726.67	791,545.69	1,021,869.42
Total revenue, USD	11,996.46	11,747.69	9,646.85
Total expenditure, LCU	855,217.12	1,025,425.24	1,327,659.92
Total expenditure, USD	16,087.73	15,218.80	12,533.64
Current expenditure, USD	10,326.71	9,153.49	7,467.24
Services imports, USD	7,541.96	7,895.97	8,468.47
Services exports, USD	7,195.79	7,756.70	8,609.65
Total reserves ex gold, USD	1,232.59	1,758.28	2,928.57
Total external debt stock, USD	31,935.96	37,352.61	43,600.93
Long-term external debt stock, USD	31,548.30	35,913.35	39,271.68
Public external debt stock, USD	30,446.77	34,659.41	39,271.68
Total government debt, USD	60,346.92	54,840.89	44,573.15
Total debt service, USD	1,775.59	1,954.54	2,507.64
M2, USD	124.94	128.11	131.32
Nominal GDP, USD (PPP), % y-o-y	124.94	128.11	131.32
STER, Economic Growth	30,480.84	22,948.56	16,877.63
Savings per capita, LCU	11.51	9.32	8.12
Transport & communications nominal GVA, LCU	33.17	17.32	10.00
Broad money (% of GDP) - Sovereign Scorecard	0.01	0.02	0.02
PR, Security Risk	7,328,259.08	9,765,072.05	12,050,982.17
M1, % of GDP	278,272.35	356,111.53	484,703.56
M2, % of GDP	22.73	19.73	18.59
Real GDP growth, % y-o-y	79.07	78.85	78.54
Foreign reserves ex gold, EUR	7.07	5.97	5.47
Political Risk Index	766.97	941.15	1,076.88
Lending rate, %, ave	22.73	19.73	18.59
Central bank policy rate, %, eop	5.92	6.72	6.92
M1, USD	1,135.37	1,641.05	2,739.51

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

The industry NPL data is arrived at by excluding outliers in the NPL information as exclusion of all NPL outlier information above 20% for all four-clusters and the weighted average of the historical data has then been computed to arrive at the final NPL data set used for the correlation analysis.

3.8.6 Summary of Scenario probability weightings

	Cluster 1	Cluster 2	Cluster 3	Cluster 4
As at June 2025				
Base	73.33%	73.33%	66.67%	66.67%
Downturn	6.67%	13.33%	13.33%	13.33%
Optimistic	20.00%	13.33%	20.00%	20.00%
Base	100.00%	100.00%	92.00%	100.00%
Downturn	0.00%	0.00%	8.00%	0.00%
Optimistic	0.00%	0.00%	0.00%	0.00%



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3.9 Restructured Financial Assets

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

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

When modification results in derecognition, a new loan is recognised and allocated to Stage 1 (assuming it is not credit-impaired at that time). The Bank renegotiates loans to customers in financial difficulties (referred to as 'forbearance activities') to maximise collection opportunities and minimise the risk of default. Under the Bank's forbearance policy, loan forbearance is granted on a selective basis if the debtor is currently in default on its debt or if there is a high risk of default, there is evidence that the debtor made all reasonable efforts to pay under the original contractual terms and the debtor is expected to be able to meet the revised terms.

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

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

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

3.10 Measurement of ECL

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

- (i) probability of default (PD);
- (ii) loss given default (LGD); and
- (iii) exposure at default (EAD).

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

The methodology for estimating Probability of Default (PD) involves analyzing historical default data, selecting and calibrating a suitable model, and applying macroeconomic adjustments to transform Through-The-Cycle (TTC) PDs into Point-In-Time (PIT) PDs. This process ensures accurate PD predictions over different time horizons.

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 amortisation. The EAD of a financial asset is its gross carrying amount at the time of default.

For lending commitments, the EADs are potential future amounts that may be drawn under the contract, which are estimated based on historical observations and forward-looking forecasts. For financial guarantees, the EAD represents the amount of the guaranteed exposure when the financial guarantee becomes payable. For some financial assets, EAD is determined by modelling the range of possible exposure outcomes at various points in time using scenario and statistical techniques.



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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 undergo regular review to ensure that exposures within each group remain appropriately homogeneous.

3.10.1 Loans and advances to customers

	30 June 2025			30 June 2024
	Birr'000			Birr'000
	Stage 1	Stage 2	Stage 3	Total
Balance at 1 July	1,433,575	118,305	-	1,551,880
Transfer to 12 months ECL	118,305	(118,305)	-	240,194
Transfer to Lifetime ECL not credit impaired	(15,472)	15,472	-	-
Transfer to Lifetime ECL credit impaired	(22,747)	-	22,747	-
Net remeasurement of Loss allowance	2,213	1,247	(2,080)	-
Net financial assets originated or purchased	106,159	(1,449)	-	104,710
Financial assets derecognized	-	-	-	-
Balance at 30 June 2025	1,622,033	15,270	20,667	1,657,970
Financial guarantee contracts	28,164	-	-	2,500
Off balance sheet exposures in total	28,164	-	-	2,500

3.10.2 Loans and Advances by Region

	30 June 2025			30 June 2024
	Birr'000			Birr'000
Regions	Stage 1	Stage 2	Stage 3	Total
Addis Ababa Region	1,394,374	15,472	18,760	1,428,606
Afar Region	-	-	-	-
Amhara Region	29,839	-	3,987	30,125
Benishangul-Gumuz Region	-	-	-	-
Central Ethiopia Regional State	-	-	-	-
Dire Dawa Region	121,136	-	-	117,507
Gambela Region	24,795	-	-	-
Harari Region	-	-	-	-
Oromia Region	23,227	-	-	5,352
Sidama Region	34,170	-	-	30,175
Somalia Region	-	-	-	-
South Ethiopia Regional State	6,213	-	-	-
South West Ethiopia Region	-	-	-	-
Tigray Region	-	-	-	-
Total	1,633,754	15,472	22,747	1,671,973



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3.10.3 Expected Credit Loss by Region

Regions	30 June 2025			30 June 2024
	Stage 1	Stage 2	Stage 3	
	Birr'000			Birr'000
	Total	Total	Total	Total
Addis Ababa Region	10,382	202	1,681	12,265
Afar Region	-	-	-	-
Amhara Region	160	-	399	559
Benishangul-Gumuz Region	-	-	-	-
Central Ethiopia Regional State	-	-	-	-
Dire Dawa Region	735	-	-	735
Gambela Region	228	-	-	228
Harari Region	-	-	-	-
Oromia Region	40	-	-	40
Sidama Region	147	-	-	147
Somalia Region	-	-	-	-
South Ethiopia Regional State	29	-	-	29
South West Ethiopia Region	-	-	-	-
Tigray Region	-	-	-	-
Total	11,721	202	2,080	14,003
				15,382

3.11 Credit quality of cash and cash equivalents

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

For foreign currency ratings agencies use a scale where BBB is considered investment grade, indicating good credit quality but with some susceptibility to adverse economic conditions.

However, cash and cash equivalents that held in foreign banks can be assessed by reference to credit rating agency designation as shown in the table below:

	30 June 2025	30 June 2024
	Birr'000	Birr'000
AAA ⁺		
AA		
BBB	175,488	32,715
Not rated	227,080	157,683
Total	402,568	190,398

3.12 Statement of prudential adjustments

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

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

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

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

The non-distributable reserve should be classified under Tier 1 as part of the core capital. During the year ended 30 June 2025, the transferred amount to/from the regulatory risk reserve also disclosed in note 36.



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3.12.1 Non-distributable reserve

On loans and advances

(i) Expected credit loss on loans- IFRS 9

Beginning
Current year ending balance
Net (increase)/decrease

(ii) Expected credit loss - NBE directives

Beginning
Current year ending balance
Net (increase)/decrease

Non-distributable reserve net (increase)/decrease

On other receivables

(i) Expected credit loss on receivables - IFRS 9

Beginning
Current year ending balance
Net (increase)/decrease based on IFRS standard

(ii) Expected credit loss on receivables- NBE directives

Beginning
Current year ending balance
Net (increase)/decrease

Non-distributable reserve net (increase)/decrease

Total transfer to regulatory risk reserve

	30 June 2025 Birr'000	30 June 2024 Birr'000
(i) Expected credit loss on loans- IFRS 9		
Beginning	15,381	6,951
Current year ending balance	14,003	15,381
Net (increase)/decrease	1,378	(8,430)
(ii) Expected credit loss - NBE directives		
Beginning	16,752	12,770
Current year ending balance	19,850	16,752
Net (increase)/decrease	(3,098)	(3,982)
Non-distributable reserve net (increase)/decrease	4,476	(4,448)
On other receivables		
(i) Expected credit loss on receivables - IFRS 9		
Beginning	2,479	5
Current year ending balance	3,153	2,479
Net (increase)/decrease based on IFRS standard	(674)	(2,474)
(ii) Expected credit loss on receivables- NBE directives		
Beginning	33,844	189
Current year ending balance	33,844	33,844
Net (increase)/decrease	-	(33,655)
Non-distributable reserve net (increase)/decrease	(674)	31,182
Total transfer to regulatory risk reserve	3,802	26,733

The Balance represents the difference between the provisions for credit and other known losses as determined under the NBE Directives, and the impairment reserve as determined in line with IFRS 9.

In addition, 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. However, As per the requirement of National Bank of Ethiopia, banks should derecognize interest income on impaired exposures, special attention should be paid to impaired exposures with a higher number of days past due (e.g. more than 90 days past due).

To comply with the directive of the NBE, the Bank shall reverse the suspended interest on impaired loans from retained earning account and transferred to Regulatory Risk reserve account as the amount is non- distributable to the shareholders.

3.13 Suspended interest

30 June 2025 30 June 2024

Birr'000 Birr'000

Write back suspended interest net of tax

	-	-
	-	-

3.14 Liquidity risk

Liquidity risk is the risk that the Bank, though solvent either does not have sufficient financial resources available to meet all its obligations and commitments as they fall due or can secure them only at excessive costs.

The bank's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Bank's reputation.

The daily liquidity position of the Bank is monitored and regular liquidity stress testing is conducted under a variety of scenarios covering both normal and more severe market conditions to ensure that sufficient liquidity is maintained.

The key measure used by the Bank for managing liquidity risk is the ratio of net liquid assets to net current liabilities. Details of the reported Bank' s ratio of net liquid assets to net current liabilities at the reporting date and during the reporting year were as follows:



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Ratio of net liquid assets to deposits

	30 June 2025 Birr'000	30 June 2024 Birr'000
At close of the year	34%	19%
Average for the year	25%	27%
Maximum for the year	34%	36%
Minimum for the year	16%	19%

3.15 Maturity groupings

The table below summarizes the Bank's liquidity risk as at 30 June 2025, categorized into relevant maturity groupings based on contractual maturity date.

	Below 1 year	1-3 years	over 3 years	Non Maturing	30 June 2025 Birr'000	30 June 2024
30 June 2025	Birr'000	Birr'000	Birr'000	Birr'000		
Financial Assets						
Cash and bank balances	402,568				402,568	190,398
Loans & advances to customers		390,000	1,267,970		1,657,970	1,536,454
Equity investments				462,413	462,413	306,830
Other Assets	307,182		227,875		535,057	513,006
Total Financial Assets (a)	709,750	390,000	1,495,845	462,413	3,058,008	2,546,688
Financial Liability						
Deposits from customers	606,696	313,500	398,300		1,318,496	1,024,353
Deposits from other banks		-		-	-	-
Other liabilities	240,223				240,223	64,135
Total financial liabilities (b)	846,919	313,500	398,300	-	1,558,719	1,088,488
Net mismatch (a - b)	(137,169)	76,500	1,097,545	462,413	1,499,289	1,458,200
Cumulative Mismatch	(137,169)	(60,669)	1,036,876	1,499,289	2,998,578	2,916,400

The cash flows presented in the table above are the undiscounted amounts to be settled in the future. The analysis shows that the Bank will not be exposed to liquidity risk in the future.

3.16 Market risk

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

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

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

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



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3.17 Foreign exchange risk

Foreign exchange risk is the risk that the fair value or future cash flows of financial instruments 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 currencies other than Ethiopian Birr. Management has set limits to manage the Bank's foreign exchange risk against its functional currency.

The total foreign currency denominated assets exposed to risk at 30 June 2025 was Birr 175.5 million.

Foreign currency denominated balances

	30 June 2025	30 June 2024
	Birr'000	Birr'000
Cash and bank balances		
USD	174,895	31,954
GBP	12	760
EURO	575	-
AED	6	-
Total	175,488	32,715

3.18 Sensitivity analysis for foreign exchange risk

Sensitivity analysis of foreign exchange risk measures the impact of currency rate fluctuation on profitability of the Bank with all other variables held constant. The following table summarizes the sensitivity to profit due to increase or decrease in foreign currency rate by 10% on foreign currency denominated monetary assets:

	30 June 2025	30 June 2024
	Birr'000	Birr'000
Assets		
Carrying	10%	10%
Amount	Appreciation	Depreciation
USD	174,895	17,490
GBP	12	1
EURO	575	58
AED	6	1
Total	175,488	17,549
		(17,549)
		(3,271)
Liabilities		
Carrying	10%	10%
Amount	Appreciation	Depreciation
USD	10,339	1,034
GBP	6,031	603
EURO	7,426	743
AED		
Total	23,796	2,380
		(2,380)
		(684)
Increase/(decrease)		15,169
Tax charge at 30%		(4,551)
Effect on net profit		19,720
As a percentage of net profit	30.09%	-30.09%
		-4.20%

On 30 June 2025 if the Birr had weakened/strengthened by 10% against the major trading currencies, with all other variables held constant, net profit would have been lower/higher by 19.72 million respectively, which poses minimum risk compared to the amount of profit.



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3.19 Interest rate risk

Interest rate is the risk that the future cash flows of financial instruments will fluctuate because of changes in the market interest rates. Interest margin may decrease as a result of such changes may increase losses in the event that unexpected movement arises.

The Bank closely monitors interest rate movements and seeks to limit its exposure by managing the interest rate and maturity structure of financial assets and liabilities carried on the statement of financial position.

	30 June 2025				30 June 2024
Interest rate risk	Carrying amount	Fixed	Floating	Non interest	
	Birr'000	Birr'000	Birr'000	Birr'000	
Financial Assets					
Cash and bank balances	402,568	269,637	18,531	114,400	402,568
Loans & advances to customers	1,657,970		1,657,970		1,657,970
Other Investment securities	227,875	227,875			227,875
Total Financial Assets (a)	2,288,413	497,512	1,676,501	114,400	2,288,413
Financial Liability					
Deposits from customers	1,318,496	1,318,496			1,318,496
Other liabilities	39,994			39,994	39,994
Total financial liabilities (b)	1,358,490	1,318,496	-	39,994	1,358,490

3.20 Sensitivity analysis for interest rate risk

Sensitivity analysis of interest rate risk measures the impact of interest rate fluctuation on profitability of the Bank with all other variables held constant. The following table summarizes the sensitivity to profit due to increase or decrease in interest rate by 10% on interest bearing financial assets and liabilities. The sensitivity is measured based on the assumption that there is parallel shift in the yield curve.

	30 June 2025		
Interest rate risk	Carrying	10%	10%
	Amount	Increase	Decrease
Interest Bearing assets			
DBE Bond	195,547	19,555	(19,555)
NBE Treasury Bond	32,340	3,234	(3,234)
Loans and Advance to Customers at amortized cost	1,657,970	165,797	(165,797)
Fixed Time deposit	-	-	-
Total Interest Bearing assets	1,885,857	188,586	(188,586)
Interest Bearing liabilities			
Deposits from banks			
Deposits from customers	916,227	91,623	(91,623)
Fixed Time deposit	402,269	40,227	(40,227)
Total Interest Bearing Liabilities	1,318,496	131,850	(131,850)
Net interest income increase/decrease	567,361	56,736	(56,736)

The sensitivity of the income statement is effect of assumed changes in interest rates on the profit or loss for the year, based on the floating rate non-trading financial assets and financial liabilities held at end of the year.



Goh Betoch Bank Share Company
Note to the Financial Statements
For the year ended 30 June 2025

3.21 Operational risks

- a) Requirements for appropriate segregation of duties, including the independent authorization of transactions
- b) Requirements for the reconciliation and monitoring of transactions,
- c) Compliance with regulatory and other legal requirements ,
- d) Documentation of controls and procedures ,
- e) Requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified,
- f) Requirements for the reporting of operational losses and proposed remedial action,
- g) Development of contingency plans,
- h) Training and professional development,
- i) Ethical and business standards,
- j) Risk mitigation, including insurance where this is effective.
- Compliance with Bank standards is supported by a programme of periodic reviews undertaken by Internal Audit. The results of Internal Audit reviews are

4 Capital management

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

Capital adequacy ratio

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

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

			30 June 2025	30 June 2024
			Birr'000	Birr'000
Capital				
Share capital			1,510,830	1,411,240
Legal reserve			39,654	23,272
Regulatory Risk Reserve	36		33,887	43,098
Other Reserve-OCI	38		242,393	180,330
General Reserves			-	1,741
Total regulatory capital			1,826,764	1,659,681
Risk weighted balance for on-balance sheet items				
	Weight(%)	Amount	30 June 2025 Birr'000	30 June 2024 Birr'000
Claims on other banks maturing within 12 months	20	248,920	49,784	21,342
Loans and advances to customers (net)				
-Residential Mortgage Loans (net)	50	753,093	376,547	368,414
-Others (net)	100	904,877	904,877	799,627
Investments	100	115,343	115,343	83,254
Property Plant and Equipment (net)	100	167,281	167,281	175,906
Intangible Assets (net)	100	50,748	50,748	63,501
Other Assets	100	1,249,180	1,249,180	810,428
Credit equivalents for off-balance sheet items				
Loans Commitments	50	1,458	729	27,626
Guarantees (bid bonds, Performance bonds, etc.)	50	314,607	157,303	240,652
Commercial letter of credit	20	89,558	17,912	-
Total RWBSA		3,895,065	3,089,704	2,590,749
Risk-weighted Capital Adequacy Ratio (CAR)			59.12%	55.44%
Tier 1 CAR minimum required capital			8.00%	8.00%
Excess			51.12%	47.44%



Goh Betoch Bank Share Company
Note to the Financial Statements
For the year ended 30 June 2025

5 Valuation models

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

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

Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical assets or liabilities.

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

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

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs). This category includes all assets and liabilities for which the valuation technique includes inputs not based on observable data 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.

Valuation technique using significant unobservable inputs is Level 3. The Bank has no financial assets measured at fair value upon subsequent recognition, nor are there any transfers between the fair value hierarchy categories. During the reporting periods covered by these annual financial statements, there were no movements between levels due to significant inputs in the fair valuation process becoming observable or unobservable.

The tables below show the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Fair value hierarchy

					30 June 2025	30 June 2024
	Carrying amount	Level 1	Level 2	Level 3	Birr'000	Birr'000
	Birr'000	Birr'000	Birr'000	Birr'000	TOTAL	TOTAL
Financial Assets						
Cash and bank balances	402,568	384,037	18,531		402,568	190,398
Loans & advances to customers	1,657,970			1,657,970	1,657,970	1,536,454
Equity Investments at fair value-OCI	462,413		462,413		462,413	306,830
Other Investment securities	227,875			227,875	227,875	167,265
Total Financial Assets (a)	2,750,826	384,037	480,944	1,885,845	2,750,826	2,200,947
Financial Liability					-	-
Deposits from customers	1,318,496			1,318,496	1,318,496	1,024,353
Deposits from other banks				-	-	-
Other liabilities	39,994			39,994	39,994	27,056
Total financial liabilities (b)	1,358,490	-	-	1,358,490	1,358,490	1,051,409



Goh Betocho Bank Share Company
Note to the Financial Statements
For the year ended 30 June 2025

6 Effective interest rate (EIR)

The Effective Interest Rate (EIR) method is a way of calculating the amortized cost of a financial asset or liability and of allocating the interest income or expense over the relevant period. The EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the net carrying amount of the financial asset or liability.

IFRS 9 Guidance

Paragraph 5.7.10 of IFRS 9: This paragraph states that interest revenue calculated using the effective interest method is recognized in profit or loss. This means that the interest income from financial assets measured at amortized cost or at fair value through other comprehensive income (FVOCI) is recognized in the income statement using the EIR method.

Paragraph B5.7.1 of IFRS 9: This paragraph explains that the effective interest method is a method of calculating the amortized cost of a financial asset or financial liability and of allocating the interest revenue or interest expense over the relevant period. The EIR method spreads the interest income or expense over the life of the financial instrument, ensuring that the interest recognized in each period reflects the time value of money and the effective yield on the financial instrument.

The determination of the effective interest rate (EIR) involves significant judgment, particularly in estimating the expected loan period and the timing of cash flows. The EIR is also applied to the amortized cost of the loan to recognize the processing fees over the loan term. Changes in these estimates can affect the amount of income recognized.

(i) Loans and Advances

Loans and advances are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortized cost using the effective interest rate method. Interest revenue is recognized in profit or loss using the effective interest method, as per IFRS 9.

Loans & advances

	30 June 2025	30 June 2024
	Birr'000	Birr'000
Interest income using amortized cost	292,763	250,625
Net interest income increment on loans using EIR	27,589	826
Previous period		
Total interest income using effective interest rate	320,352	251,451

(ii) Fees associated with financial instruments

The Bank earns fees from various sources, including processing fees and collateral estimation fees, which are recognized as income when earned. These fees are considered in the cash flow calculation of the Effective Interest Rate (EIR) on the loan.

Processing fees:

Processing fees are charged to customers for the provision of various services, including loan origination, loan servicing, and other related activities. These fees are recognized as income when the services are rendered and are included in the EIR calculation distributed over the loan period.

Collateral estimation fees:

Collateral estimation fees are charged to customers for the estimation of collateral values. These fees are recognized as income when the estimation services are rendered and are included in the EIR calculation distributed over the loan period.

Assumptions:

The Bank assumes that the fees earned, including processing fees and collateral estimation fees, are representative of the fees that will be earned over the life of the loan based on IFRS 9 in "Determining the effective interest rate".

The determination of the effective interest rate (EIR) involves significant judgment, particularly in estimating the expected loan period and the timing of cash flows. The EIR is applied to the amortized cost of the loan to recognize the processing fees over the loan term. Changes in these estimates can affect the amount of income recognized. The EIR is determined using an internal rate of return (IRR) method, where cash flows include all contractual payments, such as principal and interest, as well as processing, collateral estimation, and followup fees directly attributable to the acquisition of the loan.

The amortization of loan processing fees has been recognized as income in the income statement. The unearned portion of the processing fees is recorded as a liability under "Deferred loan processing and collateral estimation fees" in the statement of financial position.



Goh Betoch Bank Share Company
Note to the Financial Statements
For the year ended 30 June 2025

7 Interest income

Loans and advances to customers
NBE Treasury Bond
DBE Bond
Deposits in other Banks
Time deposit

30 June 2025	30 June 2024
Birr'000	Birr'000
292,763	250,625
14,965	10,645
1,925	850
3,659	11,146
-	-
313,312	273,266

8 Interest expense

Deposits from customers
Deposits from cooperatives and other Banks
Deposits from public agencies
Borrowings

30 June 2025	30 June 2024
Birr'000	Birr'000
73,842	56,648
-	-
-	-
9,448	-
83,290	56,648

Commission income Local
Commission income Foreign
Service charges Local
Service charges Foreign

30 June 2025	30 June 2024
40,343	16,835
10,272	5,234
199	1,845
32,909	13,677
83,723	37,591

10 Fee and commission expense

Other operating fees
Subscription & Publication fee
Telephone expenses
Fund transfer fees and expenses

30 June 2025	30 June 2024
Birr'000	Birr'000
1,438	2,511
7	7
7,807	2,537
9,252	5,055

11 Net gain on foreign exchange valuation

Gain on Foreign Exchange Valuation
Loss on Foreign Exchange Valuation

30 June 2025	30 June 2024
46,235	4,841
-	-
46,235	4,841

12 Other operating income

Rental income
Gain on disposal of properties
Dividend earned
Other income

30 June 2025	30 June 2024
Birr'000	Birr'000
-	-
6	81,961
29,822	15,320
1,078	1,110
30,906	98,391



Goh Betoch Bank Share Company
Note to the Financial Statements
For the year ended 30 June 2025

13 Loan impairment charge

Loan impairment charge

30 June 2025	30 June 2024
Birr'000	Birr'000
(1,378)	8,431
(1,378)	8,431

14 Impairment losses on other assets/liabilities

Impairment losses on other assets
 Impairment losses on Cash & bank Balance
 Impairment losses on Bonds
 Impairment on financial Guarantees

30 June 2025	30 June 2024
674	2,473
11	(8)
4	6
	1
689	2,472

15 Personnel expenses

Staff Salaries
 Staff allowances
 Pension costs – Defined Employee Benefit
 Defined Employee Benefit
 Other staff benefits

30 June 2025	30 June 2024
Birr'000	Birr'000
82,371	72,432
34,679	18,473
9,018	7,857
2,602	2,564
28,281	18,603
156,950	119,928

16 Other operating expenses

Advertisement & publicity
 Amortization Establishment Cost
 Audit fees
 Consultancy fee
 Cleaning & Sanitation
 Deposit Insurance Fund Expense
 Board of Directors' Fees
 Donations
 Entertainment
 Event organization expense
 Fuel and lubricants
 General Assembly
 Insurance
 IT support
 Loss on Disposal of Assets
 Meeting and Accommodation
 Office supplies
 Other operating expense
 Perdiem administration
 Prepaid Expense on Staff Loans
 Rental expenses
 Repairs and maintenance
 Security, Messengers & Janitors expenses
 Stamp Duty
 Sundries
 Telephone expenses
 Telephone, broad band and Internet
 Transportation
 Wages for non-permanent employees

30 June 2025	30 June 2024
Birr'000	Birr'000
12,479	14,382
-	-
765	673
1,589	1,179
3,605	3,210
1,060	1,880
1,112	53
416	234
139	-
1,003	713
1,625	2,317
1,477	1,418
31,682	32,349
-	-
365	120
4,172	2,030
404	209
372	104
3,371	2,956
38,727	32,495
1,575	1,094
9,729	5,972
12	15
304	43
1,878	1,190
1,195	853
142	40
120,817	106,926



Goh Betoch Bank Share Company
Note to the Financial Statements
For the year ended 30 June 2025

17 Taxation

(a) Company income and deferred tax

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:

Component of tax expenses	30 June 2025	30 June 2024
	Birr'000	Birr'000
Current tax expense	-	1,183
Deferred tax asset(c)	(3,367)	(4,501)
Deferred tax credit(c)	(3,367)	(3,318)
	30 June 2025	30 June 2024
	Birr'000	Birr'000
IFRS accounting profit before tax	68,893	83,411
<i>Add : Disallowed</i>		
Entertainment	416	234
Donation	1,112	53
Penalty	110	80
IFRS Depreciation and Amortization	32,668	29,762
IFRS Loan Impairment	1,378	8,431
IFRS Other assets impairment	28	2,473
IFRS impairment on financial Guarantees	(14)	1
IFRS Defined benefit expense	2,602	2,564
IFRS interest income using EIR on fees	-	2,865
20% of NBE Impairment on loans	620	796
Interest discounted on Lease Payment	2,980	1,443
Guarantee commission	-	4,302
Startup-cost	-	-
Staff Loan Prepaid Expense	3,371	2,969
Other Adjustments	-	-
Accrued leave expense	8	2,773
Sub total	45,279	58,746
<i>Less: Tax exempted</i>		
Depreciation for tax purpose	48,131	41,786
Provision for loans and advances for tax NBE 80%	2,479	3,186
Interest income taxed at source-local deposit	3,659	11,146
Startup cost 25%	6,527	6,527
IFRS interest income using EIR on loans	-	826
Interest taxed at source-DBE Bond	1,925	850
Interest taxed at source-Treasury Bond	14,965	10,645
Interest Income taxed at source-foreign	-	-
Dividend income taxed at source	29,822	15,319
Gain on Disposal of Assets	-	75,443
Sub total	107,507	165,728
Taxable profit	6,665	(23,571)
Loss brought forward	(23,571)	-
Loss carry forward	(16,906)	(23,571)

17a.1 Alternative minimum tax

The Federal Income Tax Amendment Proclamation No_1397/2025 Article 23 (1) states that if the profit tax to be paid for a tax period is less than 2.5% of total income of the year the tax is determined by multiplying total income by 2.5%. Accordingly the amount of tax payable is as follows:

Net interest income	230,021
Fee and commission income	83,723
Other operating income	30,905
	344,649
Tax payable 2.5%	8,616



Goh Betoeh Bank Share Company
Note to the Financial Statements
For the year ended 30 June 2025

	30 June 2025	30 June 2024
	Birr'000	Birr'000
(b) Current income tax liability		
Balance at the beginning of the year		
Prior year over /under paid		
Income tax expense	-	-
Payment during the year	-	-
	-	-

During the reporting period, the Bank recognized deferred tax assets and liabilities to account for temporary differences between the accounting and tax

	Credit/ (charge) to		30 June 2025	30 June 2024
	P/L	Equity		
	Birr'000	Birr'000	Birr'000	Birr'000
(c) Deferred income tax assets/(liabilities):				
Property, plant and equipment	(4,043)		(4,043)	(1,779)
Post-employment benefit obligation	781	227	1,007	(3,934)
Fair value (gain)/loss on equity investment		(37,048)	(37,048)	(567)
				(42,097)
Total deferred tax liabilities	(3,262)	(36,821)	(40,084)	(48,377)
Accrued Leave	(105)		(105)	1,183
Total deferred tax assets/(liabilities)	(3,367)	(36,821)	(40,188)	1,183

	Credit/ (charge) to		30 June 2024	30 June 2023
	P/L	OCI		
	Birr'000	Birr'000	Birr'000	Birr'000
Balance at the beginning of the year			(1,179)	(460)
Property, plant and equipment	(3,964)		(3,964)	(2,231)
Post-employment benefit obligation	(567)		(567)	912
Fair value gain(loss) on equity investment		(42,097)	(42,097)	-
Total deferred tax assets/(liabilities)	(4,531)	(42,097)	(47,807)	(1,779)
Deferred tax on accrued Leave	1,183		1,183	-

	30 June 2025	30 June 2024
	Birr'000	Birr'000
(d) Deferred tax liabilities		
Property, plant, equipment & intangible assets		
Property, plant, equipment & intangible assets - carrying amount (IFRS)	218,028	226,426
Property, plant, equipment & intangible assets - tax base	182,470	204,344
Property, plant, equipment & intangible assets - temporary difference	35,558	22,082
Deferred tax assets/(liabilities) at 30%	(10,667)	(6,625)
Defined benefit obligation		
Defined benefit obligation - carrying amount	8,201	(1,150)
Defined benefit obligation - tax base		
Defined benefit obligation - temporary difference	8,201	(1,150)
Deferred tax assets/(liabilities) at 30%	2,460	345
Fair value on Equity investment		
Fair value on Equity investment - carrying amount (IFRS)	462,413	223,576
Fair value on Equity investment - tax base	115,343	83,253
Fair value on Equity investment - temporary difference	347,070	140,323
Deferred tax assets/(liabilities) at 30%	(104,121)	(42,097)
Add deferred tax on annual leave	1,079	
Total Deferred tax liabilities	(111,250)	(48,378)



Goh Betoch Bank Share Company
Note to the Financial Statements
For the year ended 30 June 2025

Deferred tax asset

Annual Leave

Accrued leave - carrying amount (IFRS)

Accrued leave - tax base

Accrued leave - temporary difference

Deferred tax assets/(liabilities) at 30%

Deferred tax assets/(liabilities) at 30%

30 June 2025	30 June 2024
Birr'000	Birr'000
3,595	3,944
3,595	3,944
1,079	1,183
1,079	1,183

18 Cash and bank balance

Cash on hand

Deposits with local banks

Deposits with foreign banks

Less: Bank balance impairment

30 June 2025	30 June 2024
Birr'000	Birr'000
13,673	10,859
213,060	148,855
175,855	30,694
(20)	(10)
402,568	190,398

Maturity analysis

Current

402,568	190,398
402,568	190,398

Expected credit loss on Cash and bank balance

Cash on hand

Deposit with other local banks

Deposit with foreign banks

Total Bank balance impairment

30 June 2025	30 June 2024
Birr'000	Birr'000
(1)	(1)
(10)	(7)
(10)	(2)
(21)	(10)

19 Loans and advances to customers

Building and construction

Domestic Trade Services

Export and Import

Hotel and Tourism

Manufacturing and Industry

Personal and consumer

Transport and Communication

Total gross exposure

- Less impairment

30 June 2025	30 June 2024
Birr'000	Birr'000
792,739	942,661
351,187	242,963
273,324	306,941
-	-
25,466	-
229,257	59,271
-	-
1,671,973	1,551,835
(14,003)	(15,381)
1,657,970	1,536,454

Maturity analysis

Current

Non Current

415,497	415,497
1,242,473	1,120,957
1,657,970	1,536,454



Goh Betoch Bank Share Company
Note to the Financial Statements
For the year ended 30 June 2025
20 Investment securities
Assumptions

Liquidity discounts are applied to valuations due to the marketability of assets, reflecting their liquid or illiquid nature. Investors generally prefer equity investments that can be easily converted into cash through a liquid secondary market. Marketability refers to the ease and speed with which an instrument can be sold when desired. Equity interests lacking these marketability characteristics typically sell at a discount to compensate investors for the lack of liquidity.

Based on valuation experience, research, and independent surveys, an appropriate liquidity discount for the mentioned investments is considered to be 15.9%. This discount reflects the reduced marketability and the associated risks that investors face when dealing with less liquid assets.

A company specific discount is dependent on the comparability of the companies on which the valuation is based. Some of the more significant attributes used include; Profitability, geographic area of operation, size of company (e.g. revenue, assets, etc), type of product/service, market positioning, company growth, liquidity etc. These typical range 5% -30% depending on specific considerations.

The EV/EBITDA helps determine the true earning potential of the business. EV/EBITDA works better in case of service companies (Banks) and where the gestation is too long and net debt can be high. EV/EBITDA can also be a better measure where the leverage and net profits are more vulnerable to business cycles and financial solvency.□

On the other hand, the primary valuation techniques adopted by the Bank in undertaking the valuation of investee companies is the market approach. Thus, the equity investment is measured at fair value and the fair value gain/loss is reported as fair value through other comprehensive income. The Bank has elected to recognize changes in the fair value of investments in equity securities in OCI.

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 derecognized. The fair value estimates for Goh Property Development & Marketing SC is reported at cost due to not operate actively.

PricewaterhouseCoopers (PwC) estimates the fair value of the Bank's equity investments using the market approach, leveraging market data of comparable companies and adjusting for specific factors. PwC applies level II inputs and uses valuation by multiples based on actual market prices, requiring judgment to select appropriate multiples considering qualitative and quantitative factors.

Equity Investments at fair value-OCI	Fair value		30 June 2025	30 June 2024
	Cost	Gain/(Loss)		
	Birr'000	Birr'000	Birr'000	Birr'000
Ethio Life & General Insurance SC	22,250	4,063	26,313	17,873
Eth switch SC	80,593	342,737	423,330	275,323
Capital Financial Excellence Center SC	1,000	270	1,270	2,133
Goh Property Development & marketing SC	11,500	-	11,500	11,500
	115,343	347,070	462,413	306,830

Equity Investments at fair value-OCI	Fair value		30 June 2024	30 June 2023
	Cost	Gain/(Loss)		
	Birr'000	Birr'000	Birr'000	Birr'000
Ethio Life & General Insurance SC	16,125	1,748	17,873	19,769
Eth switch SC	54,628	220,695	275,323	247,629
Capital Financial Excellence Center SC	1,000	1,133	2,133	1,000
Goh Property Development & marketing SC	11,500	-	11,500	5,750
	83,253	223,576	306,830	274,149

Financial Assets at amortized cost (Bonds)	Fair value		30 June 2025	30 June 2024
	Cost	Gain/(Loss)		
	Birr'000	Birr'000	Birr'000	Birr'000
NBE Treasury Bond			195,547	150,724
DBE Bond			32,340	16,550
Time Deposit			-	-
Less: impairment allowance on NBE/DBE Bond			(12)	(9)
Fair value as at 30 June 2025				
Unrealized Gain/Loss to OCI				
			227,875	167,265
NBE Treasury Bond			(10)	(8)
DBE Bond			(2)	(1)
Total Bank balance impairment			(12)	(9)



Goh Betoch Bank Share Company
Note to the Financial Statements
For the year ended 30 June 2025

	30 June 2025	30 June 2024
	Birr'000	Birr'000
21 Other Assets		
Financial assets		
Advance Payments	68,010	269,205
Uncleared Effect-Local	-	-
Uncleared Effect-Foreign	158,565	-
Other receivables	834	16,789
Branch Establishment	8,367	
Less: impairment allowance	(3,153)	(2,479)
Total Financial Assets	232,623	283,515

The total advance payment includes Birr 27 million for the Core Banking System and Birr 19 million for staffs and other advances.

Maturity analysis

Current	232,623	283,515
Non Current		
	232,623	283,515

	30 June 2025	30 June 2024
	Birr'000	Birr'000
22 Non-financial assets		
Prepaid insurance	1,441	1,081
Prepaid employee benefit-fair value	24,749	12,155
Prepaid for office rent	-	24,465
Other prepayments	26,405	16,415
Inventory in stock	21,964	8,110
Total Non Financial Assets	74,559	62,226
Total Other Assets	307,182	345,741

23 Right of use assets

The Bank has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets below USD 5,000 and short term leases maturing less than 12-months. The Bank recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term. The Bank assesses the right of use asset for impairment when such indicators exist.

At the commencement date, the Bank measures the lease liability at the present value of the unpaid lease payments, discounted using the interest rate implicit in the lease if available, or the Bank's incremental borrowing rate, assumed to be 6% based on the industry average cost of funds. The right-of-use assets listed below are related to office rent prepayments.

Right of use assets

	30 June 2025	30 June 2024
	Birr'000	Birr'000
Opening Balance	48,065	187,452
Additions	29,790	-
Reclassification	73,239	(140,695)
Amortization	(38,727)	1,308
Total Right Use of Asset	112,366	48,065



Goh Betoch Bank Share Company
Note to the Financial Statements
For the year ended 30 June 2025

24 Property, plant and equipment

Cost:

Description	Buildings Birr'000	Office Equipment Birr'000	Furniture & Fittings Birr'000	Motor Vehicles Birr'000	Computer & Accessories Birr'000	Total Birr'000
As at 1 July 2023		11,124	61,253	48,372	48,303	169,052
Additions	-	2,608	4,377	26,092	2,069	35,146
Disposals	-	-	-	-	-	-
Reclassification	-	(262)	778	2,590	(674)	2,432
As at 30 June 2024	-	13,470	66,408	77,054	49,698	206,630
As at 1 July 2024		13,470	66,408	77,054	49,698	206,630
Additions	-	1,886	8,636	61	702	11,285
Disposals	-	-	-	-	-	-
Reclassification	-	-	-	-	-	-
As at 30 June 2025	-	15,356	75,044	77,115	50,400	217,915

Accumulated depreciation:

Description	Buildings Birr'000	Office Equipment Birr'000	Furniture & Fittings Birr'000	Motor Vehicles Birr'000	Computer & Accessories Birr'000	Total Birr'000
As at 1 July 2023		1,661	3,728	5,365	1,860	12,614
Charge for the year	-	1,790	3,857	5,251	5,918	16,816
Disposals	-	-	-	-	-	-
Reclassification	-	139	227	86	843	1,295
As at 30 June 2024	-	3,590	7,812	10,702	8,621	30,725
As at 1 July 2024		3,590	7,812	10,702	8,621	30,725
Charge for the year	-	2,150	3,910	6,877	5,243	18,180
Disposals	-	-	-	-	-	-
Reclassification	-	113	-	475	1,142	1,730
As at 30 June 2025	-	5,853	11,722	18,054	15,006	50,635
Net book value:						
As at 30 June 2024		9,880	58,596	66,352	41,077	175,905
As at 30 June 2025		9,503	63,322	59,061	35,394	167,281

(0)

25 Intangible Assets

Description	30 June 2025 Birr'000	30 June 2024 Birr'000
Cost:		
As at 1 July 2024	77,644	35,568
Additions	-	42,076
Disposals	-	-
Reclassification	-	-
As at 30 June 2025	77,644	77,644
Accumulated amortization		
As at 1 July 2024	14,143	2,492
Charge for the year	12,753	11,651
Disposal	-	-
As at 30 June 2025	26,896	14,143
Net book value:		
30 June 2025	50,748	63,501

The Bank has recognized an intangible asset, "Temenos and related softwares," which is utilized in the Core Banking system.



Goh Betoch Bank Share Company
Note to the Financial Statements
For the year ended 30 June 2025

26 Construction in progress

Beginning

Additions for the year

Disposal

As at 30 June 2025

30 June 2025	30 June 2024
Birr'000	Birr'000
24,607	109,536
	(84,929)
24,607	24,607

27 Non current asset held for sale

Cost

Opening

Additions/deduction

Balance at the end of the year

30 June 2025	30 June 2024
Birr'000	Birr'000
221,484	-
221,484	-

The Bank's policy is to pursue the realization of collateral in a timely manner to mitigate credit risk. The Bank ensures that all legal conditions required for declaring the default of the counterparty and liquidating the collateral are observed, allowing for prompt liquidation. The Bank has not held any collateral for default loans.

28 Deposits from customers

Demand deposits

Savings deposits

Time deposits

30 June 2025	30 June 2024
Birr'000	Birr'000
219,069	71,910
697,158	898,910
402,269	53,533
1,318,496	1,024,353

Maturity analysis

Current

Non Current

1,318,496	1,024,353
1,318,496	1,024,353

29 Lease liabilities

Opening Balance

Addition

Reclassification

Interest on Lease Discounts

30 June 2025	30 June 2024
Birr'000	Birr'000
35,584	122,731
29,790	
	(88,590)
2,980	1,443
68,354	35,584

30 Other liabilities

30.1 Financial liabilities

Audit fee payables

Cash payment order payable

Customers payables

Deferred Guarantee Commission

Deferred income on Loan processing and estimation fee

Exchange commission payable

Foreign transfers payables

Impairment on Financial Guarantee

Margin Held Accounts

Provision Directors' share of profit payable

Refund payable

30 June 2025	30 June 2024
Birr'000	Birr'000
765	673
2,009	1,779
14,627	16,049
4,792	4,302
-	2,865
3,021	37
-	-
14	1
13,416	-
1,350	1,350
-	-
39,994	27,056



Goh Betoch Bank Share Company
Note to the Financial Statements
For the year ended 30 June 2025

30.2 Non-financial liabilities

Cost Sharing Payable
Dividend payables
Employee Income Tax Payable
Interest Tax Payable
Pension Payable
Stamp Duty Charges
Value Added Tax Payable
Withholding Tax Payable
Reverse Tax Payable
Staff leave payables
Provision for bonus
Sundry payables

Total financial and non financial liabilities

Maturity analysis

Current
Non Current

	30 June 2025 Birr'000	30 June 2024 Birr'000
Cost Sharing Payable	11	11
Dividend payables	13,769	-
Employee Income Tax Payable	3,293	2,549
Interest Tax Payable	380	233
Pension Payable	1,244	1,037
Stamp Duty Charges	19	208
Value Added Tax Payable	4,375	-
Withholding Tax Payable	177	65
Reverse Tax Payable	-	113
Staff leave payables	3,595	3,943
Provision for bonus	-	6,252
Sundry payables	173,366	22,668
	200,229	37,079
	240,223	64,135

	30 June 2025 Birr'000	30 June 2024 Birr'000
Current	240,223	64,135
Non Current	-	-
	240,223	64,135

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

(i) Purpose of the valuation

The purpose of the valuation is to update the Bank's liabilities since the previous valuation in respect of benefits provided to employees on leaving the Bank. In particular, this will:

- Estimate the defined benefit obligation of the Bank in respect of the benefits;
- Provide information on the evolution of the liabilities over the period for the Bank disclosures;
- Broadly analyse the factors that have caused a change in the liabilities over the period; and,
- Analyse the expected changes in the liabilities over the next period.

(ii) Valuation Method

(a) Liabilities :

The defined benefit obligation was calculated using the projected unit credit method. This is the required method in terms of IAS19. The past service liability (the liability which has accrued in respect of service to the valuation date for the current employees) for the active members is calculated by projecting all expected future cash flows based on service to the valuation date and discounting these at the assumed discount rate allowing for possible reasons of exit from the Bank, such as retirement and death. Under the Projected Unit Credit method, the present value of benefits that will accrue to employees in respect of the next year of service after the valuation date is calculated and this is called the Current Service Cost.

(b) Assets:

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



Goh Betoch Bank Share Company

Note to the Financial Statements

For the year ended 30 June 2025

(iii) Valuation Assumptions

Valuation assumptions can be split into two broad groups, namely financial and demographic assumptions. Financial assumptions are those that affect the amount of the benefit payments (e.g. increases in salary and the discount rate) while demographic assumptions are those that affect the expected timing of the benefit payments (e.g. resignation or mortality rates). In an actuarial valuation of a defined benefit liability, it is the relationship between these financial assumptions that is critically important, not the absolute value of any particular assumption. Since the benefits are long-term obligations, the assumptions are made with a long-term outlook in mind. The actual experience in the short term will differ from these assumptions.

(iv) Valuation Results

(a) Net (Asset)/Liability recognized in the statement of financial position:

	30 June 2025 Birr'000	30 June 2024 Birr'000
Defined benefits obligation	8,201	4,844
Total defined benefit obligation	8,201	4,844

(b) Expense/(income) recognised in Profit & Loss:

	30 June 2025 Birr'000	30 June 2024 Birr'000
Amount recognized in the profit or loss		
Current service cost	1,429	1,400
Interest cost	1,173	1,164
Past service cost		
Total expense recognized in profit/(loss)	2,602	2,564

(c) Expense/(income) recognized in other comprehensive income:

The movements recognized under other comprehensive income (OCI) for the year ended 30 June 2025 are disclosed as follows:

	30 June 2025 Birr'000	30 June 2024 Birr'000
At the beginning of the year		
Actuarial (Gains)/Losses on economic assumptions	1,366	(407)
Actuarial (Gains)/Losses on experience	(611)	(1,482)
Expense/(Income) recognized in OCI	755	(1,889)

(d) Reconciliation of Defined Benefit Obligation:

The table below sets out the reconciliation of the liability to be recognised in the financial statements:

At the beginning of the year	4,844	4,169
Current service cost	1,429	1,400
Actuarial(gain)/losses on economic assumptios	1,366	
Interest cost	1,173	1,164
Total expense for the period	8,812	6,733
Remeasurement (gains)/ losses	(611)	(1,889)
Benefits paid		
Past service cost recognized in OCI		
At the end of the year	8,201	4,844

(e) Sensitivity of the Results

The sensitivity of the main results to changes in the principal assumptions rate have been calculated. The changes in the Defined Benefit Obligation are reflected below:

	30 June 2025 Birr'000	30 June 2024 Birr'000
Sensitivity		
	DBO Base	DBO on changed Assumptions
Discount rate + 1%	8,201	7,323
Discount rate - 1%	8,201	9,194
Salary increase + 1%	8,201	9,207
Salary increase - 1%	8,201	7,298
	% Change	% Change
	-10.71%	-10.26%
	12.11%	11.54%
	12.27%	11.89%
	-11.01%	-10.71%



Goh Betoch Bank Share Company
Note to the Financial Statements
For the year ended 30 June 2025

(f) Analysis of Actuarial (Gain)/Loss on the liabilities

The table below sets out the sources of gains and losses on the DBO. It should be noted that the figures shown below have been estimated and represent an indication of the comparative relative effect of the item on the DBO. If the experience is more favourable than the assumptions made, the DBO would reduce and vice versa. These relative impacts are calculated to allow the Bank to assess comparative impacts of the various reasons for the change in the defined defined obligation.

	30 June 2025	30 June 2024
	Birr'000	Birr'000
Change in economic assumptions	1,366	(407)
Salary increases	(590)	(542)
New employees	568	603
Exit experience	(543)	(1,376)
Other miscellaneous items	(46)	(167)
Total Actuarial(gain)/Loss on defined benefit obligation	755	(1,889)

(g) Financial Assumption Long term Average

	30 June 2025	30 June 2024
	Birr'000	Birr'000
Discount Rate	14.60%	18.70%
Inflation Rate	12.20%	14.30%
Salary increase Rate	12.20%	14.30%
Net pre-retirement Rate	2.14%	3.85%

(h) Mortality in service

In determining an appropriate mortality table to use for the valuations, we have used the mortality rates published in Demographic and Health Survey ("DHS") report compiled by the CSA. The DHS report provides male and female mortality rates for 5-year age bands from age 15 to age 49. Since the rates are provided in 5-year bands, we have used the rates 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.

Sample mortality rates are shown in the table below:

Age	Mortality Rate	
	Males	Females
20	0.31%	0.22%
25	0.30%	0.23%
30	0.36%	0.31%
35	0.41%	0.28%
40	0.52%	0.32%
45	0.45%	0.43%
50	0.63%	0.63%
55	0.98%	0.98%
60	1.54%	1.54%

32 Share capital

(a) Authorized:

Ordinary shares of Ordinary shares of Birr 1000 each

30 June 2025	30 June 2024
Birr'000	Birr'000
3,056,210	3,056,210

(b) Issued and fully paid:

Ordinary shares of Birr 1000 each
Share premium

30 June 2025	30 June 2024
Birr'000	Birr'000
1,510,830	1,411,240
-	-
1,510,830	1,411,240

The Bank shares are owned by individuals and companies.

In relation to the National Bank of Ethiopia Directive requiring all commercial Banks to raise their minimum paid up capital to 5 billion Goh Betoch Bank has to reach this goal by June 2029, The bank paid up capital as at June 3025 is birr 1.51 billion. The management has plans to reach this goal by end of June 2029.



Goh Betoch Bank Share Company
Note to the Financial Statements
For the year ended 30 June 2025

33 Earnings per share

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

	30 June 2025	30 June 2024
	Birr'000	Birr'000
Profit attributable to shareholders	65,526	80,093
Weighted average number of ordinary shares in issue	1,157	1,053
Basic earnings per share (Birr 1000)	56.64	76.05

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. There were no potentially dilutive shares at the reporting date.

34 Retained earnings

	30 June 2025	30 June 2024
	Birr'000	Birr'000
At the beginning of the year	22,976	880
Transfer to General Reserve		(880)
Dividend paid	(22,976)	
Carried forward	-	-
Profit/ (Loss) for the year	65,526	80,093
Prior period adjustment	2,851	
	68,377	80,093
Legal reserve	(16,382)	(20,023)
Transfer to Regulatory risk reserve	388	(37,095)
At the end of the year	52,383	22,976

35 Legal reserve

	30 June 2025	30 June 2024
	Birr'000	Birr'000
At the beginning of the year	23,272	3,249
Transfer from profit or loss	16,382	20,023
Prior period adjustment		
At the end of the year	39,654	23,272

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

36 Regulatory risk reserve

	30 June 2025	30 June 2024
	Birr'000	Birr'000
Beginning of the year	43,098	6,003
Transfer from/(to) loan impairment	1,825	(4,449)
Transfer from/(to) other assets	(674)	31,182
Transfer from/(to) Guarantees & undisbursed loans	(1,539)	10,362
Regulatory risk reserve Ending balance	42,710	43,098



Goh Betoch Bank Share Company
Note to the Financial Statements
For the year ended 30 June 2025

The Regulatory risk reserve is a non-distributable reserve required by the National Bank of Ethiopia Directives No. SBB/90/2024 to be kept for impairment losses on loans and other receivables in excess of IFRS 9 Expected credit and other receivable loss.

When the loan loss impairment determined using the NBE guidelines is higher than loss impairment determined under IFRS 9 model, the difference is transferred to regulatory risk reserve and it is non-distributable to the owners of the bank.

Where the loss impairment determined using the NBE guidelines is less than the loan loss impairment determined using under IFRS 9 model, the difference is transferred from regulatory risk reserve to the retained earnings to the extent of non-distributable reserve previously recognized.

37 General Reserve

	30 June 2025	30 June 2024
	Birr'000	Birr'000
At the beginning of the year	1,741	949
Transfer to General Reserve less 10% tax	(1,741)	792
General Reserve	-	1,741

38 Other Reserve-Other Comprehensive Income (OCI)

	30 June 2025	30 June 2024
	Birr'000	Birr'000
Beginning	180,330	213,482
Remeasurement gain/loss on retirement benefit obligation net	(529)	1,889
Prior period adjustment deferred tax	(23,868)	
Fair value on Equity Investment (net of tax)	86,446	(35,041)
Other Reserve-Other Comprehensive Income (OCI)	242,393	180,330

39 Cash generated from operating activities

	30 June 2025	30 June 2024
Profit before tax	68,893	83,411
Adjustments for non-cash items:		
Prepaid staff benefit expense	3,371	18,111
Depreciation on property, plant and equipment	24 19,910	11,651
Amortization on intangible assets	25 12,753	8,431
Impairment on loans and advances	13 (1,378)	2,471
Impairment on other receivables	21 689	
Impairment on financial Guarantees	42 13	1
Employee Benefit Obligation	31 2,602	2,564
Interest on lease discount	29 2,980	(2,072)
(Gain)/Loss on disposal of property, plant and equipment	-	(75,443)
Prior Period adjustments	(2,851)	
Changes in working capital:		
Cash flows from operating activities		
Decrease/(increase) in other assets and financial asset	20&21 (22,051)	(229,054)
Decrease/(increase) in right use of assets	23 (64,302)	139,388
Decrease/(increase) in Loans and advances	19 (121,516)	(233,243)
Increase/ (Decrease) in deposits	28 294,143	112,551
Increase/ (Decrease) in other liabilities	30.2 176,088	24,025
Increase in non current asset held for sale	(221,484)	
Net cash (outflow)/inflow from operating activities	147,902	(137,208)



Goh Betoch Bank Share Company
Note to the Financial Statements
For the year ended 30 June 2025

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

30 June 2025	30 June 2024
Birr'000	Birr'000
	178,207
	(102,764)
-	75,443

40 Key management compensation

Number of Employees

30 June 2025	30 June 2024
Number	Number
3	3
13	12
34	29
182	137
232	181

Senior Executive
Directors
Managers
Non Managerial

Key management at the Bank consists of the Board of Directors and the Executive Management Committee. Their compensation includes salaries and

30 June 2025	30 June 2024
Birr'000	Birr'000
Salaries and other short-term employee benefits	10,517
Housing and Representation Allowance	1,800
Monthly Board of directors fee	1,060
Provision for annual BoDs' fee	1,350
14,727	13,045

Compensation of the Bank's key management personnel

41 Related party transactions

In the normal course of business, a number of banking transactions are entered into with related parties. A "Related Party" under Directive No. SBB/88/2024 includes the bank's majorly owned subsidiaries and any party that the bank controls or is controlled by.

The following table provides a summary of influential shareholders, board members, the chief executive officer, and senior executive officers, extending up to the ultimate beneficial owner. Additionally, it includes the spouse or first-degree relatives of these individuals, as well as entities where these influential figures hold a 10% or more interest or serve in executive roles.

(a) Transactions with related parties

30 June 2025	30 June 2024
Loans to related parties	143
Estimated value of collateral	130

(b) Key Management compensation

30 June 2025	30 June 2024
Birr'000	Birr'000
Loans to key management personnel	71,491
Estimated value of collateral	74,719

Goh Betoch Bank SC has established a sister company, Goh Property Development and Marketing SC, with an investment of 11,500 shares at a par value of Birr 1,000 each, totaling Birr 11.5 million. This initiative arises from regulatory limitations that prevent the Bank from directly engaging in construction activities.

42 Contingent liabilities

This section addresses contingent liabilities—potential obligations that could materialize depending on the outcome of uncertain future events. As of the reporting date, the bank has not identified any contingent liabilities or potential claims. The bank remains vigilant in monitoring such matters and will disclose any developments as they arise.



Goh Beto Bank Share Company
Note to the Financial Statements
For the year ended 30 June 2025

(i) Claims and litigation

As of the reporting date, the Bank has no ongoing claims or litigation matters, nor does it anticipate any such issues arising. This disclosure reflects our strong compliance with regulatory requirements and our proactive risk management practices. The Bank continues to monitor its operations closely to ensure that any potential legal or regulatory issues are identified and addressed promptly.

(a) Guarantees and letters of credit

The Bank engages in operations that include performance bonds, bid bonds, and performance bond guarantees. These instruments serve as a security measure, bolstering the performance of a customer towards third parties. The Bank is only obligated to fulfill these commitments if the customer defaults. Therefore, the cash requirements for these instruments are anticipated to be significantly less than their face values.

The Bank has set aside provisions for all items not included in the Statement of Financial Position, in accordance with the NBE-Business Assets Classification and Provisioning Directive No. SBB/90/2024. This has been done without taking into account any cash or other collateral. The following table provides a summary of contingent liabilities with the corresponding provisions based on NBE directive:

	30 June 2025	30 June 2024
	Birr'000	Birr'000
Guarantees		
Financial guarantees	28,164	2,500
Less: Impairment on financial guarantees	(14)	(1)
Advance payment	224,545	159,263
Bid bond	7,320	783
Performance bond	63,415	329,121
Less: Impairments on guarantees	(8,823)	(10,362)
	314,607	481,304
Letters of credit	89,558	-
	404,165	481,304

(b) Deferred Guarantee Commission

Deferred Guarantee Commission represents commission income received in advance for issuing guarantees or providing related services over a specified future period. This income is recognized progressively as revenue throughout the coverage period, in line with the delivery of the underlying services or guarantees. This approach aligns with the revenue recognition principle, ensuring revenue is recorded in the period in which the corresponding services are performed.

Reconciliation for the Deferred Guarantee Commission (Liability):

	30 June 2025	30 June 2024
	Birr'000	Birr'000
Deferred Guarantee Commission-liability		
At the beginning of the year	-	-
During the period	4,792	4,302
Prior period adjustment	-	-
At the end of the year	4,792	4,302



Goh Betoch Bank Share Company
Note to the Financial Statements
For the year ended 30 June 2025

(ii) Loan Commitments

Loans and advances approved but not disbursed
Less: Impairments on Loan commitments

Unutilized overdraft facilities

30 June 2025 Birr'000	30 June 2024 Birr'000
-	26,411
-	(1)
-	26,410
1,458	2,431
1,458	28,841

43 Events after reporting period

As of the date of approval of these financial statements, the Directors are not aware of any events after the reporting period that would require adjustment to, or disclosure in, the financial statements for the period ended 30 June 2025.



ጎረቤቶች ባንክ አክሲዮን ማህበር
የትርፍ ወይም ኪሳራ እና ሌሎች አጠቃላይ ገቢዎች መግለጫ
እ.ኤ.አ በሰኔ 30 ቀን 2025 ለተጠናቀቀው የሂሳብ ዓመት

ዝርዝር	ማብራሪያ	እ.ኤ.አ. ሰኔ 30 2025 ብር'000	እ.ኤ.አ. ሰኔ 30 2024 ብር'000
የወለድ ገቢ	7	313,311	273,266
የወለድ ወጪ	8	(83,290)	(56,648)
የተጣራ የወለድ ገቢ		230,021	216,618
ኮሚሽንና የአገልግሎት ገቢዎች	9	83,723	37,591
ኮሚሽንና የአገልግሎት ወጪዎች	10	(9,252)	(5,055)
የተጣራ ኮሚሽንና የአገልግሎት ገቢ		74,471	32,536
ከወጪ ምንዛሪ ግብይት የተገኘ የተጣራ ገቢ	11	46,235	4,841
ሌሎች የመደበኛ ሥራ ገቢዎች	12	30,905	98,391
		77,140	103,232
አጠቃላይ የመደበኛ ሥራ ገቢዎች		381,632	352,386
ለአጠራጣሪ ብድሮች የተያዘ መጠባበቂያ	13	1,378	(8,431)
ለሌሎች አጠራጣሪ ተሰባሳቢዎች የተያዘ መጠባበቂያ	14	(689)	(2,471)
ለፋይናንሺያል ዋስትና የተያዘ መጠባበቂያ	14	(13)	(1)
የተጣራ የመደበኛ ሥራ ገቢዎች		382,308	341,483
የሰራተኛ ወጪዎች	15	(156,950)	(119,928)
የእርጅና ተቀናሽ	24-25	(32,668)	(29,775)
የሊዝ ዕዳ ወለድ	29	(2,980)	(1,443)
ሌሎች የመደበኛ ሥራ ወጪዎች	16	(120,817)	(106,926)
ከትርፍ ግብር በፊት የተገኘ ትርፍ		68,893	83,411
የትርፍ ግብር	17	(3,367)	(3,318)
ከትርፍ ግብር በኋላ የተገኘ ትርፍ		65,526	80,093
የሚከፋፈል ትርፍ ውስጥ የማይካተቱ:			
ከሰራተኞች የአገልግሎት ጥቅም መጠባበቂያ ዳግም ልኬት	31(c)	(755)	1,889
ከሠራተኛ ጋር ያሉ ግዴታዎች ወቅታዊ ግምት ስሌት ማስተካከያ	17(c)	227	(567)
የአክሲዮን ኢንሸስትመንት ወቅታዊ ግምት	16	123,494	7,055
የአክሲዮን ኢንሸስትመንት ወቅታዊ ግምት ስሌት ማስተካከያ	17(c)	(37,048)	(42,097)
የሚከፋፈል ትርፍ ውስጥ የማይካተቱ ድምር		85,917	(33,720)
ከታክስ በኋላ ያሉ የተጣሩ ሌሎች አጠቃላይ የዓመቱ የስሌት ገቢዎች		151,443	46,374
በአክሲዮን ያስገኙት ትርፍ (የአንዱ ዋጋ ብር 1000)	33	56.64	76.05

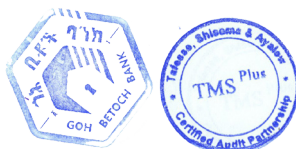


ገቢያት ባንክ አክሲዮን ማህበር
የሃብትና የዕዳ ሂሳብ መግለጫ
እ.ኤ.አ በሰኔ 30 ቀን 2025

	ማብራሪያ	እ.ኤ.አ. ሰኔ 30 2025 ብር ('000)	እ.ኤ.አ. ሰኔ 30 2024 ብር ('000)
ሀብት			
በእጅና በባንክ የሚገኝ ጥሬ ገንዘብ	18	402,568	190,398
ለደንበኞች የተሰጠ ብድርና ቅድሚያ ክፍያ(የተጣራ)	19	1,657,970	1,536,454
ኢንቨስትመንት:			
- የአክሲዮን ኢንቨስትመንት	20	462,413	306,830
- በንድ/ሰነድ ግዥ	20	227,875	167,265
ሌሎች ሃብቶች	21	307,182	345,741
የሊዝ መጠቀም መብት	23	112,366	48,065
ቋሚ ንብረት	24	167,281	175,906
ግዙፋዊ ህልዎች የሌላቸው ሃብቶች	25	50,748	63,501
ህንፃ ግንባታ ሥራ በሂደት ላይ	26	24,607	24,607
ሊሸጡ በመያዣ የተያዙ ንብረቶች	27	221,484	-
ወደፊት የሚሰበሰብ የትርፍ ግብር	17	8,616	-
ተከፋይ ታክስ ሀብት	17(c)	-	1,183
ጠቅላላ ሀብት		3,643,110	2,859,950
ዕዳዎች			
የደንበኞች ተቀማጭ ገንዘብ	28	1,318,496	1,024,353
ዓመታዊ የግብር ዕዳዎች	17	-	-
የሊዝ ግዴታ	29	68,354	35,584
ሌሎች ዕዳዎች	30	240,223	64,135
ከሠራተኛ ጋር ያሉ ግዴታዎች	31	8,201	4,844
ወደፊት የሚከፈል የትርፍ ግብር	17	7,844	-
ተከፋይ የታክስ ዕዳ	17(d)	8,616	48,377
ጠቅላላ ዕዳዎች		1,755,140	1,177,293
ካፒታልና መጠባበቂያ ሂሳቦች			
የተከፈለ ካፒታል	32	1,510,830	1,411,240
ያልተከፈለ ትርፍ	34	52,383	22,976
ሕጋዊ የመጠባበቂያ ሂሳብ	35	39,654	23,272
በብሔራዊ ባንክ መመሪያ መሰረት ለብድርና ተሰብሳቢዎች ተጨማሪ መጠባበቂያ	36	42,710	43,098
ሌሎች የመጠባበቂያ ሂሳብ	37	-	1,741
ሌሎች የተጣመሩ ወቅታዊ የግምት ገቢዎች/(ወጪዎች)	38	242,393	180,330
ጠቅላላ ካፒታልና መጠባበቂያ ሂሳቦች		1,887,971	1,682,657
የዕዳዎችና የባለአክሲዮኖች ገንዘብ ድምር		3,643,110	2,859,950



በላቸው ሁሪሳ
የዳይሬክተሮች ቦርድ ሊቀመንበር





ግሩም ፀጋዬ
ዋና ሥራ አስፈጻሚ



ለህገ ስኬትዎ !

ዛሬን ይቆጥቡ



የትውልዱ ባንክ
Bank of the Generation

አለም አቀፍ የባንክ አገልግሎቶች

ለአስመጪ እና ለኪዎች ከግልፅ አሰራር እና ቀልጣፋ አገልግሎትጋር!

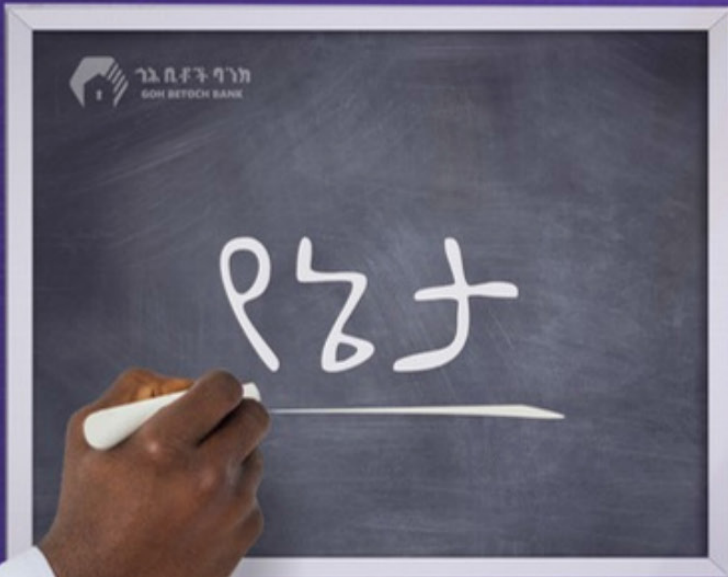
+251 116 686 239
+251 254 112 746



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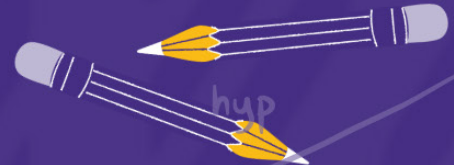


ጎዕ ቢቶች ባንክ
GOH BETOCH BANK

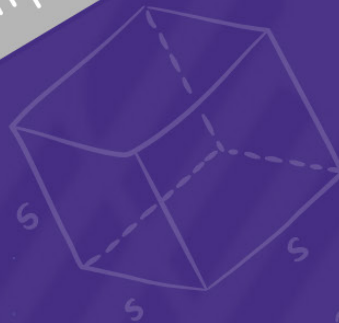


የመምህራን

ክፍ የቁጠባ ሂሳብ



$$x = \frac{-b \pm \sqrt{b^2 - 4ac}}{2a}$$



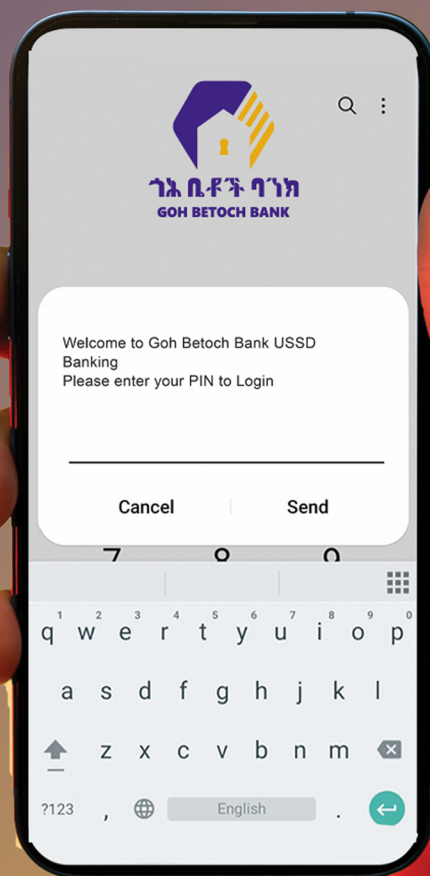
$$V = s^3$$

$$\sin(\theta) = \frac{\text{opp}}{\text{hyp}}$$

የትውልዱ ባንክ
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*916#

መባይል
ባንኪንግ
በሁሉም
ቦታ ያለ
ኢንተርኔት



የትውልዱ ባንክ
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Card banking ግብይትዎን በክርድዎ



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ጎኦ ቤተኛ ባንክ
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ለልጅዎ

የሚያበርክቱት ትልቅ ስጦታ

ዳጋስ ያለ
ወለድ
እስከ
9%

የልጆች
ቤት

ቁጠባ ሂሳብ



የትውልድ ባንክ!
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ጎሕ ቤቶች ባንክ በቴሌ ብር

በቀላሉ ገንዘብን ያንቀሳቅሱ

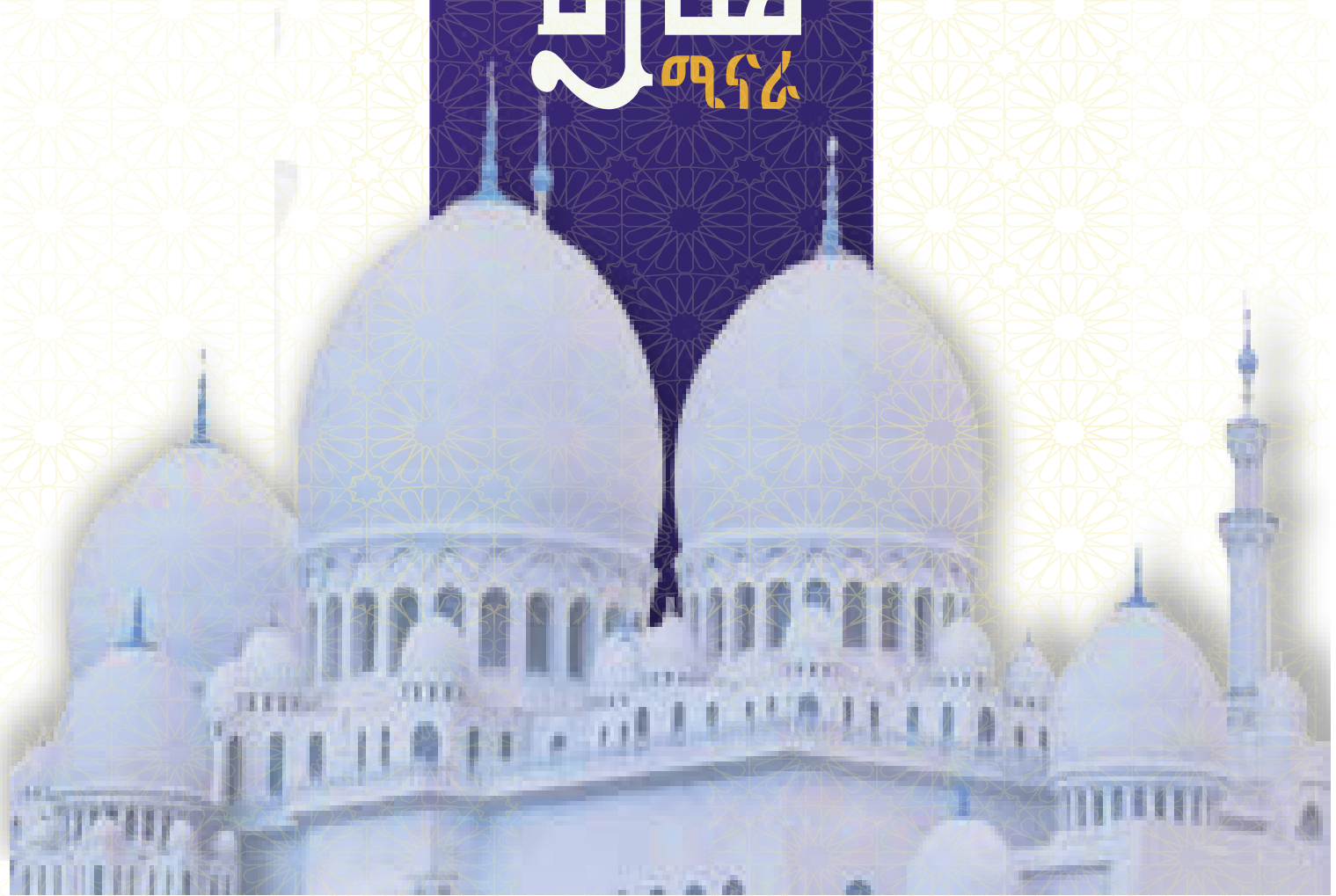
- » ከቴሌ ብር ወደ ጎሕ ቤቶች የቁጠባ አካውንት
- » ከጎሕ ቤቶች የቁጠባ አካውንት ወደ ቴሌ ብር



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ሚኒስትር



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